



**City of Abbotsford
British Columbia**

2015

**CONSOLIDATED
FINANCIAL STATEMENTS**

Fiscal Year Ending December 31, 2015

Prepared by Corporate Services Finance Division



KPMG LLP
Chartered Accountants
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada

Telephone (604) 854-2200
Fax (604) 853-2756
Internet www.kpmg.ca

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, 2015, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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, 2015, 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 Professional Accountants

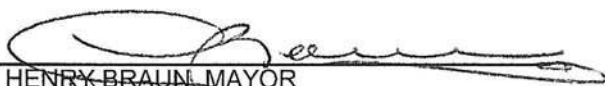
May 2, 2016

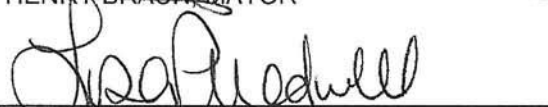
Abbotsford, Canada

CITY OF ABBOTSFORD
Consolidated Statement of Financial Position

As at December 31, 2015, with comparative information as at December 31, 2014
In thousands

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 24,572	\$ 42,785
Accounts receivable (Note 3)	37,889	37,220
Portfolio investments (Note 4)	219,972	155,098
	<u>282,433</u>	<u>235,103</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	63,252	58,746
Restricted revenue (Note 6)	46,388	40,847
Deferred revenue (Note 7)	2,325	2,344
	<u>111,965</u>	<u>101,937</u>
Long-term debt (Note 8)	66,564	69,777
	<u>178,529</u>	<u>171,714</u>
	<u>103,904</u>	<u>63,389</u>
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	1,407,195	1,410,580
Inventories (Note 11)	1,012	1,141
Pre-paid expenses (Note 12)	599	365
	<u>1,408,806</u>	<u>1,412,086</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 1,512,710</u>	<u>\$ 1,475,475</u>
Contingent Liabilities (Note 16)		


 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, 2015, with comparative information for 2014
In thousands

	2015 Plan (Note 18)	2015 Actual	2014 Actual
REVENUE			
Municipal taxation	\$ 126,699	\$ 126,934	\$ 125,453
Fees and charges	67,897	73,973	74,046
Developer charges earned	5,910	12,192	9,914
Contributed tangible capital assets	-	19,695	3,950
Grants	18,362	14,083	29,769
Investment income	3,922	4,400	3,807
Rent	3,884	4,001	4,029
Other	-	259	205
	<u>226,674</u>	<u>255,537</u>	<u>251,173</u>
EXPENSE			
General government	16,065	15,791	15,205
Planning & development services	4,307	4,101	4,065
Protective services	67,776	69,537	69,124
Parks, recreation, culture & libraries	31,041	37,371	48,065
Transit	11,322	10,908	10,650
Engineering	24,354	42,847	41,705
Dyking, drainage & irrigation	2,737	3,611	6,052
Waterworks	8,033	14,570	13,898
Sanitary sewer	7,245	12,759	11,615
Airport	4,150	6,807	6,675
	<u>177,030</u>	<u>218,302</u>	<u>227,054</u>
ANNUAL SURPLUS	<u>49,644</u>	<u>37,235</u>	<u>24,119</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,475,475</u>	<u>1,475,475</u>	<u>1,451,356</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$1,525,119</u>	<u>\$1,512,710</u>	<u>\$1,475,475</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2015, with comparative information for 2014
In thousands

	2015	2014
OPERATING ACTIVITIES		
Annual surplus	\$ 37,235	\$ 24,119
Non-cash items included in annual surplus:		
Amortization expense	44,260	43,488
Contributed tangible capital assets	(19,695)	(3,950)
Loss on disposal of tangible capital assets	1,143	399
Recognition of restricted revenue	(13,413)	(13,500)
Changes in non-cash operating items:		
Accounts receivable	(669)	(323)
Inventories	129	83
Pre-paid expenses	(234)	4,166
Accounts payable and accrued liabilities	4,506	(65)
Deferred revenue	(18)	(18,749)
	<u>53,244</u>	<u>35,668</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(64,874)	(10,696)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	18,955	19,027
Debt principal repaid	(3,213)	(8,572)
	<u>15,742</u>	<u>10,455</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	1,267	976
Acquisition of tangible capital assets	(23,592)	(15,319)
	<u>(22,325)</u>	<u>(14,343)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,213)	21,084
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>42,785</u>	<u>21,701</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 24,572</u>	<u>\$ 42,785</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, 2015, with comparative information for 2014

In thousands

	2015 Plan (Note 18)	2015 Actual	2014 Actual
ANNUAL SURPLUS	\$ 49,644	\$ 37,235	\$ 24,119
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(40,782)	(23,590)	(15,319)
Contributed tangible capital assets	-	(19,695)	(3,950)
Amortization	-	44,260	43,488
Proceeds from disposal of tangible capital assets	-	1,267	976
Loss on disposal of tangible capital assets	-	1,143	399
	(40,782)	3,385	25,594
OTHER NON-FINANCIAL ASSETS:			
Decrease in inventory	-	129	83
(Increase)/decrease in pre-paid expenses	-	(234)	4,166
	-	(105)	4,249
INCREASE IN NET FINANCIAL ASSETS	8,862	40,515	53,962
NET FINANCIAL ASSETS, BEGINNING OF YEAR	63,389	63,389	9,427
NET FINANCIAL ASSETS, END OF YEAR	\$ 72,251	\$ 103,904	\$ 63,389

See notes to consolidated financial statements.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

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. 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, 2015
(Tabular amounts are in thousands of dollars)

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 2015 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on March 30, 2015, 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, 2015
(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 using various methods including appraisal, assessed values or in-house estimation.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

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, 2015
(Tabular amounts are in thousands of dollars)

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) Contaminated Sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

(n) 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, 2015
(Tabular amounts are in thousands of dollars)

2. CASH AND CASH EQUIVALENTS:

	2015	2014
Cash	\$ 15,429	\$ 33,720
MFA short-term money-market investment pools	9,143	9,065
	<u>\$ 24,572</u>	<u>\$ 42,785</u>

3. ACCOUNTS RECEIVABLE:

	2015	2014
Fees and charges	\$ 13,931	\$ 13,696
Taxes	6,837	7,702
Grants	549	486
Development cost charges	10,713	9,165
Local improvement/service charges	5,859	6,171
	<u>\$ 37,889</u>	<u>\$ 37,220</u>

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, 2015
(Tabular amounts are in thousands of dollars)

4. PORTFOLIO INVESTMENTS:

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

	2015		2014	
	Cost	Market	Cost	Market
Portfolio investments	\$ 219,972	\$ 220,569	\$ 155,098	\$ 155,487

	2015		2014	
	Short-term	Long-term	Short-term	Long-term
Duration	less than 2 years	2 - 10 years	less than 2 years	2 - 10 years
Average holdings	163,567	23,284	116,495	29,881
Annual yield	1.95 %	2.60 %	1.98 %	2.92 %



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2015	2014
Accounts payable:		
Trade payables	\$ 20,079	\$ 16,457
Deposits	13,868	10,219
Tax prepayments	11,836	11,691
Salaries and wages	3,357	5,399
Due to Cemetery Care Trust Fund	79	217
Accounts payable and accrued liabilities:		
Retirement allowance liability	10,117	10,497
Liability claims	918	559
Vacation pay	1,120	1,444
Landfill restoration liability	1,146	1,171
Long-term payables	732	1,092
	\$ 63,252	\$ 58,746

(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 2015, 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, 2015. The difference between the actuarially determined benefit obligation of \$11,794,000 and the accrued benefit liability of \$10,117,000 as at December 31, 2015, was an unamortized actuarial loss of \$1,677,000, (2014 loss - \$281,000) 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, 2016.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

	2015	2014
Actuarial benefit obligation	\$ 11,794	\$ 10,778
Unamortized actuarial gain/(loss)	(1,677)	(281)
Accrued benefit liability	<u>\$ 10,117</u>	<u>\$ 10,497</u>

Accrued benefit liability :

	2015	2014
Balance, beginning of year	\$ 10,497	\$ 9,925
Current service cost	902	786
Interest cost	351	398
Benefits paid	(1,658)	(582)
Amortization of net actuarial loss/(gain)	25	(30)
Balance, end of year	<u>\$ 10,117</u>	<u>\$ 10,497</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

Actuarial Assumptions used to determine the benefit obligation:

	2015	2014
Discount rate	3.2 %	3.1 %
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 and post-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.

