



2022

**CONSOLIDATED
FINANCIAL
STATEMENTS**

2022 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of City of Abbotsford

Opinion

We have audited the financial statements of City of Abbotsford (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2022, and its results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2022 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 2

City of Abbotsford
Page 2

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

2022 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 3

*City of Abbotsford
Page 3*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Abbotsford, Canada

May 8, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022 with comparative information as at December 31, 2021 (in thousands)

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 43,104	\$ 63,059
Accounts receivable (Note 4)	52,777	48,434
Portfolio investments (Note 5)	603,729	554,630
	<u>699,610</u>	<u>666,123</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	133,227	116,757
Restricted revenue (Note 7)	150,861	140,024
Deferred revenue (Note 8)	16,035	16,272
	<u>300,123</u>	<u>273,053</u>
Long-term debt (Note 9)	39,972	43,965
	<u>340,095</u>	<u>317,018</u>
	<u>359,515</u>	<u>349,105</u>
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	1,493,892	1,451,504
Inventories (Note 11)	1,716	1,685
Pre-paid expenses (Note 12)	3,084	982
	<u>1,498,692</u>	<u>1,454,171</u>
	<u>\$ 1,858,207</u>	<u>\$ 1,803,276</u>
ACCUMULATED SURPLUS (Note 13)		
Contingent liabilities (Note 17)		



ROSS SIEMENS, MAYOR



KOMAL BASATIA, CPA, CGA
CFO

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

	2022 Plan (Note 20)	2022 Actual	2021 Actual
REVENUE			
Municipal taxation(Note 2)	\$ 167,527	\$ 172,007	\$ 162,748
Fees and other charges	84,311	108,615	93,240
Developer charges earned	9,813	7,565	3,511
Contributed tangible capital assets	-	3,036	11,392
Grants and government transfers	46,084	40,278	38,648
Portfolio investment income	6,060	8,491	9,026
Interest and penalties	960	1,261	1,119
Rent	3,953	5,397	4,674
	<u>318,708</u>	<u>346,650</u>	<u>324,358</u>
EXPENSE			
General government	33,591	31,385	37,349
Planning & development services	8,611	6,869	6,148
Protective services	83,557	83,592	84,590
Parks, recreation, culture & libraries	35,502	39,112	37,818
Transit	15,204	13,341	11,934
Engineering	39,928	74,472	52,427
Diking, drainage & irrigation	3,965	3,174	3,748
Waterworks	13,981	17,615	17,023
Sanitary sewer	11,417	15,051	13,937
Airport	5,165	7,108	6,351
	<u>250,921</u>	<u>291,719</u>	<u>271,325</u>
ANNUAL SURPLUS	<u>67,787</u>	<u>54,931</u>	<u>53,033</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,803,276</u>	<u>1,803,276</u>	<u>1,750,243</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$1,871,063</u>	<u>\$1,858,207</u>	<u>\$1,803,276</u>

 See notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

	2022	2021
OPERATING ACTIVITIES		
Annual Surplus	\$ 54,931	\$ 53,033
Non-cash items included in annual surplus:		
Amortization expense	41,898	42,767
Contributed tangible capital assets	(3,036)	(11,392)
Gain on disposal of tangible capital assets	(188)	(1,868)
Recognition of restricted revenue	(7,595)	(3,521)
Changes in non-cash operating items:		
Accounts receivable	(4,343)	(10,883)
Inventories	(31)	(294)
Pre-paid expenses	(2,102)	(75)
Accounts payable and accrued liabilities	16,470	25,541
Deferred revenue	(237)	(399)
	<u>95,767</u>	<u>92,909</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(49,099)	(41,551)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	18,432	16,071
Debt principal repaid	(3,993)	(3,839)
	<u>14,439</u>	<u>12,232</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	1,083	3,539
Acquisition of tangible capital assets	(82,145)	(49,489)
	<u>(81,062)</u>	<u>(45,950)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(19,955)	17,640
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>63,059</u>	<u>45,419</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 43,104</u>	<u>\$ 63,059</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(DEBT)

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

	2022 Plan (Note 20)	2022 Actual	2021 Actual
ANNUAL SURPLUS	\$ 67,787	\$ 54,931	\$ 53,033
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(255,579)	(82,145)	(49,489)
Contributed tangible capital assets	-	(3,036)	(11,392)
Amortization	-	41,898	42,767
Proceeds from disposal of tangible capital assets	-	1,083	3,538
Gain on disposal of tangible capital assets	-	(188)	(1,868)
	(255,579)	(42,388)	(16,444)
OTHER NON-FINANCIAL ASSETS:			
Increase in inventory	-	(31)	(294)
Increase in pre-paid expenses	-	(2,102)	(75)
	-	(2,133)	(369)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(187,792)	10,410	36,220
NET FINANCIAL ASSETS, BEGINNING OF YEAR	349,105	349,105	312,885
NET FINANCIAL ASSETS, END OF YEAR	\$ 161,313	\$ 359,515	\$ 349,105

 See notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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.

SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the City of Abbotsford ('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 and City of Mission on January 1, 2005, are consolidated in the City's financial statements, with the City 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.

(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 2022 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on December 20, 2021, with the exception of adjustments detailed in Note 20 to the Consolidated Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(f) Non-Financial Assets:

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

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

Tangible Capital Assets

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

	Major Asset Category	Useful Life Range (years)
General	Land	n/a
	Land Improvements	10-20
	Park Improvements	10-50
	Buildings	10-50
	Machinery, Equipment, Vehicles	4-20
Infrastructure	Airport	20-125
	Water	20-75
	Sewer	20-75
	Transportation	15-75
	Storm Drainage & Detention	50-100
	Diking, Drainage and Irrigation	20-100

Tangible capital assets, including construction-in-progress, are recorded at cost. Amortization on tangible capital assets begins at the point in time the asset is substantially complete and ready for use. Contributed tangible capital assets are recorded at fair value at the date of contribution using various methods including appraisal, assessed values or in-house estimation.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(g) Accrued Liabilities:

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

(h) Financial Instruments:

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

(i) Revenue Recognition:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(l) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee post-retirement benefits, liability claims, landfill restoration costs, allowance for doubtful accounts receivable, provision for contingencies, 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.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

2. MUNICIPAL TAXATION

Taxation revenues consist of the following:

	2022	2021
Municipal tax	\$ 163,408	\$ 154,978
Grants in lieu of taxes	2,674	2,533
Specified area taxes	2,550	2,447
Utility 1% tax	2,327	2,244
Hotel tax	1,048	546
Total	<u>\$ 172,007</u>	<u>\$ 162,748</u>

3. CASH AND CASH EQUIVALENTS:

	2022	2021
Cash	\$ 40,870	\$ 59,868
MFA short-term money-market investment pools	2,234	3,191
	<u>\$ 43,104</u>	<u>\$ 63,059</u>

4. ACCOUNTS RECEIVABLE:

	2022	2021
Fees and charges	\$ 27,050	\$ 27,574
Taxes	6,255	4,796
Grants	13,029	10,327
Development cost charges	3,546	2,544
Local improvement/service charges	2,897	3,193
	<u>\$ 52,777</u>	<u>\$ 48,434</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

5. 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.

Short-term investments have a duration of less than two years, whereas long-term investments have a duration of 2 - 10 years.

	2022		2021	
	Cost	Market	Cost	Market
	\$ 603,729	\$ 600,611	\$ 554,630	\$ 554,542
	Short-term	Long-term	Short-term	Long-term
Average holdings	472,074	76,820	478,672	17,350
Annual yield	1.41 %	3.82 %	2.02 %	1.82 %

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2022	2021
Accounts payable:		
Trade payables	\$ 32,124	\$ 27,458
Deposits	56,646	47,666
Tax prepayments	16,725	15,538
Salaries and wages	6,690	5,938
Due to Cemetery Care Trust Fund	2,208	2,074
Accrued liabilities:		
Retirement allowance liability	12,905	13,111
Liability claims	1,109	401
Vacation pay	2,701	2,660
Landfill restoration liability	2,119	1,911
	<u>\$ 133,227</u>	<u>\$ 116,757</u>

(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 2022, an independent actuarial valuation of the retirement allowance liability was performed. The actuarial valuation for these benefits was updated to determine the City's benefit obligation as at December 31, 2022. The difference between the actuarially determined benefit obligation of \$11,962,000 and the accrued benefit liability of \$12,905,000 as at December 31, 2022, was an unamortized actuarial gain of \$943,000, (2021 loss - \$915,000) 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, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

	<u>2022</u>	<u>2021</u>
Actuarial benefit obligation	\$ 11,962	\$ 14,026
Unamortized actuarial gain/(loss)	943	(915)
Accrued benefit liability	<u>\$ 12,905</u>	<u>\$ 13,111</u>

Accrued benefit liability:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 13,111	\$ 12,790
Current service cost	1,092	1,155
Interest cost	362	308
Benefits paid	(1,782)	(1,278)
Amortization of net actuarial loss	122	136
Balance, end of year	<u>\$ 12,905</u>	<u>\$ 13,111</u>

Actuarial Assumptions used to determine the benefit obligation:

	<u>2022</u>	<u>2021</u>
Discount rate	4.5 %	2.5 %
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 %

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(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 in 2014 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 leachate monitoring and 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 - this deadline is set at December 2023.

