

2024

Consolidated Financial Statements

Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Abbotsford

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes, exhibits and schedules to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024, and its results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Chilliwack, Canada

May 6, 2025

Consolidated Statement of Financial Position

As at December 31, 2024, with comparative information as at December 31, 2023 (in thousands)

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 51,813	\$ 89,841
Accounts receivable (Note 5)	58,225	62,913
Portfolio investments (Note 6)	<u>772,420</u>	<u>690,202</u>
	882,458	842,956
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	152,854	157,906
Restricted revenue (Note 8)	202,127	173,124
Deferred revenue (Note 9)	<u>113,648</u>	<u>96,174</u>
	468,629	427,204
Long-term debt (Note 10)	<u>31,436</u>	<u>35,784</u>
	500,065	462,988
NET FINANCIAL ASSETS	<u>382,393</u>	<u>379,968</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	1,616,892	1,554,791
Inventories (Note 12)	1,657	1,812
Pre-paid expenses (Note 13)	<u>6,599</u>	<u>4,738</u>
	1,625,148	1,561,341
ACCUMULATED SURPLUS (Note 14)	<u>\$ 2,007,541</u>	<u>\$ 1,941,309</u>

Contingent liabilities (Note 18)


ROSS SIEMENS, MAYOR


KOMAL BASATIA, CPA, CGA
CFO



Consolidated Statement of Operations

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

	2024 Plan (Note 21)	2024 Actual	2023 Actual
REVENUE			
Municipal taxation (Note 3)	\$ 195,632	\$ 198,157	\$ 185,658
Fees and other charges	90,951	107,068	104,888
Developer charges earned	30,817	7,044	3,103
Contributed tangible capital assets	-	26,463	6,448
Grants and government transfers	54,379	47,794	62,042
Portfolio investment income	19,765	24,107	17,907
Interest and penalties	1,040	1,926	1,692
Rent	6,469	6,474	6,213
	399,053	419,033	387,951
EXPENSE			
General government	39,141	34,346	36,355
Planning & development services	9,830	9,093	8,150
Protective services	95,303	113,549	97,038
Parks, recreation, culture & libraries	41,229	45,788	42,477
Transit	18,721	17,639	11,286
Engineering	61,504	83,207	58,096
Diking, drainage & irrigation	13,065	4,491	4,567
Waterworks	14,243	21,381	22,452
Sanitary sewer	13,386	15,798	17,093
Airport	6,205	7,509	7,335
	312,627	352,801	304,849
ANNUAL SURPLUS	86,426	66,232	83,102
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,941,309	1,941,309	1,858,207
ACCUMULATED SURPLUS, END OF YEAR	\$2,027,735	\$2,007,541	\$1,941,309



Consolidated Statement of Cash Flows

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

	2024	2023
OPERATING ACTIVITIES		
Annual Surplus	\$ 66,232	\$ 83,102
Non-cash items included in annual surplus:		
Amortization expense	38,214	40,207
Contributed tangible capital assets	(26,463)	(6,448)
(Gain)/loss on disposal of tangible capital assets	(842)	(1,151)
Recognition of restricted revenue	(7,075)	(3,919)
Accretion expense	87	33
ARO change in estimate	(184)	-
Changes in non-cash operating items:		
Accounts receivable	4,688	(10,136)
Inventories	155	(96)
Pre-paid expenses	(1,861)	(1,654)
Accounts payable and accrued liabilities	(4,955)	23,028
Deferred revenue	17,474	80,139
	<u>85,470</u>	<u>203,105</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(82,218)	(86,473)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	36,078	26,182
Debt principal repaid	(4,348)	(4,188)
	<u>31,730</u>	<u>21,994</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	1,196	3,041
Acquisition of tangible capital assets	(74,206)	(94,930)
	<u>(73,010)</u>	<u>(91,889)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(38,028)</u>	<u>46,737</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>89,841</u>	<u>43,104</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 51,813</u>	<u>\$ 89,841</u>



Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

	2024 Plan (Note 21)	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ 86,426	\$ 66,232	\$ 83,102
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(370,537)	(74,206)	(94,930)
Contributed tangible capital assets	-	(26,463)	(6,448)
Amortization	-	38,214	40,207
Proceeds from disposal of tangible capital assets	-	1,196	3,041
Gain on disposal of tangible capital assets	-	(842)	(1,151)
Change in accounting policy - ARO	-	-	(1,618)
	<hr/>	<hr/>	<hr/>
	(370,537)	(62,101)	(60,899)
OTHER NON-FINANCIAL ASSETS:			
(Increase)/decrease in inventory	-	155	(96)
Increase in pre-paid expenses	-	(1,861)	(1,654)
	<hr/>	<hr/>	<hr/>
	-	(1,706)	(1,750)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	<hr/>	<hr/>	<hr/>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	(284,111)	2,425	20,453
NET FINANCIAL ASSETS, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 95,857	\$ 382,393	\$ 379,968



Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

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

1. SIGNIFICANT ACCOUNTING POLICIES:

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

a. Principles of Consolidation:

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

b. Fund Accounting:

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

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

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

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

c. Financial Plan:

The Community Charter (Section 165) requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2024 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on May 7, 2024, with the exception of adjustments detailed in Note 21 to the Consolidated Statements.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

d. Financial instruments:

Financial instruments include cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities and long term debt. Cash and cash equivalents include cash, high interest savings accounts and short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Investments are comprised of non-redeemable guaranteed investment certificates, term deposits, Municipal Finance Authority ("MFA") pooled funds and bonds issued by the Government of Canada and Canadian provinces, municipalities, and chartered banks.

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost unless the City has elected to carry the financial instrument at fair value. The City has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the City does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost. Sales and purchases of investments are recorded on the trade date.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

e. Non-Financial Assets:

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

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

Tangible Capital Assets

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

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

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

f. Accrued Liabilities:

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

g. 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.

h. Revenue Recognition:

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

i. Expense Recognition:

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

j. Government Transfers:

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

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

k. 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, asset retirement obligations, allowance for doubtful accounts receivable, provision for contingencies, historical tangible capital asset costs for those acquired prior to 2008, and timing of new asset recognition. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, are recorded or disclosed in the financial statements in the period that the change in estimate is made, as well as in the period of settlement.

l. Contaminated Sites:

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

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

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

m. Comparative Figures:

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

2. ADOPTION OF NEW ACCOUNTING STANDARDS:

a. PS 3400 Revenue:

On January 1, 2024, the City of Abbotsford adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This is applied prospectively to general revenue categories where no specific guidance already exists. To apply PS 3400 Revenue, each general revenue category was determined to be either an exchange transaction or a non-exchange transaction. Exchange transactions are transactions where goods or services are provided to a payor for consideration.

For Exchange Transactions, the attached performance obligations are assessed to determine if these are settled at a point in time, or over a period of time. If the City of Abbotsford has not fulfilled its performance obligations, revenue cannot be recognized, and a liability may exist (as defined in PS 3200, Liabilities).

The impact of the adoption of PS 3400 Revenue is as follows:

Changes effective for the year ended December 31, 2024	\$
2024 Building Permit Revenue Received	5,448
Decrease to 2024 Building Permit Revenue	(1,565)
Adjusted 2024 Building Permit Revenue	3,883

3. MUNICIPAL TAXATION

Taxation revenues consist of the following:

	2024	2023
Municipal tax	\$ 187,523	\$ 175,359
Grants in lieu of taxes	4,156	3,435
Specified area taxes	2,758	2,684
Utility 1% tax	2,526	2,498
Hotel tax	1,194	1,682
Total	\$ 198,157	\$ 185,658

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

4. CASH AND CASH EQUIVALENTS:

	2024	2023
Cash	\$ 41,139	\$ 87,494
MFA short-term money-market investment pools	10,674	2,347
	\$ 51,813	\$ 89,841

5. ACCOUNTS RECEIVABLE:

	2024	2023
Fees and charges	\$ 34,825	\$ 31,983
Taxes	9,657	7,650
Grants	2,073	13,309
Development cost charges	9,347	7,352
Local improvement/service charges	2,323	2,619
	\$ 58,225	\$ 62,913

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

6. PORTFOLIO INVESTMENTS:

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

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

	2024		2023	
	Cost	Market	Cost	Market
\$	772,420 \$	778,971 \$	690,202 \$	689,616
Average holdings	218,068	503,099	345,292	335,532
Annual yield	5.49 %	4.48 %	2.95 %	4.14 %