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; however, a 2015 review indicated that the majority of the wood waste had decomposed and therefore, the completion of the closure plan was deferred until the removal of the remaining woodwaste. 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 2015. This capacity is projected to be fully used by 2025.

The liability of \$1,146,000, at December 31, 2015 (2014 - \$1,171,000), is calculated based on



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(b) Landfill Restoration Liability: continued

the discounted estimated future cash flows associated with closure and post-closure activities for existing waste at the two landfills. An additional \$738,000 (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 \$1,884,000.

The discount rate used in 2015 was 3.2% (2014 – 3.1%) and the inflation rate used in 2015 was 2.0% (2014 - 2.0%). Landfill closure costs in 2015 were \$60,025 (2014 - \$56,008). There are no assets designated for settling the post-closure care liability.

	2015	2014
Restoration liability, beginning of year	\$ 1,171	\$ 1,272
Adjustment to liability	(25)	(101)
Restoration liability, end of year	<u>\$ 1,146</u>	<u>\$ 1,171</u>

(c) Liability for Contaminated Sites:

The City has determined that as of December 31, 2015, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY:

	Development cost charges	Development fees	Airport fees	2015 Total	2014 Total
Balance December 31, 2014	\$ 21,107	\$ 18,568	\$ 1,172	\$ 40,847	\$ 35,320
Add:					
Current year contributions	15,163	1,599	1,417	18,179	18,293
Interest	399	341	35	775	734
	<u>36,669</u>	<u>20,508</u>	<u>2,624</u>	<u>59,801</u>	<u>54,347</u>
Deduct amounts recognized as revenue in current year					
Developer charges earned:					
Capital expenditures	11,735	468	-	12,203	11,123
Airport fees:					
Eligible airport expenditures	-	-	1,210	1,210	2,377
	<u>11,735</u>	<u>468</u>	<u>1,210</u>	<u>13,413</u>	<u>13,500</u>
Balance, December 31, 2015	<u>\$ 24,934</u>	<u>\$ 20,040</u>	<u>\$ 1,414</u>	<u>\$ 46,388</u>	<u>\$ 40,847</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, 2015, the amount of DCCs due over the next two years is \$10,712,504 (2014 - \$9,165,425).

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, 2015
(Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY: CONTINUED

(a) Development Cost Charges (DCC) continued

	2015	2014
Development cost charges:		
Storm drainage	\$ 11,672	\$ 11,278
Parks	5,419	6,031
Waterworks - supply	5,802	2,558
Sanitary sewer - collection	2,041	1,240
	<u>\$ 24,934</u>	<u>\$ 21,107</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, 2015
(Tabular amounts are in thousands of dollars)

7. DEFERRED REVENUE:

	December 31, 2014	Externally restricted inflows	Revenue earned	December 31, 2015
Fees and charges	\$ 1,615	\$ 7,515	\$ (7,278)	\$ 1,852
Grant	277	26	(13)	290
UFV library lease	452	-	(269)	183
	\$ 2,344	\$ 7,541	\$ (7,560)	\$ 2,325



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(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 and thereafter are listed below:

	General	Waterworks - supply	Sanitary sewer - treatment	Total
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	3,656	201	64	3,921
2021 and thereafter	48,154	211	69	48,434
	\$ 65,080	\$ 1,123	\$ 361	\$ 66,564

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 \$3,541,200 in 2015 (2014 - \$3,833,400).



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(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.

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.

	2015	2014
Roads DCC	\$ 9,945	\$ 15,163
Sanitary sewer DCC - treatment plant	416	1,878
	\$ 10,361	\$ 17,041



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2015	2014
General		
Land	383,669	379,569
Land improvements	6,708	7,079
Park improvements	17,312	18,771
Buildings	115,748	122,004
Machinery & equipment	8,972	10,642
Vehicles	11,857	12,859
Infrastructure		
Airport	27,995	29,037
Waterworks	232,596	231,253
Sanitary sewer	163,676	164,352
Transportation	211,938	219,775
Storm drainage and detention	186,166	183,951
Dyking, drainage & irrigation	21,634	22,164
Assets under construction	18,924	9,124
	\$ 1,407,195	\$ 1,410,580

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 \$19,695,000 (2014 – \$3,950,000).

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
Statements

For the Year Ended December 31, 2015
(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:

	2015	2014
Stock	\$ 360	\$ 378
Fuel	30	50
Gravel	622	607
Tradex	-	106
	<u>\$ 1,012</u>	<u>\$ 1,141</u>

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.

	2015	2014
General	\$ 575	\$ 365
Abbotsford Centre	24	-
	<u>\$ 599</u>	<u>\$ 365</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

13. ACCUMULATED SURPLUS:

	2015	2014
Unappropriated Balance		
General operations	\$ 19,570	\$ 14,779
Waterworks operations	4,265	2,232
Sanitary sewer operations	5,799	4,002
Airport operations	1,176	1,176
	<u>30,810</u>	<u>22,189</u>
Appropriated Surplus		
General operations reserve	35,604	33,260
Statutory capital reserves	115,327	96,301
	<u>150,931</u>	<u>129,561</u>
Investment in tangible capital assets	1,329,358	1,322,219
Investment in other non-financial assets	1,611	1,506
	<u>1,512,710</u>	<u>\$1,475,475</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
Statements

For the Year Ended December 31, 2015
(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:

	2015	2014
Interest paid	\$ 3,667	\$ 3,972
Interest received	\$ 3,033	\$ 3,813

15. EXPENSE BY OBJECT:

	2015	2014
Salaries and benefits	\$ 95,469	\$ 95,987
Operating goods and services	52,295	59,024
Minor capital projects	7,028	10,105
Amortization	44,260	43,488
Loss on disposal of tangible capital assets	1,143	399
Transfer payments to other governments and agencies	14,566	14,218
Long-term debt interest	3,541	3,833
Total expense by object	<u>\$ 218,302</u>	<u>\$ 227,054</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 2015 the City reports a liability of \$918,191 (2014 – \$559,155) which, at this time, is management's best estimate of expected future settlements.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES: continued

(c) Municipal Pension Plan:

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee defined-benefit 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 185,000 active members and approximately 80,000 retired members. Active members include approximately 962 contributors from the City of Abbotsford.

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

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 \$8,941,835 (2014 - \$8,300,806) for employer contributions while employees contributed \$7,160,403 (2014 - \$6,726,651) to the plan in fiscal 2015.

(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



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES: continued

(d) Municipal Finance Authority: continued

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 \$1,187,415 (2014 - \$1,157,771). The balance of the City's portion of the Debt Reserve Fund totals \$2,565,801 (2014 - \$2,565,801), for which the City has also executed demand notes in connection with each debenture totaling \$2,565,801 (2014 - \$2,565,801), 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.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

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:

	Extent of Contracts	Estimated Remaining Expenditure
Airport services	\$ 434	\$ 180
Buildings construction	3,849	576
Parks construction	7,536	1,228
Planning & development services	312	83
Sanitary sewer construction	327	44
Vehicles & equipment	1,176	1,176
Waterworks construction	4,577	2,798
	\$ 18,211	\$ 6,085



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

18. 2015 PLAN:

The budget data presented in these consolidated financial statements was included in the City of Abbotsford 2015-2019 Financial Plan, adopted through Bylaw No. 2385-2015 on March 30, 2015. The following table reconciles the approved budget to the budget figures in these consolidated financial statements:

	<u>2015</u>
Revenues:	
Consolidated budget	\$ 230,727
Expenses:	
Consolidated budget	<u>174,353</u>
Annual surplus per approved budget	56,374
Less:	
Minor capital expenses	(4,768)
Collections for other governments	<u>(1,962)</u>
Annual surplus per Statement of Operations	<u><u>\$ 49,644</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, 2015, the trust fund balance is \$3,574,394 (2014 - \$3,462,549).



