



## **City of Abbotsford British Columbia**

# **2013 CONSOLIDATED FINANCIAL STATEMENTS**

***Fiscal Year Ending December 31, 2013***

*Prepared by Corporate Services Finance Division*

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## City of Abbotsford

*Consolidated Financial Statements for the Year Ended December 31, 2013*

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Auditor's Report on Consolidated Statements

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying consolidated financial statements of the City of Abbotsford which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2013, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Other Matters*

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

*KPMG LLP*  
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Chartered Accountants

April 15, 2014

Abbotsford, British Columbia

# **City of Abbotsford**

## **Consolidated Statement of Financial Position**

*As at December 31, 2013, with comparative information as at December 31, 2012*

*In thousands*

	<b>2013</b>	<b>2012</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 21,701	\$ 68,422
Accounts receivable (Note 3)	36,897	39,675
Portfolio investments (Note 4)	144,402	80,553
	<u>203,000</u>	<u>188,650</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	58,811	66,599
Restricted revenue (Note 6)	35,320	28,271
Deferred revenue (Note 7)	21,093	18,514
	<u>115,224</u>	<u>113,384</u>
Long-term debt (Note 8)	78,349	87,663
	<u>193,573</u>	<u>201,047</u>
<b>NET FINANCIAL ASSETS/(DEBT)</b>	<b>9,427</b>	<b>(12,397)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	1,436,174	1,446,518
Inventories (Note 11)	1,224	1,131
Pre-paid expenses (Note 12)	4,531	3,901
	<u>1,441,929</u>	<u>1,451,550</u>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>\$ 1,451,356</b>	<b>\$ 1,439,153</b>

R. BRUCE BANMAN, MAYOR

LISA PLEADWELL  
DIRECTOR OF FINANCE

See notes to consolidated financial statements.

**City of Abbotsford**  
**Consolidated Statement of Operations**

*For the Year Ended December 31, 2013, with comparative information for 2012*  
*In thousands*

	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
	(Note 18)		
<b>REVENUE</b>			
Municipal taxation	\$ 125,259	\$ 124,543	\$ 124,045
Fees and charges	69,693	73,144	69,467
Developer charges earned	18,075	3,567	6,852
Contributed tangible capital assets	20,000	4,100	6,771
Grants	18,833	14,289	13,017
Interest and penalties	3,617	5,727	4,376
Rent	4,050	3,818	3,771
Other	406	105	108
	259,933	229,293	228,407
<b>EXPENSE</b>			
General government	15,622	13,539	14,686
Planning & development services	4,527	4,014	4,354
Protective services	67,011	67,713	66,234
Parks, recreation, culture & libraries	40,674	40,879	40,908
Transit	11,153	10,021	9,678
Engineering	43,888	43,361	48,367
Dyking, drainage & irrigation	3,426	3,272	3,386
Waterworks	13,433	15,252	16,214
Sanitary sewer	15,958	11,958	11,563
Airport	7,104	7,081	7,345
	222,796	217,090	222,735
<b>ANNUAL SURPLUS</b>			
	37,137	12,203	5,672
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>			
	1,439,153	1,439,153	1,433,481
<b>ACCUMULATED SURPLUS, END OF YEAR</b>			
	\$1,476,290	\$1,451,356	\$1,439,153

See notes to consolidated financial statements.

# **City of Abbotsford**

## **Consolidated Statement of Cash Flows**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

	<b>2013</b>	<b>2012</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 12,203	\$ 5,672
Non-cash items included in annual surplus:		
Amortization expense	42,726	44,677
Contributed tangible capital assets	(4,100)	(6,766)
Loss on disposal of tangible capital assets	859	1,989
Recognition of restricted revenue	(11,242)	(9,202)
Changes in non-cash operating items:		
Accounts receivable	2,778	6,509
Inventories	(93)	39
Pre-paid expenses	(630)	(1,010)
Accounts payable and accrued liabilities	(7,788)	(6,645)
Deferred revenue	<u>2,579</u>	<u>3,864</u>
	37,292	39,127
<b>INVESTING ACTIVITIES</b>		
Increase in portfolio investments	(63,849)	(26,883)
<b>FINANCING ACTIVITIES</b>		
Collection of and interest on restricted revenue	18,291	8,725
Debt principal repaid	<u>(9,314)</u>	<u>(4,497)</u>
	8,977	4,228
<b>CAPITAL ACTIVITIES</b>		
Proceeds from disposal of tangible capital assets	825	420
Acquisition of tangible capital assets	<u>(29,966)</u>	<u>(39,611)</u>
	(29,141)	(39,191)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	(46,721)	(22,719)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>		
	68,422	91,141
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>		
	<u>\$ 21,701</u>	<u>\$ 68,422</u>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ 37,137	\$ 12,203	\$ 5,672
<b>TANGIBLE CAPITAL ASSETS:</b>			
Acquisition of tangible capital assets	(65,269)	(29,966)	(39,611)
Contributed tangible capital assets	(20,000)	(4,100)	(6,766)
Amortization	38,555	42,726	44,677
Proceeds from disposal of tangible capital assets	-	825	420
Loss on disposal of tangible capital assets	-	859	1,989
	<hr/>	<hr/>	<hr/>
	(46,714)	10,344	709
<b>OTHER NON-FINANCIAL ASSETS:</b>			
(Increase)/decrease in inventory	-	(93)	39
Increase in pre-paid expenses	-	(630)	(1,010)
	<hr/>	<hr/>	<hr/>
	-	(723)	(971)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	<hr/>	<hr/>	<hr/>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	(9,577)	21,824	5,410
<b>NET FINANCIAL ASSETS/(DEBT), END OF YEAR</b>	<hr/>	<hr/>	<hr/>
<b>NET FINANCIAL ASSETS/(DEBT), END OF YEAR</b>	<b>\$ (21,974)</b>	<b>\$ 9,427</b>	<b>\$ (12,397)</b>

See notes to consolidated financial statements.



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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

### **1. SIGNIFICANT ACCOUNTING POLICIES:**

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

#### **(a) Principles of Consolidation:**

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

#### **(b) Fund Accounting:**

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

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

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

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



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

#### **(c) Financial Plan:**

The Community Charter (Section 165) requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2013 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on December 17, 2012, with the exception of adjustments detailed in Note 18 to the Consolidated Statements.

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

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

#### **(e) Portfolio Investments:**

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

#### **(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.



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

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

##### **Tangible Capital Assets**

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

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

Tangible capital assets, including construction-in-progress, are recorded at cost. Amortization on tangible capital assets begins at the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is in use. Contributed tangible capital assets are recorded at fair value at the date of contribution.

#### **(g) Accrued Liabilities:**

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



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

#### **(h) Financial Instruments:**

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

#### **(i) Revenue Recognition:**

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

#### **(j) Expense Recognition:**

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

#### **(k) Government Transfers:**

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

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

#### **(l) Use of Estimates:**

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



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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**1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

**(I) Use of Estimates: continued**

pre-2008, and timing of new asset recognition. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, are recorded or disclosed in the financial statements in the period that the change in estimate is made, as well as in the period of settlement.

**2. CASH AND CASH EQUIVALENTS:**

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	<b>2013</b>	<b>2012</b>
Cash	\$ 12,734	\$ 28,159
MFA short-term money-market investment pools	8,967	40,263
	<hr/> <b>\$ 21,701</b>	<hr/> <b>\$ 68,422</b>

**3. ACCOUNTS RECEIVABLE:**

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	<b>2013</b>	<b>2012</b>
Fees and charges	\$ 16,405	\$ 16,353
Taxes	7,666	8,821
Grants	1,980	4,013
Development cost charges	4,305	3,212
Local improvement charges	6,541	7,276
	<hr/> <b>\$ 36,897</b>	<hr/> <b>\$ 39,675</b>

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



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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**4. PORTFOLIO INVESTMENTS:**

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

	2013		2012	
	Cost	Market	Cost	Market
Portfolio investments	\$ 144,402	\$ 144,537	\$ 80,553	\$ 81,587
	Short-term	Long-term	Short-term	Long-term
Duration	less than 2 years	2 - 10 years	less than 2 years	2 - 10 years
Average holdings	85,215	29,409	36,904	27,357
Annual yield	1.98 %	4.67 %	2.05 %	6.08 %

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

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	2013	2012
Accounts payable:		
Trade payables	\$ 20,249	\$ 25,301
Deposits	9,045	9,535
Tax prepayments	11,362	11,326
Salaries and wages	3,455	7,863
Due to Cemetery Care Trust Fund	177	127
Accounts payable and accrued liabilities:		
Retirement allowance liability	9,925	9,163
Liability claims	887	839
Vacation pay	1,145	1,154
Landfill restoration liability	1,272	1,291
Long-term payables	1,294	-
	\$ 58,811	\$ 66,599



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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

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

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

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

In 2013, an independent actuarial valuation of the retirement liability was performed. The actuarial valuation for these benefits was performed to determine the City's benefit obligation as at December 31, 2013. The difference between the actuarially determined benefit obligation of \$9,532,000 and the accrued benefit liability of \$9,925,000 as at December 31, 2013, was an unamortized actuarial gain of \$393,000, (2012 loss - \$787,000) 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, 2014.