The 2020 Valley Road Landfill Closure Plan was revised in 2022, however, analysis of remaining wood waste is still ongoing into 2023. The Valley Road Landfill site is expected to require care up to and including the year 2050, primarily for monitoring of groundwater, surface water, leachate, and sediment. The capacity of the site is estimated by the closure plan at 40,500 cubic meters, of which 3,778 cubic meters have been used at the end of 2022. This capacity is projected to be fully used by 2025, however the revised plan notes it will likely be extended given the capacity used to date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(b) Landfill Restoration Liability: continued

The liability of \$2,119,000, at December 31, 2022 (2021 - \$1,911,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities for both landfills. An additional \$837,000 (present value) is estimated to be required for closure activities related to future sediment deposits at the Valley Road site; only a portion of this liability has been included as only 9.3% of the capacity has been used.

The discount rate used in 2022 was 4.5% (2021 – 2.5%) and the inflation rate used in 2022 was 2.6% (2021 - 2.6%). Landfill closure costs in 2022 were \$135,779 (2021 - \$107,014). There are no assets designated for settling the post-closure care liability.

	2022	2021
Restoration liability, beginning of year	\$ 1,911	\$ 1,269
Adjustment to liability	208	642
Restoration liability, end of year	<u>\$ 2,119</u>	<u>\$ 1,911</u>

(c) Liability for Contaminated Sites:

The City has determined that as of December 31, 2022, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

7. RESTRICTED REVENUE LIABILITY:

	Development Cost Charges	Development Fees	Airport Fees	2022 Total	2021 Total
Balance, beginning of year	\$ 103,190	\$ 34,063	\$ 2,771	\$ 140,024	\$ 127,474
Add:					
Current year contributions	10,339	4,755	-	15,094	13,936
Interest	2,449	840	49	3,338	2,135
	115,978	39,658	2,820	158,456	143,545
Less: Amounts recognized as revenue					
Developer charges earned - capital expenditures	6,613	952	-	7,565	3,511
Airport fees - eligible airport expenditures	-	-	30	30	10
	6,613	952	30	7,595	3,521
Balance, end of year	\$ 109,365	\$ 38,706	\$ 2,790	\$ 150,861	\$ 140,024

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 for the remaining amount of DCCs owing. As at December 31, 2022, the amount of DCCs due over the next two years is \$3,545,774 (2021 - \$2,543,661).

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

7. RESTRICTED REVENUE LIABILITY: CONTINUED

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

	2022	2021
Storm drainage	\$ 12,612	\$ 12,221
Parks	21,185	23,663
Waterworks - supply	27,216	24,700
Waterworks - distribution	2,557	2,247
Sanitary sewer - collection	7,489	6,667
Sanitary sewer - treatment plant	11,038	9,746
Roads	27,268	23,946
	<u>\$ 109,365</u>	<u>\$ 103,190</u>

(b) **Development Fees:**

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

(c) **Airport Fees:**

Airport fees consist of customer facility charges collected from car rental companies and are used to fund capital improvements related to car rental facilities at the Airport, including debt service charges.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

8. DEFERRED REVENUE:

	Balance, Beginning of Year	Externally restricted inflows	Revenue earned	Balance, December 31, 2022
Fees and charges	\$ 3,307	\$ 5,814	\$ (5,534)	\$ 3,587
Grants	12,965	2,503	(3,020)	12,448
	<u>\$ 16,272</u>	<u>\$ 8,317</u>	<u>\$ (8,554)</u>	<u>\$ 16,035</u>

9. LONG-TERM DEBT:

The City carries no debt for others. Debenture debt principal is reported net of repayments and actuarial adjustment 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
2023	\$ 4,112
2024	4,277
2025	4,448
2026	4,626
2027	4,810
2028 and thereafter	17,699
	<u>\$ 39,972</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 \$2,573,600 in 2022 (2021 - \$2,718,400).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	<u>2022</u>	<u>2021</u>
General		
Land	\$ 455,715	\$ 451,424
Land improvements	5,282	5,533
Park improvements	17,003	17,434
Buildings	108,213	110,323
Machinery & equipment	12,339	7,792
Vehicles	18,529	16,723
Infrastructure		
Airport	20,950	21,968
Waterworks	227,539	227,448
Sanitary sewer	154,353	154,473
Transportation	174,954	181,652
Storm drainage and detention	185,722	186,430
Diking, drainage & irrigation	17,056	17,774
Assets under construction	96,237	52,530
	<u>\$ 1,493,892</u>	<u>\$ 1,451,504</u>

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

The value of contributed capital assets received and recognized in the year 2022 from developers, for various infrastructure works and related land and parks is \$3,036,178 (2021 – \$11,391,617).

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.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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:

	<u>2022</u>	<u>2021</u>
Stock	\$ 739	\$ 613
Fuel	106	90
Gravel	871	982
	<u>\$ 1,716</u>	<u>\$ 1,685</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.

	<u>2022</u>	<u>2021</u>
General	\$ 3,084	\$ 982

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

13. ACCUMULATED SURPLUS:

	<u>2022</u>	<u>2021</u>
Unappropriated Balance		
General operations	\$ 19,627	\$ 19,627
Waterworks operations	4,263	4,263
Sanitary sewer operations	5,799	5,799
Airport operations	1,176	1,176
	<u>30,865</u>	<u>30,865</u>
Appropriated Surplus		
General operations reserve	77,264	82,970
Statutory capital reserves	291,356	279,234
	<u>368,620</u>	<u>362,204</u>
Investment in tangible capital assets	1,453,922	1,407,540
Investment in other non-financial assets	4,800	2,667
Total Accumulated Surplus	<u>\$ 1,858,207</u>	<u>\$ 1,803,276</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 through 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.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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:

	2022	2021
Interest paid	\$ 2,698	\$ 2,812
Interest received	6,382	6,679

15. SUPPLEMENTAL GRANT REVENUE INFORMATION:

The City may receive grant revenue from the Federal, Provincial or other level of governments. The following is a breakdown of the grant revenue recognized from each level of government:

	2022	2021
Federal transfers	\$ 7,716	\$ 15,867
Provincial transfers	32,562	22,781
	\$ 40,278	\$ 38,648

16. EXPENSE BY OBJECT:

	2022	2021
Salaries and benefits	\$ 124,950	\$ 122,148
Operating goods and services	79,725	80,097
Minor capital projects	24,232	9,213
Amortization	41,898	42,767
Loss (gain) on disposal of tangible capital assets	(188)	(1,868)
Transfer payments to other governments and agencies	18,528	16,250
Long-term debt interest	2,574	2,718
Total expense by object	\$ 291,719	\$ 271,325

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

17. 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 2022 the City reports a liability of \$1,109,167 (2021 – \$401,361) which, at this time, is management's best estimate of expected future settlements.

(c) Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for 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 227,000 active members and approximately 118,000 retired members. Active members include approximately 1,100 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.

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

17. CONTINGENT LIABILITIES: CONTINUED

(c) Municipal Pension Plan: continued

The most recent actuarial valuation as at December 31, 2021 indicated a \$3,761,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025. In 2022, the City paid \$10,613,709 (2021 - \$11,067,999) for employer contributions while employees contributed \$8,760,220 (2021 - \$8,736,351) to the plan.

(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 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 \$1,287,024 (2021 - \$1,258,906). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2021 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2021 - \$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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

17. CONTINGENT LIABILITIES: CONTINUED

(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.

(g) Clayburn Village Project

In 2019, the City was required to provide a letter of credit in the amount of \$844,662 as financial security to the Department of Fisheries and Oceans (DFO) to meet the requirements to guarantee certain works would take place as part of a project in Clayburn Village in Abbotsford. The file name is "REVISION 3: Compendium of updated project information to support the Request for Authorization for the 2019 Clayburn Creek Conveyance Improvements near Clayburn Village, Abbotsford, BC, dated June 6, 2019" under DFO Referral File No: 18-HPAC-00371/City of Abbotsford.