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2024	2023
Accounts payable:		
Trade payables	\$ 30,802	\$ 42,999
Deposits	68,496	64,973
Tax prepayments	17,523	16,774
Salaries and wages	9,744	9,104
Due to Cemetery Care Trust Fund	198	7
Accrued liabilities:		
Retirement allowance liability	13,373	13,008
Liability claims	4,843	3,923
Vacation pay	3,609	2,956
Asset retirement obligations - liability	4,266	4,162
	\$ 152,854	\$ 157,906

a. Retirement Allowance Liability:

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

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

In 2024, an independent actuarial valuation of the retirement allowance liability was performed. The actuarial valuation for these benefits was updated to determine the City's benefit obligation as at December 31, 2024. The difference between the actuarially determined benefit obligation of \$14,025,000 and the accrued benefit liability of \$13,373,000 as at December 31, 2024, was an unamortized actuarial loss of \$652,000, (2023 gain - \$360,000) 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, 2025.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

a. Retirement Allowance Liability: continued

	2024	2023
Actuarial benefit obligation	\$ 14,025	\$ 12,648
Unamortized actuarial gain/(loss)	(652)	360
Accrued benefit liability	<u>\$ 13,373</u>	<u>\$ 13,008</u>

Accrued benefit liability:

	2024	2023
Balance, beginning of year	\$ 13,008	\$ 12,905
Current service cost	889	871
Interest cost	534	551
Benefits paid	(1,084)	(1,296)
Amortization of net actuarial (gain)loss	26	(23)
Balance, end of year	<u>\$ 13,373</u>	<u>\$ 13,008</u>

Actuarial Assumptions used to determine the benefit obligation:

	2024	2023
Discount rate	4.3 %	4.1 %
Expected average annual wage and salary increase - Fire & Police	2.5 %	2.5 %
Expected average annual wage and salary increase - all others	2.5 %	2.5 %

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

b. Asset Retirement Obligations:

The City owns and operates several assets that are known to have asbestos, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. The City infrastructure also includes water wells which have a legal obligation to decommission wells at the end of their use. Additionally, the City has two landfills that are in various stages of closure which include legal obligations around site remediation. Lastly, the City has aggregate mining permits on four properties that require reclamation activities once aggregate mining is complete.

Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the City recognized an obligation relating to the removal of the hazardous materials in these assets and decommissioning of wells as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets. If the asset is no longer in use, then the change in the liability is immediately expensed.

The City has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$7,127,000 have been discounted using a present value calculation with a discount rate of 4.3%. The timing of these expenditures is estimated to occur between 2025 and 2103 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2024	2023
Opening asset retirement obligation	\$ 4,162	\$ 2,119
Initial recognition of expected discounted cash flows	-	1,618
Increase due to accretion	87	33
Remediation costs incurred	(60)	-
Change in estimate	77	392
Asset retirement obligations, end of year	<u>\$ 4,266</u>	<u>\$ 4,162</u>

c. Liability for Contaminated Sites:

The City has determined that as of December 31, 2024, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

8. RESTRICTED REVENUE LIABILITY:

	Development Cost Charges	Development Fees	Airport Fees	2024 Total	2023 Total
Balance, beginning of year	\$ 126,368	\$ 43,882	\$ 2,874	\$ 173,124	\$ 150,861
Add:					
Current year contributions	21,304	4,103	-	25,407	18,344
Interest	7,743	2,760	168	10,671	7,049
	155,415	50,745	3,042	209,202	176,254
Less: Amounts recognized as revenue					
Developer charges earned - capital expenditures	5,983	1,061	-	7,044	3,103
Airport fees - eligible airport expenditures	-	-	31	31	27
	5,983	1,061	31	7,075	3,130
Balance, end of year	\$ 149,432	\$ 49,684	\$ 3,011	\$ 202,127	\$ 173,124

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

a. Development Cost Charges (DCC):

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City for the remaining amount of DCCs owing. As at December 31, 2024, the amount of DCCs due over the next two years is \$9,347,236 (2023 - \$7,352,441).