	<b>2013</b>	<b>2012</b>
Actuarial benefit obligation	\$ 9,532	\$ 9,950
Unamortized actuarial gain/(loss)	393	(787)
Accrued benefit liability	<b>\$ 9,925</b>	<b>\$ 9,163</b>

Accrued benefit liability :

	<b>2013</b>	<b>2012</b>
Balance, beginning of year	\$ 9,163	\$ 6,504
Current service cost	912	2,704
Interest cost	333	289
Benefits paid	(544)	(362)
Amortization of net actuarial loss/(gain)	61	28
Balance, end of year	<b>\$ 9,925</b>	<b>\$ 9,163</b>



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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

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

Actuarial assumptions used to determine the benefit obligation:

	<b>2013</b>	<b>2012</b>
Discount rate	4.00 %	3.50 %
Expected average annual wage and salary increase - Fire & Police	2.50 %	2.50 %
Expected average annual wage and salary increase - all others	2.50 %	2.50 %

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

The two most recent landfills that were operated and closed to various stages from 1978 to 1989 were the Valley Road Landfill and Trethewey Street Landfill. Costs related to closure activities at these sites include drainage control, leachate monitoring and collection, gas monitoring and recovery, final ground cover, closure assessment and planning, and regulatory approvals.

The Valley Road and Trethewey Street Landfill sites are expected to require care up to, and including, the year 2025, with further care dependent on the outcome of closure plans prepared by qualified independent consultants required by BC Ministry of Environment permits. The closure plans will provide direction on costs and scope of care needed. The Valley Road Landfill Closure Plan should be completed by the end of 2014.

A liability of \$1,272,000, at December 31, 2013 (2012 - \$1,291,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2013 was 3.5% (2012 – 3.5%) and the inflation rate used in 2013 was 2.0% (2012 - 2.0%). Landfill restoration costs in 2013 were \$49,415 (2012 - \$55,677). There are no assets designated for settling the post-closure care liability.

	<b>2013</b>	<b>2012</b>
Restoration liability, beginning of year	\$ 1,291	\$ 1,103
Adjustment to liability	(19)	188
Restoration liability, end of year	\$ 1,272	\$ 1,291



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

**6. RESTRICTED REVENUE LIABILITY:**

	<b>Development cost charges</b>	<b>Development fees</b>	<b>Airport fees</b>	<b>2013 Total</b>	<b>2012 Total</b>
Balance December 31, 2012	\$ 11,913	\$ 15,392	\$ 966	\$ 28,271	\$ 28,748
Add:					
Current year contributions	11,124	4,154	2,360	17,638	8,093
Interest	251	361	41	653	632
	<b>23,288</b>	<b>19,907</b>	<b>3,367</b>	<b>46,562</b>	<b>37,473</b>
Deduct amounts recognized as revenue in current year					
Developer charges earned:					
Capital expenditures	8,392	648	-	9,040	7,020
Airport fees:					
Eligible airport expenditures	-	-	2,202	2,202	2,182
	<b>8,392</b>	<b>648</b>	<b>2,202</b>	<b>11,242</b>	<b>9,202</b>
Balance, December 31, 2013	<b>\$ 14,896</b>	<b>\$ 19,259</b>	<b>\$ 1,165</b>	<b>\$ 35,320</b>	<b>\$ 28,271</b>

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.

The City purchased some properties between 2006 and 2011 using parks restricted revenue (both DCCs and Development fees). The City has determined that these properties will not be used for parks; therefore, a change in funding sources is required. Parks restricted revenue is increased by \$5,976,290 and Developer charges earned revenue is reduced by \$5,976,290.



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

## **6. RESTRICTED REVENUE LIABILITY: CONTINUED**

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

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City of Abbotsford for the remaining amount of DCCs owing. As at December 31, 2013, the amount of DCCs due over the next two years is \$4,304,860 (2012 - \$3,212,522).

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.

	<b>2013</b>	<b>2012</b>
Development cost charges:		
Storm drainage	\$ 10,892	\$ 10,414
Parks	3,342	721
Waterworks - supply	211	-
Sanitary sewer - collection	451	88
Sanitary sewer - treatment plant	-	690
	<hr/>	<hr/>
	\$ 14,896	\$ 11,913

**(b) Development Fees**

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

**(c) Airport Fees**

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



**City of Abbotsford  
Notes to Consolidated Financial  
Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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**6. RESTRICTED REVENUE LIABILITY: CONTINUED**

**(c) Airport Fees continued**

**7. DEFERRED REVENUE:**

	<b>2013</b>	<b>2012</b>
Fees and charges	\$ 4,015	\$ 4,395
Grants:		
Community Works Fund	14,694	11,826
Other	1,663	1,298
UFV library lease	721	995
	<hr/>	<hr/>
	\$ 21,093	\$ 18,514

Community Works Funds are transfers of gas taxes from the federal government to local governments, in British Columbia via the Union of British Columbia Municipalities. These funds must be expended on infrastructure that results in reduced greenhouse gas emissions, cleaner air, or cleaner water. All funds received under this program must be expended by December 31, 2018.



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013*  
*(Tabular amounts are in thousands of dollars)*

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**8. LONG-TERM DEBT:**

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

	<b>General</b>	<b>Waterworks - supply</b>	<b>Sanitary sewer - treatment</b>	<b>Total</b>
2014	\$ 2,889	\$ 249	\$ 602	\$ 3,740
2015	3,005	261	630	3,896
2016	3,125	275	660	4,060
2017	3,250	288	585	4,123
2018	3,380	303	613	4,296
2019 and thereafter	55,325	1,464	1,445	58,234
	<b>\$ 70,974</b>	<b>\$ 2,840</b>	<b>\$ 4,535</b>	<b>\$ 78,349</b>

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 \$4,260,000 in 2013 (2012 - \$4,662,000).



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **9. INTERNAL BORROWING:**

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

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

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

Additionally, a parcel of land strategic for the future development of the Abbotsford Airport was available for sale in 2010. To complete this purchase, the Airport borrowed \$5,000,000 internally, and has now repaid this amount after three years, two years ahead of the originally agreed five-year term.

	<b>2013</b>	<b>2012</b>
Roads DCC	\$ 21,574	\$ 24,515
Waterworks DCC - distribution	149	281
Waterworks DCC - supply	-	991
Sanitary sewer DCC - treatment plant	2,838	-
Airport	-	2,500
	<hr/>	<hr/>
	\$ 24,561	\$ 28,287



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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**10. TANGIBLE CAPITAL ASSETS:**

Tangible Capital Assets consist of the following:

	<b>2013</b>	<b>2012</b>
General		
Land	\$ 378,906	\$ 376,258
Land improvements	7,490	7,723
Park improvements	20,668	20,502
Buildings	128,431	132,860
Machinery & equipment	11,722	13,088
Vehicles	14,198	14,144
Infrastructure		
Airport	30,080	30,840
Waterworks	232,623	208,987
Sanitary sewer	152,163	148,630
Transportation	230,241	238,445
Storm drainage and detention	185,300	185,229
Dyking, drainage & irrigation	21,567	22,154
Assets under construction	22,785	47,658
	<hr/> <b>\$ 1,436,174</b>	<hr/> <b>\$ 1,446,518</b>

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

The value of contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks is \$4,100,000 (2012 \$6,766,000).

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



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

### **10. TANGIBLE CAPITAL ASSETS: CONTINUED**

During the year, the City determined that certain tangible capital assets had been incorrectly included in its 2012 asset registers. The consolidated statement of financial position for the 2012 comparative period has been recasted for these items. The effects of the recast on the consolidated statement of financial position are summarized below:

	<b>2012</b>	<b>2011</b>
Accumulated surplus at December 31 as previously reported	\$ 1,441,626	\$ 1,435,954
Net book value of tangible capital assets adjustment	(2,473)	(2,473)
Accumulated surplus, as recasted	<u>1,439,153</u>	<u>1,433,481</u>
Tangible capital assets at December 31 as previously reported	1,448,991	1,449,700
Net book value of tangible capital assets adjustment	(2,473)	(2,473)
Tangible capital assets, as recasted	<u>\$ 1,446,518</u>	<u>\$ 1,447,227</u>

### **11. INVENTORIES:**

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

	<b>2013</b>	<b>2012</b>
Stock	\$ 400	\$ 369
Fuel	42	97
Gravel	676	559
Tradex	106	106
	<u>\$ 1,224</u>	<u>\$ 1,131</u>



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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**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. Abbotsford Entertainment & Sports Centre pre-paid expenses are primarily related to the hockey supply fee.

	<b>2013</b>	<b>2012</b>
General	\$ 708	\$ 377
Abbotsford Entertainment & Sports Centre	3,823	3,524
	<b>\$ 4,531</b>	<b>\$ 3,901</b>

**13. ACCUMULATED SURPLUS:**

	<b>2013</b>	<b>2012</b>
Unappropriated Surplus		
General operations	\$ 13,178	\$ 8,284
Waterworks operations	1,900	1,018
Sanitary sewer operations	4,002	4,002
Airport operations	1,176	1,176
	<b>20,256</b>	<b>14,480</b>
Appropriated Surplus		
General operations reserve	14,986	14,040
Statutory capital reserves	79,111	76,028
	<b>94,097</b>	<b>90,068</b>
Investment in tangible capital assets	1,331,248	1,329,573
Investment in other non-financial assets	5,755	5,032
Total Accumulated Surplus	<b>\$1,451,356</b>	<b>\$1,439,153</b>



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **13. ACCUMULATED SURPLUS: CONTINUED**

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

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

### **14. SUPPLEMENTAL CASH FLOW INFORMATION:**

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

	<b>2013</b>	<b>2012</b>
Interest paid	\$ 4,519	\$ 4,803
Interest received	\$ 3,378	\$ 2,747

### **15. EXPENSE BY OBJECT:**

	<b>2013</b>	<b>2012</b>
Salaries and benefits	\$ 91,551	\$ 93,274
Operating goods and services	53,340	52,161
Minor capital projects	10,927	12,714
Amortization	42,726	44,677
Loss/(gain) on disposal of tangible capital assets	859	1,989
Transfer payments to other governments and agencies	13,427	13,257
Long-term debt interest	4,260	4,663
Total expense by object	<b>\$ 217,090</b>	<b>\$ 222,735</b>



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **16. CONTINGENT LIABILITIES:**

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

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

**(b) Third party claims:**

The City is involved in certain legal actions. Although the actual outcome of these claims is currently indeterminable, in 2013 the City reports a liability of \$887,000 (2012 – \$839,000) which, at this time, is management's best estimate of expected future settlements.