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

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

Engineering

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

Fire Rescue Services

- Emergency incident response
- Firefighter training
- Fire inspections and investigations
- Fire safety programs
- Medical assistance

Other Protective Services

- 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
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

20. CITY SERVICES FINANCIAL INFORMATION: continued

Solid Waste

Collection and disposal
Composting and recycling
Environmental education

Transit

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

Dyking & Irrigation

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

Drainage

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

Sanitary Sewer

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

Waterworks

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

Planning & Development Services

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

Airport

National and international flights
Passenger and cargo services



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

21. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 82,566	\$ 88,423	\$ 102,417
Planning & development services	1,768	2,019	1,898
Police services	48,878	48,733	47,203
Fire rescue services	200	313	251
Other protective services	3,355	4,304	3,609
Parks, recreation & culture services	6,644	6,225	6,548
Abbotsford Centre	3,721	3,421	4,718
Library services	4,399	4,399	4,287
Transit services	7,463	7,303	7,112
Engineering services	2,623	3,119	3,118
Solid waste services	7,598	7,448	7,381
Storm drainage services	3,580	3,635	3,553
Dyking, drainage and irrigation services	2,125	2,099	2,109
	<u>174,920</u>	<u>181,441</u>	<u>194,204</u>
WATERWORKS	15,970	17,293	16,699
SANITARY SEWER	11,782	12,983	12,636
AIRPORT	5,959	6,229	6,144
CAPITAL FUNDS	15,678	34,795	19,377
RESERVE FUNDS	2,425	2,939	2,358
	<u>226,734</u>	<u>255,680</u>	<u>251,418</u>
CONSOLIDATION ADJUSTMENTS	(60)	(143)	(245)
	<u>226,674</u>	<u>255,537</u>	<u>251,173</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

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

	2015 Plan	2015 Actual	2014 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	15,990	15,317	14,862
Planning & development services	4,308	4,101	4,065
Police services	48,398	49,378	48,431
Fire rescue services	15,760	16,450	16,840
Other protective services	3,535	3,355	3,291
Parks, recreation & culture services	20,179	23,865	24,036
Abbotsford Centre	6,437	8,846	19,234
Library services	4,110	4,285	4,187
Transit services	11,322	10,908	10,650
Engineering services	9,890	24,491	24,210
Solid waste services	7,414	7,591	7,259
Storm drainage services	2,833	5,754	5,283
Dyking, drainage and irrigation services	2,737	3,562	3,263
	<u>152,913</u>	<u>177,903</u>	<u>185,611</u>
WATERWORKS	7,995	14,485	13,703
SANITARY SEWER	7,266	12,280	11,293
AIRPORT	4,151	6,747	6,588
CAPITAL FUNDS	4,765	7,030	10,104
	<u>177,090</u>	<u>218,445</u>	<u>227,299</u>
CONSOLIDATION ADJUSTMENTS	(60)	(143)	(245)
	<u>177,030</u>	<u>218,302</u>	<u>227,054</u>
ANNUAL SURPLUS	<u>\$ 49,644</u>	<u>\$ 37,235</u>	<u>\$ 24,119</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2015 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.

	2015 Plan	2015 Actual (less Amortization)	2014 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 82,566	\$ 88,423	\$ 102,417
Planning & development services	1,768	2,019	1,898
Police services	48,878	48,733	47,203
Fire rescue services	200	313	251
Other protective services	3,355	4,304	3,609
Parks, recreation & culture services	6,644	6,225	6,548
Entertainment and Sports Centre	3,721	3,421	4,718
Library services	4,399	4,399	4,287
Transit services	7,464	7,303	7,112
Engineering services	2,623	3,119	3,118
Solid waste services	7,598	7,448	7,381
Storm drainage services	3,580	3,635	3,553
Dyking, drainage and irrigation services	2,124	2,099	2,109
	<u>174,920</u>	<u>181,441</u>	<u>194,204</u>
WATERWORKS	15,970	17,293	16,699
SANITARY SEWER	11,781	12,983	12,636
AIRPORT	5,959	6,229	6,144
CAPITAL FUNDS	15,679	34,795	19,377
RESERVE FUNDS	2,425	2,939	2,358
	<u>226,734</u>	<u>255,680</u>	<u>251,418</u>
CONSOLIDATION ADJUSTMENTS	(60)	(143)	(245)
	<u>226,674</u>	<u>255,537</u>	<u>251,173</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2015
(Tabular amounts are in thousands of dollars)

22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: continued

	2015 Plan	2015 Actual (less Amortization)	2014 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	15,990	14,966	13,761
Planning & development services	4,308	4,101	4,065
Police services	48,398	48,458	47,517
Fire rescue services	15,760	15,416	15,825
Other protective services	3,535	3,355	3,290
Parks, recreation & culture services	20,179	19,658	19,577
Entertainment and Sports Centre	6,437	6,058	16,445
Library services	4,110	4,081	3,982
Transit services	11,322	10,877	10,617
Engineering services	9,890	8,318	8,997
Solid waste services	7,414	7,532	7,204
Storm drainage services	2,833	2,154	1,818
Dyking, drainage and irrigation services	2,737	2,838	2,548
	152,913	147,812	155,646
WATERWORKS	7,995	7,508	7,245
SANITARY SEWER	7,266	6,803	6,345
AIRPORT	4,151	3,889	4,072
CAPITAL FUNDS	4,765	7,030	10,104
AMORTIZATION	-	44,260	43,488
LOSS ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	1,143	399
	177,090	218,445	227,299
CONSOLIDATION ADJUSTMENTS	(60)	(143)	(245)
	177,030	218,302	227,054
ANNUAL SURPLUS	\$ 49,644	\$ 37,235	\$ 24,119

CITY OF ABBOTSFORD

Statement of Financial Position - By Fund

As at December 31, 2015, with comparative information as at December 31, 2014

In thousands

Exhibit 1

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 24,572	\$ -	\$ -	\$ -	\$ -
Due from other funds	831	5,307	6,924	2,080	150,933
Internal borrowing	10,361	-	-	-	-
Accounts receivable	30,078	5,258	1,755	699	-
Portfolio investments	219,972	-	-	-	-
	<u>285,814</u>	<u>10,565</u>	<u>8,679</u>	<u>2,779</u>	<u>150,933</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	62,725	399	-	128	-
Due to other funds	165,362	-	-	-	-
Restricted revenue	36,192	5,901	2,879	1,416	-
Deferred revenue	1,965	-	-	59	-
	<u>266,244</u>	<u>6,300</u>	<u>2,879</u>	<u>1,603</u>	<u>-</u>
Long-term debt	-	-	-	-	-
Internal financing	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>266,244</u>	<u>6,300</u>	<u>2,879</u>	<u>1,603</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,570</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>150,933</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,012	-	-	-	-
Pre-paid expenses	599	-	-	-	-
	<u>1,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 21,181</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$150,933</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Statement of Financial Position - By Fund

As at December 31, 2015, with comparative information as at December 31, 2014
 In thousands

Exhibit 1

Capital Funds					Consolidation Adjustments	Total 2015	Total 2014
General	Waterworks	Sanitary Sewer	Airport				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,572	\$ 42,785	
-	-	-	119	(166,194)	-	-	
-	-	-	-	(10,361)	-	-	
99	-	-	-	-	37,889	37,220	
-	-	-	-	-	219,972	155,098	
99	-	-	119	(176,555)	282,433	235,103	
-	-	-	-	-	63,252	58,746	
831	-	-	-	(166,194)	-	-	
-	-	-	-	-	46,388	40,847	
183	-	-	119	-	2,325	2,344	
1,014	-	-	119	(166,194)	111,965	101,937	
65,079	1,124	361	-	-	66,564	69,777	
9,945	-	416	-	(10,361)	-	-	
75,024	1,124	777	-	(10,361)	66,564	69,777	
76,038	1,124	777	119	(176,555)	178,529	171,714	
(75,939)	(1,124)	(777)	-	-	103,904	63,389	
930,877	235,959	171,971	68,388	-	1,407,195	1,410,580	
-	-	-	-	-	1,012	1,141	
-	-	-	-	-	599	365	
930,877	235,959	171,971	68,388	-	1,408,806	1,412,086	
\$ 854,938	\$ 234,835	\$ 171,194	\$ 68,388	\$ -	\$ 1,512,710	\$ 1,475,475	

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Statement of Financial Activities - By Fund