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

8. RESTRICTED REVENUE LIABILITY: CONTINUED

a. Development Cost Charges (DCC): continued

	2024	2023
Storm drainage	\$ 13,684	\$ 13,375
Parks - city wide	9,596	7,127
Parks - neighbourhood	24,884	19,606
Waterworks - supply	35,084	30,341
Waterworks - distribution	4,154	3,166
Sanitary sewer - collection	8,953	8,522
Sanitary sewer - treatment plant	18,278	13,658
Roads	34,799	30,573
	<hr/>	<hr/>
	\$ 149,432	\$ 126,368
	<hr/>	<hr/>

b. Development Fees:

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

c. Airport Fees:

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

9. DEFERRED REVENUE:

	Balance, Beginning of Year	Externally restricted inflows	Revenue earned	Balance, December 31, 2024
Fees and charges	\$ 3,247	\$ 7,699	\$ (7,811)	\$ 3,135
Grants	92,927	25,751	(8,165)	110,513
	\$ 96,174	\$ 33,450	\$ (15,976)	\$ 113,648

10. LONG-TERM DEBT:

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

	Total
2025	\$ 4,466
2026	4,633
2027	4,806
2028	3,898
2029	2,943
2030 and thereafter	10,690
	\$ 31,436

All debt is held by the General Capital fund. Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Exhibit 5). The City's interest expense on long-term debt totaled \$2,361,000 in 2024 (2023 - \$2,522,600).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

11. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2024	2023
General		
Land	\$ 465,964	\$ 455,230
Land improvements	4,935	4,901
Park improvements	13,744	15,315
Buildings	121,440	107,126
Machinery & equipment	11,636	11,220
Vehicles	21,091	18,834
Infrastructure		
Airport	18,953	19,935
Waterworks	230,980	222,470
Sanitary sewer	150,021	149,499
Transportation	214,242	167,076
Storm drainage & detention	195,941	183,371
Diking, drainage & irrigation	15,631	16,340
Assets under construction	152,314	183,474
	<hr/> \$ 1,616,892	<hr/> \$ 1,554,791

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

The value of contributed capital assets received and recognized in the year 2024 from developers, for various infrastructure works and related land and parks is \$26,463,000 (2023 – \$6,448,000).

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.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

12. INVENTORIES:

Inventories are valued at the lower of cost and net realizable value, on a weighted average basis. The following table represents the inventory values:

	2024	2023
Stock	\$ 937	\$ 828
Inventory - fuel	89	92
Inventory - gravel	631	892
	\$ 1,657	\$ 1,812

13. 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.

	2024	2023
General	\$ 6,599	\$ 4,738

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

14. ACCUMULATED SURPLUS:

	2024	2023
Unappropriated Balance		
General operations	\$ 19,627	\$ 19,627
Waterworks operations	4,263	4,263
Sanitary sewer operations	5,799	5,799
Airport operations	1,176	1,176
	<hr/> 30,865	<hr/> 30,865
Appropriated Surplus		
General operations reserve	65,099	75,241
Statutory capital reserves	<hr/> 319,753	<hr/> 311,297
	<hr/> 384,852	<hr/> 386,538
Investment in tangible capital assets	1,583,568	1,517,356
Investment in other non-financial assets	<hr/> 8,256	<hr/> 6,550
Total Accumulated Surplus	<hr/> <hr/> \$ 2,007,541	<hr/> <hr/> \$ 1,941,309

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

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

15. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	2024	2023
Interest paid	\$ 2,673	\$ 2,813
Interest received	19,946	9,002

16. SUPPLEMENTAL GRANT REVENUE INFORMATION:

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

	2024	2023
Federal transfers	\$ 18,504	\$ 8,284
Provincial transfers	29,290	53,758
	\$ 47,794	\$ 62,042

In March 2023, the Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Abbotsford received \$27,420,000 of GCF funding in March 2023.

	2024	2023
Growing Communities Fund Balance, beginning of year	\$ 27,462	\$ -
GCF Funding	-	27,420
Eligible costs:		
BC Transit Exchange - Montrose	(1,693)	(115)
Interest earned	1,640	157
Total, end of year	\$ 27,409	\$ 27,462

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

16. SUPPLEMENTAL GRANT REVENUE INFORMATION: CONTINUED

In February 2024, the Province of British Columbia distributed conditional Small Scale, Multi-Unit Housing (SSMUH) to support the development of diverse and affordable housing options within established single-family neighborhoods. This initiative includes various housing forms such as secondary suites, detached accessory dwelling units (ADUs), triplexes, townhomes, and house-plexes.

The City of Abbotsford received \$911,000 of SSMUH funding in February 2024.

