



**City of Abbotsford
British Columbia**

2017

**CONSOLIDATED
FINANCIAL STATEMENTS**

Fiscal Year Ending December 31, 2017

Prepared by Corporate Services Finance Division



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying consolidated financial statements of the City of Abbotsford which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes, exhibits and schedules 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, 2017, 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.

KPMG LLP

Chartered Professional Accountants

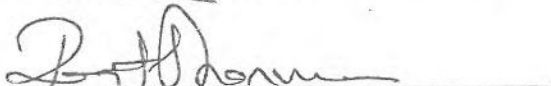
April 30, 2018
Abbotsford, Canada

CITY OF ABBOTSFORD
Statement of Financial Position

As at December 31, 2017, with comparative information as at December 31, 2016
In thousands

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 18,802	\$ 34,351
Accounts receivable (Note 3)	34,722	30,395
Portfolio investments (Note 4)	363,086	267,490
	<u>416,610</u>	<u>332,236</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	79,208	66,981
Restricted revenue (Note 6)	69,577	53,212
Deferred revenue (Note 7)	16,189	5,240
	<u>164,974</u>	<u>125,433</u>
Long-term debt (Note 8)	58,598	61,955
	<u>223,572</u>	<u>187,388</u>
NET FINANCIAL ASSETS	<u>193,038</u>	<u>144,848</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	1,366,176	1,389,228
Inventories (Note 11)	1,264	1,168
Pre-paid expenses (Note 12)	655	1,213
	<u>1,368,095</u>	<u>1,391,609</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 1,561,135</u>	<u>\$ 1,536,457</u>
Contingent Liabilities (Note 16)		


 HENRY BRAUN, MAYOR


 RAJAT SHARMA, CPA, CMA
 CFO

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Statement of Operations

For the Year Ended December 31, 2017, with comparative information for 2016
In thousands

	2017 Plan (Note 18)	2017 Actual	2016 Actual
REVENUE			
Municipal taxation	\$ 136,187	\$ 136,493	\$ 130,856
Fees and other charges	68,309	84,522	77,264
Developer charges earned	10,666	9,156	6,197
Contributed tangible capital assets	-	3,423	9,403
Grants	40,344	16,507	16,505
Investment income	1,178	5,782	4,744
Rent	3,733	3,685	3,746
Other	173	53	46
	260,590	259,621	248,761
EXPENSE			
General government	18,272	16,350	15,476
Planning & development services	4,623	4,276	4,095
Protective services	70,946	73,691	71,000
Parks, recreation, culture & libraries	34,200	42,826	41,755
Transit	11,688	11,588	11,204
Engineering	31,282	47,052	42,825
Dyking, drainage & irrigation	4,913	4,854	5,723
Waterworks	10,671	14,939	14,100
Sanitary sewer	14,014	12,922	12,769
Airport	3,889	6,445	6,067
	204,498	234,943	225,014
ANNUAL SURPLUS	56,092	24,678	23,747
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,536,457	1,536,457	1,512,710
ACCUMULATED SURPLUS, END OF YEAR	\$1,592,549	\$1,561,135	\$1,536,457

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Consolidated Statement of Cash Flows

For the Year Ended December 31, 2017, with comparative information for 2016
In thousands

	2017	2016
OPERATING ACTIVITIES		
Annual Surplus	\$ 24,678	\$ 23,747
Non-cash items included in annual surplus:		
Amortization expense	42,158	42,669
Contributed tangible capital assets	(3,423)	(9,403)
Loss/(gain) on disposal of tangible capital assets	(342)	334
Recognition of restricted revenue	(9,583)	(6,865)
Changes in non-cash operating items:		
Accounts receivable	(4,327)	7,494
Inventories	(96)	(156)
Pre-paid expenses	558	(614)
Accounts payable and accrued liabilities	12,227	3,729
Deferred revenue	10,949	2,915
	<u>72,799</u>	<u>63,850</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(95,596)	(47,518)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	25,947	13,689
Debt principal repaid	(3,357)	(4,609)
	<u>22,590</u>	<u>9,080</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	1,876	1,144
Acquisition of tangible capital assets	(17,218)	(16,777)
	<u>(15,342)</u>	<u>(15,633)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(15,549)</u>	<u>9,779</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>34,351</u>	<u>24,572</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 18,802</u>	<u>\$ 34,351</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2017, with comparative information for 2016

In thousands

	2017 Plan (Note 18)	2017 Actual	2016 Actual
ANNUAL SURPLUS	\$ 56,092	\$ 24,678	\$ 23,747
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(42,847)	(17,218)	(16,777)
Contributed tangible capital assets	-	(3,423)	(9,403)
Amortization	-	42,158	42,669
Proceeds from disposal of tangible capital assets	-	1,876	1,144
Loss/(gain) on disposal of tangible capital assets	-	(342)	334
	(42,847)	23,052	17,967
OTHER NON-FINANCIAL ASSETS:			
Decrease in inventory	-	(96)	(156)
(Increase)/decrease in pre-paid expenses	-	558	(614)
	-	463	(770)
INCREASE IN NET FINANCIAL ASSETS	13,245	48,191	40,944
NET FINANCIAL ASSETS, BEGINNING OF YEAR	144,848	144,848	103,904
NET FINANCIAL ASSETS, END OF YEAR	\$ 158,093	\$ 193,038	\$ 144,848

See notes to consolidated financial statements.



CITY OF ABBOTSFORD

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2017
(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, 2017
(Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES:

(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 2017 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on December 5, 2016, 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, 2017
(Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES:

(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 & Detention	50-100
	Dyking, Drainage & 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, 2017
(Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES:

(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 through 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, 2017
(Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES:

(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, historical tangible capital asset costs for those acquired prior to 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 years' surplus.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

2. CASH AND CASH EQUIVALENTS:

	2017	2016
Cash	\$ 9,497	\$ 25,136
MFA short-term money-market investment pools	9,305	9,215
	\$ 18,802	\$ 34,351

3. ACCOUNTS RECEIVABLE:

	2017	2016
Fees and charges	\$ 13,621	\$ 11,906
Taxes	4,794	5,264
Grants	1,050	556
Development cost charges	10,739	7,929
Local improvement/service charges	4,517	4,740
	\$ 34,722	\$ 30,395

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, 2017
(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.

	2017		2016	
	Cost	Market	Cost	Market
	\$ 363,086	\$ 363,112	\$ 267,490	\$ 267,876
	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	265,278	24,725	192,138	23,475
Annual yield	1.94 %	2.47 %	1.88 %	2.58 %



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2017	2016
Accounts payable:		
Trade payables	\$ 17,149	\$ 19,477
Deposits	28,547	15,169
Tax prepayments	12,887	12,032
Salaries and wages	5,068	4,666
Due to Cemetery Care Trust Fund	374	1,216
Accounts payable and accrued liabilities:		
Retirement allowance liability	11,103	10,569
Liability claims	657	719
Vacation pay	1,598	1,327
Landfill restoration liability	1,264	1,074
Long-term payables	561	732
	\$ 79,208	\$ 66,981

(a) Retirement Allowance Liability:

The City provides certain earned benefits at retirement, including post-employment service pay (retirement allowance liability for the City), 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 retirement allowance liability is accrued based on a normal retirement age or actual age, whichever is greater. The retirement allowance liability requires no contribution from employees.

In 2016, an independent actuarial valuation of the retirement allowance liability was performed. The actuarial valuation for these benefits was updated in 2017 to determine the City's benefit obligation as at December 31, 2017. The difference between the actuarially determined benefit obligation of \$13,131,000 and the accrued benefit liability of \$11,103,000 as at December 31, 2017, was an unamortized actuarial loss of \$2,028,000, (2016 loss - \$1,530,000) 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, 2018.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

(a) Retirement Allowance Liability:

	<u>2017</u>	<u>2016</u>
Actuarial benefit obligation	\$ 13,131	\$ 12,099
Unamortized actuarial gain/(loss)	(2,028)	(1,530)
Accrued benefit liability	<u>\$ 11,103</u>	<u>\$ 10,569</u>

Accrued benefit liability :

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 10,569	\$ 10,117
Current service cost	946	941
Interest cost	430	395
Benefits paid	(981)	(1,022)
Amortization of net actuarial loss/(gain)	139	138
Balance, end of year	<u>\$ 11,103</u>	<u>\$ 10,569</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

(a) Retirement Allowance Liability:

Actuarial Assumptions used to determine the benefit obligation:

	2017	2016
Discount rate	3.0 %	3.4 %
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.