**(c) Municipal Pension Plan:**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 900 contributors from the City of Abbotsford.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Abbotsford paid \$7,296,724 (2012 -\$7,110,390) for employer contributions while employees contributed \$5,995,379 (2012 -\$5,863,437) to the plan in fiscal 2013.

**(d) Municipal Finance Authority:**

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



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **16. CONTINGENT LIABILITIES: continued**

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

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 \$1,312,379 (2012 - \$1,575,000). The balance of the City's portion of the Debt Reserve Fund totals \$2,964,107 (2012 - \$3,517,000), for which the City has also executed demand notes in connection with each debenture totaling \$2,964,107 (2012 - \$3,517,000), whereby the City may be required to loan extra amounts to the Authority.

#### **(e) Abbotsford International Airport:**

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

#### **(f) Abbotsford Heat:**

The City of Abbotsford secured an American Hockey League team with approval of an agreement on March 15, 2010, effective as of July 1, 2009, between the Abbotsford Heat/Fraser Valley Sports & Entertainment Ltd., and Global Spectrum as agent for the City of Abbotsford. The ten-year agreement provides for a supply fee of up to \$5.7 million per year, based on actual expenditures to the Abbotsford Heat. The supply fee is reduced by any and all revenues generated by the hockey team, and if Abbotsford Heat expenditures are less than \$5.7 million. The agreement includes a profit-sharing formula on profit generated, with 60% of profit going to the Abbotsford Heat, and 40% to Global Spectrum, as agent for the City.



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **16. CONTINGENT LIABILITIES: continued**

#### **(g) Agricultural Land Commission:**

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

### **17. CONTRACTUAL OBLIGATIONS:**

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

	<b>Extent of Contracts</b>	<b>Estimated Remaining Expenditure</b>
Dyking, drainage, & irrigation construction	\$ 1,019	\$ 298
Road construction	1,174	129
Sanitary sewer construction	19,175	2,749
Waterworks construction	3,380	1,325
	<b>\$ 24,748</b>	<b>\$ 4,501</b>



## **City of Abbotsford Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **18. 2013 PLAN:**

The budget data presented in these consolidated financial statements was included in the City of Abbotsford 2013-2017 Financial Plan, adopted through Bylaw No. 2185-2012 on December 17, 2012. The following table reconciles the approved budget to the budget figures in these consolidated financial statements:

	<b>2013</b>
Revenues:	
Consolidated budget	\$ 265,359
Expenses:	
Consolidated budget	<u>210,282</u>
Annual surplus per approved budget	55,077
Less:	
Minor capital expenses	(14,479)
Collections for other governments	<u>(3,461)</u>
Annual surplus per Statement of Operations	<u>\$ 37,137</u>

### **19. CEMETERY CARE TRUST FUND:**

The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The City administers the Cemetery Care Trust Fund for the perpetual care and maintenance of City-owned cemeteries. As at December 31, 2013, the trust fund balance is \$3,371,653 (2012 - \$3,272,000).

### **20. SUBSEQUENT EVENTS:**

Subsequent to the year end, the City agreed to terms resulting in the termination of the supply fee arrangement with the Abbotsford Heat effective after the end of the 2013-2014 hockey season. As a result of the termination, the City has agreed to settle with various parties for \$5,500,000.



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **21. 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 is discharges its accountability obligations, and helps to understand performance and to make informed judgments about the major services provided. Major services and their functional responsibilities are described below:

#### **General Government Services**

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

#### **Fire Rescue Service & Other**

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

#### **Police Protection**

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

#### **Parks, Recreation & Culture**

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

#### **Engineering**

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

#### **Transit**

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



# **City of Abbotsford**

## **Notes to Consolidated Financial Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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### **21. CITY SERVICES FINANCIAL INFORMATION: continued**

#### **Solid Waste**

- Collection and disposal
- Composting and recycling
- Environmental education

#### **Drainage**

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

#### **Dyking & Irrigation**

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

#### **Waterworks**

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

#### **Sanitary Sewer**

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

#### **Airport**

- National and international flights
- Passenger and cargo services

#### **Planning & Development Services**

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



**City of Abbotsford**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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

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	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>REVENUE</b>			
GENERAL OPERATING FUND			
General government services	\$ 82,211	\$ 83,611	\$ 81,791
Planning & development services	1,959	2,324	2,021
Police services	47,160	47,184	45,656
Fire rescue services	148	222	239
Other protective services	3,965	4,710	3,742
Parks, recreation & culture services	6,895	6,777	6,662
Entertainment and Sports Centre	3,325	3,701	3,486
Library services	4,134	4,125	3,967
Transit services	7,406	6,915	6,491
Engineering services	2,734	2,886	2,954
Solid waste services	7,460	7,050	7,435
Storm drainage services	3,551	3,559	3,403
Dyking, drainage and irrigation services	2,123	2,106	2,070
	173,071	175,170	169,917
WATERWORKS	16,678	16,786	16,552
SANITARY SEWER	11,449	11,278	10,490
AIRPORT	6,066	6,472	6,088
CAPITAL FUNDS	51,616	17,781	23,608
RESERVE FUNDS	1,259	2,095	2,022
	260,139	229,582	228,677
CONSOLIDATION ADJUSTMENTS	(206)	(289)	(270)
	259,933	229,293	228,407



**City of Abbotsford  
Notes to Consolidated Financial  
Statements**

*For the Year Ended December 31, 2013  
(Tabular amounts are in thousands of dollars)*

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

	2013 Plan	2013 Actual	2012 Actual
<b>EXPENSES</b>			
GENERAL OPERATING FUND			
General government services	15,247	13,194	14,277
Planning & development services	4,527	4,014	4,354
Police services	47,162	48,166	47,516
Fire rescue services	15,677	15,401	15,022
Other protective services	3,843	4,011	3,533
Parks, recreation & culture services	24,501	23,770	24,425
Entertainment and Sports Centre	11,584	12,620	11,848
Library services	4,039	4,030	4,155
Transit services	11,153	10,021	9,678
Engineering services	23,611	23,877	27,929
Solid waste services	7,290	6,767	7,361
Storm drainage services	5,298	5,136	5,090
Dyking, drainage and irrigation services	3,283	3,208	3,366
	177,215	174,215	178,554
WATERWORKS	12,772	14,398	13,839
SANITARY SEWER	11,344	10,922	10,886
AIRPORT	7,192	6,917	7,012
CAPITAL FUNDS	14,479	10,927	12,714
	223,002	217,379	223,005
CONSOLIDATION ADJUSTMENTS	(206)	(289)	(270)
	222,796	217,090	222,735
ANNUAL SURPLUS	\$ 37,137	\$ 12,203	\$ 5,672

# **City of Abbotsford**

## **Statement of Financial Position - By Fund**

*As at December 31, 2013, with comparative information as at December 31, 2012*

*In thousands*

**Exhibit 1**

	<b>Operating Funds</b>				<b>Reserve Funds</b>
	<b>General</b>	<b>Waterworks</b>	<b>Sanitary Sewer</b>	<b>Airport</b>	
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	\$ 21,701	\$ -	\$ -	\$ -	\$ -
Due from other funds	5,334	-	4,404	1,972	94,097
Internal borrowing	24,561	-	-	-	-
Accounts receivable	26,632	6,206	1,904	620	-
Portfolio investments	144,402	-	-	-	-
	<u>222,630</u>	<u>6,206</u>	<u>6,308</u>	<u>2,592</u>	<u>94,097</u>
<b>FINANCIAL LIABILITIES</b>					
Accounts payable and accrued liabilities	58,635	7	7	162	-
Due to other funds	114,890	3,991	-	-	-
Restricted revenue	31,549	308	2,299	1,164	-
Deferred revenue	4,378	-	-	90	-
	<u>209,452</u>	<u>4,306</u>	<u>2,306</u>	<u>1,416</u>	<u>-</u>
Long-term debt	-	-	-	-	-
Internal borrowing	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>209,452</u>	<u>4,306</u>	<u>2,306</u>	<u>1,416</u>	<u>-</u>
<b>NET FINANCIAL ASSETS</b>	<u>13,178</u>	<u>1,900</u>	<u>4,002</u>	<u>1,176</u>	<u>94,097</u>
<b>NON-FINANCIAL ASSETS</b>					
Tangible capital assets	-	-	-	-	-
Inventories	1,224	-	-	-	-
Pre-paid expenses	4,531	-	-	-	-
	<u>5,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 18,933</b>	<b>\$ 1,900</b>	<b>\$ 4,002</b>	<b>\$ 1,176</b>	<b>\$ 94,097</b>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Statement of Financial Position - By Fund