	2024	2023
	\$	\$
SSMUH Balance, beginning of year	-	-
SSMUH Funding	911	-
Eligible costs:		
Development & Amenity Cost Charges Bylaw Project	(93)	-
Official Community Plan Update	(85)	-
Development Engineering Bylaw	(39)	-
Total, end of year	\$ 694	\$ -

17. EXPENSE BY OBJECT:

	2024	2023
	\$	\$
Salaries and benefits	154,386	139,262
Operating goods and services	90,500	89,200
Minor capital projects	45,134	18,026
Amortization and accretion	38,301	40,242
Loss (gain) on disposal of tangible capital assets	(842)	(1,151)
Transfer payments to other governments and agencies	22,961	16,747
Long-term debt interest	2,361	2,523
Total expense by object	<u>\$ 352,801</u>	<u>\$ 304,849</u>

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

18. 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 2024 the City reports a liability of \$4,842,500 (2023 – \$3,922,500) which, at this time, is management's best estimate of expected future settlements.

c. Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined-benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 1,100 contributors from the City of Abbotsford.

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

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

18. CONTINGENT LIABILITIES: CONTINUED

c. Municipal Pension Plan: continued

The most recent actuarial valuation as at December 31, 2021 indicated a \$3,761,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025. In 2024, the City paid \$12,868,081 (2023 - \$11,256,651) for employer contributions while employees contributed \$10,635,579 (2023 - \$9,349,607) to the plan.

d. Municipal Finance Authority:

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

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

The City has a cash receivable with the Authority, from the one percent paid to the Debt Reserve Fund, totaling \$1,373,236 (2023 - \$1,327,026). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2023 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2023 - \$2,442,730), whereby the City may be required to loan extra amounts to the Authority.

e. Abbotsford International Airport:

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

18. CONTINGENT LIABILITIES: CONTINUED

f. Agricultural Land Commission:

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

g. Clayburn Village Project

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

19. CONTRACTUAL OBLIGATIONS:

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

	Extent of Contracts	Estimated Remaining Expenditure
Operational services	\$ 91,234	\$ 49,665
Road construction	64,278	9,252
Waterworks construction	17,786	6,175
Sanitary sewer construction	8,264	5,631
Vehicles & equipment	5,362	2,673
Flood repairs & mitigation	2,984	1,237
	<hr/> <u>\$ 189,908</u>	<hr/> <u>74,633</u>

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

20. CONTRACTUAL RIGHTS:

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

	Extent of Contracts
2025	\$ 57,104
2026	50,212
2027	74,203
2028	4,899
2029	4,273
2030 and thereafter	26,229
	<hr/>
	\$ 216,920

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

21. 2024 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 3538-2024 on May 7, 2024. The City of Abbotsford has elected to present the amended budget, which was adopted prior to the tax rates bylaw, as it reflects the City's comprehensive budget figures and includes on-going prior years' commitments related to capital expenditures and relevant government grants.

	Annual Budget	Amended Budget	Change
Revenues			
Municipal assessment taxes	\$ 195,632	\$ 195,632	-
Fees and charges	79,882	79,831	(51)
Developer charges earned	13,605	30,817	17,212
Contributions from other governments	6,569	14,643	8,074
Government grants	27,649	58,096	30,447
Rent	8,348	8,393	45
Interest and penalties	20,805	20,805	-
Other sources	4,798	4,798	-
	\$ 357,288	\$ 413,015	\$ 55,727
Expenses			
Capital expenditures	90,721	370,537	279,816
Protective services	94,981	95,283	302
Parks, recreation and cultural services	37,916	38,208	292
Engineering services	32,977	34,076	1,099
General government	33,388	38,736	5,348
Water services	14,136	14,293	157
Sewer services	12,572	12,674	102
Transit services	16,174	16,174	-
Airport services	6,205	6,205	-
Development services	9,089	9,830	741
Diking services	3,794	3,794	-
Debt interest	2,301	2,301	-
Debt principal repayment	4,277	4,277	-
	\$ 358,531	\$ 646,388	\$ 287,857
Net Revenue (Expenses)			
	(1,243)	(233,373)	(232,130)
Debt proceeds	-	(36,000)	(36,000)
Transfers (to) from operating reserves	(6,885)	(10,185)	(3,300)
Transfers (to) from capital reserves	5,642	(187,188)	(192,830)
	(1,243)	(197,373)	(196,130)
Net Budgeted Surplus	\$ -	\$ -	\$ -

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

21. 2024 BUDGET FIGURES: CONTINUED

Reconcile to Consolidated Statement of Operations

Net Revenue (Expenses) per Bylaw 3538-2024	\$ (233,373)
<hr/>	
Add:	
Capital expenditures	370,537
Debt principal repayment	4,277
Cemetery fund reserve revenue	87
<hr/>	
Less:	
Minor capital expenses	(43,918)
Collections for other governments	(11,184)
Annual surplus per Statement of Operations	<u>\$ 86,426</u>

22. 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, 2024, the trust fund balance is \$4,812,515 (2023 - \$4,681,746).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

23. FINANCIAL RISKS:

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

Liquidity risk arises when the City is not able to meet its financial obligations as they fall due. The City manages liquidity risk by monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far out as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the City's reputation.