18. 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
Operational services	\$ 89,500	\$ 79,024
Road construction	14,126	4,744
Sanitary sewer construction	5,923	4,180
Storm drainage	3,862	3,341
Vehicles & equipment	966	685
Waterworks construction	5,478	4,044
	\$ 119,855	\$ 96,018

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

19. CONTRACTUAL RIGHTS:

The City of Abbotsford has entered into contracts for various grants, property rental and rights to revenues, and is scheduled to receive the following amounts under those contracts:

	<u>Extent of Contracts</u>
2023	\$ 39,046
2024	8,061
2025	4,217
2026	3,567
2027	3,145
2028 and thereafter	31,051
	<u>\$ 89,087</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

20. 2022 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 3258-2022 on May 9, 2022. 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.

	Annual Budget	Amended Budget	Change
Revenues			
Municipal assessment taxes	\$ 167,515	\$ 167,515	-
Fees and charges	74,842	74,997	155
Developer charges earned	3,161	9,813	6,652
Contributions from other governments	9,230	9,230	-
Government grants	17,180	46,084	28,904
Rent	5,882	5,882	-
Interest and penalties	7,016	7,016	-
Other sources	3,894	4,918	1,024
	<u>\$ 288,720</u>	<u>\$ 325,454</u>	<u>\$ 36,735</u>
Expenses			
Capital expenditures	54,765	255,579	200,814
Protective services	83,527	83,527	-
Parks, recreation and cultural services	31,502	31,816	314
Engineering services	29,226	29,976	750
General government	29,399	32,455	3,056
Water services	12,327	12,856	529
Sewer services	10,483	10,704	221
Transit services	15,204	15,204	-
Airport services	5,165	5,165	-
Development services	7,970	8,609	675
Diking services	3,232	3,232	-
Debt interest	2,624	2,624	-
Debt principal repayment	3,954	3,954	-
	<u>\$ 289,377</u>	<u>\$ 495,700</u>	<u>\$ 206,323</u>
Net Revenue (Expenses)	<u>(658)</u>	<u>(170,246)</u>	<u>(169,588)</u>
Debt proceeds	-	36,000	36,000
Transfers (to) from operating reserves	152	(30,998)	(31,150)
Transfers (to) from capital reserves	(810)	(103,248)	(102,438)
	<u>(658)</u>	<u>(134,246)</u>	<u>(133,588)</u>
Net Budgeted Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

20. 2022 BUDGET FIGURES: CONTINUED

Reconcile to Consolidated Statement of Operations

Net Revenue (Expenses) per Bylaw 3258-2022	\$ (170,246)
Add:	
Capital expenditures	255,579
Debt principal repayment	3,954
Water/Sewer/Cemetery fund reserve revenue	-
Less:	
Minor capital expenses	(17,015)
Collections for other governments	(4,485)
Annual surplus per Statement of Operations	<u>\$ 67,787</u>

21. 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, 2022, the trust fund balance is \$4,523,595 (2021 - \$4,364,554).

22. FINANCIAL RISKS:

Market Risk is the risk that changes in market prices, such as interest rates, will affect the City's income. The City's cash and portfolio investments include amounts on deposit with financial institutions that earn interest at market rates. The City manages its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest would not have a significant effect on the City's income.

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Management does not believe that the City is exposed to significant credit risk.

The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

23. 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
- Strategic planning, corporate communications & marketing
- Human resources
- Financial services
- Information technology
- Procurement
- Risk management
- Economic development
- Housing services
- Provincial emergency response
- Bylaw enforcement
- Restorative justice

Police Protection Services

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

Fire Rescue Services

- Emergency incident response
- Firefighter training
- Fire inspections and investigations
- Fire safety programs
- Medical assistance
- Search & rescue
- City emergency response

Engineering Services

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

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

23. CITY SERVICES FINANCIAL INFORMATION: CONTINUED

Parks, Recreation & Culture Services

Recreation facilities & programs
Parks & open space
Health and wellness
Cemeteries
Cultural Centre
Abbotsford Centre
Library services

Solid Waste Services

Collection & disposal
Composting & recycling
Environmental education

Diking & Irrigation Services

Diking infrastructure
Water management of City diking & drainage areas
Irrigation services & infrastructure

Sanitary Sewer Services

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

Airport Services

National & international flights
Passenger & cargo services

Planning & Development Services

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

Transit Services

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

Drainage Services

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

Waterworks Services

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

24. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 108,344	\$ 132,632	\$ 136,051
Planning & development services	6,197	7,686	7,940
Police services	61,399	61,928	60,305
Fire rescue services	200	357	174
Parks, recreation & culture services	5,585	6,526	4,394
Abbotsford Centre	50	12	2,395
Library services	5,247	5,235	5,135
Transit services	9,576	9,119	7,749
Engineering services	4,185	7,820	4,797
Solid waste services	9,880	10,345	9,259
Storm drainage services	3,728	3,762	3,751
Diking, drainage and irrigation services	2,139	2,187	2,113
	216,530	247,609	244,063
WATERWORKS OPERATING FUND	22,403	21,283	21,263
SANITARY SEWER OPERATING FUND	16,949	16,575	16,118
AIRPORT OPERATING FUND	11,264	10,074	8,097
CAPITAL FUNDS	46,767	42,593	29,214
RESERVE FUNDS	4,795	8,516	5,603
	318,708	346,650	324,358

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

24. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION: CONTINUED

	2022 Plan	2022 Actual	2021 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	32,457	31,123	36,233
Planning & development services	8,611	6,870	6,147
Police services	61,415	61,190	60,703
Fire rescue services	22,112	23,989	22,420
Parks, recreation & culture services	26,794	28,570	25,451
Abbotsford Centre	2,678	4,185	6,834
Library services	4,979	5,095	5,023
Transit services	15,204	13,341	11,934
Engineering services	16,498	33,643	28,775
Solid waste services	9,945	10,345	10,910
Storm drainage services	3,533	7,230	7,450
Diking, drainage and irrigation services	3,232	2,998	3,528
	207,458	228,579	225,408
WATERWORKS OPERATING FUND	11,571	17,025	16,750
SANITARY SEWER OPERATING FUND	9,713	14,807	13,877
AIRPORT OPERATING FUND	5,165	7,076	6,077
CAPITAL FUNDS	17,014	24,232	9,213
	250,921	291,719	271,325
ANNUAL SURPLUS	\$ 67,787	\$ 54,931	\$ 53,033

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2022 operating expenses, the City did not budget for amortization and loss/gain on disposal of tangible capital assets (non-cash expenses). The following table provides information on all City revenues and expenses compared to budget.

	2022 Plan	2022 Actual (less Amortization)	2021 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 108,344	\$ 132,632	\$ 136,051
Planning & development services	6,197	7,686	7,940
Police services	61,399	61,928	60,305
Fire rescue services	200	357	174
Parks, recreation & culture services	5,585	6,526	4,394
Abbotsford Centre	50	12	2,395
Library services	5,247	5,235	5,135
Transit services	9,576	9,119	7,749
Engineering services	4,185	7,820	4,797
Solid waste services	9,880	10,345	9,259
Storm drainage services	3,728	3,762	3,751
Diking, drainage and irrigation services	2,139	2,187	2,113
	<u>216,530</u>	<u>247,609</u>	<u>244,063</u>
WATERWORKS OPERATING FUND	22,403	21,283	21,263
SANITARY SEWER OPERATING FUND	16,949	16,575	16,118
AIRPORT OPERATING FUND	11,264	10,074	8,097
CAPITAL FUNDS	46,767	42,593	29,214
RESERVE FUNDS	4,795	8,516	5,603
	<u>318,708</u>	<u>346,650</u>	<u>324,358</u>

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: CONTINUED

	2022 Plan	2022 Actual (less Amortization)	2021 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	32,457	29,165	34,381
Planning & development services	8,611	6,870	6,147
Police services	61,415	60,075	59,710
Fire rescue services	22,112	23,008	21,446
Parks, recreation & culture services	26,794	25,682	22,626
Abbotsford Centre	2,678	3,306	5,958
Library services	4,979	4,951	4,814
Transit services	15,204	13,329	11,922
Engineering services	16,498	18,923	14,696
Solid waste services	9,945	10,092	10,869
Storm drainage services	3,533	3,310	3,313
Diking, drainage and irrigation services	3,232	2,285	2,792
	207,458	200,996	198,674
WATERWORKS OPERATING FUND	11,571	10,424	9,927
SANITARY SEWER OPERATING FUND	9,713	9,098	8,371
AIRPORT OPERATING FUND	5,165	5,259	4,241
CAPITAL FUNDS	17,014	24,232	9,213
AMORTIZATION	-	41,898	42,767
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	(188)	(1,868)
	250,921	291,719	271,325
ANNUAL SURPLUS	\$ 67,787	\$ 54,931	\$ 53,033