For the year ended December 31, 2015, with comparative information for 2014

In thousands

Exhibit 2

	Operating Funds				Reserve
	General Schedule A	Waterworks Schedule B	San Sewer Schedule C	Airport Schedule D	Funds Schedule S
REVENUE					
Municipal taxation	\$ 126,934	\$ -	\$ -	\$ -	-
Fees and charges	37,033	17,253	12,893	4,281	-
Developer charges earned	16	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants	13,930	-	-	-	-
Investment income	1,447	2	90	66	2,938
Rent	2,082	38	-	1,881	-
Other sources	-	-	-	-	1
Contributions (to)/from other funds	-	-	-	-	-
	<u>181,442</u>	<u>17,293</u>	<u>12,983</u>	<u>6,228</u>	<u>2,939</u>
EXPENSE					
General government services	14,966	-	-	-	-
Planning & development services	4,101	-	-	-	-
Protective services	67,229	-	-	-	-
Parks, recreation, culture, libraries	29,797	-	-	-	-
Transit services	10,877	-	-	-	-
Engineering services	18,826	-	-	-	-
Dyking, drainage and irrigation services	2,020	-	-	-	-
Waterworks services	-	7,508	-	-	-
Sanitary sewer services	-	-	6,803	-	-
Airport services	-	-	-	3,889	-
Amortization	30,479	6,034	5,176	2,572	-
Loss/(gain) on disposal of TCA	(388)	943	302	286	-
	<u>177,907</u>	<u>14,485</u>	<u>12,281</u>	<u>6,747</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>3,535</u>	<u>2,808</u>	<u>702</u>	<u>(519)</u>	<u>2,939</u>
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	(1,640)	-	-	-	1,640
General capital reserve	(25,008)	-	-	-	7,666
Storm drainage capital reserve	-	-	-	-	(741)
Waterworks capital reserve	-	(7,595)	-	-	2,786
Sanitary sewer capital reserve	-	-	(4,332)	-	3,649
Airport capital reserve	-	-	-	(2,415)	3,433
Eliminate amortization and loss/gain	24,095	6,977	5,477	2,933	-
Internal borrowing (from general fund)	7,188	-	-	-	-
	<u>4,635</u>	<u>(618)</u>	<u>1,145</u>	<u>518</u>	<u>18,433</u>
Debt principal repayments	(3,274)	(157)	(50)	-	-
CHANGE IN INVENTORY/PRE-PAID EXPENSES	<u>105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>4,791</u>	<u>2,033</u>	<u>1,797</u>	<u>-</u>	<u>21,372</u>
SURPLUS, BEGINING OF YEAR	<u>16,285</u>	<u>2,232</u>	<u>4,002</u>	<u>1,176</u>	<u>129,561</u>
SURPLUS, END OF YEAR	<u>\$ 21,181</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 150,933</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Statement of Financial Activities - By Fund

For the year ended December 31, 2015, with comparative information for 2014

In thousands

Exhibit 2

Capital Funds							
General Schedule R	Waterworks Schedule R	San Sewer Schedule R	Airport Schedule R	SUBTOTAL	Consolidation Adjustments	Total 2015	Total 2014
\$ -	\$ -	\$ -	\$ -	126,934	\$ -	\$ 126,934	\$ 125,453
42	1,247	14	1,210	73,973	-	73,973	74,046
10,442	204	1,530	-	12,192	-	12,192	9,914
14,257	3,122	2,316	-	19,695	-	19,695	3,950
153	-	-	-	14,083	-	14,083	29,769
-	-	-	-	4,543	(143)	4,400	3,807
-	-	-	-	4,001	-	4,001	4,029
613	(325)	(41)	11	259	-	259	205
480	(45)	(46)	(389)	-	-	-	-
25,987	4,203	3,773	832	255,680	(143)	255,537	251,173
474	-	-	-	15,439	-	15,439	14,101
-	-	-	-	4,101	-	4,101	4,065
354	-	-	-	67,582	-	67,582	67,195
375	-	-	-	30,171	-	30,171	40,613
-	-	-	-	10,877	-	10,877	10,617
5,108	-	-	-	23,933	(98)	23,835	22,972
49	-	-	-	2,069	-	2,069	5,336
-	85	-	-	7,593	-	7,593	7,442
-	-	525	-	7,328	(45)	7,283	6,667
-	-	-	60	3,949	-	3,949	4,159
-	-	-	-	44,260	-	44,260	43,488
-	-	-	-	1,143	-	1,143	399
6,360	85	525	60	218,445	(143)	218,302	227,054
19,627	4,118	3,248	772	37,235	-	37,235	24,119
-	-	-	-	-	-	-	-
17,736	(47)	(347)	-	-	-	-	-
741	-	-	-	-	-	-	-
-	4,809	-	-	-	-	-	-
-	-	683	-	-	-	-	-
-	-	-	(1,018)	-	-	-	-
(26,065)	(6,977)	(4,015)	(2,933)	(508)	-	(508)	(570)
(5,218)	-	(1,462)	-	508	-	508	570
(12,806)	(2,215)	(5,141)	(3,951)	-	-	-	-
3,274	157	50	-	-	-	-	-
-	-	-	-	105	-	105	(4,248)
10,095	2,060	(1,843)	(3,179)	37,235	-	37,235	24,119
844,839	232,775	173,037	71,567	1,475,475	-	1,475,475	1,451,356
\$ 854,934	\$ 234,835	\$ 171,194	\$ 68,388	\$ 1,512,710	\$ -	\$ 1,512,710	\$ 1,475,475

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

As at December 31, 2015, with comparative information for 2014
In thousands

Exhibit 3

	Cost						
	Opening Balance	Add			Less		Closing Balance
		Additions	Transfer from asset class	Disposals	Transfer to asset class		
General							
Land	\$ 379,569	\$ 5,171	\$ (608)	\$ (463)	\$ -	\$ 383,669	
Land improvements	15,387	-	33	-	-	15,420	
Park improvements	54,106	49	-	-	-	54,155	
Buildings	222,871	810	766	(1,022)	-	223,425	
Machinery & equipment	32,483	808	29	(582)	-	32,738	
Vehicles	29,503	527	740	(809)	-	29,961	
Infrastructure							
Airport	37,141	-	-	-	-	37,141	
Waterworks	320,321	7,119	1,166	(2,250)	-	326,356	
Sanitary sewer	251,082	2,547	2,219	(822)	-	255,026	
Transportation	521,422	5,693	436	(376)	-	527,175	
Storm drainage	255,303	5,519	268	(96)	-	260,994	
Dyking, drainage, & irrigation	51,249	189	5	-	-	51,443	
Assets under construction	9,124	14,854	-	-	(5,054)	18,924	
	\$2,179,561	\$ 43,286	\$ 5,054	\$ (6,420)	\$ (5,054)	\$2,216,427	

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

As at December 31, 2015, with comparative information for 2014
In thousands

Exhibit 3

Opening Balance	Accumulated Amortization		Closing Balance	Net Book Value Dec 31, 2015	Net Book Value Dec 31, 2014
	Add Amortization	Less Accumulated Amortization on Disposals			
\$ -	\$ -	\$ -	\$ -	\$ 383,669	\$ 379,569
8,308	405	-	(8,713)	6,707	7,079
35,335	1,508	-	(36,843)	17,312	18,771
100,868	7,476	(667)	(107,677)	115,748	122,003
21,841	2,394	(469)	(23,766)	8,972	10,642
16,644	2,148	(688)	(18,104)	11,857	12,859
8,104	1,042	-	(9,146)	27,995	29,037
89,067	6,000	(1,307)	(93,760)	232,596	231,254
86,730	5,176	(556)	(91,350)	163,676	164,352
301,647	13,867	(277)	(315,237)	211,938	219,775
71,353	3,521	(46)	(74,828)	186,166	183,950
29,084	724	-	(29,808)	21,635	22,165
-	-	-	-	18,924	9,124
\$ 768,981	\$ 44,261	\$ (4,010)	\$ (809,232)	\$ 1,407,195	\$ 1,410,580

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2015, with comparative information as at 2014