*In thousands*

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### Capital Funds

General	Waterworks	Sanitary Sewer	Airport	Consolidation Adjustments	Total 2013	Total 2012
\$ - \$ 14,417	- \$ -	- \$ -	- \$ -	- \$ (120,224)	\$ 21,701	\$ 68,422
					-	-
					(24,561)	-
192	127	1,216	-	-	36,897	39,675
-	-	-	-	-	144,402	80,553
<b>14,609</b>	<b>127</b>	<b>1,216</b>	<b>-</b>	<b>(144,785)</b>	<b>203,000</b>	<b>188,650</b>
					58,811	66,599
					-	-
	127	1,216	-	(120,224)	-	-
	-	-	-	-	35,320	28,271
<b>16,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,093</b>	<b>18,514</b>
<b>16,625</b>	<b>127</b>	<b>1,216</b>	<b>-</b>	<b>(120,224)</b>	<b>115,224</b>	<b>113,384</b>
70,974	2,840	4,535	-	-	78,349	87,663
21,574	149	2,838	-	(24,561)	-	-
<b>92,548</b>	<b>2,989</b>	<b>7,373</b>	<b>-</b>	<b>(24,561)</b>	<b>78,349</b>	<b>87,663</b>
<b>109,173</b>	<b>3,116</b>	<b>8,589</b>	<b>-</b>	<b>(144,785)</b>	<b>193,573</b>	<b>201,047</b>
<b>(94,564)</b>	<b>(2,989)</b>	<b>(7,373)</b>	<b>-</b>	<b>-</b>	<b>9,427</b>	<b>(12,397)</b>
<b>949,636</b>	<b>236,408</b>	<b>175,376</b>	<b>74,755</b>	<b>-</b>	<b>1,436,174</b>	<b>1,446,518</b>
	-	-	-	-	1,224	1,131
	-	-	-	-	4,531	3,901
<b>949,636</b>	<b>236,408</b>	<b>175,376</b>	<b>74,755</b>	<b>-</b>	<b>1,441,929</b>	<b>1,451,550</b>
<b>\$ 855,072</b>	<b>\$ 233,419</b>	<b>\$ 168,003</b>	<b>\$ 74,755</b>	<b>\$ -</b>	<b>\$ 1,451,356</b>	<b>\$ 1,439,153</b>

See notes to consolidated financial statements.

# City of Abbotsford

## Statement of Financial Activities - By Fund

For the year ended December 31, 2013, with comparative information for 2012

In thousands

**Exhibit 2**

	Operating Funds				Reserve
	General	Waterworks	San Sewer	Airport	Funds
	Schedule A	Schedule B	Schedule C	Schedule D	Schedule S
<b>REVENUE</b>					
Municipal taxation	\$ 124,584	\$ -	\$ -	\$ -	\$ -
Fees and charges	37,632	16,726	11,144	4,286	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants	7,460	1	36	65	-
Interest and penalties	3,772	37	98	48	2,061
Rent	1,723	22	-	2,073	-
Other sources	-	-	-	-	34
Contributions (to)/from other funds	-	-	-	-	-
	175,170	16,786	11,278	6,472	2,095
<b>EXPENSE</b>					
General government services	13,192	-	-	-	-
Planning & development services	4,014	-	-	-	-
Protective services	67,579	-	-	-	-
Parks, recreation, culture, libraries	40,419	-	-	-	-
Transit services	10,021	-	-	-	-
Engineering services	35,780	-	-	-	-
Dyking, drainage and irrigation services	3,208	-	-	-	-
Waterworks services	-	14,398	-	-	-
Sanitary sewer services	-	-	10,922	-	-
Airport services	-	-	-	6,917	-
	174,215	14,398	10,922	6,917	-
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>955</b>	<b>2,388</b>	<b>356</b>	<b>(445)</b>	<b>2,095</b>
<b>RECONCILE TO BUDGET BASIS</b>					
<b>SURPLUS/(DEFICIT)</b>					
Operating reserve	(620)	-	-	-	620
General capital reserve	(21,019)	-	-	-	4,713
Storm drainage capital reserve	(818)	-	-	-	94
Waterworks capital reserve	-	(2,625)	-	-	(3,938)
Sanitary sewer capital reserve	-	-	(4,403)	-	202
Airport capital reserve	-	-	-	407	242
Eliminate amortization and gains/losses	28,672	6,713	4,623	2,538	-
Internal borrowing (from general fund)	1,863	-	-	-	-
	8,078	4,088	220	2,945	1,933
Debt principal repayments	(3,419)	(5,593)	(576)	(2,500)	-
<b>CHANGE IN INVENTORY/PRE-PAID EXPENSES</b>	<b>723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>4,894</b>	<b>883</b>	<b>-</b>	<b>-</b>	<b>4,028</b>
<b>SURPLUS, BEGINING OF YEAR</b>	<b>13,316</b>	<b>1,018</b>	<b>4,002</b>	<b>1,176</b>	<b>90,068</b>
<b>SURPLUS, END OF YEAR</b>	<b>\$ 18,933</b>	<b>\$ 1,900</b>	<b>\$ 4,002</b>	<b>\$ 1,176</b>	<b>\$ 94,097</b>

See notes to consolidated financial statements.

# City of Abbotsford

## Statement of Financial Activities - By Fund

For the year ended December 31, 2013, with comparative information for 2012  
In thousands

**Exhibit 2**

Capital Funds								Total
General Schedule R	Waterworks Schedule R	San Sewer Schedule R	Airport Schedule R	Subtotal	Consolidation Adjustments	Total 2013		Total 2012
\$ (39)	\$ (3)	\$ 1	\$ -	\$ 124,543	\$ -	\$ 124,543	\$ 124,045	
270	97	787	2,202	73,144	-	73,144	69,467	
1,023	1,122	1,422	-	3,567	-	3,567	6,852	
2,524	1,413	163	-	4,100	-	4,100	6,771	
1,612	-	5,115	-	14,289	-	14,289	13,017	
-	-	-	-	6,016	(289)	5,727	4,376	
-	-	-	-	3,818	-	3,818	3,771	
82	(6)	(5)	-	105	-	105	108	
(1,681)	11	58	1,612	-	-	-	-	
3,791	2,634	7,541	3,814	229,582	(289)	229,293	228,407	
347	-	-	-	13,539	-	13,539	14,686	
-	-	-	-	4,014	-	4,014	4,354	
134	-	-	-	67,713	-	67,713	66,234	
460	-	-	-	40,879	-	40,879	40,908	
-	-	-	-	10,021	-	10,021	9,678	
7,762	-	-	-	43,542	(181)	43,361	48,367	
64	-	-	-	3,272	-	3,272	3,386	
-	879	-	-	15,277	(25)	15,252	16,214	
-	-	1,051	-	11,974	(16)	11,958	11,563	
-	-	-	230	7,148	(67)	7,081	7,345	
8,767	879	1,051	230	217,379	(289)	217,090	222,735	
(4,976)	1,755	6,490	3,584	12,203	-	12,203	5,672	
16,306	-	-	-	-	-	-	-	
724	-	-	-	-	-	-	-	
-	6,563	-	-	-	-	-	-	
-	-	4,200	-	-	-	-	-	
-	-	-	(650)	-	-	-	-	
(27,595)	(5,590)	(7,461)	(2,538)	(637)	-	(637)	(477)	
(2,941)	(1,122)	2,838	-	637	-	637	477	
(13,506)	(149)	(423)	(3,188)	-	-	-	-	
3,419	5,593	576	2,500	-	-	-	-	
-	-	-	-	723	-	723	971	
(15,063)	7,199	6,643	2,896	12,203	-	12,203	5,672	
870,136	226,219	161,360	71,858	1,439,153	-	1,439,153	1,433,481	
\$ 855,073	\$ 233,418	\$ 168,003	\$ 74,754	\$ 1,451,356	-	\$ 1,451,356	\$ 1,439,153	

See notes to consolidated financial statements.

# **City of Abbotsford**

## **Schedule of Tangible Capital Assets**

*As at December 31, 2013, with comparative information for 2012*

*In thousands*

**Exhibit 3**

	<b>Cost</b>						<b>Closing Balance</b>	
	<b>Opening Balance</b>	<b>Add</b>		<b>Less</b>		<b>Transfer to asset class</b>		
		<b>Additions</b>	<b>Transfer from asset class</b>	<b>Disposals</b>	<b>Transfer to asset class</b>			
<b>General</b>								
Land	\$ 376,258	\$ 2,708	\$ -	\$ (60)	\$ -	\$ -	\$ 378,906	
Land improvements	15,228	98	94	(28)	-	-	15,392	
Park improvements	52,994	1,405	355	(117)	-	-	54,637	
Buildings	220,478	2,341	253	(328)	-	-	222,744	
Machinery & equipment	30,565	647	490	(523)	-	-	31,179	
Vehicles	29,104	1,557	896	(1,956)	-	-	29,601	
<b>Infrastructure</b>								
Airport	36,864	-	277	-	-	-	37,141	
Waterworks	288,348	5,115	25,158	(1,275)	-	-	317,346	
Sanitary sewer	226,478	2,265	5,807	(257)	-	-	234,293	
Transportation	515,400	1,990	3,718	(2,607)	-	-	518,501	
Storm drainage	249,653	1,338	2,363	(252)	-	-	253,102	
Dyking, drainage, & irrigation	49,876	65	-	-	-	-	49,941	
<b>Assets under construction</b>	<b>47,658</b>	<b>14,538</b>	<b>-</b>	<b>-</b>	<b>(39,411)</b>	<b>22,785</b>		
	<b>\$2,138,904</b>	<b>\$ 34,067</b>	<b>\$ 39,411</b>	<b>\$ (7,403)</b>	<b>\$ (39,411)</b>	<b>\$ 2,165,568</b>		