STATEMENT OF FINANCIAL POSITION - BY FUND

As at December 31, 2022 with comparative information as at December 31, 2021 (in thousands)

EXHIBIT 1

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary		
			Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 43,104	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,245	28,986	21,578	3,794	368,618
Accounts receivable	29,824	5,447	4,020	458	-
Portfolio investments	603,729	-	-	-	-
	<u>678,902</u>	<u>34,433</u>	<u>25,598</u>	<u>4,252</u>	<u>368,618</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	132,862	153	-	212	-
Due to other funds	424,920	-	-	-	-
Restricted revenue	98,257	30,016	19,798	2,790	-
Deferred revenue	3,235	-	-	74	-
	<u>659,274</u>	<u>30,169</u>	<u>19,798</u>	<u>3,076</u>	<u>-</u>
Long-term debt	-	-	-	-	-
	<u>659,274</u>	<u>30,169</u>	<u>19,798</u>	<u>3,076</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,628</u>	<u>4,264</u>	<u>5,800</u>	<u>1,176</u>	<u>368,618</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,716	-	-	-	-
Pre-paid expenses	3,084	-	-	-	-
	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 24,428</u>	<u>\$ 4,264</u>	<u>\$ 5,800</u>	<u>\$ 1,176</u>	<u>\$368,618</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION - BY FUND

As at December 31, 2022 with comparative information as at December 31, 2021 (in thousands)

EXHIBIT 1 - CONTINUED

Capital Funds					Consolidation Adjustments	Total 2022	Total 2021
General	Waterworks	Sanitary Sewer	Airport				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	43,104	\$ 63,059
867	721	209	-	(427,018)	-	-	-
10,273	-	5	2,750	-	-	52,777	48,434
-	-	-	-	-	-	603,729	554,630
11,140	721	214	2,750	(427,018)	-	699,610	666,123
-	-	-	-	-	-	133,227	116,757
-	-	-	2,098	(427,018)	-	-	-
-	-	-	-	-	-	150,861	140,024
11,139	721	214	652	-	-	16,035	16,272
11,139	721	214	2,750	(427,018)	-	300,123	273,053
39,972	-	-	-	-	-	39,972	43,965
51,111	721	214	2,750	(427,018)	-	340,095	317,018
(39,971)	-	-	-	-	-	359,515	349,105
1,023,313	235,962	166,079	68,538	-	-	1,493,892	1,451,504
-	-	-	-	-	-	1,716	1,685
-	-	-	-	-	-	3,084	982
1,023,313	235,962	166,079	68,538	-	-	1,498,692	1,454,171
\$ 983,342	\$ 235,962	\$ 166,079	\$ 68,538	\$ -	\$ -	\$ 1,858,207	\$ 1,803,276

 See notes to Consolidated Financial Statements.

STATEMENT OF FINANCIAL ACTIVITIES - BY FUND

As at December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 2

	Operating Funds				Reserve
	General	Waterworks	San Sewer	Airport	Funds
	Schedule A	Schedule B	Schedule C	Schedule D	Schedule R
REVENUE					
Municipal taxation	\$ 172,007	\$ -	\$ -	\$ -	-
Fees and charges	45,684	21,222	16,505	8,307	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants and government transfers	25,149	-	-	-	-
Investment income	1,136	19	70	44	8,481
Rent	3,633	42	-	1,723	-
Other sources	-	-	-	-	35
Contributions (to)/from other funds	-	-	-	-	-
	<u>247,609</u>	<u>21,283</u>	<u>16,575</u>	<u>10,074</u>	<u>8,516</u>
EXPENSE					
General government services	29,166	-	-	-	-
Planning & development services	6,870	-	-	-	-
Protective services	83,084	-	-	-	-
Parks, recreation, culture, libraries	33,939	-	-	-	-
Transit services	13,329	-	-	-	-
Engineering services	31,429	-	-	-	-
Diking, drainage and irrigation services	3,181	-	-	-	-
Waterworks services	-	10,424	-	-	-
Sanitary sewer services	-	-	9,097	-	-
Airport services	-	-	-	5,258	-
Amortization	28,116	6,548	5,417	1,818	-
Loss/(gain) on disposal of TCA	(534)	53	293	-	-
	<u>228,580</u>	<u>17,025</u>	<u>14,807</u>	<u>7,076</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>19,029</u>	<u>4,258</u>	<u>1,768</u>	<u>2,998</u>	<u>8,516</u>
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	7,591	-	-	-	(7,591)
General capital reserve	(50,013)	-	-	-	2,765
Storm drainage capital reserve	-	-	-	-	(3,778)
Waterworks capital reserve	(273)	(10,859)	-	-	1,780
Sanitary sewer capital reserve	(77)	-	(7,477)	-	3,330
Airport capital reserve	-	-	-	(4,816)	2,818
Property acquisition reserve	(709)	-	-	-	709
Eliminate amortization and loss/gain	28,445	6,601	5,709	1,818	-
Change in inventory/pre-paid expenses	2,133	-	-	-	(2,133)
Debt principle repayments	(3,993)	-	-	-	-
ANNUAL SURPLUS/(DEFICIT)	<u>2,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,416</u>
SURPLUS, BEGINNING OF YEAR	<u>22,295</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>362,204</u>
SURPLUS, END OF YEAR	<u>\$ 24,428</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 368,620</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES - BY FUND

As at December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 2 - CONTINUED

Capital Funds					
General Schedule Q	Waterworks Schedule Q	San Sewer Schedule Q	Airport Schedule Q	Total 2022	Total 2021
\$ -	\$ -	\$ -	\$ -	\$ 172,007	\$ 162,748
16,202	625	36	-	108,581	93,174
7,145	16	404	-	7,565	3,511
2,344	401	291	-	3,036	11,392
12,107	222	51	2,750	40,279	38,648
-	-	-	-	9,750	10,106
-	-	-	-	5,398	4,695
-	-	-	-	35	18
(320)	356	(36)	-	-	-
37,478	1,620	746	2,750	346,651	324,292
263	-	-	-	29,429	35,602
-	-	-	-	6,870	6,147
(1,588)	-	-	-	81,496	82,621
1,262	-	-	-	35,201	33,909
-	-	-	-	13,329	11,922
23,254	-	-	-	54,683	34,026
176	-	-	-	3,357	2,988
-	590	-	-	11,014	10,201
-	-	244	-	9,341	8,431
-	-	-	31	5,289	4,515
-	-	-	-	41,899	42,765
-	-	-	-	(188)	(1,868)
23,367	590	244	31	291,720	271,259
14,111	1,030	502	2,719	54,931	53,033
-	-	-	-	-	-
47,248	-	-	-	-	14,193
3,778	-	-	-	-	-
-	9,352	-	-	-	(104)
-	-	4,224	-	-	355
-	-	-	1,998	-	-
-	-	-	-	-	-
(28,445)	(6,601)	(5,709)	(1,818)	-	(14,444)
-	-	-	-	-	-
3,993	-	-	-	-	-
40,685	3,781	(983)	2,899	54,931	53,033
942,657	232,181	167,062	65,638	1,803,276	1,750,243
\$ 983,342	\$ 235,962	\$ 166,079	\$ 68,537	\$ 1,858,207	\$ 1,803,276

 See notes to Consolidated Financial Statements.