Exhibit 4

In thousands

	Balance December 31, 2014	(To)/From Operating Fund	(To)/From Other Funds	Other Contributions	Interest Earned	Balance December 31, 2015
STATUTORY CAPITAL RESERVES						
General	\$ 27,243	\$ 24,530	\$ (16,579)	\$ -	\$ 696	\$ 35,890
Storm drainage	12,918	186	(1,212)	-	265	12,157
Waterworks	18,547	7,813	(5,027)	-	418	21,751
Sanitary sewer	28,631	4,407	(758)	-	642	32,922
Airport	8,710	2,415	1,018	-	207	12,350
Affordable housing	252	-	-	-	5	257
	<u>96,301</u>	<u>39,351</u>	<u>(22,558)</u>	<u>-</u>	<u>2,233</u>	<u>115,327</u>
GENERAL OPERATING RESERVE						
Planned Transfers						
New facility operations	2,244	-	-	-	134	2,378
Water system contingency	717	-	-	-	43	760
Insurance	2,266	-	-	-	48	2,314
Tradex operating reserve	815	95	(910)	-	16	16
Election	-	79	-	-	5	84
Community Works Fund	19,456	5,498	(5,114)	-	49	19,889
Sister city	66	10	-	-	5	81
Climate action	899	87	-	-	19	1,005
Community projects	407	-	-	-	24	431
	<u>26,870</u>	<u>5,769</u>	<u>(6,024)</u>	<u>-</u>	<u>343</u>	<u>26,958</u>
Operating Surplus Transfers						
Police	751	276	-	-	45	1,072
Winter operations	1,126	-	-	-	68	1,194
Storm drainage	2,107	823	-	-	126	3,056
Sumas Prairie DDI	116	(7)	-	-	6	115
Matsqui Prairie DDI	96	(50)	-	-	2	48
Solid waste	589	(84)	-	-	18	523
	<u>4,785</u>	<u>958</u>	<u>-</u>	<u>-</u>	<u>265</u>	<u>6,008</u>
Other Transfers						
General government	1,367	325	-	-	82	1,774
Planning & Development	38	200	-	-	2	240
Fire Rescue Services	-	158	-	-	-	158
Parks & Recreation	15	(16)	-	-	1	-
Engineering	-	80	-	-	-	80
Traffic fine revenue	185	-	-	-	11	196
Transit Provision	-	189	-	-	-	189
	<u>1,605</u>	<u>936</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>2,637</u>
	<u>33,260</u>	<u>7,663</u>	<u>(6,024)</u>	<u>-</u>	<u>704</u>	<u>35,604</u>
Total	\$ 129,561	\$ 47,014	\$ (28,582)	\$ -	\$ 2,937	\$ 150,931

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2015, with comparative information for 2014
In thousands

Exhibit 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding December 31	2015 Debt Servicing			Debt Outstanding December 31
					2014	Principal	Interest	Total	2015
GENERAL FUND									
Parks, recreation and culture									
Abbotsford Centre	1586	102/103	2032	5.00	\$ 45,405	\$ 1,705	\$ 2,341	\$ 4,046	\$ 43,700
Cultural Centre	1587	102/103	2027	5.00	7,559	433	396	829	7,126
Community Centre	1588	102/103	2027	5.00	15,121	867	791	1,658	14,254
					<u>68,085</u>	<u>3,005</u>	<u>3,528</u>	<u>6,533</u>	<u>65,080</u>
SANITARY SEWER FUND									
Sanitary sewer - treatment plant									
	455	75	2021	3.05	411	50	3	53	361
					<u>411</u>	<u>50</u>	<u>3</u>	<u>53</u>	<u>361</u>
WATERWORKS FUND									
Waterworks - supply									
	454	75	2021	3.05	1,281	158	10	168	1,123
					<u>1,281</u>	<u>158</u>	<u>10</u>	<u>168</u>	<u>1,123</u>
Total Long-term Debt					<u>\$ 69,777</u>	<u>\$ 3,213</u>	<u>\$ 3,541</u>	<u>\$ 6,754</u>	<u>\$ 66,564</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, 2015, with comparative information for 2014
In thousands

Schedule A

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Municipal taxation:			
General	\$ 72,592	\$ 72,679	\$ 72,654
Police	43,553	43,553	42,358
Library	4,399	4,399	4,287
Dyking, drainage & irrigation	1,952	1,947	1,963
Utility tax	1,852	1,852	1,823
Business improvement assessment	254	274	254
Hotel tax	250	288	240
Grants in lieu of taxes:			
Federal government	1,005	1,075	1,006
Provincial governments and agencies	841	867	869
Fees and charges:			
Transit	2,626	2,628	2,553
Police	3,138	2,996	3,446
User rates	7,598	7,448	7,381
Storm drainage	3,580	3,621	3,553
Parks, recreation and culture	6,587	6,208	6,538
Abbotsford Centre	2,721	2,472	3,830
Other	3,799	3,896	4,302
Licenses and permits:			
Building permits	1,532	2,523	1,680
Soil removal fees	2,135	2,483	2,304
Business licences	940	1,065	921
Dog licences	-	-	197
Municipal licence plates	39	46	40
Secondary suite fees	1,226	1,254	1,230
Other licences and permits	418	412	372
Rental:			
Police	41	48	41
Other	1,870	2,027	1,933
Investment income	1,351	1,420	1,411
Municipal Finance Authority refunds	36	28	30
Grants:			
Transit	4,837	4,675	4,560
Police	2,146	2,134	1,353
Other	1,601	7,120	21,076
	<u>174,919</u>	<u>181,438</u>	<u>194,205</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, 2015, with comparative information for 2014
In thousands

Schedule A

	2015 Plan	2015 Actual	2014 Actual
EXPENSE			
General government services (Schedule E)	15,990	14,966	13,761
Planning & development services (Schedule F)	4,308	4,101	4,065
Protective services			
Police services (Schedule G)	48,398	48,458	47,517
Fire rescue services (Schedule H)	15,760	15,416	15,825
Other protective services (Schedule I)	3,535	3,355	3,290
Parks, recreation & culture services (Schedule J)	20,179	19,658	19,577
Abbotsford Centre (Schedule K)	6,437	6,058	16,445
Library services (Schedule L)	4,110	4,081	3,982
Transit services (Schedule M)	11,322	10,877	10,617
Engineering services (Schedule N)	9,890	8,318	8,997
Solid waste services (Schedule O)	7,414	7,532	7,204
Storm drainage services (Schedule P)	2,833	2,154	1,818
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,074	1,150	959
Sumas Prairie (Schedule Q)	1,663	1,688	1,589
	<u>152,913</u>	<u>147,812</u>	<u>155,646</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	22,006	33,626	38,559
Amortization (All Schedules)	-	30,479	29,831
Loss/(gain) on disposal of tangible capital assets (All Schedules)	-	(388)	134
ANNUAL SURPLUS/(DEFICIT)	<u>22,006</u>	<u>3,535</u>	<u>8,594</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,191)	(750)
Transfer to general capital reserve	(18,455)	(23,817)	(19,265)
Storm drainage capital reserve	-	-	(842)
Transfer to operating reserve	(354)	(7,923)	(20,346)
Transfer from operating reserve	96	6,283	2,406
Debt principal repayments	(3,293)	(3,274)	(3,158)
Inventory and pre-paid expenses	-	(104)	4,248
Eliminate amortization and loss/gain	-	31,282	30,714
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 4,791</u>	<u>\$ 1,601</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, 2015, with comparative information for 2014
In thousands

Schedule B

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
User rates	\$ 15,600	\$ 16,558	\$ 15,938
Other fees and charges	332	695	700
Rent	38	38	34
Municipal Finance Authority refunds	-	2	27
	<u>15,970</u>	<u>17,293</u>	<u>16,699</u>
EXPENSE			
Abbotsford-Mission supply and transmission	3,048	2,880	2,476
Administration	2,398	1,845	2,016
Local supply and distribution	1,690	1,720	1,834
Meters	496	453	384
Hydrants	252	360	268
Maintenance	101	240	183
Long-term debt interest	10	10	82
Internal borrowing interest	-	-	3
	<u>7,995</u>	<u>7,508</u>	<u>7,246</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>7,975</u>	<u>9,785</u>	<u>9,453</u>
Amortization	-	6,034	6,105
Loss/(gain) on disposal of tangible capital assets	-	943	353
ANNUAL SURPLUS/(DEFICIT)	<u>7,975</u>	<u>2,808</u>	<u>2,995</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to waterworks capital reserve	(7,818)	(7,595)	(7,563)
Debt principal repayments	(157)	(157)	(1,559)
Eliminate amortization and loss/gain	-	6,977	6,459
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 2,033</u>	<u>\$ 332</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, 2015, with comparative information for 2014