There are two landfills subject to these regulations - Valley Road Landfill and Trethewey Street Landfill - that were operated and closed to various stages between 1978 and 1989. 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 in early 2018.

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 could be completed. 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 2017. This capacity is projected to be fully used by 2025.



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

(b) Landfill Restoration Liability:

The liability of \$1,264,000, at December 31, 2017 (2016 - \$1,074,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities for existing waste at the two landfills. An additional \$777,000 (present value) is estimated to be required for closure activities related to future sediment deposits at the Valley Road site; however, since none of the capacity of future sediment deposits have been used, no current liability exists for these closure costs.

The discount rate used in 2017 was 3.0% (2016 – 3.4%) and the inflation rate used in 2017 was 2.0% (2016 - 2.0%). Landfill closure costs in 2017 were \$78,493 (2016 - \$143,326). There are no assets designated for settling the post-closure care liability.

	2017	2016
Restoration liability, beginning of year	\$ 1,074	\$ 1,146
Adjustment to liability	190	(72)
Restoration liability, end of year	<u>\$ 1,264</u>	<u>\$ 1,074</u>

(c) Liability for Contaminated Sites:

The City has determined that as of December 31, 2017, 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, 2017
(Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY:

	Development cost charges	Development fees	Airport fees	2017 Total	2016 Total
Balance December 31, 2016	\$ 30,042	\$ 21,456	\$ 1,714	\$ 53,212	\$ 46,388
Add:					
Current year contributions	20,947	3,043	914	24,904	12,914
Interest	592	409	43	1,044	775
	<u>51,581</u>	<u>24,908</u>	<u>2,671</u>	<u>79,160</u>	<u>60,077</u>
Deduct amounts recognized as revenue in current year					
Developer charges earned:					
Capital expenditures	7,903	1,087	-	8,990	6,865
Airport fees:					
Eligible airport expenditures	-	-	593	593	-
	<u>7,903</u>	<u>1,087</u>	<u>593</u>	<u>9,583</u>	<u>6,865</u>
Balance, December 31, 2017	\$ <u>43,678</u>	\$ <u>23,821</u>	\$ <u>2,078</u>	\$ <u>69,577</u>	\$ <u>53,212</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, 2017, the amount of DCCs due over the next two years is \$10,739,221 (2016 - \$7,929,140).

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, 2017
(Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY:

(a) Development Cost Charges (DCC)

	2017	2016
Development cost charges:		
Storm drainage	\$ 11,641	\$ 11,815
Parks	10,975	6,698
Waterworks - supply	11,796	7,530
Waterworks - distribution	1,001	607
Sanitary sewer - collection	3,832	2,692
Sanitary sewer - treatment plant	2,759	700
Roads	1,674	-
	\$ 43,678	\$ 30,042

(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, 2017
(Tabular amounts are in thousands of dollars)

7. DEFERRED REVENUE:

	December 31, 2016	Externally restricted inflows	Revenue earned	December 31, 2017
Fees and charges	\$ 1,984	\$ 9,665	\$ (8,806)	\$ 2,843
Grant	3,256	13,798	(3,708)	13,346
	<u>\$ 5,240</u>	<u>\$ 23,463</u>	<u>\$ (12,514)</u>	<u>\$ 16,189</u>

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:

	Total
2018	\$ 3,380
2019	3,515
2020	3,656
2021	3,802
2022	3,954
2023 and thereafter	40,291
	<u>\$ 58,598</u>

All debt is held by the General Capital fund. 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 \$3,278,800 in 2017 (2016 - \$3,407,700).



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(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 was subsequently funded through the roads DCC program as DCC contributions were 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. The repayment of these funds was complete at the end of 2017.

	2017	2016
Roads DCC	\$ -	\$ 5,907
	\$ -	\$ 5,907



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2017	2016
General		
Land	386,241	385,183
Land improvements	6,522	6,915
Park improvements	22,313	23,764
Buildings	107,778	113,448
Machinery & equipment	7,683	7,854
Vehicles	12,336	11,253
Infrastructure		
Airport	25,938	26,962
Waterworks	231,539	231,142
Sanitary sewer	156,882	160,102
Transportation	194,060	203,991
Storm drainage and detention	181,705	184,604
Dyking, drainage & irrigation	20,192	20,903
Assets under construction	12,987	13,107
	\$ 1,366,176	\$ 1,389,228

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

The value of contributed capital assets received and recognized in the year 2017 from developers, for various infrastructure works and related land and parks is \$3,423,000 (2016 – \$9,403,000).

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, 2017
(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 following table represents the inventory values:

	2017	2016
Stock	\$ 451	\$ 402
Fuel	31	41
Gravel	782	725
	<u>\$ 1,264</u>	<u>\$ 1,168</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.

	2017	2016
General	\$ 614	\$ 1,174
Abbotsford Centre	41	39
	<u>\$ 655</u>	<u>\$ 1,213</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

13. ACCUMULATED SURPLUS:

	2017	2016
Unappropriated Balance		
General operations	\$ 19,570	\$ 19,570
Waterworks operations	4,265	4,265
Sanitary sewer operations	5,799	5,799
Airport operations	1,176	1,176
	<u>30,810</u>	<u>30,810</u>
Appropriated Surplus		
General operations reserve	47,515	41,250
Statutory capital reserves	173,872	141,381
	<u>221,387</u>	<u>182,631</u>
Investment in tangible capital assets	1,307,016	1,320,634
Investment in other non-financial assets	1,919	2,382
Total Accumulated Surplus	<u>\$1,561,135</u>	<u>\$1,536,457</u>

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

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



CITY OF ABBOTSFORD
Notes to Consolidated Financial
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For the Year Ended December 31, 2017
(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:

	2017	2016
Interest paid	\$ 3,329	\$ 3,531
Interest received	\$ 5,205	\$ 3,159

15. EXPENSE BY OBJECT:

	2017	2016
Salaries and benefits	\$ 104,008	\$ 98,449
Operating goods and services	60,491	54,563
Minor capital projects	9,905	10,631
Amortization	42,158	42,669
Loss on disposal of tangible capital assets	(342)	334
Transfer payments to other governments and agencies	15,444	14,960
Long-term debt interest	3,279	3,408
Total expense by object	<u>\$ 234,943</u>	<u>\$ 225,014</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 2017 the City reports a liability of \$657,062 (2016 – \$719,196) 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, 2017
(Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES:

(c) Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteed 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 defined-benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 1,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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 most recent actuarial valuation as at December 31, 2015 indicated a \$2,224,000,000 funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018, with results available in 2019. The City of Abbotsford paid \$9,386,076 (2016 - \$8,738,697) for employer contributions while employees contributed \$7,317,592 (2016 - \$6,885,640) to the plan in fiscal 2017.

(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 a debt issue's 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



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES:

(d) Municipal Finance Authority:

issue, either in full or in an amount equal to one percent of the principal amount borrowed. The balance is secured by a non-interest-bearing demand note. The monies paid into the Debt Reserve Fund and interest that the fund earns are obligations of the Authority to its clients.

The City has a cash receivable with the Authority, from the one percent paid to the Debt Reserve Fund, totaling \$1,160,046 (2016 - \$1,137,855). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2016 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2016 - \$2,442,730), 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, 2017
(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
Drainage construction	\$ 1,378	\$ 518
Parks construction	1,700	1,686
Road Construction	8,874	6,358
Waterworks Construction	8,514	2,321
Sanitary sewer construction	1,555	1,405
Vehicles & equipment	348	348
Operational Services	2,649	1,793
	\$ 25,018	\$ 14,429



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

18. 2017 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 2700-2017 on May 10, 2017. The City of Abbotsford has elected to present the amended budget, which was adopted prior to the tax rates bylaw, as it reflects the City's comprehensive budget figures and includes on-going prior years' commitments related to capital expenditures and relevant government grants.