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 3

	Cost						Closing Balance
	Opening Balance	Add		Less			
		Additions	Transfer from asset class	Disposals	Transfer to asset class		
General							
Land	\$ 451,424	\$ 4,502	\$ -	\$ (6)	\$ (205)	\$ 455,715	
Land improvements	16,751	137	12	(38)	-	16,862	
Park improvements	63,573	820	455	(297)	-	64,551	
Buildings	244,100	487	1,339	(325)	-	245,601	
Machinery & equipment	40,198	1,375	5,548	(836)	-	46,285	
Vehicles	37,804	4,102	647	(2,283)	-	40,270	
Infrastructure							
Airport	37,239	-	-	-	-	37,239	
Waterworks	356,443	4,496	2,133	(240)	-	362,832	
Sanitary sewer	274,596	2,608	2,970	(361)	-	279,813	
Transportation	569,638	3,880	3,031	(176)	-	576,373	
Storm drainage	282,823	2,678	460	(53)	-	285,908	
Diking, drainage & irrigation	51,969	-	-	-	-	51,969	
Assets Under Construction	52,531	60,096	-	-	(16,390)	96,237	
	\$2,479,089	\$ 85,181	\$ 16,595	\$ (4,615)	\$ (16,595)	\$2,559,655	

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 3 - CONTINUED

Opening Balance	Accumulated Amortization		Closing Balance	Net Book Value Dec 31, 2022	Net Book Value Dec 31, 2021
	Add Amortization	Less Accumulated Amortization on Disposals			
\$ -	\$ -	\$ -	\$ -	455,715	\$ 451,424
11,218	399	(37)	11,580	5,282	5,533
46,140	1,687	(279)	47,548	17,003	17,433
133,777	3,914	(303)	137,388	108,213	110,323
32,407	2,127	(588)	33,946	12,339	7,791
21,081	2,741	(2,081)	21,741	18,529	16,723
15,271	1,018	-	16,289	20,950	21,968
128,997	6,466	(170)	135,293	227,539	227,446
120,122	5,406	(68)	125,460	154,353	154,474
387,986	13,567	(134)	401,419	174,954	181,652
96,391	3,855	(60)	100,186	185,722	186,432
34,195	718	-	34,913	17,056	17,774
-	-	-	-	96,237	52,531
\$ 1,027,585	\$ 41,898	\$ (3,720)	\$ 1,065,763	\$ 1,493,892	\$ 1,451,504

 See notes to Consolidated Financial Statements.

APPROPRIATED SURPLUS (RESERVES) CONTINUITY SCHEDULE

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 4

	Balance, Beginning of Year	(To)/From Operating Fund	(To)/From Other Funds	Interest Earned	Balance, December 31, 2022
STATUTORY CAPITAL RESERVES					
General	\$ 105,895	\$ 48,053	\$ (47,456)	\$ 2,407	\$ 108,899
Storm drainage	10,120	-	(3,778)	218	6,560
Waterworks	66,222	11,132	(9,284)	1,618	69,688
Sanitary sewer	65,785	7,554	(4,224)	1,621	70,736
Airport	24,584	4,817	(1,998)	563	27,966
Affordable housing	1,250	-	-	30	1,280
Property acquisition	5,378	709	-	141	6,228
	<u>279,234</u>	<u>72,265</u>	<u>(66,740)</u>	<u>6,598</u>	<u>291,357</u>
GENERAL OPERATING RESERVE					
Planned Transfers					
New facility operations	2,708	-	-	82	2,790
Water system contingency	866	-	-	26	892
Insurance	2,614	-	-	63	2,677
Tradex	88	831	(79)	3	843
Election	316	(316)	-	-	-
Community Works Fund	45,496	(13,593)	-	641	32,544
Climate action	2,342	255	-	57	2,654
Community projects	491	-	-	15	506
Storm sewers	52	-	-	2	54
	<u>54,973</u>	<u>(12,823)</u>	<u>(79)</u>	<u>889</u>	<u>42,960</u>
Operating Surplus Transfers					
Police	2,000	(58)	-	58	2,000
Winter operations	3,251	-	-	98	3,349
Storm drainage	7,001	1,644	-	260	8,905
Sumas Prairie diking, drainage & irrigation	70	(110)	-	(1)	(41)
Matsqui Prairie diking, drainage & irrigation	317	(12)	-	9	314
Solid waste	(3,231)	-	-	(97)	(3,328)
Infrastructure maintenance	4,818	-	-	145	4,963
	<u>14,226</u>	<u>1,464</u>	<u>-</u>	<u>472</u>	<u>16,162</u>
Other Transfers					
General government	5,719	(2,570)	-	95	3,244
Flood Event 2021	-	5,901	-	177	6,078
Planning & development	651	(139)	-	15	527
Fire rescue services	-	40	-	1	41
Parks & recreation	320	41	-	11	372
Engineering	926	(149)	-	23	800
Traffic fine revenue	223	(223)	-	-	-
Transit provision	4,489	-	-	135	4,624
Debt provision	1,443	947	-	65	2,455
	<u>13,771</u>	<u>3,848</u>	<u>-</u>	<u>522</u>	<u>18,141</u>
	<u>82,970</u>	<u>(7,511)</u>	<u>(79)</u>	<u>1,883</u>	<u>77,263</u>
Total Reserves	<u>\$ 362,204</u>	<u>\$ 64,754</u>	<u>\$ (66,819)</u>	<u>\$ 8,481</u>	<u>\$ 368,620</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

DEBT OUTSTANDING AND DEBT SERVICING BY FUND & FUNCTION

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

EXHIBIT 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding, Beginning of Year	2022 Debt Servicing			Debt Outstanding December 31, 2022
						Principal	Interest	Total	
GENERAL FUND									
Parks, Recreation and Culture									
Abbotsford Centre	1586	102/103	2032	5.00	\$ 31,722	\$ 2,265	\$ 1,799	\$ 4,064	\$ 29,457
Cultural Centre	1587	102/103	2027	5.00	4,081	576	258	834	3,505
Community Centre	1588	102/103	2027	5.00	8,162	1,152	516	1,668	7,010
Total Long-term Debt					\$ 43,965	\$ 3,993	\$ 2,573	\$ 6,566	\$ 39,972

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE A

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Municipal taxation:			
General	\$ 97,454	\$ 100,297	\$ 94,237
Police	57,876	57,876	55,607
Library	5,247	5,235	5,135
Diking, drainage & irrigation	1,952	1,970	1,949
Utility tax	2,000	2,327	2,244
Business improvement assessment	392	580	497
Hotel tax	400	1,048	546
Grants in lieu of taxes:			
Federal government	900	848	863
Provincial governments and agencies	1,305	1,826	1,670
Fees and charges:			
Transit	2,997	3,228	2,404
Police	689	1,250	1,788
Solid waste	9,880	10,345	8,789
Storm drainage	3,728	3,762	3,751
Parks, recreation and culture	5,528	6,526	4,277
Abbotsford Centre	50	4	2,377
Other	2,533	8,981	14,772
Licenses and permits:			
Building permits	2,851	3,955	3,986
Soil removal fees	2,900	3,986	3,297
Business licences	1,325	1,440	1,424
Secondary suite fees	1,375	1,467	1,435
Other licences and permits	546	740	946
Rental:			
Police	41	45	45
Other	2,270	3,588	2,768
Investment income	1,955	1,108	4,346
Municipal Finance Authority refunds	36	28	21
Grants and government transfers:			
Transit	6,579	5,891	5,345
Police	2,793	2,758	2,866
Other	7,668	16,500	16,683
	<u>223,270</u>	<u>247,609</u>	<u>244,068</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE A - CONTINUED

	2022 Plan	2022 Actual	2021 Actual
EXPENSE			
General government services (Schedule E)	32,457	29,165	34,381
Planning & development services (Schedule F)	8,611	6,870	6,147
Protective services			
Police services (Schedule G)	61,415	60,077	59,711
Fire rescue services (Schedule H)	22,112	23,008	21,446
Parks, recreation & culture services (Schedule I)	26,794	25,682	22,626
Abbotsford Centre (Schedule J)	2,678	3,306	5,958
Library services (Schedule K)	4,979	4,951	4,814
Transit services (Schedule L)	15,204	13,329	11,922
Engineering services (Schedule M)	16,497	18,922	15,146
Solid waste services (Schedule N)	9,945	10,092	10,867
Storm drainage services (Schedule O)	3,534	2,415	2,398
Diking, drainage and irrigation			
Matsqui Prairie (Schedule P)	1,254	1,191	1,161
Sumas Prairie (Schedule P)	1,979	1,990	1,631
	<u>207,459</u>	<u>200,998</u>	<u>198,208</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	15,811	46,611	45,860
Amortization (Schedules E - P)	-	28,116	28,822
Loss/(gain) on disposal of tangible capital assets (Schedules E - P)	-	(534)	(2,329)
	<u>15,811</u>	<u>19,029</u>	<u>19,367</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,084)	(3,472)
Transfer to general capital reserve	(11,619)	(49,988)	(34,042)
Transfer to operating reserve	(7,718)	(16,247)	(16,449)
Transfer from operating reserve	7,480	23,838	\$ 8,774
Debt principal repayments	(3,954)	(3,993)	(3,839)
Inventory and pre-paid expenses	-	2,133	369
Eliminate amortization and loss/gain	-	28,445	29,715
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 2,133</u>	<u>\$ 423</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION WATERWORKS OPERATING FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE B