In thousands

Schedule C

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
User rates	\$ 10,300	\$ 10,955	\$ 10,711
Industrial surcharges	977	1,320	1,102
Other fees and charges	433	618	644
Investment income	55	90	107
Municipal Finance Authority refunds	17	-	72
Grants	-	-	-
	<u>11,782</u>	<u>12,983</u>	<u>12,636</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	4,044	3,893	3,445
Administration	1,833	1,745	1,635
Maintenance	1,366	1,117	1,084
Long-term debt interest	3	3	107
Internal borrowing interest	20	45	74
	<u>7,266</u>	<u>6,803</u>	<u>6,345</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>4,516</u>	<u>6,180</u>	<u>6,291</u>
Amortization	-	5,176	4,935
Loss/(gain) on disposal of tangible capital assets	-	301	13
ANNUAL SURPLUS/(DEFICIT)	<u>4,516</u>	<u>703</u>	<u>1,343</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to sanitary sewer capital reserve	(4,370)	(4,333)	(2,168)
Debt principal repayments	(146)	(50)	(4,124)
Eliminate amortization and loss/gain	-	5,477	4,949
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ -</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, 2015, with comparative information for 2014

In thousands

Schedule D

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 1,263	\$ 1,287	\$ 1,375
Public parking fees	1,670	1,685	1,554
Concessions	948	1,020	960
Other fees and charges	162	289	162
Rent	1,878	1,881	2,018
Investment income	38	66	75
	<u>5,959</u>	<u>6,228</u>	<u>6,144</u>
EXPENSE			
Administration	1,433	1,449	1,463
Marketing	121	50	75
Terminal building	527	611	522
Airside	1,483	1,372	1,417
Mobile equipment	254	174	226
Parking	333	233	369
	<u>4,151</u>	<u>3,889</u>	<u>4,072</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>1,808</u>	<u>2,339</u>	<u>2,072</u>
Amortization	-	2,572	2,617
Loss/(gain) on disposal of tangible capital assets	-	286	(101)
ANNUAL SURPLUS/(DEFICIT)	<u>1,808</u>	<u>(519)</u>	<u>(444)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	(75)	(223)
Transfer to airport capital reserve	(1,808)	(2,339)	(2,072)
Eliminate amortization and loss/gain	-	2,933	2,739
CHANGE IN UNAPPROPRIATED SURPLUS	<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, 2015, with comparative information for 2014

Schedule E

In thousands

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Municipal taxation	\$ 76,794	\$ 77,035	\$ 76,845
Fees and charges	2,345	2,156	2,451
Rent	1,870	2,029	1,928
Investment income	1,351	1,416	1,402
Grants	170	5,759	19,762
Municipal Finance Authority refunds	36	28	30
	<u>82,566</u>	<u>88,423</u>	<u>102,418</u>
EXPENSE			
LEGISLATIVE SERVICES	698	663	588
CITY MANAGER'S OFFICE			
City manager	1,059	1,638	1,047
Corporate communications and marketing	880	909	887
Human resources	1,605	1,367	1,331
FINANCE & CORPORATE SERVICES			
City Clerk	1,134	1,023	1,051
Elections	-	2	315
Finance & purchasing	3,688	3,094	3,159
Risk management	1,204	1,416	934
Business technology solutions	3,723	3,369	3,546
Economic development	535	470	263
Real estate services	313	282	274
OTHER			
General municipal buildings	2,017	1,883	1,678
Transfer to other agencies	584	683	612
Common services	1,189	806	653
Less: Cost recoveries	(2,639)	(2,639)	(2,577)
	<u>15,990</u>	<u>14,966</u>	<u>13,761</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	66,576	73,457	88,657
Amortization	-	952	1,113
Loss/(gain) on disposal of tangible capital assets	-	(601)	(12)
ANNUAL SURPLUS/(DEFICIT)	<u>66,576</u>	<u>73,106</u>	<u>87,556</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(654)	(86)
Transfer to general capital reserve	(2,982)	(9,100)	(3,622)
Transfer to operating reserve	(354)	(6,196)	(19,780)
Transfer from operating reserve	55	6,142	517
Debt principal repayments	(288)	(269)	(269)
Inventory and pre-paid expenses	-	(104)	4,248
Eliminate amortization and loss/gain	-	992	1,187
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 63,007</u>	<u>\$ 63,917</u>	<u>\$ 69,751</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, 2015, with comparative information for 2014

In thousands

Schedule F

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 940	\$ 1,065	\$ 921
Development permit application fees	130	113	118
Rezoning application fees	150	136	149
Subdivision application fees	65	96	39
Other licences and permits	60	60	55
Fees and charges:			
Development fees on Engineering projects	250	430	469
Other fees and charges	73	90	143
Grants	100	29	4
	<u>1,768</u>	<u>2,019</u>	<u>1,898</u>
EXPENSE			
Development approvals	4,133	3,927	3,824
Licence inspection	175	174	241
	<u>4,308</u>	<u>4,101</u>	<u>4,065</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(2,540)</u>	<u>(2,082)</u>	<u>(2,167)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(200)	(105)
Transfer from operating reserve	41	-	-
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (2,499)</u>	<u>\$ (2,282)</u>	<u>\$ (2,272)</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, 2015, with comparative information for 2014

Schedule G

In thousands

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Municipal taxation	\$ 43,553	\$ 43,553	\$ 42,358
Fees and charges:			
Salary recoveries	2,206	1,869	2,329
Other revenue	932	1,128	1,118
Government grants:			
Traffic fine revenue - sharing	2,000	2,002	1,203
Other government grants	146	132	150
Rent	41	48	45
	<u>48,878</u>	<u>48,732</u>	<u>47,203</u>
EXPENSE			
Finance and budgets	503	551	534
Executive administration	1,900	1,829	1,801
Operations support	5,446	5,087	6,192
Support services	5,262	5,238	5,182
Criminal investigations	8,141	8,561	8,319
Patrol	13,374	12,820	13,214
Operations control	6,308	5,898	5,449
Police building	779	860	548
Human resources	2,051	1,756	1,657
Vehicle maintenance	1,209	976	1,054
Common services & secondment	3,425	4,880	3,567
	<u>48,398</u>	<u>48,456</u>	<u>47,517</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	480	276	(314)
Amortization	-	927	901
Loss/(gain) on disposal of tangible capital assets	-	(6)	14
ANNUAL SURPLUS/(DEFICIT)	480	(645)	(1,229)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(56)	(13)
Transfer from operating reserve	-	-	1,169
Transfer to operating reserve	-	(276)	-
Transfer to general capital reserve	(480)	-	(855)
Eliminate amortization and loss/gain	-	977	928
CHANGE IN UNAPPROPRIATED SURPLUS	<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, 2015, with comparative information for 2014

Schedule H

In thousands

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges	\$ 190	\$ 307	\$ 244
Licences and permits	10	5	6
	<u>200</u>	<u>312</u>	<u>250</u>
EXPENSE			
Administration	534	469	485
Fire life and safety education	176	143	175
Fire prevention and inspection	599	555	604
Emergency response	13,770	13,587	13,939
Fire halls and ground maintenance	468	449	413
Fire flows and hydrants	213	213	209
	<u>15,760</u>	<u>15,416</u>	<u>15,825</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(15,560)</u>	<u>(15,104)</u>	<u>(15,575)</u>
Amortization	-	1,034	1,016
Loss/(gain) on disposal of tangible capital assets	-	-	(1)
ANNUAL SURPLUS/(DEFICIT)	<u>(15,560)</u>	<u>(16,138)</u>	<u>(16,590)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
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	-	1,034	1,035
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (16,357)</u>	<u>\$ (15,901)</u>	<u>\$ (15,704)</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, 2015, with comparative information for 2014