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Schedule of Tangible Capital Assets

As at December 31, 2013, with comparative information for 2012

In thousands

**Exhibit 3**

<b>Accumulated Amortization</b>					
<b>Opening Balance</b>	<b>Add</b>	<b>Less</b>	<b>Closing Balance</b>	<b>Net Book Value Dec 31, 2013</b>	<b>Net Book Value Dec 31, 2012</b>
	<b>Amortization</b>	<b>Accumulated Amortization on Disposals</b>		<b>Net Book Value Dec 31, 2013</b>	<b>Net Book Value Dec 31, 2012</b>
\$ - \$	- \$	- \$	- \$	\$ 378,906	\$ 376,259
7,505	421	(24)	(7,902)	7,490	7,723
32,492	1,594	(117)	(33,969)	20,668	20,502
87,619	6,921	(227)	(94,313)	128,431	132,860
17,476	2,471	(491)	(19,456)	11,722	13,088
14,959	2,202	(1,758)	(15,403)	14,198	14,144
6,025	1,036	-	(7,061)	30,080	30,839
79,361	5,890	(528)	(84,723)	232,623	208,987
77,847	4,455	(173)	(82,129)	152,163	148,630
276,955	13,601	(2,297)	(288,259)	230,241	238,445
64,424	3,484	(106)	(67,802)	185,300	185,229
27,722	651	-	(28,373)	21,567	22,154
				22,785	47,658
<b>\$ 692,385</b>	<b>\$ 42,725</b>	<b>\$ (5,721)</b>	<b>\$ (729,390)</b>	<b>\$ 1,436,174</b>	<b>\$ 1,446,518</b>

See notes to consolidated financial statements.

# City of Abbotsford

## Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2013, with comparative information as at 2012

In thousands

**Exhibit 4**

	Balance December 31, 2012	(To)/From Operating Fund	To/(From) Other Funds	Other Contributions	Interest Earned	Balance December 31, 2013
<b>STATUTORY CAPITAL RESERVES</b>						
General	\$ 13,648	\$ 21,019	\$ 16,305	\$ 29	\$ 273	\$ 18,664
Storm drainage	12,208	818	724	-	282	12,584
Waterworks	16,815	2,624	6,563	4	399	13,279
Sanitary sewer	28,451	4,406	4,200	1	661	29,319
Airport	4,665	(407)	(650)	-	113	5,021
Affordable housing	241	-	-	-	5	246
	76,028	28,460	27,142	34	1,733	79,111
<b>GENERAL OPERATING RESERVE</b>						
<b>Planned Transfers</b>						
New facility operations	2,639	-	500	-	51	2,190
Debt retirement	513	-	523	-	10	-
Insurance	2,835	-	-	-	65	2,901
Tradex operating reserve	592	95	-	-	16	703
Election	138	125	-	-	6	269
Sister city	43	10	-	-	1	54
Climate action	515	170	-	-	16	701
Community projects	247	141	-	-	9	397
	7,522	541	1,023	-	174	7,215
<b>Operating Surplus Transfers</b>						
Police	1,130	-	51	-	27	1,106
Winter operations	791	290	-	-	19	1,100
Storm drainage	900	712	-	-	38	1,650
Sumas Prairie DDI	46	32	-	-	2	80
Matsqui Prairie DDI	68	-	3	-	4	69
Solid waste	562	-	-	-	13	575
	3,497	1,034	54	-	103	4,580
<b>Other Transfers</b>						
Economic Dev Commission startup	39	-	-	-	1	40
General government	-	1,104	-	-	-	1,104
Communications	-	10	-	-	-	10
Human resources	-	63	-	-	-	63
LT financial plan/Core services review	232	-	-	-	5	237
Traffic fine revenue	1,925	-	971	-	23	977
Rate stabilization	500	-	-	-	12	512
External audit	57	-	57	-	-	-
Park & recreation	53	65	53	-	3	68
Arbitrated settlements	175	-	-	-	4	179
Animal control facility Improvements	40	-	40	-	-	-
	3,021	1,242	1,121	-	48	3,190
	14,040	2,817	2,198	-	325	14,986
<b>Total</b>	<b>\$ 90,068</b>	<b>\$ 31,277</b>	<b>\$ 29,340</b>	<b>\$ 34</b>	<b>\$ 2,058</b>	<b>\$ 94,097</b>

See notes to consolidated financial statements.

# City of Abbotsford

## Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2013, with comparative information for 2012

In thousands

**Exhibit 5**

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding December 31 2012			2013 Debt Servicing			Debt Outstanding December 31 2013				
					Principal	Interest	Total	Principal	Interest	Total	Principal	Interest			
<b>GENERAL FUND</b>															
<b>Parks, recreation and culture</b>															
Abbotsford Recreation Centre	2432	55	2013	8.50	\$ 367	\$ 99	\$ 466	\$ 367	\$ 99	\$ 466	-				
Entertainment & Sports Centre	1586	102/103	2032	5.00	48,620	1,576	4,047	2,471	4,047	47,044					
Cultural Centre	1587	102/103	2027	5.00	8,377	401	830	429	830	7,976					
Community Centre	1588	102/103	2027	5.00	16,755	801	1,659	858	1,659	15,954					
					74,119	3,145	7,002	3,857	7,002	70,974					
<b>SANITARY SEWER FUND</b>															
<b>Sanitary sewer - treatment plant</b>															
	558-533	63	2016	3.00	351	88	-	88	-	88	263				
	326-125	71	2019	3.15	311	39	5	44	5	44	272				
	326-164	71	2019	3.15	1,493	186	22	208	22	208	1,307				
	326-533	71	2019	3.15	1,026	128	15	143	15	143	898				
	455	75	2021	3.05	505	46	8	54	8	54	459				
	655-325	85	2024	4.98	1,425	89	71	160	71	160	1,336				
					5,111	576	121	697	121	697	4,535				
<b>WATERWORKS FUND</b>															
<b>Waterworks - supply</b>															
	454	75	2021	3.05	1,574	143	24	167	143	167	1,431				
	586	80	2023	4.78	5,162	5,162	182	5,344	182	5,344	-				
	567	83	2013	3.71	194	194	2	196	2	196	-				
	655-393	85	2024	4.98	1,503	94	74	168	94	168	1,409				
					8,433	5,593	282	5,875	282	5,875	2,840				
<b>Total Long-term Debt</b>					<b>\$ 87,663</b>	<b>\$ 9,314</b>	<b>\$ 4,260</b>	<b>\$ 13,574</b>	<b>\$ 78,349</b>						

See notes to consolidated financial statements.

# City of Abbotsford

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

### General Operating Fund

For the Year Ended December 31, 2013, with comparative information for 2012

In thousands

**Schedule A**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Municipal taxation:			
General	\$ 72,850	\$ 72,687	\$ 70,574
Police	41,784	41,663	40,518
Library	4,134	4,125	3,967
Dyking, drainage & irrigation	1,966	1,964	1,939
Utility tax	1,762	1,762	1,738
Business improvement assessment	233	237	232
Hotel tax	250	254	247
Grants in lieu of taxes:			
Federal government	985	1,034	978
Provincial governments and agencies	840	859	840
Fees and charges:			
Transit	2,638	2,631	2,344
Police	3,293	4,136	4,090
User rates	7,460	7,050	7,435
Storm drainage	3,551	3,559	3,403
Parks, recreation and culture	6,821	6,654	6,532
Entertainment & Sports Centre	2,525	2,886	2,668
Other	2,128	3,719	2,636
Licenses and permits:			
Building permits	1,790	1,927	1,456
Soil removal fees	2,340	2,243	2,390
Business licences	1,010	921	932
Dog licences	250	232	245
Municipal licence plates	35	39	42
Secondary suite fees	1,216	1,214	1,196
Other licences and permits	420	419	397
Rental:			
Police	33	41	40
Other	1,917	1,682	1,701
Interest and penalties	2,487	2,999	2,510
Municipal Finance Authority refunds	-	773	36
Grants:			
Transit	4,768	4,285	4,147
Police	2,050	1,340	1,008
Other	1,535	1,835	3,676
	173,071	175,170	169,917

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

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

### General Operating Fund

For the Year Ended December 31, 2013, with comparative information for 2012

In thousands

**Schedule A**

	2013 Plan	2013 Actual	2012 Actual
<b>EXPENSE</b>			
General government services (Schedule E)	15,247	13,194	14,277
Planning & development services (Schedule F)	4,527	4,014	4,354
Protective services			
Police services (Schedule G)	47,162	48,166	47,516
Fire rescue services (Schedule H)	15,677	15,401	15,022
Other protective services (Schedule I)	3,843	4,011	3,533
Parks, recreation & culture services (Schedule J)	24,501	23,770	24,425
Entertainment and Sports Centre (Schedule K)	11,584	12,620	11,848
Library services (Schedule L)	4,039	4,030	4,155
Transit services (Schedule M)	11,153	10,021	9,678
Engineering services (Schedule N)	23,611	23,877	27,929
Solid waste services (Schedule O)	7,290	6,767	7,361
Storm drainage services (Schedule P)	5,298	5,136	5,090
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,227	1,206	1,249
Sumas Prairie (Schedule Q)	2,056	2,002	2,117
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>177,215</b>	<b>174,215</b>	<b>178,554</b>
	(4,144)	955	(8,637)

### RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS

Transfer to general capital reserve (asset sales)	-	(825)	(404)
Transfer to general capital reserve	(19,259)	(20,194)	(19,622)
Storm drainage capital reserve	(818)	(818)	(818)
Transfer to operating reserve	(560)	(2,818)	(5,224)
Transfer from operating reserve	1,260	2,197	5,372
Debt principal repayments	(3,593)	(3,419)	(3,473)
Inventory and pre-paid expenses	-	(723)	(971)
Eliminate amortization and gains/losses	27,114	30,539	33,765
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ - \$</b>	<b>4,894</b>	<b>\$ (12)</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **Waterworks Operating Fund**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

### **Schedule B**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges:			
User rates	\$ 16,100	\$ 16,163	\$ 15,927
Other fees and charges	561	564	603
Rent	17	22	17
Municipal Finance Authority refunds	-	37	5
	<b>16,678</b>	<b>16,786</b>	<b>16,552</b>
<b>EXPENSE</b>			
Abbotsford-Mission supply and transmission	2,833	2,857	2,553
Administration	2,347	2,158	2,213
Local supply and distribution	1,656	1,635	1,662
Meters	492	378	426
Hydrants	239	223	216
Maintenance	-	128	100
Long-term debt interest	347	282	378
Internal borrowing interest	46	25	36
Amortization	4,812	5,965	5,226
Loss/(gain) on disposal of tangible capital assets	-	747	1,029
	<b>12,772</b>	<b>14,398</b>	<b>13,839</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>3,906</b>	<b>2,388</b>	<b>2,713</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to waterworks capital reserve	(7,423)	(2,625)	(8,208)
Debt principal repayments	(795)	(5,593)	(759)
Tangible capital assets	4,812	6,713	6,254
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ 500</b>	<b>\$ 883</b>	<b>-</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **Sanitary Sewer Operating Fund**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule C**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges:			
User rates	\$ 9,800	\$ 9,587	\$ 8,743
Industrial surcharges	1,006	1,011	1,098
Other fees and charges	606	546	561
Interest and penalties	37	79	34
Municipal Finance Authority refunds	-	19	11
Grants	-	36	43
	<b>11,449</b>	<b>11,278</b>	<b>10,490</b>
<b>EXPENSE</b>			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	3,928	3,394	3,578
Administration	1,918	1,664	1,739
Maintenance	1,230	1,103	970
Long-term debt interest	115	121	142
Internal borrowing interest	-	16	23
Amortization	4,153	4,539	4,297
Loss/(gain) on disposal of tangible capital assets	-	85	137
	<b>11,344</b>	<b>10,922</b>	<b>10,886</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>105</b>	<b>356</b>	<b>(396)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to sanitary sewer capital reserve (asset sales)	-	-	(13)
Transfer to sanitary sewer capital reserve	(3,682)	(4,403)	(4,087)
Debt principal repayments	(576)	(576)	(551)
Eliminate amortization and gains/losses	4,153	4,623	4,448
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ - \$</b>	<b>- \$</b>	<b>(599)</b>

See notes to consolidated financial statements.

**City of Abbotsford**  
**Segment Information - Revenues by Type & Expenses by Function**  
**Airport Operating Fund**

*For the Year Ended December 31, 2013, with comparative information for 2012*  
*In thousands*

**Schedule D**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges:			
Aeronautical fees	\$ 1,434	\$ 1,427	\$ 1,413
Public parking fees	1,542	1,600	1,476
Concessions	886	919	911
Other fees and charges	80	340	163
Rent	2,083	2,073	2,013
Interest and penalties	41	48	37
Grants	-	65	75
	6,066	6,472	6,088
<b>EXPENSE</b>			
Administration	1,612	1,369	1,401
Marketing	276	365	403
Terminal building	535	544	593
Airside	1,621	1,588	1,365
Mobile equipment	249	198	204
Parking	334	248	320
Internal borrowing interest	88	67	111
Amortization	2,477	2,538	2,614
Loss/(gain) on disposal of tangible capital assets	-	-	1
	7,192	6,917	7,012
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(1,126)	(445)	(924)
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Debt principal repayments	(1,250)	(2,500)	(1,500)
Transfer to airport capital reserve (asset sales)	-	-	(3)
Transfer to airport capital reserve	(101)	407	(191)
Eliminate amortization and gains/losses	2,477	2,538	2,618
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ - \$</b>	<b>- \$</b>	<b>-</b>

See notes to consolidated financial statements.

# City of Abbotsford

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

### General Operating Fund - General Government Services

For the Year Ended December 31, 2013, with comparative information for 2012

Schedule E

In thousands

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Municipal taxation	\$ 76,920	\$ 76,832	\$ 74,609
Fees and charges	697	996	852
Municipal licence plates	35	39	42
Rent	1,917	1,676	1,701
Interest and penalties	2,442	2,945	2,453
Grants	200	350	2,098
Municipal Finance Authority refunds	-	773	36
	82,211	83,611	81,791
<b>EXPENSE</b>			
<b>LEGISLATIVE SERVICES</b>	651	583	585
<b>CITY MANAGER'S OFFICE</b>			
City manager	653	812	887
Corporate communications and marketing	761	719	612
Human resources	1,548	1,308	1,448
<b>FINANCE &amp; CORPORATE SERVICES</b>			
Corporate administration	360	301	315
City Clerk	1,133	996	1,034
Elections	-	2	1
Finance	2,490	2,094	1,975
Purchasing	853	737	755
Risk management	1,212	938	(448)
Business technology solutions	3,993	3,285	3,295
<b>OTHER</b>			
General municipal buildings	2,098	2,093	2,142
Transfer to other agencies	553	592	556
Common services	1,054	576	2,486
<b>AMORTIZATION</b>	913	1,030	971
<b>LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS</b>	-	(431)	10
LESS: VACANCY GAPPING	(550)	-	-
LESS: COST RECOVERIES	(2,475)	(2,441)	(2,347)
	15,247	13,194	14,277
<b>ANNUAL SURPLUS/(DEFICIT)</b>	66,964	70,417	67,514
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(493)	(172)
Transfer to general capital reserve	(3,511)	(4,236)	(2,707)
Transfer to operating reserve	(335)	(1,453)	(4,138)
Transfer from operating reserve	552	580	1,244
Debt principal repayments	-	(274)	(287)
Inventory and pre-paid expenses	-	(723)	(971)
Eliminate amortization and gains/losses	914	1,089	1,154
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	\$ 64,584	\$ 64,907	\$ 61,637

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Development & Planning Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule F**

	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>REVENUE</b>			
Licences and permits:			
Business licences	\$ 1,010	\$ 921	\$ 932
Development permit application fees	162	119	132
Rezoning application fees	130	170	119
Subdivision application fees	60	70	71
Other licences and permits	53	50	66
Fees and charges:			
Development fees on Engineering projects	210	270	144
Other fees and charges	174	470	234
Interest and penalties	30	29	28
Grants	130	225	295
	1,959	2,324	2,021
<b>EXPENSE</b>			
Development approvals	3,275	2,956	3,141
Economic development	1,059	869	1,034
Licence inspection	193	189	179
	4,527	4,014	4,354
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(2,568)</b>	<b>(1,690)</b>	<b>(2,333)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to operating reserve	(225)	(265)	(270)
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ (2,793) \$</b>	<b>(1,955) \$</b>	<b>(2,603)</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Police Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

### **Schedule G**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Municipal taxation	\$ 41,784	\$ 41,663	\$ 40,518
Fees and charges:			
Salary recoveries	2,123	2,964	3,088
Other revenue	1,170	1,172	1,002
Government grants:			
Traffic fine revenue - sharing	2,000	1,197	873
Other government grants	50	143	135
Rent	33	45	40
	<u>47,160</u>	<u>47,184</u>	<u>45,656</u>
<b>EXPENSE</b>			
Finance and budgets	574	482	521
Executive administration	1,905	1,797	1,892
Operations support	5,424	5,247	5,033
Support services	5,078	4,683	4,514
Criminal investigations	9,905	9,817	10,226
Patrol	16,515	16,312	15,515
Police building	524	538	550
Human resources	1,905	1,878	1,816
Vehicle maintenance	1,209	1,172	1,236
Common services & secondment	3,411	5,385	5,287
Amortization	712	851	914
Loss/(gain) on disposal of tangible capital assets	-	4	12
	<u>47,162</u>	<u>48,166</u>	<u>47,516</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(2)</b>	<b>(982)</b>	<b>(1,860)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(25)	(20)
Transfer from operating reserve	184	1,021	1,524
Transfer to general capital reserve	(894)	(894)	(590)
Eliminate amortization and gains/losses	712	880	946
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ - \$</b>	<b>- \$</b>	<b>-</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Fire Rescue Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule H**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges	\$ 133	\$ 213	\$ 232
Licences and permits	15	9	7
	<hr/>	<hr/>	<hr/>
	148	222	239
<b>EXPENSE</b>			
Administration	542	516	507
Fire life and safety education	195	158	147
Fire prevention and inspection	665	449	751
Emergency response	12,824	12,613	12,020
Fire halls and ground maintenance	477	499	519
Fire flows and hydrants	247	190	247
Amortization	727	976	813
Loss/(gain) on disposal of tangible capital assets	-	-	18
	<hr/>	<hr/>	<hr/>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>15,677</b>	<b>15,401</b>	<b>15,022</b>
	<hr/>	<hr/>	<hr/>
	(15,529)	(15,179)	(14,783)
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	-	(18)
Transfer to general capital reserve	(797)	(797)	(797)
Eliminate amortization and gains/losses	727	976	848
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ (15,599)</b>	<b>\$ (15,000)</b>	<b>\$ (14,750)</b>
	<hr/>	<hr/>	<hr/>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Other Protective Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule I**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Licenses and permits:			
Building permits	\$ 1,790	\$ 1,927	\$ 1,456
Secondary suite fees	1,216	1,214	1,196
Dog licences	250	232	245
Fees and charges	363	996	503
Interest and penalties	15	10	11
Grants	331	331	331
	<hr/> 3,965	<hr/> 4,710	<hr/> 3,742
<b>EXPENSE</b>			
Animal control	288	276	347
Restorative Justice	149	149	146
Emergency services	290	246	457
Building inspections	2,096	1,967	1,812
Bylaw enforcement	919	1,282	594
Public safety inspection	101	91	177
	<hr/> 3,843	<hr/> 4,011	<hr/> 3,533
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>122</b>	<b>699</b>	<b>209</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to operating reserve	-	-	(40)
Transfer from operating reserve	-	40	-
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ 122</b>	<b>\$ 739</b>	<b>\$ 169</b>

See notes to consolidated financial statements.