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges:			
User rates	\$ 20,447	\$ 20,334	\$ 20,195
Other fees and charges	1,906	907	1,028
Rent	50	42	40
	22,403	21,283	21,263
EXPENSE			
Abbotsford-Mission supply and transmission	4,653	4,000	3,891
Administration	3,559	2,985	2,889
Local supply and distribution	2,137	2,358	1,973
Meters	664	538	561
Hydrants	438	261	345
Maintenance	121	282	268
	11,572	10,424	9,927
ANNUAL SURPLUS BEFORE AMORTIZATION	10,831	10,859	11,336
Amortization	-	6,548	6,555
Loss/(Gain) on disposal of tangible capital assets	-	53	267
ANNUAL SURPLUS	10,831	4,258	4,514
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to waterworks capital reserve	(10,831)	(10,859)	(11,333)
Eliminate amortization and loss/gain	-	6,601	6,819
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	-

See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION SANITARY SEWER OPERATING FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE C

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges:			
User rates	\$ 14,144	\$ 14,081	\$ 13,754
Industrial surcharges	1,301	1,354	1,139
Other fees and charges	1,425	1,070	1,115
Investment income	79	70	110
	<u>16,949</u>	<u>16,575</u>	<u>16,118</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	5,515	5,147	4,685
Administration	2,504	2,400	2,317
Maintenance	1,694	1,550	1,369
	<u>9,713</u>	<u>9,097</u>	<u>8,371</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>7,236</u>	<u>7,478</u>	<u>7,747</u>
Amortization	-	5,417	5,256
Loss/(Gain) on disposal of tangible capital assets	-	293	251
ANNUAL SURPLUS	<u>7,236</u>	<u>1,768</u>	<u>2,240</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to sanitary sewer capital reserve	(7,236)	(7,477)	(7,747)
Eliminate amortization and loss/gain	-	5,709	5,507
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION AIRPORT OPERATING FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE D

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 2,773	\$ 2,176	\$ 1,274
Public parking fees	3,911	3,126	1,373
Concessions	2,503	2,555	1,397
Other fees and charges	390	450	270
Rent	1,592	1,723	1,771
Investment income	96	44	98
Grants and government transfers	-	-	1,914
	<u>11,265</u>	<u>10,074</u>	<u>8,097</u>
EXPENSE			
Administration	1,750	1,882	1,516
Marketing	72	46	12
Terminal building	930	904	588
Airside	1,900	1,784	1,734
Mobile equipment	305	324	241
Parking	208	318	150
	<u>5,165</u>	<u>5,258</u>	<u>4,241</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>6,100</u>	<u>4,816</u>	<u>3,856</u>
Amortization	-	1,818	1,893
Loss/(Gain) on disposal of tangible capital assets	-	-	(57)
ANNUAL SURPLUS/(DEFICIT)	<u>6,100</u>	<u>2,998</u>	<u>2,020</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	-	(67)
Transfer to airport capital reserve	(6,100)	(4,816)	(3,856)
Eliminate amortization and loss/gain	-	1,818	1,903
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - GENERAL GOVERNMENT SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE E

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Municipal taxation	\$ 102,451	\$ 106,927	\$ 100,057
Fees and charges	1,272	5,042	12,849
Rent	2,006	3,588	2,681
Investment income	1,925	1,045	4,288
Grants and government transfers	7,488	16,002	16,050
Municipal Finance Authority refunds	36	28	21
	<u>115,178</u>	<u>132,632</u>	<u>135,946</u>
EXPENSE			
MAYOR & COUNCIL	897	862	652
CITY MANAGER'S OFFICE	1,144	411	488
FINANCE & PROCUREMENT			
Corporate Administration	384	346	446
Finance	3,367	2,411	2,446
Procurement	1,052	1,010	906
LEGAL & LEGISLATIVE SERVICES			
City clerk	2,368	2,155	1,476
Bylaw enforcement	1,860	3,398	3,124
Risk management	2,732	2,880	1,808
Real estate services	478	1,215	402
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR administration	699	635	889
Corporate communications and marketing	1,258	1,029	832
Economic development	1,250	1,176	767
Human resources	2,980	2,585	2,495
Information technology	6,797	5,967	5,476
Housing services	3,345	3,066	2,226
OTHER			
Provincial emergency response	-	839	11,295
Restorative Justice	149	148	148
Transfer to other agencies	907	1,752	1,167
Common services	3,984	816	706
Less: Cost recoveries	(3,192)	(3,536)	(3,367)
	<u>32,459</u>	<u>29,165</u>	<u>34,382</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	82,719	103,467	101,564
Amortization	-	1,949	1,747
Loss/(Gain) on disposal of tangible capital assets	-	8	-
ANNUAL SURPLUS	82,719	101,510	99,817
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	2,070	(37,801)	(19,486)
Transfer to operating reserve	(6,223)	(12,935)	(15,457)
Transfer from operating reserve	3,848	22,903	5,742
Inventory and pre-paid expenses	-	2,133	369
Eliminate amortization and loss/gain	-	1,957	1,747
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 82,414</u>	<u>\$ 77,767</u>	<u>\$ 72,732</u>

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - PLANNING & DEVELOPMENT SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE F

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,325	\$ 1,440	\$ 1,424
Development permit application fees	150	201	256
Rezoning application fees	200	299	437
Subdivision application fees	100	160	167
Building permits	2,851	3,955	3,986
Secondary suite fees	1,375	1,467	1,435
Other licences and permits	83	64	72
Fees and charges:			
Development fees on Engineering projects	30	9	71
Other fees and charges	83	91	92
Grants	-	-	-
	6,197	7,686	7,940
EXPENSE			
Development approvals	5,178	3,642	3,221
Licence inspection	-	33	2
Building inspections	3,432	3,195	2,924
	8,610	6,870	6,147
ANNUAL SURPLUS/(DEFICIT)	(2,413)	816	1,793
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(50)	-
Transfer from operating reserve	641	190	48
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (1,772)	\$ 956	\$ 1,841

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - POLICE SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE G

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Municipal taxation	\$ 57,876	\$ 57,876	\$ 55,607
Fees and charges:			
Salary recoveries	150	704	1,116
Other revenue	539	546	671
Government grants:			
Traffic fine revenue - sharing	2,000	2,000	2,000
Other government grants	793	758	866
Rent	41	45	45
	<u>61,399</u>	<u>61,929</u>	<u>60,305</u>
EXPENSE			
EXECUTIVE ADMINISTRATION	1,447	1,438	1,306
ADMINISTRATION DIVISION			
Strategic services	1,415	1,878	1,258
Finance and budgets	692	599	685
Human resources	2,495	3,499	2,951
Support services	9,215	9,354	8,628
Vehicle maintenance	1,322	1,476	1,320
Police building	719	654	631
OPERATIONS DIVISION			
Criminal investigations	9,751	9,686	9,903
Patrol	19,057	19,306	19,254
Investigations support	4,779	4,662	4,569
Operations support	5,489	4,744	5,111
COMMON SERVICES & SECONDMENT			
	<u>5,033</u>	<u>2,781</u>	<u>4,094</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>61,414</u>	<u>60,077</u>	<u>59,710</u>
	(15)	1,852	595
Amortization	-	934	1,074
Loss/(Gain) on disposal of tangible capital assets	-	181	(81)
ANNUAL SURPLUS	<u>(15)</u>	<u>737</u>	<u>(398)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(67)	(488)
Transfer from operating reserve	978	113	360
Transfer to operating reserve	-	(781)	-
Transfer to general capital reserve	(963)	(963)	(912)
Eliminate amortization and loss/gain	-	961	1,438
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - FIRE RESCUE SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE H

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges	\$ 138	\$ 284	\$ 96
Licences and permits	10	9	11
Grants	-	-	-
Emergency services recovery	52	64	67
	200	357	174
EXPENSE			
ABBOTSFORD FIRE RESCUE SERVICES			
Administration	702	1,854	666
Fire prevention and inspection	891	782	778
Emergency response	19,602	19,507	19,104
Fire halls and ground maintenance	648	630	643
EMERGENCY SERVICES			
Search and rescue	77	90	84
City emergency response	191	145	171
	22,111	23,008	21,446
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(21,911)	(22,651)	(21,272)
Amortization	-	1,041	1,015
Loss/(Gain) on disposal of tangible capital assets	-	(60)	(41)
ANNUAL (DEFICIT)	(21,911)	(23,632)	(22,246)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(87)	(54)
Transfer from operating reserve	-	-	805
Transfer to operating reserve	-	-	-
Transfer to general capital reserve	(533)	(533)	(533)
Eliminate amortization and loss/gain	-	1,068	1,029
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (22,444)	\$ (23,184)	\$ (20,999)