In thousands

Schedule I

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Licenses and permits:			
Building permits	\$ 1,532	\$ 2,523	\$ 1,680
Secondary suite fees	1,226	1,254	1,230
Dog licences	-	-	197
Fees and charges	266	196	169
Grants	331	331	331
	<u>3,355</u>	<u>4,304</u>	<u>3,607</u>
EXPENSE			
Animal control	-	-	262
Restorative Justice	149	149	149
Emergency services	247	217	249
Building inspections	2,102	2,042	1,902
Bylaw enforcement	1,037	947	715
Public safety inspection	-	-	13
	<u>3,535</u>	<u>3,355</u>	<u>3,290</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(180)</u>	<u>949</u>	<u>317</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	-	-	-
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (180)</u>	<u>\$ 949</u>	<u>\$ 317</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, 2015, with comparative information for 2014

Schedule J

In thousands

	2015		2015			2015	2014
	Plan	General	Parks	Recreation	Culture	Actual	Actual
REVENUE							
Fees and charges	\$ 6,586	\$ 132	\$ 1,161	\$ 4,915	\$ -	\$ 6,208	\$ 6,541
Rent	58	3	1	-	-	4	5
Grants	-	13	-	-	-	13	3
	<u>6,644</u>	<u>148</u>	<u>1,162</u>	<u>4,915</u>	<u>-</u>	<u>6,225</u>	<u>6,549</u>
EXPENSE							
Operations	18,972	965	7,121	9,633	752	18,471	18,339
Long-term debt interest	1,207	-	-	792	396	1,188	1,238
	<u>20,179</u>	<u>965</u>	<u>7,121</u>	<u>10,425</u>	<u>1,148</u>	<u>19,659</u>	<u>19,577</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION							
	(13,535)	(817)	(5,959)	(5,510)	(1,148)	(13,434)	(13,028)
Amortization							
Amortization	-	2	1,856	1,896	452	4,206	4,361
Loss/(gain) on disposal of tangible capital assets							
Loss/(gain) on disposal of tangible capital assets	-	-	-	-	-	-	97
ANNUAL SURPLUS/(DEFICIT)							
	<u>(13,535)</u>	<u>(819)</u>	<u>(7,815)</u>	<u>(7,406)</u>	<u>(1,600)</u>	<u>(17,640)</u>	<u>(17,486)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS							
Debt principal repayments	(1,300)	-	-	(867)	(433)	(1,300)	(1,250)
Transfer to general capital reserve	(1,529)	(107)	(804)	(545)	(73)	(1,529)	(1,541)
Transfer to cemetery capital reserve	(160)	-	(160)	-	-	(160)	(160)
Transfer from operating reserve	-	-	-	-	-	-	52
Eliminate amortization and loss/gain	-	16	1,856	1,896	452	4,220	4,458
CHANGE IN UNAPPROPRIATED SURPLUS							
	<u>\$ (16,524)</u>	<u>\$ (910)</u>	<u>\$ (6,923)</u>	<u>\$ (6,922)</u>	<u>\$ (1,654)</u>	<u>\$ (16,409)</u>	<u>\$ (15,927)</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, 2015, with comparative information for 2014

Schedule K

In thousands

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges	\$ 2,721	\$ 2,472	\$ 3,830
Investment income	-	4	9
Grants	1,000	946	879
	<u>3,721</u>	<u>3,422</u>	<u>4,718</u>
EXPENSE			
AESC Facility			
Operations	4,071	3,717	5,625
Long-term debt interest	2,366	2,341	2,407
Other	-	-	414
	<u>6,437</u>	<u>6,058</u>	<u>8,446</u>
AESC Facility annual surplus/(deficit)	(2,716)	(2,636)	(3,728)
Hockey revenue sharing / (supply fee)	-	-	(1,774)
Abbotsford Heat - settlement payment	-	-	(5,500)
Other	-	-	(725)
	<u>-</u>	<u>-</u>	<u>(7,999)</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	(2,716)	(2,636)	(11,727)
Amortization	-	2,789	2,789
ANNUAL SURPLUS/(DEFICIT)	<u>(2,716)</u>	<u>(5,425)</u>	<u>(14,516)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(1,704)	(1,704)	(1,639)
Eliminate amortization and loss/gain	-	2,789	2,789
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (4,420)</u>	<u>\$ (4,340)</u>	<u>\$ (13,366)</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, 2015, with comparative information for 2014***Schedule L***In thousands*

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Municipal tax for regional library	\$ 4,399	\$ 4,399	\$ 4,287
EXPENSE			
Transfer to Fraser Valley Regional Library	3,790	3,790	3,691
Library operating costs	320	291	291
	<u>4,110</u>	<u>4,081</u>	<u>3,982</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	289	318	305
Amortization	-	205	205
ANNUAL SURPLUS/(DEFICIT)	<u>289</u>	<u>113</u>	<u>100</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(289)	(318)	(305)
Eliminate amortization and loss/gain	-	205	205
CHANGE IN UNAPPROPRIATED SURPLUS	<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, 2015, with comparative information for 2014

Schedule M

In thousands

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Grants	\$ 4,837	\$ 4,675	\$ 4,560
Fares	1,956	1,951	1,902
BC bus pass program	499	500	485
Advertising and other	171	177	165
	<u>7,463</u>	<u>7,303</u>	<u>7,112</u>
EXPENSE			
Transfer to BC Transit	11,167	10,776	10,526
Other	155	101	91
	<u>11,322</u>	<u>10,877</u>	<u>10,617</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(3,859)</u>	<u>(3,574)</u>	<u>(3,505)</u>
Amortization	-	31	33
ANNUAL SURPLUS/(DEFICIT)	<u>(3,859)</u>	<u>(3,605)</u>	<u>(3,538)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(189)	-
Eliminate amortization and loss/gain	-	31	33
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (3,859)</u>	<u>\$ (3,763)</u>	<u>\$ (3,505)</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, 2015, with comparative information for 2014
In thousands

Schedule N

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 281	\$ 318
Recoveries	204	181	240
Parking lot tickets	-	61	73
Other	281	69	66
Licenses and permits:			
Soil removal fees	2,135	2,483	2,304
Other	3	2	2
Grants	-	42	97
Developer Contributions	-	-	18
	<u>2,623</u>	<u>3,119</u>	<u>3,118</u>
EXPENSE			
ADMINISTRATION	2,315	2,087	2,134
ENGINEERING	2,223	2,097	2,098
TRANSPORTATION			
Services	2,735	2,395	2,397
Operations - roads	4,766	3,673	4,035
EQUIPMENT FLEET			
Operations	3,674	3,741	3,477
Internal recoveries	(5,450)	(5,360)	(4,911)
INTERNAL BORROWING INTEREST	40	98	168
COST RECOVERIES	(413)	(413)	(401)
	<u>9,890</u>	<u>8,318</u>	<u>8,997</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(7,267)</u>	<u>(5,199)</u>	<u>(5,879)</u>
Amortization	-	16,003	15,181
Loss/(gain) on disposal of tangible capital assets	-	172	32
ANNUAL SURPLUS/(DEFICIT)	<u>(7,267)</u>	<u>(21,374)</u>	<u>(21,092)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(453)	(632)
Transfer to general capital reserve	(11,589)	(11,589)	(11,525)
Transfer to operating reserve	-	(80)	-
Eliminate amortization and loss/gain	-	16,628	15,844
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (18,856)</u>	<u>\$ (16,868)</u>	<u>\$ (17,405)</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, 2015, with comparative information for 2014
In thousands

Schedule O

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 5,917	\$ 5,911	\$ 5,843
Garbage stickers	35	20	22
Recoveries & other	1,646	1,517	1,516
	<u>7,598</u>	<u>7,448</u>	<u>7,381</u>
EXPENSE			
Planning, design and management	758	627	682
Collection	2,871	2,822	2,757
Disposal	3,785	4,083	3,765
	<u>7,414</u>	<u>7,532</u>	<u>7,204</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	184	(84)	177
Amortization	-	62	56
Loss/(gain) on disposal of tangible capital assets	-	(3)	-
ANNUAL SURPLUS/(DEFICIT)	<u>184</u>	<u>(143)</u>	<u>121</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(184)	-	(177)
Transfer to general capital reserve (asset sales)	-	(29)	-
Transfer from operating reserve	-	84	-
Eliminate amortization and loss/gain	-	88	56
CHANGE IN UNAPPROPRIATED SURPLUS	<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, 2015, with comparative information for 2014
In thousands