Revenues	Annual Budget	Amended Budget	Change
Municipal assessment taxes	\$ 136,187	\$ 136,187	\$ -
Fees and charges	63,984	64,043	59
Developer charges earned	3,299	8,111	4,812
Contributions from other governments	3,278	3,320	42
Government grants	15,317	40,414	25,097
Rent	5,313	5,313	-
Interest and penalties	3,077	3,077	-
Other sources	377	6,232	5,855
	\$ 230,832	\$ 266,697	\$ 35,865
Expenses			
Capital Expenses	42,847	121,246	78,399
Protective services	69,952	70,275	323
Parks, recreation and cultural services	28,354	28,403	49
Engineering services	21,006	21,126	120
General Government	19,448	20,463	1,015
Water Services	9,684	10,124	440
Sewer Services	8,893	9,005	112
Transit Services	11,688	11,688	-
Airport Services	3,689	3,689	-
Development Services	4,293	4,641	348
Dyking Services	2,370	2,370	-
Debt interest	3,328	3,328	-
Debt principal repayment	3,250	3,250	-
	\$ 228,802	\$ 309,608	\$ 80,806
Net Revenue (Expenses)	2,030	(42,911)	(44,941)
Debt proceeds	27	27	-
Transfers from operating reserves	1,905	12,474	10,569
Transfers (to) from capital reserves	(3,962)	30,410	34,372
	(2,030)	42,911	44,941
Net budgeted surplus	\$ -	\$ -	\$ -



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

18. 2017 BUDGET FIGURES:

Reconcile to Consolidated Statement of Operations	
Net Revenue (Expenses) per Bylaw 2700-2017	\$ (42,911)
Add:	
Capital expenditures	121,246
Debt principal repayment	3,250
Water/Sewer fund reserve revenue	576
Less:	
Minor capital expenses	(21,810)
Collections for other governments	(4,259)
Annual surplus per Statement of Operations	<u>\$ 56,092</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, 2017, the trust fund balance is \$3,836,509 (2016 - \$3,699,706).



CITY OF ABBOTSFORD Notes to Consolidated Financial Statements

For the Year Ended December 31, 2017
(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 & support services
- Legal services
- Strategic planning, corporate communications & marketing
- Human resources
- Financial services
- Information technology
- Procurement
- Risk management
- Economic development
- Continuous improvement

Police Protection

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

Engineering

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

Fire Rescue Services

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

Other Protective Services

- Search & rescue
- Restorative justice
- Building inspections
- Bylaw enforcement

Parks, Recreation & Culture

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



CITY OF ABBOTSFORD
Notes to Consolidated Financial
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For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

20. CITY SERVICES FINANCIAL INFORMATION:

Solid Waste

Collection & disposal
Composting & recycling
Environmental education

Transit

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

Dyking & Irrigation

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

Drainage

Urban storm drainage infrastructure & water
management
Rural storm drainage infrastructure & water
management

Sanitary Sewer

Sewer infrastructure (plan, design, construct,
maintain)
Collecting & 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 & social planning

Airport

National & international flights
Passenger & cargo services



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

21. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 93,164	\$ 94,524	\$ 91,682
Planning & development services	1,798	2,550	2,168
Police services	50,280	52,725	50,535
Fire rescue services	200	283	352
Other protective services	3,761	5,907	4,242
Parks, recreation & culture services	6,542	6,690	6,596
Abbotsford Centre	4,277	7,627	7,148
Library services	4,632	4,632	4,509
Transit services	7,536	7,916	7,456
Engineering services	3,049	4,727	4,138
Solid waste services	7,517	8,148	7,304
Storm drainage services	3,651	3,690	3,625
Dyking, drainage and irrigation services	2,132	2,110	2,106
	<u>188,539</u>	<u>201,529</u>	<u>191,861</u>
WATERWORKS	16,744	18,024	17,336
SANITARY SEWER	12,054	13,440	13,114
AIRPORT	5,963	6,850	6,115
CAPITAL FUNDS	37,335	15,903	17,346
RESERVE FUNDS	-	3,881	3,045
	<u>260,635</u>	<u>259,627</u>	<u>248,817</u>
CONSOLIDATION ADJUSTMENTS	(44)	(6)	(56)
	<u>260,590</u>	<u>259,621</u>	<u>248,761</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

21. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2017 Plan	2017 Actual	2016 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	16,967	15,811	14,441
Planning & development services	4,623	4,276	4,095
Police services	49,595	51,753	49,883
Fire rescue services	16,860	17,804	16,976
Other protective services	4,018	3,876	3,769
Parks, recreation & culture services	22,067	24,858	24,523
Abbotsford Centre	6,743	12,185	12,065
Library services	4,351	4,495	4,342
Transit services	11,688	11,588	11,204
Engineering services	11,465	27,424	24,337
Solid waste services	7,729	8,251	7,304
Storm drainage services	3,145	5,801	6,078
Dyking, drainage and irrigation services	2,845	3,746	3,549
	<u>162,096</u>	<u>191,868</u>	<u>182,566</u>
WATERWORKS	8,983	14,298	13,977
SANITARY SEWER	7,765	12,434	11,976
AIRPORT	3,889	6,445	5,920
CAPITAL FUNDS	21,808	9,905	10,631
	<u>204,542</u>	<u>234,949</u>	<u>225,070</u>
CONSOLIDATION ADJUSTMENTS	(44)	(6)	(56)
	<u>204,498</u>	<u>234,943</u>	<u>225,014</u>
ANNUAL SURPLUS	<u>\$ 56,092</u>	<u>\$ 24,678</u>	<u>\$ 23,747</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2017 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.

	2017 Plan	2017 Actual (less Amortization)	2016 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 93,164	\$ 94,524	\$ 91,682
Planning & development services	1,798	2,550	2,168
Police services	50,280	52,725	50,535
Fire rescue services	200	283	352
Other protective services	3,761	5,907	4,242
Parks, recreation & culture services	6,542	6,690	6,596
Abbotsford Centre	4,277	7,627	7,148
Library services	4,632	4,632	4,509
Transit services	7,536	7,916	7,456
Engineering services	3,049	4,727	4,138
Solid waste services	7,517	8,148	7,304
Storm drainage services	3,651	3,690	3,625
Dyking, drainage and irrigation services	2,132	2,110	2,106
	<u>188,539</u>	<u>201,529</u>	<u>191,861</u>
WATERWORKS	16,744	18,024	17,336
SANITARY SEWER	12,054	13,440	13,114
AIRPORT	5,963	6,850	6,115
CAPITAL FUNDS	37,335	15,903	17,346
RESERVE FUNDS	-	3,881	3,045
	<u>260,635</u>	<u>259,627</u>	<u>248,817</u>
CONSOLIDATION ADJUSTMENTS	(44)	(6)	(56)
	<u>260,590</u>	<u>259,621</u>	<u>248,761</u>



CITY OF ABBOTSFORD
Notes to Consolidated Financial
Statements

For the Year Ended December 31, 2017
(Tabular amounts are in thousands of dollars)

22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

	2017 Plan	2017 Actual (less Amortization)	2016 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	16,967	14,837	12,822
Planning & development services	4,623	4,276	4,095
Police services	49,595	50,565	48,853
Fire rescue services	16,860	16,679	15,798
Other protective services	4,018	3,876	3,768
Parks, recreation & culture services	22,067	20,561	20,122
Abbotsford Centre	6,743	9,514	9,288
Library services	4,351	4,290	4,138
Transit services	11,688	11,558	11,173
Engineering services	11,465	14,211	10,791
Solid waste services	7,729	8,196	7,249
Storm drainage services	3,145	2,148	2,301
Dyking, drainage and irrigation services	2,845	3,015	2,818
	<u>162,096</u>	<u>163,726</u>	<u>153,216</u>
WATERWORKS	8,983	7,839	7,593
SANITARY SEWER	7,765	7,196	6,730
AIRPORT	3,889	4,469	3,897
CAPITAL FUNDS	21,808	9,905	10,631
AMORTIZATION	-	42,158	42,669
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	(342)	334
	<u>204,542</u>	<u>234,949</u>	<u>225,070</u>
CONSOLIDATION ADJUSTMENTS	(44)	(6)	(56)
	<u>204,498</u>	<u>234,943</u>	<u>225,014</u>
ANNUAL SURPLUS	<u>\$ 56,092</u>	<u>\$ 24,678</u>	<u>\$ 23,747</u>