# City of Abbotsford

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

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

For the Year Ended December 31, 2013, with comparative information for 2012

In thousands

Schedule J

	2013 Plan	2013			2013 Actual	2013 Actual	2012 Actual
		General	Parks	Recreation	Culture		
<b>REVENUE</b>							
Fees and charges	\$ 6,821	\$ 138	\$ 821	\$ 5,695	-	\$ 6,654	\$ 6,532
Rent	-	-	1	-	-	1	-
Grants	74	122	-	-	-	122	130
	<b>6,895</b>	<b>260</b>	<b>822</b>	<b>5,695</b>	<b>-</b>	<b>6,777</b>	<b>6,662</b>
<b>EXPENSE</b>							
Operations	18,971	1,509	6,434	9,164	805	17,912	18,321
Long-term debt interest	1,280	-	-	957	429	1,386	1,614
Amortization	4,250	8	1,937	1,972	452	4,370	4,438
Loss/(gain) on disposal of tangible capital assets	-	-	-	102	-	102	52
	<b>24,501</b>	<b>1,517</b>	<b>8,371</b>	<b>12,195</b>	<b>1,686</b>	<b>23,770</b>	<b>24,425</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(17,606)</b>	<b>(1,257)</b>	<b>(7,549)</b>	<b>(6,500)</b>	<b>(1,686)</b>	<b>(16,993)</b>	<b>(17,763)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>							
Debt principal repayments	(1,729)	-	-	(1,168)	(401)	(1,569)	(1,671)
Transfer to general capital reserve	(1,541)	(107)	(794)	(567)	(73)	(1,541)	(1,541)
Transfer to cemetery capital reserve	(181)	-	(195)	-	-	(195)	(181)
Transfer to operating reserve	-	(65)	-	-	-	(65)	-
Transfer from operating reserve	24	28	-	25	-	53	8
Eliminate amortization and gains/losses	4,250	8	1,937	2,074	452	4,471	4,490
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ (16,783) \$</b>	<b>(1,393) \$</b>	<b>(6,601) \$</b>	<b>(6,136) \$</b>	<b>(1,708) \$</b>	<b>(15,839) \$</b>	<b>(16,658)</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Entertainment and Sports Centre**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule K**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges	\$ 2,525	\$ 2,886	\$ 2,668
Interest and penalties	-	15	18
Grants	800	800	800
	<u>3,325</u>	<u>3,701</u>	<u>3,486</u>
<b>EXPENSE</b>			
AESC Facility			
Operations	4,395	5,214	4,652
Long-term debt interest	2,495	2,471	2,532
Amortization	2,794	2,789	2,771
	<u>9,684</u>	<u>10,474</u>	<u>9,955</u>
AESC Facility annual surplus/(deficit)	(6,359)	(6,773)	(6,469)
Hockey revenue sharing / (supply fee)	<u>(1,900)</u>	<u>(2,146)</u>	<u>(1,893)</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(8,259)</b>	<b>(8,919)</b>	<b>(8,362)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer from operating reserve	500	500	500
Debt principal repayments	(1,576)	(1,576)	(1,515)
Eliminate amortization and gains/losses	2,794	2,789	2,771
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ (6,541)</b>	<b>\$ (7,206)</b>	<b>\$ (6,606)</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Library Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule L**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Municipal tax for regional library	\$ 4,134	\$ 4,125	\$ 3,967
<b>EXPENSE</b>			
Transfer to Fraser Valley Regional Library	3,531	3,531	3,682
Library operating costs	303	294	269
Amortization	205	205	204
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>4,039</b>	<b>4,030</b>	<b>4,155</b>
	95	95	(188)
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve	(300)	(300)	-
Eliminate amortization and gains/losses	205	205	204
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Transit Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule M**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Grants	\$ 4,768	\$ 4,285	\$ 4,147
Fares	2,044	1,962	1,752
BC bus pass program	424	496	420
Advertising and other	170	172	172
	<hr/>	<hr/>	<hr/>
	7,406	6,915	6,491
<b>EXPENSE</b>			
Transfer to BC Transit	10,970	9,896	9,572
Other	149	91	72
Amortization	34	34	34
	<hr/>	<hr/>	<hr/>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(3,747)</b>	<b>(3,106)</b>	<b>(3,187)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Eliminate amortization and gains/losses	34	34	34
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ (3,713)</b>	<b>\$ (3,072)</b>	<b>\$ (3,153)</b>
	<hr/>	<hr/>	<hr/>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Engineering Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule N**

	<b>2013 Plan</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>REVENUE</b>			
Fees and charges:			
Engineering capital recoveries	\$ 140	\$ 188	\$ 98
Recoveries	133	305	247
Parking lot tickets	90	86	91
Other	31	55	104
Licenses and permits:			
Soil removal fees	2,340	2,243	2,390
Other	-	2	2
Grants	-	7	22
	2,734	2,886	2,954
<b>EXPENSE</b>			
<b>ADMINISTRATION</b>	2,335	2,209	2,191
<b>ENGINEERING</b>	2,768	1,999	2,075
<b>TRANSPORTATION</b>			
Services	2,758	2,352	2,683
Operations - roads	4,794	3,683	4,594
<b>EQUIPMENT FLEET</b>			
Operations	3,424	3,523	3,333
Internal recoveries	(5,511)	(5,087)	(5,308)
<b>INTERNAL BORROWING INTEREST</b>	72	181	131
<b>AMORTIZATION</b>	13,384	15,259	18,173
<b>LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS</b>	-	206	505
<b>LESS: COST RECOVERIES</b>	(413)	(448)	(448)
	23,611	23,877	27,929
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(20,877)	(20,991)	(24,975)
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(307)	(194)
Transfer to general capital reserve	(11,495)	(11,565)	(11,495)
Transfer to operating reserve	-	(290)	(300)
Transfer from operating reserve	-	-	54
Eliminate amortization and gains/losses	13,384	15,772	18,872
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	\$ (18,988)	\$ (17,381)	\$ (18,038)

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Solid Waste Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule O**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges:			
Solid waste user fees	\$ 5,803	\$ 5,795	\$ 5,727
Garbage stickers	35	25	32
Recycling, compost and yard waste fees	-	5	61
Recoveries & other	1,622	1,225	1,615
	<hr/>	<hr/>	<hr/>
	7,460	7,050	7,435
<b>EXPENSE</b>			
Planning, design and management	767	635	783
Collection	2,560	2,608	2,101
Disposal	3,890	3,439	4,369
Amortization	73	85	108
	<hr/>	<hr/>	<hr/>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	7,290	6,767	7,361
	<hr/>	<hr/>	<hr/>
	170	283	74
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve	(243)	(368)	(2,018)
Transfer to operating reserve	-	-	(156)
Transfer from operating reserve	-	-	1,992
Eliminate amortization and gains/losses	73	85	108
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<hr/>	<hr/>	<hr/>
	\$ - \$	- \$	-

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Storm Drainage Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule P**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Fees and charges:			
Storm drainage user fees	\$ 3,541	\$ 3,542	\$ 3,394
Other	10	17	9
	<u>3,551</u>	<u>3,559</u>	<u>3,403</u>
<b>EXPENSE</b>			
Storm sewers and detention	1,796	1,120	1,293
Urban watercourses	130	130	133
Rural drainage	-	302	26
Amortization	3,372	3,437	3,413
Loss/(gain) on disposal of tangible capital assets	-	147	225
	<u>5,298</u>	<u>5,136</u>	<u>5,090</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(1,747)</b>	<b>(1,577)</b>	<b>(1,687)</b>
Matsqui Prairie (Schedule Q)	(510)	(495)	(554)
Sumas Prairie (Schedule Q)	(650)	(607)	(742)
<b>TOTAL ANNUAL SURPLUS / (DEFICIT)</b>	<b>(2,907)</b>	<b>(2,679)</b>	<b>(2,983)</b>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Storm drainage capital reserve	(818)	(818)	(818)
Transfer to operating reserve	-	(712)	(315)
Reconcile to contribution from storm drainage-Matsqui Prairie	68	71	70
Reconcile to contribution from storm drainage-Sumas Prairie	285	253	382
Eliminate amortization and gains/losses	3,372	3,583	3,638
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<b>\$ - \$</b>	<b>(302) \$</b>	<b>(26)</b>

See notes to consolidated financial statements.