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - PARKS, RECREATION & CULTURE SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE I

	2022	2022				2022	2021
	Plan	General	Parks	Recreation	Culture	Actual	Actual
REVENUE							
Fees and charges	\$ 5,528	\$ 154	\$ 2,027	\$ 4,345	\$ -	\$ 6,526	\$ 4,297
Rent	57	-	-	-	-	-	67
Grants and government transfers	-	-	-	-	-	-	30
	<u>5,585</u>	<u>154</u>	<u>2,027</u>	<u>4,345</u>	<u>-</u>	<u>6,526</u>	<u>4,394</u>
EXPENSE							
Operations	25,998	1,617	10,596	11,397	1,297	24,907	21,789
Long-term debt interest	796	-	-	516	258	774	837
	<u>26,794</u>	<u>1,617</u>	<u>10,596</u>	<u>11,913</u>	<u>1,555</u>	<u>25,681</u>	<u>22,626</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(21,209)	(1,463)	(8,569)	(7,568)	(1,555)	(19,155)	(18,232)
Amortization	-	-	1,932	800	135	2,867	2,767
Loss/(Gain) on disposal of tangible capital assets	-	-	-	21	-	21	58
ANNUAL (DEFICIT)	<u>(21,209)</u>	<u>(1,463)</u>	<u>(10,501)</u>	<u>(8,389)</u>	<u>(1,690)</u>	<u>(22,043)</u>	<u>(21,057)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS							
Debt principal repayments	(1,711)	-	-	(1,152)	(576)	(1,728)	(1,662)
Transfer to general capital reserve	(1,519)	(107)	(794)	(545)	(73)	(1,519)	(1,519)
Transfer to cemetery capital reserve	(160)	-	(117)	-	-	(117)	(129)
Transfer to operating reserve	-	(56)	-	-	-	(56)	(232)
Transfer from operating reserve	339	-	-	-	14	14	17
Eliminate amortization and loss/gain	-	-	1,932	821	136	2,889	2,825
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (24,260)</u>	<u>\$ (1,626)</u>	<u>\$ (9,480)</u>	<u>\$ (9,265)</u>	<u>\$ (2,189)</u>	<u>\$ (22,560)</u>	<u>\$ (21,757)</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - ABBOTSFORD CENTRE

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE J

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges	\$ 50	\$ 4	\$ 2,377
Investment income	-	8	18
	<u>50</u>	<u>12</u>	<u>2,395</u>
EXPENSE			
Operations	850	1,507	4,077
Long-term debt interest	1,828	1,799	1,881
	<u>2,678</u>	<u>3,306</u>	<u>5,958</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(2,628)</u>	<u>(3,294)</u>	<u>(3,563)</u>
Amortization	-	878	876
ANNUAL (DEFICIT)	<u>(2,628)</u>	<u>(4,172)</u>	<u>(4,439)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(2,243)	(2,265)	(2,178)
Eliminate amortization and loss/gain	-	878	876
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (4,871)</u>	<u>\$ (5,559)</u>	<u>\$ (5,741)</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - LIBRARY SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE K

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Municipal tax	\$ 5,247	\$ 5,235	\$ 5,135
EXPENSE			
Transfer to Fraser Valley Regional Library	4,616	4,616	4,479
Operating costs	363	335	335
	<u>4,979</u>	<u>4,951</u>	<u>4,814</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	268	284	321
Amortization	-	145	174
Loss/(gain) on disposal of tangible capital assets ¹	-	-	(35)
ANNUAL SURPLUS	<u>268</u>	<u>139</u>	<u>112</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(268)	(284)	(300)
Transfer to operating reserve	-	-	(21)
Eliminate amortization and loss/gain	-	145	209
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - TRANSIT SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE L

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Grants and government transfers	\$ 6,579	\$ 5,891	\$ 5,345
Fares	2,108	2,157	1,512
BC bus pass program	691	685	683
Advertising and other	198	387	209
	9,576	9,120	7,749
EXPENSE			
Transfer to BC Transit	15,037	13,111	11,771
Other	168	218	151
	15,205	13,329	11,922
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(5,629)	(4,209)	(4,173)
Amortization	-	12	12
ANNUAL (DEFICIT)	(5,629)	(4,221)	(4,185)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Eliminate amortization and loss/gain	-	12	12
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,629)	\$ (4,209)	\$ (4,173)

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - ENGINEERING SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE M

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 1,243	\$ 846
Recoveries	186	1,747	371
Parking lot tickets	-	44	13
Other	710	285	222
Licenses and permits:			
Soil removal fees	2,900	3,986	3,297
Other	3	8	3
Grants	180	509	25
Developer contributions	-	-	-
Rent	207	-	20
	<u>4,186</u>	<u>7,822</u>	<u>4,797</u>
EXPENSE			
ADMINISTRATION	2,038	2,149	2,062
ENGINEERING	3,544	2,900	3,234
TRANSPORTATION			
Services	4,009	3,155	3,138
Operations - roads	6,158	8,027	6,069
EQUIPMENT FLEET			
Operations	4,693	4,919	4,698
Internal recoveries	(6,511)	(6,377)	(6,265)
MUNICIPAL BUILDINGS	2,863	4,446	2,376
LESS: COST RECOVERIES	(297)	(297)	(387)
	<u>16,497</u>	<u>18,922</u>	<u>14,925</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(12,311)	(11,100)	(10,128)
Amortization	-	15,434	16,787
Loss/(Gain) on disposal of tangible capital assets	-	(714)	(2,605)
ANNUAL (DEFICIT)	<u>(12,311)</u>	<u>(25,820)</u>	<u>(24,310)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(930)	(3,195)
Transfer to general capital reserve	(11,508)	(8,636)	(11,508)
Transfer to operating reserve	(170)	(483)	(386)
Transfer from operating reserve	726	402	33
Eliminate amortization and loss/gain	-	15,650	17,221
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (23,263)</u>	<u>\$ (19,817)</u>	<u>\$ (22,145)</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - SOLID WASTE SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE N

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 7,363	\$ 7,584	\$ 6,564
Garbage stickers	-	-	8
Recycling, compost and yard waste fees	993	1,076	934
Recoveries & other	1,524	1,685	1,285
Grants	-	-	468
	<u>9,880</u>	<u>10,345</u>	<u>9,259</u>
EXPENSE			
Planning, design and management	1,325	1,334	1,400
Collection	3,722	3,567	3,712
Disposal	4,898	5,191	5,757
	<u>9,945</u>	<u>10,092</u>	<u>10,869</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(65)	253	(1,610)
Amortization	-	253	37
Loss/(gain) on disposal of tangible capital assets	-	-	4
ANNUAL (DEFICIT)	<u>(65)</u>	<u>-</u>	<u>(1,651)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	-	-
Transfer to general capital reserve	867	(253)	-
Transfer to operating reserve	(1,325)	-	-
Transfer from operating reserve	523	-	1,610
Eliminate amortization and loss/gain	-	253	41
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - STORM DRAINAGE SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE O

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Storm drainage user fees	\$ 3,722	\$ 3,729	\$ 3,725
Other	7	33	26
	<u>3,729</u>	<u>3,762</u>	<u>3,751</u>
EXPENSE			
Storm sewers and detention	2,889	1,885	2,020
Urban watercourses	165	120	77
Rural drainage	480	410	301
	<u>3,534</u>	<u>2,415</u>	<u>2,398</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	195	1,347	1,353
Amortization	-	3,889	3,836
Loss/(Gain) on disposal of tangible capital assets	-	30	301
ANNUAL SURPLUS/(DEFICIT)	195	(2,572)	(2,784)
Matsqui Prairie (Schedule P)	(537)	(685)	(685)
Sumas Prairie (Schedule P)	(556)	(1,022)	(730)
TOTAL ANNUAL (DEFICIT)	(898)	(4,279)	(4,199)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	(906)	(1,719)	(25)
Transfer from operating reserve	25	13	160
Transfer to general capital reserve	207	-	-
Reconcile to contribution from storm drainage-Matsqui Prairie	536	215	183
Reconcile to contribution from storm drainage-Sumas Prairie	557	596	317
Eliminate amortization and loss/gain	-	3,919	4,056
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (479)</u>	<u>\$ (1,255)</u>	<u>\$ 492</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND - DIKING, DRAINAGE & IRRIGATION SERVICES