CITY OF ABBOTSFORD

Statement of Financial Position - By Fund

As at December 31, 2017, with comparative information as at December 31, 2016

Exhibit 1

In thousands

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 18,802	\$ -	\$ -	\$ -	\$ -
Due from other funds	64	12,011	11,718	3,448	221,387
Accounts receivable	26,904	5,382	1,739	173	-
Portfolio investments	363,086	-	-	-	-
	<u>408,856</u>	<u>17,393</u>	<u>13,457</u>	<u>3,621</u>	<u>221,387</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	78,624	227	157	200	-
Due to other funds	261,395	-	-	-	-
Restricted revenue	47,097	12,901	7,501	2,078	-
Deferred revenue	2,170	-	-	167	-
	<u>389,286</u>	<u>13,128</u>	<u>7,658</u>	<u>2,445</u>	<u>-</u>
Long-term debt	-	-	-	-	-
	<u>389,286</u>	<u>13,128</u>	<u>7,658</u>	<u>2,445</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,570</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>221,387</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,264	-	-	-	-
Pre-paid expenses	655	-	-	-	-
	<u>1,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 21,489</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 221,387</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Statement of Financial Position - By Fund

As at December 31, 2017, with comparative information as at December 31, 2016

In thousands

Exhibit 1

Capital Funds					Consolidation Adjustments	Total 2017	Total 2016
General	Waterworks	Sanitary Sewer	Airport				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18,802	\$ 34,351
11,866	-	301	664	(261,459)	-	-	-
271	64	189	-	-	-	34,722	30,395
-	-	-	-	-	-	363,086	267,490
12,137	64	490	664	(261,459)	-	416,610	332,236
-	-	-	-	-	-	79,208	66,981
-	64	-	-	(261,459)	-	-	-
-	-	-	-	-	-	69,577	53,212
12,698	-	490	664	-	-	16,189	5,240
12,698	64	490	664	(261,459)	-	164,974	125,433
58,598	-	-	-	-	-	58,598	61,955
71,296	64	490	664	(261,459)	-	223,572	187,388
(59,159)	-	-	-	-	-	193,038	144,848
905,220	234,479	165,542	60,935	-	-	1,366,176	1,389,228
-	-	-	-	-	-	1,264	1,168
-	-	-	-	-	-	655	1,213
905,220	234,479	165,542	60,935	-	-	1,368,095	1,391,609
\$ 846,061	\$ 234,479	\$ 165,542	\$ 60,935	\$ -	\$ -	\$ 1,561,135	\$ 1,536,457

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Statement of Financial Activities - By Fund

For the year ended December 31, 2017, with comparative information for 2016
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	\$ 136,493	\$ -	\$ -	\$ -	-
Fees and charges	46,436	17,961	13,310	5,152	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants	14,853	-	-	-	-
Investment income	1,712	25	131	86	3,836
Rent	2,036	38	-	1,611	-
Other sources	-	-	-	-	45
Contributions (to)/from other funds	-	-	-	-	-
	<u>201,530</u>	<u>18,024</u>	<u>13,440</u>	<u>6,850</u>	<u>3,881</u>
EXPENSE					
General government services	14,837	-	-	-	-
Planning & development services	4,276	-	-	-	-
Protective services	71,120	-	-	-	-
Parks, recreation, culture, libraries	34,365	-	-	-	-
Transit services	11,558	-	-	-	-
Engineering services	24,555	-	-	-	-
Dyking, drainage and irrigation services	3,015	-	-	-	-
Waterworks services	-	7,839	-	-	-
Sanitary sewer services	-	-	7,196	-	-
Airport services	-	-	-	4,469	-
Amortization	28,743	6,253	5,165	1,997	-
Loss/(gain) on disposal of TCA	(601)	207	73	(21)	-
	<u>191,868</u>	<u>14,298</u>	<u>12,434</u>	<u>6,445</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>9,662</u>	<u>3,725</u>	<u>1,007</u>	<u>402</u>	<u>3,881</u>
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	(5,521)	18	15	-	5,488
General capital reserve	(31,239)	(3)	-	-	15,940
Storm drainage capital reserve	-	-	-	-	10
Waterworks capital reserve	-	(10,203)	-	-	6,664
Sanitary sewer capital reserve	-	-	(6,260)	-	5,459
Airport capital reserve	-	-	-	(2,400)	1,314
Eliminate amortization and loss/gain	23,834	6,463	5,238	1,997	-
Internal borrowing (from general fund)	6,160	-	-	-	-
	<u>(6,766)</u>	<u>(3,725)</u>	<u>(1,007)</u>	<u>(402)</u>	<u>34,875</u>
Debt principal repayments	(3,357)	-	-	-	-
CHANGE IN INVENTORY/PRE-PAID EXPENSES	<u>(463)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,756</u>
SURPLUS, BEGINNING OF YEAR	<u>21,952</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>182,631</u>
SURPLUS, END OF YEAR	<u>\$ 21,489</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 221,387</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Statement of Financial Activities - By Fund

For the year ended December 31, 2017, with comparative information for 2016
 In thousands

Exhibit 2

Capital Funds									
General	Waterworks	San Sewer	Airport		Consolidation	Total	Total		
Schedule R	Schedule R	Schedule R	Schedule R	SUBTOTAL	Adjustments	2017	2016		
\$ -	\$ -	\$ -	\$ -	\$ 136,493	\$ -	\$ 136,493	\$ 130,856		
789	216	65	593	84,522	-	84,522	77,264		
8,765	186	205	-	9,156	-	9,156	6,197		
2,845	220	358	-	3,423	-	3,423	9,403		
1,473	16	165	-	16,507	-	16,507	16,505		
-	-	-	-	5,789	(6)	5,782	4,744		
-	-	-	-	3,685	-	3,685	3,746		
8	-	-	-	53	-	53	46		
132	8	(116)	(24)	-	-	-	-		
14,012	646	677	570	259,627	(6)	259,621	248,761		
539	-	-	-	15,376	-	15,376	13,858		
-	-	-	-	4,276	-	4,276	4,095		
257	-	-	-	71,377	-	71,377	68,793		
1,289	-	-	-	35,654	-	35,654	34,371		
-	-	-	-	11,558	-	11,558	11,173		
5,584	-	-	-	30,139	(6)	30,133	23,046		
1,108	-	-	-	4,123	-	4,123	4,992		
-	641	-	-	8,480	-	8,480	7,699		
-	-	488	-	7,684	-	7,684	7,540		
-	-	-	-	4,469	-	4,469	4,044		
-	-	-	-	42,158	-	42,158	44,260		
-	-	-	-	(342)	-	(342)	1,143		
8,776	641	488	-	234,949	(6)	234,943	225,014		
5,235	5	189	569	24,678	-	24,678	23,747		
-	-	-	-	-	-	-	-		
14,940	349	13	-	-	-	-	-		
(10)	-	-	-	-	-	-	-		
-	3,539	-	-	-	-	-	-		
-	-	801	-	-	-	-	-		
-	-	-	1,086	-	-	-	-		
(24,087)	(6,463)	(5,238)	(1,997)	(253)	-	(253)	(508)		
(5,907)	-	-	-	253	-	253	508		
(15,064)	(2,575)	(4,424)	(911)	-	-	-	-		
3,357	-	-	-	-	-	-	-		
-	-	-	-	(463)	-	(463)	771		
(6,472)	(2,570)	(4,235)	(342)	24,678	-	24,678	23,747		
852,531	237,049	169,777	61,277	1,536,457	-	1,536,457	1,512,710		
\$ 846,059	\$ 234,479	\$ 165,542	\$ 60,935	\$ 1,561,135	\$ -	\$ 1,561,135	\$ 1,536,457		

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

As at December 31, 2017, with comparative information for 2016
In thousands

Exhibit 3

	Cost					
	Opening Balance	Add		Less		Closing Balance
		Additions	Transfer from asset class	Disposals	Transfer to asset class	
General						
Land	\$ 385,183	\$ 1,913	\$ -	\$ (855)	\$ -	\$ 386,241
Land improvements	16,055	2	35	-	-	16,092
Park improvements	62,066	239	186	-	-	62,491
Buildings	226,923	243	642	(567)	-	227,241
Machinery & equipment	33,623	1,462	697	(767)	-	35,015
Vehicles	30,301	2,347	1,142	(1,598)	-	32,192
Infrastructure						
Airport	37,141	-	-	-	-	37,141
Waterworks	330,595	2,911	3,911	(707)	-	336,710
Sanitary sewer	256,589	851	1,167	(612)	-	257,995
Transportation	531,365	1,856	407	(233)	-	533,395
Storm drainage	262,928	625	103	(101)	-	263,555
Dyking, drainage, & irrigation	51,443	1	19	-	-	51,463
Assets under construction	13,107	8,191	-	-	(8,309)	12,989
	<u>\$2,237,319</u>	<u>\$ 20,641</u>	<u>\$ 8,309</u>	<u>\$ (5,440)</u>	<u>\$ (8,309)</u>	<u>\$2,252,520</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