# **City of Abbotsford**

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

### **General Operating Fund - Dyking, Drainage and Irrigation Services**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

**Schedule Q**

	2013 Plan	2013 Actual	2012 Actual	2013 Plan	2013 Actual	2012 Actual
<b>Matsqui Prairie</b>						<b>Sumas Prairie</b>
<b>REVENUE</b>						
Fees and charges:						
General tax levy	\$ 701	\$ 702	\$ 686	\$ 1,265	\$ 1,262	\$ 1,253
Other revenue	16	8	9	141	134	122
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	717	710	695	1,406	1,396	1,375
<b>EXPENSE</b>						
Dyking	53	61	58	66	67	79
Drainage	533	533	555	700	704	699
Storm	199	178	206	-	-	-
Irrigation	111	118	96	86	83	91
Administration	118	111	129	158	156	158
Pump stations	-	-	-	592	546	592
Recoverable work	8	-	-	8	-	3
Amortization	205	205	205	446	446	495
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>1,227</b>	<b>1,206</b>	<b>1,249</b>	<b>2,056</b>	<b>2,002</b>	<b>2,117</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(510)</b>	<b>(496)</b>	<b>(554)</b>	<b>(650)</b>	<b>(606)</b>	<b>(742)</b>
<b>RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE</b>						
<b>DRAINAGE</b>						
Transfer to general capital reserve	(137)	(137)	(137)	(161)	(161)	(156)
Transfer to operating reserve	-	-	-	-	(32)	(5)
Transfer from operating reserve	-	2	2	-	-	48
Eliminate amortization and gains/losses	205	205	205	446	446	495
<b>CONTRIBUTION FROM STORM DRAINAGE</b>	<b>\$ (442)</b>	<b>\$ (426)</b>	<b>\$ (484)</b>	<b>\$ (365)</b>	<b>\$ (353)</b>	<b>\$ (360)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See notes to consolidated financial statements.

# City of Abbotsford

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

### Capital Fund

For the Year Ended December 31, 2013, with comparative information for 2012

In thousands

Schedule R

	2013 Plan	General	Waterworks	Sanitary Sewer	Airport	2013 Actual	2012 Actual
<b>REVENUE</b>							
Municipal taxation	\$ 455	\$ (39)	\$ (3)	\$ 1	\$ -	\$ (41)	\$ 3,012
Other fees and charges	450	270	97	787	43	1,197	630
Airport improvement fees	1,750	-	-	-	2,159	2,159	2,181
Developer charges earned	18,075	1,023	1,122	1,422	-	3,567	6,852
Contributed tangible capital assets	20,000	2,524	1,413	163	-	4,100	6,766
Grants	10,480	1,612	-	5,115	-	6,728	4,068
Other sources	406	82	(6)	(5)	-	71	99
Contributions (to)/from other funds	-	(1,681)	11	58	1,612	-	-
	<b>51,616</b>	<b>3,791</b>	<b>2,634</b>	<b>7,541</b>	<b>3,814</b>	<b>17,781</b>	<b>23,608</b>
<b>EXPENSE</b>							
<b>Minor capital projects</b>							
General government	375	347	-	-	-	347	409
Police services	-	123	-	-	-	123	38
Fire services	329	11	-	-	-	11	125
Park services	550	555	-	-	-	555	246
Recreation services	-	(95)	-	-	-	(95)	234
Transportation services	5,717	7,193	-	-	-	7,193	7,534
Equipment fleet services	-	12	-	-	-	12	-
Solid waste services	133	55	-	-	-	55	203
Storm drainage services	1,911	502	-	-	-	502	403
Dyking, drainage & irrigation	143	64	-	-	-	64	20
Waterworks	707	-	879	-	-	879	2,394
Sanitary sewer	4,614	-	-	1,051	-	1,051	699
Airport	-	-	-	-	230	230	409
	<b>14,479</b>	<b>8,767</b>	<b>879</b>	<b>1,051</b>	<b>230</b>	<b>10,927</b>	<b>12,714</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>37,137</b>	<b>(4,976)</b>	<b>1,755</b>	<b>6,490</b>	<b>3,584</b>	<b>6,854</b>	<b>10,894</b>
<b>RECONCILE TO CHANGE IN CAPITAL EQUITY</b>							
General capital reserve	16,339	16,306	-	-	-	16,306	20,112
Storm drainage reserve	3,852	724	-	-	-	724	441
Waterworks capital reserve	11,683	-	6,563	-	-	6,563	13,301
Sanitary sewer capital reserve	10,897	-	-	4,200	-	4,200	2,656
Airport capital reserve	1,900	-	-	-	(650)	(650)	(1,177)
Tangible capital assets	(38,556)	(27,595)	(5,590)	(7,461)	(2,538)	(43,184)	(47,235)
Debt principal repayment	6,213	3,419	5,593	576	2,500	12,088	6,283
Internal borrowing (from general fund)	-	(3,579)	(1,122)	2,838	-	(1,863)	(327)
Internal borrowing interest	-	638	-	-	-	638	477
<b>CHANGE IN CAPITAL EQUITY</b>	<b>\$ 49,465</b>	<b>\$ (15,063)</b>	<b>\$ 7,199</b>	<b>\$ 6,643</b>	<b>\$ 2,896</b>	<b>\$ 1,676</b>	<b>\$ 5,425</b>

See notes to consolidated financial statements.

**City of Abbotsford**  
**Segment Information - Revenues by Type & Expenses by Function**  
**Reserve Fund**

*For the Year Ended December 31, 2013, with comparative information for 2012*  
*In thousands*

**Schedule S**

	2013 Plan	2013 Actual	2012 Actual
<b>REVENUE</b>			
Interest and penalties	\$ 1,259	\$ 2,061	\$ 2,013
Other sources	-	34	9
	<b>1,259</b>	<b>2,095</b>	<b>2,022</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>1,259</b>	<b>2,095</b>	<b>2,022</b>
<b>RECONCILE TO CHANGE IN APPROPRIATED SURPLUS</b>			
Operating reserve	(700)	620	(148)
General capital reserve	2,919	4,713	(86)
Storm drainage reserve	(3,034)	94	377
Waterworks capital reserve	(4,260)	(3,938)	(5,093)
Sanitary sewer capital reserve	(7,215)	202	1,444
Airport capital reserve	(1,799)	242	1,371
<b>CHANGE IN APPROPRIATED SURPLUS</b>	<b>\$ (12,830)</b>	<b>\$ 4,028</b>	<b>\$ (113)</b>

See notes to consolidated financial statements.

**City of Abbotsford  
Ledgeview Properties Ltd.  
Statement of Financial Position**

*For the Year Ended December 31, 2013, with comparative information for 2012  
In thousands*

**Schedule T**

	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>FINANCIAL ASSETS</b>		
Lease agreement receivable	\$ 58	\$ 62
	58	62
<b>FINANCIAL LIABILITIES</b>		
Due to City of Abbotsford	58	62
	58	62
<b>NET FINANCIAL ASSETS</b>	-	-
<b>NON-FINANCIAL ASSETS</b>		
Land	2,845	2,845
Land improvements	10	11
Buildings	40	47
	<u>2,895</u>	<u>2,903</u>
<b>ACCUMULATED SURPLUS</b>		
<b>BALANCE, BEGINNING OF YEAR</b>	2,904	2,912
Lease revenue	58	62
Amortization	(8)	(8)
Transfers to City of Abbotsford	(58)	(62)
<b>BALANCE, END OF YEAR</b>	<u>\$ 2,896</u>	<u>\$ 2,904</u>

See notes to consolidated financial statements.



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying financial statements of the City of Abbotsford Cemetery Care Trust Fund which comprise the statement of financial position as at December 31, 2013, and notes comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cemetery Care Trust Fund as at December 31, 2013 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

April 15, 2014

Abbotsford, British Columbia

**City of Abbotsford  
Cemetery Care Trust Fund  
Statement of Financial Position**

*For the Year Ended December 31, 2013, with comparative information for 2012*

*In thousands*

	2013 Actual	2012 Actual
<b>FINANCIAL ASSETS</b>		
Portfolio investments	\$ 3,195	\$ 3,145
Accounts receivable	177	127
<b>NET FINANCIAL ASSETS</b>	<hr/> <b>3,372</b>	<hr/> <b>3,272</b>
<b>ACCUMULATED SURPLUS</b>		
Balance, beginning of year	3,272	3,178
Contributions	100	94
Investment earnings	102	107
Transfer to general operating fund	(102)	(107)
Balance, end of year	<hr/> <b>\$ 3,372</b>	<hr/> <b>\$ 3,272</b>

See notes to consolidated financial statements.



**City of Abbotsford**  
**Notes to the Cemetery Care Trust Fund**  
*For the Year Ended December 31, 2013*

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## **1. SIGNIFICANT ACCOUNTING POLICIES:**

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

**(a) Basis of accounting:**

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

**(b) Portfolio Investments:**

Portfolio investments are carried at cost.

**(c) Financial Instruments:**

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

## **2. ACCOUNTS RECEIVABLE/PAYABLE:**

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



**City of Abbotsford**  
**Notes to the Cemetery Care Trust Fund**  
*For the Year Ended December 31, 2013*

### **3. INVESTMENTS:**

Investments for 2013 are comprised of corporate and government investments.

(in thousands)	2013		2012	
	Cost	Market	Cost	Market
Portfolio investments	\$3,195	\$3,252	\$3,145	\$3,225
<hr/>				
Duration	Long-term		Long-term	
	2 – 10 Years		2 – 10 Years	
Average holdings	\$3,109		\$3,101	
Annual yield	3.17%		3.38%	

### **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 2013, \$102,000 (2012 - \$107,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2013, 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.