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE P

	2022 Plan	2022 Actual	2021 Actual	2022 Plan	2022 Actual	2021 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
General tax levy	\$ 701	\$ 708	\$ 707	\$ 1,252	\$ 1,262	\$ 1,242
Other revenue	16	-	-	171	216	164
	<u>717</u>	<u>708</u>	<u>707</u>	<u>1,423</u>	<u>1,478</u>	<u>1,406</u>
EXPENSE						
Diking	61	47	53	83	98	47
Drainage	674	643	628	777	624	563
Storm	217	200	195	-	-	-
Irrigation	128	133	122	151	131	122
Administration	158	168	163	234	224	219
Pump stations	-	-	-	724	913	680
Recoverable work	16	-	-	10	-	-
	<u>1,254</u>	<u>1,191</u>	<u>1,161</u>	<u>1,979</u>	<u>1,990</u>	<u>1,631</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(537)</u>	<u>(483)</u>	<u>(454)</u>	<u>(556)</u>	<u>(512)</u>	<u>(225)</u>
Amortization	-	202	231	-	510	505
ANNUAL (DEFICIT)	<u>(537)</u>	<u>(685)</u>	<u>(685)</u>	<u>(556)</u>	<u>(1,022)</u>	<u>(730)</u>
RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE						
Transfer to general capital reserve	55	-	-	132	(24)	(24)
Transfer to operating reserve	482	-	(48)	424	-	(164)
Transfer from operating reserve	-	12	-	-	111	-
Eliminate amortization and loss/gain	-	202	231	-	510	505
CONTRIBUTION FROM STORM DRAINAGE	<u>\$ -</u>	<u>\$ (471)</u>	<u>\$ (502)</u>	<u>\$ -</u>	<u>\$ (425)</u>	<u>\$ (413)</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION CAPITAL FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE Q

	2022		Sanitary			2022	2021
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
REVENUE							
Fees and charges	\$ 1,167	\$ 16,202	\$ 625	\$ 36	\$ -	\$ 16,863	\$ 2,471
Developer charges earned	9,813	7,145	16	404	-	7,565	3,511
Contributed tangible capital assets	2,256	2,344	401	291	-	3,036	11,392
Grants and government transfers	29,044	12,107	222	51	2,750	15,130	11,840
Contributions (to)/from other funds	-	(320)	356	(36)	-	-	-
	<u>42,280</u>	<u>37,478</u>	<u>1,620</u>	<u>746</u>	<u>2,750</u>	<u>42,594</u>	<u>29,214</u>
EXPENSE							
Minor capital projects							
General government	1,136	263	-	-	-	263	1,221
Police services	5	(1,588)	-	-	-	(1,588)	1,457
Fire services	25	-	-	-	-	-	7
Park services	1,051	1,236	-	-	-	1,236	430
Recreation services	-	26	-	-	-	26	81
Transportation services	9,361	8,329	-	-	-	8,329	4,669
2021 Flood Event	-	14,782	-	-	-	14,782	-
Equipment fleet services	20	9	-	-	-	9	151
Solid waste services	-	8	-	-	-	8	34
Storm drainage services	571	126	-	-	-	126	335
Diking, drainage & irrigation	733	176	-	-	-	176	220
Waterworks	2,409	-	590	-	-	590	274
Sanitary sewer	1,704	-	-	244	-	244	60
Airport	-	-	-	-	31	31	274
	<u>17,015</u>	<u>23,367</u>	<u>590</u>	<u>244</u>	<u>31</u>	<u>24,232</u>	<u>9,213</u>
ANNUAL SURPLUS	<u>25,265</u>	<u>14,111</u>	<u>1,030</u>	<u>502</u>	<u>2,719</u>	<u>18,362</u>	<u>20,001</u>
RECONCILE TO CHANGE IN CAPITAL EQUITY							
General capital reserve	118,417	47,248	-	-	-	47,248	30,405
Storm drainage reserve	2,780	3,778	-	-	-	3,778	1,085
Waterworks capital reserve	5,885	-	9,352	-	-	9,352	5,009
Sanitary sewer capital reserve	6,656	-	-	4,224	-	4,224	4,191
Airport capital reserve	7,850	-	-	-	1,998	1,998	(32)
Tangible capital assets	-	(28,445)	(6,601)	(5,709)	(1,818)	(42,573)	(43,975)
Debt principal repayment	3,954	3,993	-	-	-	3,993	3,839
CHANGE IN CAPITAL EQUITY	<u>\$170,807</u>	<u>\$ 40,685</u>	<u>\$ 3,781</u>	<u>\$ (983)</u>	<u>\$ 2,899</u>	<u>\$ 46,382</u>	<u>\$ 20,523</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION - REVENUES BY TYPE & EXPENSES BY FUNCTION RESERVE FUND

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

SCHEDULE R

	2022 Plan	2022 Actual	2021 Actual
REVENUE			
Investment income	\$ 4,796	\$ 8,481	\$ 5,585
Fees and charges	-	35	18
	<u>4,796</u>	<u>8,516</u>	<u>5,603</u>
ANNUAL SURPLUS	4,796	8,516	5,603
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	(32,092)	(7,591)	7,090
General capital reserve	(105,734)	632	3,966
Affordable housing reserve	-	-	-
Storm drainage reserve	(3,467)	(3,778)	(1,085)
Waterworks capital reserve	4,191	1,780	6,434
Sanitary sewer capital reserve	(190)	3,330	3,677
Airport capital reserve	(1,751)	2,818	3,962
Property acquisition reserve	-	709	2,683
CHANGE IN APPROPRIATED SURPLUS	<u>\$ (134,247)</u>	<u>\$ 6,416</u>	<u>\$ 32,330</u>

 See notes to Consolidated Financial Statements.

2022 CONSOLIDATED FINANCIAL STATEMENTS

CEMETERY CARE TRUST FUND



KPMG LLP
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Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of City of Abbotsford

Opinion

We have audited the financial statements of City of Abbotsford Cemetery Care Trust Fund which comprise:

- the consolidated statement of financial position as at December 31, 2022
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Abbotsford Cemetery Care Trust Fund as at December 31, 2022 in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the City of Abbotsford Cemetery Care Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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' REPORT PAGE 2

*Cemetery Care Trust Fund.
Page 2*

In preparing the financial statements, management is responsible for assessing the City of Abbotsford Cemetery Care Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City of Abbotsford Cemetery Care Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City of Abbotsford Cemetery Care Trust Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

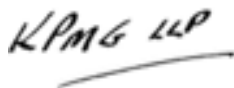
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Abbotsford Cemetery Care Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

2022 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 3

Cemetery Care Trust Fund.
Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Abbotsford Cemetery Care Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Abbotsford, Canada

May 8, 2023

CEMETERY CARE TRUST FUND – STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2022 with comparative information for 2021 (in thousands)

	2022	2021
	Actual	Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 2,315	\$ 2,290
Accounts receivable	2,209	2,075
NET FINANCIAL ASSETS	<u>4,524</u>	<u>4,365</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	4,365	4,225
Contributions	159	140
Investment earnings	66	110
Transfer to general operating fund	(66)	(110)
Balance, end of year	<u>\$ 4,524</u>	<u>\$ 4,365</u>

 See notes to Consolidated Financial Statements

2022 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2022

1. Significant Accounting Policies:

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

(a) Basis of accounting:

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

(b) Portfolio Investments:

Portfolio investments are carried at cost.

(c) Financial Instruments:

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

2. Accounts Receivable/Payable:

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

3. Investments:

Investments for 2022 are comprised of corporate and government investments.

(in thousands)	2022		2021	
	Cost	Market	Cost	Market
Portfolio Investments	\$2,315	\$2,255	\$2,290	\$3,348
	Long-Term		Long-Term	
Duration	2 - 15 Years		2 - 15 Years	
Average Holdings	\$2,303		\$2,246	
Annual Yield	0.99%		3.03%	

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2022

4. Statement of Financial Activities:

In 2002, the Cemetery Care Trust Fund began expending funds on the perpetual care and maintenance of the City's cemeteries. In 2022, \$66,000 (2021 - \$110,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2022, are recorded directly to equity. A Statement of Financial Activities has not been prepared, as it would not provide further information since the changes to equity are reported in the Statement of Financial Position.