As at December 31, 2017, with comparative information for 2016
In thousands

Exhibit 3

Opening Balance	Accumulated Amortization		Closing Balance	Net Book Value Dec 31, 2017	Net Book Value Dec 31, 2016
	Add Amortization	Less Accumulated Amortization on Disposals			
\$ -	\$ -	\$ -	\$ -	\$ 386,241	\$ 385,183
9,140	430	-	(9,570)	6,522	6,915
38,302	1,877	-	(40,179)	22,313	23,764
113,475	6,521	(533)	(119,463)	107,778	113,448
25,769	2,294	(732)	(27,331)	7,683	7,854
19,048	2,275	(1,466)	(19,857)	12,336	11,253
10,180	1,023	-	(11,203)	25,938	26,962
99,453	6,218	(497)	(105,174)	231,539	231,142
96,487	5,165	(539)	(101,113)	156,882	160,102
327,374	12,040	(81)	(339,333)	194,060	203,991
78,324	3,584	(59)	(81,849)	181,705	184,604
30,539	731	-	(31,270)	20,192	20,903
-	-	-	-	12,987	13,107
\$ 848,091	\$ 42,158	\$ (3,907)	\$ (886,342)	\$ 1,366,176	\$ 1,389,228

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2017, with comparative information as at 2016

Exhibit 4

In thousands

	Balance December 31, 2016	(To)/From Operating Fund	(To)/From Other Funds	Other Contributions	Interest Earned	Balance December 31, 2017
STATUTORY CAPITAL RESERVES						
General	\$ 49,583	\$ 30,341	\$ (14,400)	\$ 45	\$ 1,073	\$ 66,642
Storm drainage	12,266	619	(531)	-	244	12,598
Waterworks	26,172	10,551	(3,887)	-	560	33,396
Sanitary sewer	37,426	6,273	(813)	-	777	43,663
Airport	15,923	2,400	(1,086)	-	325	17,562
Affordable housing	11	-	-	-	-	11
	141,381	50,184	(20,717)	45	2,979	173,872
GENERAL OPERATING RESERVE						
Planned Transfers						
New facility operations	2,430	-	-	-	51	2,481
Water system contingency	776	-	-	-	17	793
Insurance	2,358	-	-	-	47	2,405
Tradex operating reserve	-	95	(79)	-	1	17
Election	167	79	-	-	5	251
Community Works Fund	21,777	5,762	(2,985)	-	444	24,998
Sister city	93	10	(105)	-	2	-
Climate action	1,180	197	-	-	25	1,402
Community projects	440	-	-	-	9	449
	29,221	6,143	(3,169)	-	601	32,796
Operating Surplus Transfers						
Police	1,948	1,336	-	-	69	3,353
Winter operations	1,220	-	-	-	26	1,246
Storm drainage	3,789	774	-	-	80	4,643
Sumas Prairie DDI	41	(133)	-	-	(2)	(94)
Matsqui Prairie DDI	39	5	-	-	1	45
Solid waste	320	(68)	-	-	6	258
Infrastructure Maintenance	936	450	-	-	12	1,398
	8,293	2,364	-	-	192	10,849
Other Transfers						
General government	2,605	(673)	105	-	44	2,081
Planning & Development	351	226	-	-	7	584
Fire Rescue Services	229	(199)	-	-	-	30
Engineering	25	102	-	-	-	127
Traffic fine revenue	200	-	-	-	4	204
Transit Provision	326	511	-	-	7	844
	3,736	(33)	105	-	62	3,870
	41,250	8,474	(3,064)	-	855	47,515
Total	\$ 182,631	\$ 58,658	\$ (23,781)	\$ 45	\$ 3,834	\$ 221,387

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2017, with comparative information for 2016

Exhibit 5

In thousands

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding December 31 2016	2017 Debt Servicing			Debt Outstanding December 31 2017
						Principal	Interest	Total	
GENERAL FUND									
Parks, Recreation and Culture									
Abbotsford Centre	1586	102/103	2032	5.00	\$ 41,927	\$ 1,844	\$ 2,199	\$ 4,043	\$ 40,083
Cultural Centre	1587	102/103	2027	5.00	6,676	504	360	864	6,172
Community Centre	1588	102/103	2027	5.00	13,352	1,009	720	1,729	12,343
Total Long-term Debt					\$ 61,955	\$ 3,357	\$ 3,279	\$ 6,636	\$ 58,598

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, 2017, with comparative information for 2016

Schedule A

In thousands

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Municipal taxation:			
General	\$ 78,203	\$ 77,985	\$ 75,856
Police	47,178	47,178	45,143
Library	4,632	4,632	4,509
Dyking, drainage & irrigation	1,952	1,955	1,947
Utility tax	1,852	1,900	1,918
Business improvement assessment	274	300	289
Hotel tax	250	447	356
Grants in lieu of taxes:			
Federal government	1,005	1,082	1,063
Provincial governments and agencies	841	1,014	907
Fees and charges:			
Transit	2,544	2,686	2,670
Police	977	3,389	3,258
User rates	7,517	8,148	7,304
Storm drainage	3,651	3,690	3,625
Parks, recreation and culture	6,485	6,629	6,534
Abbotsford Centre	3,377	6,421	6,079
Other	3,453	5,134	3,787
Licenses and permits:			
Building permits	2,053	3,831	2,567
Soil removal fees	2,135	3,227	3,071
Business licences	1,060	1,016	1,353
Municipal License Plates	39	30	38
Secondary suite fees	1,254	1,321	1,291
Other licences and permits	438	913	476
Rental:			
Police	41	45	45
Other	2,025	1,991	1,992
Investment income	1,024	1,689	1,541
Municipal Finance Authority refunds	36	22	31
Grants:			
Transit	4,991	5,230	4,786
Police	2,084	2,113	2,090
Other	7,167	7,510	7,335
	188,539	201,529	191,861

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, 2017, with comparative information for 2016
In thousands

Schedule A

	2017 Plan	2017 Actual	2016 Actual
EXPENSE			
General government services (Schedule E)	16,967	14,837	12,822
Planning & development services (Schedule F)	4,623	4,276	4,095
Protective services			
Police services (Schedule G)	49,595	50,565	48,853
Fire rescue services (Schedule H)	16,860	16,679	15,798
Other protective services (Schedule I)	4,018	3,876	3,768
Parks, recreation & culture services (Schedule J)	22,067	20,561	20,122
Abbotsford Centre (Schedule K)	6,743	9,514	9,288
Library services (Schedule L)	4,351	4,290	4,138
Transit services (Schedule M)	11,688	11,558	11,173
Engineering services (Schedule N)	11,465	14,211	10,791
Solid waste services (Schedule O)	7,729	8,196	7,249
Storm drainage services (Schedule P)	3,145	2,148	2,301
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,122	1,142	1,057
Sumas Prairie (Schedule Q)	1,723	1,873	1,761
	162,096	163,726	153,216
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	26,442	37,802	38,645
Amortization (All Schedules)	-	28,743	29,330
Loss/(gain) on disposal of tangible capital assets (All Schedules)	-	(601)	20
ANNUAL SURPLUS/(DEFICIT)	26,442	9,660	9,295
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,851)	(1,143)
Transfer to general capital reserve	(19,037)	(29,388)	(29,554)
Transfer to operating reserve	(6,063)	(10,960)	(10,683)
Transfer from operating reserve	1,908	5,439	5,670
Debt principal repayments	(3,250)	(3,357)	(3,308)
Inventory and pre-paid expenses	-	463	(771)
Eliminate amortization and loss/gain	-	29,994	30,494
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

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, 2017, with comparative information for 2016
In thousands