Schedule P

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Fees and charges:			
Storm drainage user fees	\$ 3,576	\$ 3,576	\$ 3,541
Other	3	45	11
Developer charges earned	-	14	-
	<u>3,579</u>	<u>3,635</u>	<u>3,552</u>
EXPENSE			
Storm sewers and detention	2,392	1,729	1,398
Urban watercourses	130	121	129
Rural drainage	311	304	291
	<u>2,833</u>	<u>2,154</u>	<u>1,818</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>746</u>	<u>1,481</u>	<u>1,734</u>
Amortization	-	3,546	3,461
Loss/(gain) on disposal of tangible capital assets	-	50	4
ANNUAL SURPLUS/(DEFICIT)	<u>746</u>	<u>(2,115)</u>	<u>(1,731)</u>
Matsqui Prairie (Schedule Q)	(357)	(653)	(472)
Sumas Prairie (Schedule Q)	(255)	(811)	(682)
TOTAL ANNUAL SURPLUS / (DEFICIT)	<u>134</u>	<u>(3,579)</u>	<u>(2,885)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Storm drainage capital reserve	-	-	(842)
Transfer to operating reserve	-	(778)	(405)
Transfer to general capital reserve	(234)	(186)	-
Reconcile to contribution from storm drainage-Matsqui Prairie	(101)	200	49
Reconcile to contribution from storm drainage-Sumas Prairie	(110)	443	327
Eliminate amortization and loss/gain	-	3,596	3,465
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (311)</u>	<u>\$ (304)</u>	<u>\$ (291)</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, 2015, with comparative information for 2014

Schedule Q

In thousands

	2015 Plan	2015 Actual	2014 Actual	2015 Plan	2015 Actual	2014 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
Fees and charges:						
General tax levy	\$ 701	\$ 696	\$ 688	\$ 1,252	\$ 1,250	\$ 1,275
Other revenue	16	10	8	156	142	138
	<u>717</u>	<u>706</u>	<u>696</u>	<u>1,408</u>	<u>1,392</u>	<u>1,413</u>
EXPENSE						
Dyking	56	54	55	65	75	45
Drainage	590	684	518	700	700	710
Storm	183	183	164	-	-	-
Irrigation	122	112	111	95	115	102
Administration	115	117	111	161	161	157
Pump stations	-	-	-	634	636	565
Recoverable work	8	-	-	8	1	10
	<u>1,074</u>	<u>1,150</u>	<u>959</u>	<u>1,663</u>	<u>1,688</u>	<u>1,589</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	(357)	(444)	(263)	(255)	(296)	(176)
Amortization	-	209	209	-	515	506
ANNUAL SURPLUS/(DEFICIT)	<u>(357)</u>	<u>(653)</u>	<u>(472)</u>	<u>(255)</u>	<u>(811)</u>	<u>(682)</u>
RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE						
Transfer to general capital reserve	(101)	(59)	(137)	(110)	(79)	(148)
Transfer to operating reserve	-	-	(24)	-	-	(32)
Transfer from operating reserve	-	50	-	-	7	-
Eliminate amortization and loss/gain	-	209	209	-	515	506
CONTRIBUTION FROM STORM DRAINAGE	<u>\$ (458)</u>	<u>\$ (453)</u>	<u>\$ (424)</u>	<u>\$ (365)</u>	<u>\$ (368)</u>	<u>\$ (356)</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, 2015, with comparative information for 2014

Schedule R

In thousands

	2015			Sanitary		2015	2014
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
REVENUE							
Other fees and charges	\$ -	\$ 42	\$ 1,247	\$ 14	\$ 3	\$ 1,306	\$ 424
Airport improvement fees	-	-	-	-	1,207	1,207	2,130
Developer charges earned	5,903	10,441	204	1,530	-	12,175	9,914
Contributed tangible capital assets	-	14,258	3,122	2,316	-	19,696	3,950
Grants	9,777	153	-	-	-	153	2,781
Other sources	-	614	(325)	(41)	11	259	177
Contributions (to)/from other funds	-	480	(45)	(46)	(389)	-	-
	15,680	25,988	4,203	3,773	832	34,796	19,376
EXPENSE							
Minor capital projects							
General government	75	474	-	-	-	474	341
Police services	-	(55)	-	-	-	(55)	45
Fire services	83	409	-	-	-	409	518
Park services	240	313	-	-	-	313	322
Recreation services	75	62	-	-	-	62	287
Transportation services	4,215	4,761	-	-	-	4,761	4,500
Solid waste services	41	91	-	-	-	91	19
Storm drainage services	-	256	-	-	-	256	602
Dyking, drainage & irrigation	-	49	-	-	-	49	2,788
Waterworks	39	-	85	-	-	85	199
Sanitary sewer	-	-	-	525	-	525	396
Airport	-	-	-	-	60	60	87
	4,768	6,360	85	525	60	7,030	10,104
ANNUAL SURPLUS/(DEFICIT)	10,912	19,628	4,118	3,248	772	27,766	9,272
RECONCILE TO CHANGE IN CAPITAL EQUITY							
Assets sale	-	(394)	47	347	-	-	-
General capital reserve	14,459	16,863	-	-	-	16,863	11,946
Storm drainage reserve	610	928	-	-	-	928	874
Waterworks capital reserve	5,048	-	5,027	-	-	5,027	2,664
Sanitary sewer capital reserve	3,022	-	-	758	-	758	3,508
Airport capital reserve	-	-	-	-	(1,018)	(1,018)	(1,274)
Tangible capital assets	-	(26,065)	(6,977)	(4,015)	(2,933)	(39,990)	(37,343)
Debt principal repayment	3,596	3,274	157	50	-	3,481	8,841
Internal borrowing (from general fund)	-	(5,725)	-	(1,462)	-	(7,187)	(8,090)
Internal borrowing interest	-	508	-	-	-	508	569
CHANGE IN CAPITAL EQUITY	\$ 37,647	\$ 9,017	\$ 2,372	\$ (1,074)	\$ (3,179)	\$ 7,136	\$ (9,033)

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, 2015, with comparative information for 2014

In thousands

Schedule S

	2015 Plan	2015 Actual	2014 Actual
REVENUE			
Investment income	\$ 2,425	\$ 2,938	\$ 2,330
Other sources	-	1	28
	<u>2,425</u>	<u>2,939</u>	<u>2,358</u>
ANNUAL SURPLUS/(DEFICIT)	2,425	2,939	2,358
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	258	1,640	17,940
General capital reserve	5,163	7,666	8,072
Storm drainage reserve	(376)	(741)	(32)
Waterworks capital reserve	2,770	2,786	4,900
Sanitary sewer capital reserve	1,348	3,649	(1,340)
Airport capital reserve	1,809	3,432	3,568
CHANGE IN APPROPRIATED SURPLUS	<u>\$ 13,397</u>	<u>\$ 21,371</u>	<u>\$ 35,466</u>

See notes to consolidated financial statements.



KPMG LLP
Chartered Accountants
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada

Telephone (604) 854-2200
Fax (604) 853-2756
Internet www.kpmg.ca

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, 2015, 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, 2015 in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 2, 2016

Abbotsford, Canada

CITY OF ABBOTSFORD
Cemetery Care Trust Fund
Statement of Financial Position

For the Year Ended December 31, 2015, with comparative information for 2014

In thousands

	2015 Actual	2014 Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 3,496	\$ 3,245
Accounts receivable	79	218
NET FINANCIAL ASSETS	<u>3,575</u>	<u>3,463</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	3,463	3,372
Contributions	112	91
Investment earnings	101	98
Transfer to general operating fund	(101)	(98)
Balance, end of year	<u>\$ 3,575</u>	<u>\$ 3,463</u>

See notes to consolidated financial statements.



City of Abbotsford
Notes to the Cemetery Care Trust Fund
For the Year Ended December 31, 2015

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, 2015

3. INVESTMENTS:

Investments for 2015 are comprised of corporate and government investments.

(in thousands)	2015		2014	
	Cost	Market	Cost	Market
Portfolio investments	\$3,496	\$3,593	\$3,245	\$3,342
	Long-term		Long-term	
Duration	2 – 10 Years		2 – 10 Years	
Average holdings	\$3,428		\$3,219	
Annual yield	2.87%		2.95%	

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 2015, \$101,000 (2014 - \$98,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2015, 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.