Schedule B

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
User rates	\$ 15,900	\$ 17,123	\$ 16,609
Other fees and charges	769	838	682
Rent	50	38	38
Investment income	25	25	-
Municipal Finance Authority refunds	-	-	7
	<u>16,744</u>	<u>18,024</u>	<u>17,336</u>
EXPENSE			
Abbotsford-Mission supply and transmission	3,558	3,035	2,785
Administration	2,821	2,303	2,005
Local supply and distribution	1,922	1,551	1,780
Meters	529	689	609
Hydrants	97	34	158
Maintenance	56	227	254
Long-term debt interest	-	-	2
Internal borrowing interest	-	-	-
	<u>8,983</u>	<u>7,839</u>	<u>7,593</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>7,761</u>	<u>10,185</u>	<u>9,743</u>
Amortization	-	6,253	6,128
Loss/(gain) on disposal of tangible capital assets	-	207	256
ANNUAL SURPLUS/(DEFICIT)	<u>7,761</u>	<u>3,725</u>	<u>3,359</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(3)	-
Transfer from operating reserve	-	18	-
Transfer to waterworks capital reserve	(7,761)	(10,203)	(8,618)
Debt principal repayments	-	-	(1,124)
Eliminate amortization and loss/gain	-	6,463	6,384
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
Sanitary Sewer Operating Fund

For the Year Ended December 31, 2017, with comparative information for 2016
In thousands

Schedule C

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
User rates	\$ 10,500	\$ 11,420	\$ 11,207
Industrial surcharges	958	1,132	1,172
Other fees and charges	532	757	610
Investment income	64	131	122
Municipal Finance Authority refunds	-	-	3
	<u>12,054</u>	<u>13,440</u>	<u>13,114</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	4,214	4,108	3,826
Administration	1,982	1,839	1,779
Maintenance	1,525	1,249	1,107
Long-term debt interest	-	-	1
Internal borrowing interest	44	-	17
	<u>7,765</u>	<u>7,196</u>	<u>6,730</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>4,289</u>	<u>6,244</u>	<u>6,384</u>
Amortization	-	5,165	5,187
Loss/(gain) on disposal of tangible capital assets	-	73	58
ANNUAL SURPLUS/(DEFICIT)	<u>4,289</u>	<u>1,007</u>	<u>1,139</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	-	15	-
Transfer to sanitary sewer capital reserve	(4,289)	(6,260)	(6,023)
Debt principal repayments	-	-	(361)
Eliminate amortization and loss/gain	-	5,238	5,245
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 Airport Operating Fund

For the Year Ended December 31, 2017, with comparative information for 2016
In thousands

Schedule D

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 1,289	\$ 1,480	\$ 1,335
Public parking fees	1,736	1,957	1,744
Concessions	916	1,405	1,081
Other fees and charges	332	310	212
Rent	1,617	1,610	1,671
Investment income	73	85	72
	<u>5,963</u>	<u>6,850</u>	<u>6,115</u>
EXPENSE			
Administration	1,407	1,487	1,142
Marketing	89	98	96
Terminal building	541	511	733
Airside	1,324	1,603	1,539
Mobile equipment	256	332	132
Parking	272	438	255
	<u>3,889</u>	<u>4,469</u>	<u>3,897</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>2,074</u>	<u>2,378</u>	<u>2,218</u>
Amortization	-	1,997	2,023
Loss/(gain) on disposal of tangible capital assets	-	(21)	-
ANNUAL SURPLUS/(DEFICIT)	<u>2,074</u>	<u>402</u>	<u>195</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	(21)	-
Transfer to airport capital reserve	(2,074)	(2,379)	(2,218)
Eliminate amortization and loss/gain	-	1,998	2,023
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, 2017, with comparative information for 2016
In thousands

Schedule E

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Municipal taxation	\$ 82,425	\$ 82,728	\$ 80,389
Fees and charges	2,031	2,439	2,121
Rent	1,761	1,695	1,704
Investment income	1,024	1,679	1,535
Grants	5,887	5,962	5,903
Municipal Finance Authority refunds	36	22	31
	<u>93,164</u>	<u>94,524</u>	<u>91,683</u>
EXPENSE			
LEGISLATIVE SERVICES	728	697	695
CITY MANAGER'S OFFICE			
City manager	1,125	786	1,046
Human resources	1,732	1,788	1,566
FINANCE & CORPORATE SERVICES			
City Clerk	1,246	1,080	1,110
Finance & procurement	4,052	3,408	3,060
Risk management	1,119	811	889
Homelessness Coordination	490	367	340
Real estate services	463	287	293
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR Administration	268	657	244
Corporate communications and marketing	946	921	1,034
Information technology	3,745	3,530	3,350
Economic development	647	756	518
OTHER			
Transfer to other agencies	604	870	768
Common services	2,698	1,533	548
Less: Cost recoveries	(2,894)	(2,653)	(2,639)
	<u>16,969</u>	<u>14,837</u>	<u>12,822</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	76,195	79,687	78,861
Amortization	-	1,387	1,458
Loss/(gain) on disposal of tangible capital assets	-	(413)	160
ANNUAL SURPLUS/(DEFICIT)	<u>76,195</u>	<u>78,712</u>	<u>77,243</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(645)	-
Transfer to general capital reserve	(3,606)	(13,774)	(13,666)
Transfer to operating reserve	(5,868)	(7,367)	(6,952)
Transfer from operating reserve	414	4,072	4,839
Debt principal repayments	-	-	(183)
Inventory and pre-paid expenses	-	463	(771)
Eliminate amortization and loss/gain	-	1,620	1,618
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 67,135</u>	<u>\$ 63,081</u>	<u>\$ 62,128</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, 2017, with comparative information for 2016

Schedule F

In thousands

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,060	\$ 1,016	\$ 1,353
Development permit application fees	130	192	140
Rezoning application fees	150	450	155
Subdivision application fees	65	189	101
Other licences and permits	80	72	72
Fees and charges:			
Development fees on Engineering projects	250	535	236
Other fees and charges	63	96	111
	<u>1,798</u>	<u>2,550</u>	<u>2,168</u>
EXPENSE			
Development approvals	4,422	4,122	3,916
Licence inspection	201	154	179
	<u>4,623</u>	<u>4,276</u>	<u>4,095</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(2,825)</u>	<u>(1,726)</u>	<u>(1,927)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(282)	(110)
Transfer from operating reserve	353	77	97
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (2,472)</u>	<u>\$ (1,931)</u>	<u>\$ (1,940)</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, 2017, with comparative information for 2016

Schedule G

In thousands

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Municipal taxation	\$ 47,178	\$ 47,178	\$ 45,143
Fees and charges:			
Salary recoveries	-	2,375	2,179
Other revenue	977	1,014	1,078
Government grants:			
Traffic fine revenue - sharing	2,000	1,992	2,000
Other government grants	84	122	90
Rent	41	45	45
	<u>50,280</u>	<u>52,725</u>	<u>50,535</u>
EXPENSE			
Finance and budgets	589	509	541
Executive administration	1,856	1,793	1,746
Operations support	5,199	4,977	4,835
Support services	5,617	5,476	5,649
Criminal investigations	8,014	8,321	7,920
Patrol	15,435	15,774	14,351
Operations control	5,880	4,222	5,085
Police building	762	511	629
Human resources	2,573	2,109	2,039
Vehicle maintenance	1,139	1,063	992
Common services & secondment	2,531	5,809	5,066
	<u>49,595</u>	<u>50,565</u>	<u>48,853</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	685	2,162	1,682
Amortization	-	1,187	1,021
Loss/(gain) on disposal of tangible capital assets	-	2	8
ANNUAL SURPLUS/(DEFICIT)	<u>685</u>	<u>973</u>	<u>653</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(13)	(68)
Transfer from operating reserve	-	141	-
Transfer to operating reserve	-	(1,476)	(852)
Transfer to general capital reserve	(685)	(826)	(830)
Eliminate amortization and loss/gain	-	1,201	1,097
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, 2017, with comparative information for 2016
In thousands

Schedule H

	2017	2017	2016
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 190	\$ 277	\$ 348
Licences and permits	10	7	4
	<u>200</u>	<u>283</u>	<u>352</u>
EXPENSE			
Administration	535	573	507
Fire life and safety education	187	165	171
Fire prevention and inspection	629	601	652
Emergency response	14,732	14,587	13,798
Fire halls and ground maintenance	488	465	439
Fire flows and hydrants	289	289	231
	<u>16,860</u>	<u>16,679</u>	<u>15,798</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(16,660)</u>	<u>(16,396)</u>	<u>(15,446)</u>
Amortization	-	1,115	1,095
Loss/(gain) on disposal of tangible capital assets	-	10	82
ANNUAL SURPLUS/(DEFICIT)	<u>(16,660)</u>	<u>(17,521)</u>	<u>(16,623)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(40)	-
Transfer from operating reserve	229	232	158
Transfer to operating reserve	-	(30)	(229)
Transfer to general capital reserve	(756)	(791)	(791)
Eliminate amortization and loss/gain	-	1,165	1,178
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (17,187)</u>	<u>\$ (16,985)</u>	<u>\$ (16,307)</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, 2017, with comparative information for 2016
In thousands

Schedule I

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Licenses and permits:			
Building permits	\$ 2,053	\$ 3,831	\$ 2,567
Secondary suite fees	1,254	1,321	1,291
Fees and charges	254	755	220
Grants	200	-	164
	<u>3,761</u>	<u>5,907</u>	<u>4,242</u>
EXPENSE			
Restorative Justice	149	149	150
Emergency services	239	454	345
Building inspections	2,461	2,180	2,192
Bylaw enforcement	1,169	1,094	1,081
	<u>4,018</u>	<u>3,876</u>	<u>3,768</u>
ANNUAL SURPLUS/(DEFICIT)	(257)	2,030	474
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	-	(95)
Transfer from operating reserve	79	26	-
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (178)</u>	<u>\$ 2,056</u>	<u>\$ 379</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, 2017, with comparative information for 2016

Schedule J

In thousands

	2017	2017				2017	2016
	Plan	General	Parks	Recreation	Culture	Actual	Actual
REVENUE							
Fees and charges	\$ 6,485	\$ 143	\$ 1,331	\$ 5,154	\$ -	\$ 6,628	\$ 6,534
Rent	57	-	-	61	-	61	57
Grants	-	-	-	-	-	-	5
	<u>6,542</u>	<u>143</u>	<u>1,331</u>	<u>5,215</u>	<u>-</u>	<u>6,690</u>	<u>6,596</u>
EXPENSE							
Operations	20,966	1,157	7,750	9,715	859	19,481	18,988
Long-term debt interest	1,101	-	-	720	360	1,080	1,134
	<u>22,067</u>	<u>1,157</u>	<u>7,750</u>	<u>10,435</u>	<u>1,219</u>	<u>20,561</u>	<u>20,122</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION							
	(15,525)	(1,014)	(6,419)	(5,220)	(1,219)	(13,871)	(13,526)
Amortization	-	-	2,217	1,609	437	4,263	4,401
Loss/(gain) on disposal of tangible capital assets	-	32	-	2	-	34	-
ANNUAL SURPLUS/(DEFICIT)	<u>(15,525)</u>	<u>(1,046)</u>	<u>(8,636)</u>	<u>(6,831)</u>	<u>(1,656)</u>	<u>(18,169)</u>	<u>(17,927)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS							
Debt principal repayments	(1,406)	-	-	(1,009)	(504)	(1,513)	(1,353)
Transfer to general capital reserve	(1,519)	(107)	(794)	(545)	(73)	(1,519)	(1,443)
Transfer to cemetery capital reserve	(160)	-	(160)	-	-	(160)	(165)
Transfer from operating reserve	-	1	28	39	-	68	-
Eliminate amortization and loss/gain	-	32	2,217	1,611	437	4,297	4,401
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (18,610)</u>	<u>\$ (1,120)</u>	<u>\$ (7,345)</u>	<u>\$ (6,735)</u>	<u>\$ (1,796)</u>	<u>\$ (16,996)</u>	<u>\$ (16,487)</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, 2017, with comparative information for 2016
In thousands

Schedule K

	2017	2017	2016
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 3,377	\$ 6,421	\$ 6,079
Investment income	-	11	7
Grants	900	1,195	1,062
	<u>4,277</u>	<u>7,627</u>	<u>7,148</u>
EXPENSE			
Abbotsford Centre			
Operations	4,516	7,315	7,017
Long-term debt interest	2,227	2,199	2,271
	<u>6,743</u>	<u>9,514</u>	<u>9,288</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(2,466)</u>	<u>(1,887)</u>	<u>(2,140)</u>
Amortization	-	2,671	2,778
ANNUAL SURPLUS/(DEFICIT)	<u>(2,466)</u>	<u>(4,558)</u>	<u>(4,918)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(1,844)	(1,844)	(1,773)
Eliminate amortization and loss/gain	-	2,671	2,778
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (4,310)</u>	<u>\$ (3,731)</u>	<u>\$ (3,913)</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, 2017, with comparative information for 2016
In thousands

Schedule L

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Municipal tax for regional library	\$ 4,632	\$ 4,632	\$ 4,509
EXPENSE			
Transfer to Fraser Valley Regional Library	4,004	4,004	3,883
Library operating costs	347	286	255
	<u>4,351</u>	<u>4,290</u>	<u>4,138</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	281	342	371
Amortization	-	205	205
ANNUAL SURPLUS/(DEFICIT)	<u>281</u>	<u>137</u>	<u>166</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(300)	(300)	(352)
Transfer from operating reserve	19	19	-
Transfer to operating reserve	-	(61)	(19)
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, 2017, with comparative information for 2016
In thousands

Schedule M

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Grants	\$ 4,991	\$ 5,230	\$ 4,786
Fares	1,876	2,008	1,977
BC bus pass program	496	499	518
Advertising and other	172	179	175
	<u>7,535</u>	<u>7,916</u>	<u>7,456</u>
EXPENSE			
Transfer to BC Transit	11,531	11,440	11,077
Other	158	118	96
	<u>11,688</u>	<u>11,558</u>	<u>11,173</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(4,154)</u>	<u>(3,642)</u>	<u>(3,717)</u>
Amortization	-	31	31
ANNUAL SURPLUS/(DEFICIT)	<u>(4,154)</u>	<u>(3,673)</u>	<u>(3,748)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	-	-	189
Transfer to operating reserve	-	(511)	(326)
Eliminate amortization and loss/gain	-	31	31
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (4,154)</u>	<u>\$ (4,153)</u>	<u>\$ (3,854)</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, 2017, with comparative information for 2016

Schedule N

In thousands

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 358	\$ 148
Recoveries	204	205	294
Parking lot tickets	-	56	71
Other	321	289	121
Licenses and permits:			
Soil removal fees	2,135	3,227	3,071
Other	3	4	2
Grants	180	354	200
Rent	207	235	231
	<u>3,050</u>	<u>4,727</u>	<u>4,138</u>
EXPENSE			
ADMINISTRATION	2,117	1,823	2,126
ENGINEERING	1,095	2,194	1,898
TRANSPORTATION			
Services	3,068	2,646	2,601
Operations - roads	4,931	7,598	4,736
EQUIPMENT FLEET			
Operations	3,998	4,439	3,833
Internal recoveries	(5,873)	(5,998)	(5,689)
INTERNAL BORROWING INTEREST	-	6	39
MUNICIPAL BUILDINGS	2,543	1,916	1,660
COST RECOVERIES	(413)	(413)	(413)
	<u>11,466</u>	<u>14,211</u>	<u>10,791</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>(8,416)</u>	<u>(9,483)</u>	<u>(6,653)</u>
Amortization	-	13,489	13,952
Loss/(gain) on disposal of tangible capital assets	-	(276)	(405)
ANNUAL SURPLUS/(DEFICIT)	<u>(8,416)</u>	<u>(22,696)</u>	<u>(20,200)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,154)	(1,076)
Transfer to general capital reserve	(11,749)	(11,749)	(11,674)
Transfer to operating reserve	(170)	(403)	(1,434)
Transfer from operating reserve	579	597	88
Eliminate amortization and loss/gain	-	14,366	14,623
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (19,756)</u>	<u>\$ (21,039)</u>	<u>\$ (19,673)</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, 2017, with comparative information for 2016
In thousands

Schedule O

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 6,002	\$ 5,869	\$ 5,854
Garbage stickers	35	34	24
Recycling, compost and yard waste fees	-	781	-
Recoveries & other	1,480	1,464	1,426
	<u>7,517</u>	<u>8,148</u>	<u>7,304</u>
EXPENSE			
Planning, design and management	792	817	552
Collection	2,807	3,099	2,925
Disposal	4,130	4,280	3,772
	<u>7,729</u>	<u>8,196</u>	<u>7,249</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	(212)	(48)	55
Amortization	-	54	55
Loss/(gain) on disposal of tangible capital assets	-	-	-
ANNUAL SURPLUS/(DEFICIT)	(212)	(102)	-
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	-	(7)	(265)
Transfer to operating reserve	-	(13)	-
Transfer from operating reserve	212	68	210
Eliminate amortization and loss/gain	-	54	55
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, 2017, with comparative information for 2016
In thousands

Schedule P

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Fees and charges:			
Storm drainage user fees	\$ 3,648	\$ 3,652	\$ 3,611
Other	3	38	14
	<u>3,651</u>	<u>3,690</u>	<u>3,625</u>
EXPENSE			
Storm sewers and detention	2,557	1,692	1,835
Urban watercourses	145	155	126
Rural drainage	443	301	340
	<u>3,145</u>	<u>2,148</u>	<u>2,301</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	<u>506</u>	<u>1,542</u>	<u>1,324</u>
Amortization	-	3,610	3,603
Loss/(gain) on disposal of tangible capital assets	-	43	174
ANNUAL SURPLUS/(DEFICIT)	<u>506</u>	<u>(2,111)</u>	<u>(2,453)</u>
Matsqui Prairie (Schedule Q)	(405)	(647)	(554)
Sumas Prairie (Schedule Q)	(307)	(989)	(890)
TOTAL ANNUAL SURPLUS / (DEFICIT)	<u>(206)</u>	<u>(3,747)</u>	<u>(3,897)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(812)	(666)
Transfer from operating reserve	25	-	-
Transfer to general capital reserve	(126)	(126)	(210)
Reconcile to contribution from storm drainage-Matsqui Prairie	(69)	142	136
Reconcile to contribution from storm drainage-Sumas Prairie	(66)	589	520
Eliminate amortization and loss/gain	-	3,652	3,777
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (442)</u>	<u>\$ (302)</u>	<u>\$ (340)</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, 2017, with comparative information for 2016

Schedule Q

In thousands

	2017 Plan	2017 Actual	2016 Actual	2017 Plan	2017 Actual	2016 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
Fees and charges:						
General tax levy	\$ 701	\$ 704	\$ 695	\$ 1,252	\$ 1,251	\$ 1,251
Other revenue	16	-	17	164	155	142
	<u>717</u>	<u>704</u>	<u>712</u>	<u>1,416</u>	<u>1,406</u>	<u>1,393</u>
EXPENSE						
Dyking	56	40	77	65	102	64
Drainage	633	626	589	723	769	805
Storm	185	215	155	-	-	-
Irrigation	125	137	111	99	133	124
Administration	115	124	116	171	167	161
Pump stations	-	-	-	657	702	598
Recoverable work	8	-	9	8	-	9
	<u>1,122</u>	<u>1,142</u>	<u>1,057</u>	<u>1,723</u>	<u>1,873</u>	<u>1,761</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	(405)	(438)	(345)	(307)	(467)	(368)
Amortization	-	209	209	-	522	522
ANNUAL SURPLUS/(DEFICIT)	<u>(405)</u>	<u>(647)</u>	<u>(554)</u>	<u>(307)</u>	<u>(989)</u>	<u>(890)</u>
RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE						
Transfer to general capital reserve	(69)	(69)	(83)	(66)	(66)	(77)
Transfer to operating reserve	-	(5)	-	-	-	-
Transfer from operating reserve	-	7	10	-	133	75
Eliminate amortization and loss/gain	-	209	209	-	522	522
CONTRIBUTION FROM STORM DRAINAGE	<u>\$ (474)</u>	<u>\$ (505)</u>	<u>\$ (418)</u>	<u>\$ (373)</u>	<u>\$ (400)</u>	<u>\$ (370)</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, 2017, with comparative information for 2016

Schedule R

In thousands

	2017			Sanitary		2017	2016
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
REVENUE							
Municipal taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,131)
Other fees and charges	22	789	216	65	-	1,070	(651)
Airport improvement fees	377	-	-	-	593	593	1,210
Developer charges earned	10,661	8,765	186	205	-	9,156	6,197
Contributed tangible capital assets	-	2,845	220	358	-	3,423	9,403
Grants	26,102	1,473	16	165	-	1,654	2,293
Other sources	173	8	-	-	-	8	25
Contributions (to)/from other funds	-	132	8	(116)	(25)	(1)	-
	<u>37,335</u>	<u>14,012</u>	<u>646</u>	<u>677</u>	<u>570</u>	<u>15,903</u>	<u>17,346</u>
EXPENSE							
Minor capital projects							
General government	1,305	539	-	-	-	539	1,036
Police services	42	-	-	-	-	-	-
Fire services	432	257	-	-	-	257	373
Park services	562	1,084	-	-	-	1,084	727
Recreation services	477	205	-	-	-	205	47
Entertainment & Sports Centre services	-	-	-	-	-	-	50
Transportation services	7,476	5,067	-	-	-	5,067	4,822
Equipment fleet services	-	(45)	-	-	-	(45)	9
Solid waste services	37	50	-	-	-	50	90
Storm drainage services	1,430	511	-	-	-	511	224
Dyking, drainage & irrigation	2,068	1,108	-	-	-	1,108	2,174
Waterworks	1,688	-	641	-	-	641	123
Sanitary sewer	6,293	-	-	488	-	488	810
Airport	-	-	-	-	-	-	147
	<u>21,810</u>	<u>8,776</u>	<u>641</u>	<u>488</u>	<u>-</u>	<u>9,905</u>	<u>10,632</u>
ANNUAL SURPLUS/(DEFICIT)	<u>15,525</u>	<u>5,234</u>	<u>5</u>	<u>189</u>	<u>569</u>	<u>5,998</u>	<u>6,714</u>
RECONCILE TO CHANGE IN CAPITAL EQUITY							
General capital reserve	32,206	14,322	-	-	-	14,322	15,147
Storm drainage reserve	5,201	609	-	-	-	609	410
Waterworks capital reserve	14,641	-	3,887	-	-	3,887	7,289
Sanitary sewer capital reserve	10,198	-	-	814	-	814	2,172
Airport capital reserve	1,517	-	-	-	1,086	1,086	(1,099)
Tangible capital assets	-	(24,087)	(6,463)	(5,238)	(1,997)	(37,785)	(39,693)
Debt principal repayment	3,250	3,357	-	-	-	3,357	4,793
Internal borrowing (from general fund)	-	(6,160)	-	-	-	(6,160)	(4,880)
Internal borrowing interest	-	253	-	-	-	253	426
CHANGE IN CAPITAL EQUITY	<u>\$ 82,538</u>	<u>\$ (6,472)</u>	<u>\$ (2,571)</u>	<u>\$ (4,235)</u>	<u>(343)</u>	<u>\$(13,619)</u>	<u>\$ (8,721)</u>

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, 2017, with comparative information for 2016

Schedule S

In thousands

	2017 Plan	2017 Actual	2016 Actual
REVENUE			
Investment income	\$ -	\$ 3,836	\$ 3,024
Other sources	-	45	21
	-	3,881	3,045
ANNUAL SURPLUS/(DEFICIT)	-	3,881	3,045
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	(11,922)	5,488	5,017
General capital reserve	(13,104)	15,940	12,930
Affordable housing reserve	-	-	(250)
Storm drainage reserve	(5,074)	10	(199)
Waterworks capital reserve	(6,880)	6,664	3,989
Sanitary sewer capital reserve	(5,909)	5,459	3,852
Airport capital reserve	557	1,313	3,317
CHANGE IN APPROPRIATED SURPLUS	\$ (42,332)	\$ 38,755	\$ 31,701

See notes to consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying financial statements of the City of Abbotsford Cemetery Care Trust Fund which comprise the statement of financial position as at December 31, 2017, 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, 2017 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 30, 2018
Abbotsford, Canada

CITY OF ABBOTSFORD
Cemetery Care Trust Fund
Statement of Financial Position

For the Year Ended December 31, 2017, with comparative information for 2016
In thousands

	2017	2016
	Actual	Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 3,462	\$ 2,484
Accounts receivable	374	1,216
NET FINANCIAL ASSETS	<u>3,836</u>	<u>3,700</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	3,700	3,575
Contributions	137	125
Investment earnings	77	114
Transfer to general operating fund	(77)	(114)
Balance, end of year	<u>\$ 3,837</u>	<u>\$ 3,700</u>

See notes to consolidated financial statements.