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

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

24. CITY SERVICES FINANCIAL INFORMATION:

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

General Government Services

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

Fire Rescue Services

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

Police Protection Services

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

Engineering Services

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

24. CITY SERVICES FINANCIAL INFORMATION: CONTINUED

Parks, Recreation & Culture Services

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

Planning & Development Services

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

Solid Waste Services

- Collection & disposal
- Composting & recycling
- Environmental education

Transit Services

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

Diking & Irrigation Services

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

Drainage Services

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

Sanitary Sewer Services

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

Waterworks Services

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

Airport Services

- National & international flights
- Passenger & cargo services

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

25. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 142,083	\$ 147,922	\$ 169,166
Planning & development services	5,034	6,694	4,212
Police services	70,485	71,937	67,281
Fire rescue services	215	331	440
Parks, recreation & culture services	7,843	8,988	7,948
Abbotsford Centre	50	11	32
Library services	5,685	5,686	5,462
Transit services	10,735	12,019	6,914
Engineering services	5,195	6,916	7,404
Solid waste services	10,463	10,510	11,206
Storm drainage services	4,088	4,084	3,942
Diking, drainage and irrigation services	2,397	2,491	2,286
	264,273	277,589	286,293
WATERWORKS OPERATING FUND	21,675	22,314	23,279
SANITARY SEWER OPERATING FUND	16,611	18,327	18,284
AIRPORT OPERATING FUND	9,151	9,149	11,627
CAPITAL FUNDS	69,740	69,838	31,417
RESERVE FUNDS	17,603	21,816	17,051
	399,053	419,033	387,951

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

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

	2024 Plan	2024 Actual	2023 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	37,550	34,236	35,860
Planning & development services	9,830	9,093	8,150
Police services	70,213	72,870	67,662
Fire rescue services	25,070	31,722	25,584
Parks, recreation & culture services	32,107	35,401	32,522
Abbotsford Centre	3,157	3,911	3,946
Library services	5,385	5,711	5,273
Transit services	16,174	17,639	11,286
Engineering services	20,038	31,807	33,274
Solid waste services	10,099	10,051	10,632
Storm drainage services	3,632	7,166	6,815
Diking, drainage and irrigation services	3,794	4,419	3,961
	237,049	264,026	244,965
WATERWORKS OPERATING FUND	12,885	19,778	19,154
SANITARY SEWER OPERATING FUND	11,218	16,425	15,367
AIRPORT OPERATING FUND	6,205	7,438	7,335
CAPITAL FUNDS	45,270	45,134	18,028
	<u>312,627</u>	<u>352,801</u>	<u>304,849</u>
ANNUAL SURPLUS	\$ 86,426	\$ 66,232	\$ 83,102

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

26. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2024 operating expenses, the City did not budget for amortization and loss/gain on disposal of tangible capital assets (non-cash expenses). The following table provides information on all City revenues and expenses compared to budget.

	2024 Plan	2024 Actual (less Amortization)	2023 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 142,083	\$ 147,922	\$ 169,166
Planning & development services	5,034	6,694	4,212
Police services	70,485	71,937	67,281
Fire rescue services	215	331	440
Parks, recreation & culture services	7,843	8,988	7,948
Abbotsford Centre	50	11	32
Library services	5,685	5,686	5,462
Transit services	10,735	12,019	6,914
Engineering services	5,195	6,916	7,404
Solid waste services	10,463	10,510	11,206
Storm drainage services	4,088	4,084	3,942
Diking, drainage and irrigation services	2,397	2,491	2,286
	264,273	277,589	286,293
WATERWORKS OPERATING FUND	21,675	22,314	23,279
SANITARY SEWER OPERATING FUND	16,611	18,327	18,284
AIRPORT OPERATING FUND	9,151	9,149	11,627
CAPITAL FUNDS	69,740	69,838	31,417
RESERVE FUNDS	17,603	21,816	17,051
	399,053	419,033	387,951

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2024 (Tabular amounts are in thousands of dollars)

26. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: CONTINUED

	2024 2024 Plan	2024 Actual (less Amortization)	2023 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	37,550	33,027	34,999
Planning & development services	9,830	9,093	8,150
Police services	70,213	72,118	66,841
Fire rescue services	25,070	30,714	24,516
Parks, recreation & culture services	32,107	32,259	29,638
Abbotsford Centre	3,157	3,093	3,067
Library services	5,385	5,566	5,128
Transit services	16,174	17,627	11,274
Engineering services	20,038	19,816	19,355
Solid waste services	10,099	9,664	10,167
Storm drainage services	3,632	3,226	2,930
Diking, drainage and irrigation services	3,794	3,716	3,251
	<u>237,049</u>	<u>239,919</u>	<u>219,316</u>
WATERWORKS OPERATING FUND	12,885	13,489	12,723
SANITARY SEWER OPERATING FUND	11,218	11,086	9,996
AIRPORT OPERATING FUND	6,205	5,714	5,695
CAPITAL FUNDS	45,270	45,134	18,028
AMORTIZATION & ACCRETION	-	38,301	40,242
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	(842)	(1,151)
	<u>312,627</u>	<u>352,801</u>	<u>304,849</u>
ANNUAL SURPLUS	\$ 86,426	\$ 66,232	\$ 83,102

Statement of Financial Position - By Fund

As at December 31, 2024, with comparative information as at December 31, 2023 (in thousands)

EXHIBIT 1

	Operating Funds				Reserve Funds
	Sanitary				
	General	Waterworks	Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 51,813	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,690	36,661	28,442	3,772	384,852
Accounts receivable	42,024	7,234	6,216	678	-
Portfolio investments	772,420	-	-	-	-
	<u>867,947</u>	<u>43,895</u>	<u>34,658</u>	<u>4,450</u>	<u>384,852</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	150,600	123	17	226	-
Due to other funds	561,730	-	-	-	-
Restricted revenue	130,767	39,507	28,842	3,011	-
Deferred revenue	5,225	-	-	37	-
	<u>848,322</u>	<u>39,630</u>	<u>28,859</u>	<u>3,274</u>	<u>-</u>
Long-term debt	-	-	-	-	-
	<u>848,322</u>	<u>39,630</u>	<u>28,859</u>	<u>3,274</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,625</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>384,852</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,657	-	-	-	-
Pre-paid expenses	6,599	-	-	-	-
	<u>8,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 27,881</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 384,852</u>



Statement of Financial Position - By Fund

As at December 31, 2024, with comparative information as at December 31, 2023 (In thousands)

EXHIBIT 1 - CONTINUED

Capital Funds					Total 2024	Total 2023
General	Waterworks	Sanitary Sewer	Airport	Consolidation Adjustments		
\$ - \$ -	\$ 69,089	\$ 104	\$ -	\$ (562,164)	\$ 51,813	\$ 89,841
37,554	69,089	104	-	(562,164)	-	-
855	-	109	1,109	-	58,225	62,913
-	-	-	-	-	772,420	690,202
38,409	69,089	213	1,109	(562,164)	882,458	842,956
1,462	135	82	209	-	152,854	157,906
-	-	-	434	(562,164)	-	-
-	-	-	-	-	202,127	173,124
38,408	69,089	214	675	-	113,648	96,174
39,870	69,224	296	1,318	(562,164)	468,629	427,204
31,436	-	-	-	-	31,436	35,784
71,306	69,224	296	1,318	(562,164)	500,065	462,988
(32,897)	(135)	(83)	(209)	-	382,393	379,968
1,131,070	245,891	167,308	72,623	-	1,616,892	1,554,791
-	-	-	-	-	1,657	1,812
-	-	-	-	-	6,599	4,738
1,131,070	245,891	167,308	72,623	-	1,625,148	1,561,341
\$ 1,098,173	\$ 245,756	\$ 167,225	\$ 72,414	\$ -	\$ 2,007,541	\$ 1,941,309



See notes to Consolidated Financial Statements.

Statement of Financial Activities - By Fund

For the year ended December 31, 2024, with comparative information for 2023 (in thousands)

EXHIBIT 2

	Operating Funds				Reserve
	General Schedule A	Waterworks Schedule B	San Sewer Schedule C	Airport Schedule D	Funds Schedule R
REVENUE					
Municipal taxation	\$ 198,157	\$ -	\$ -	\$ -	\$ -
Fees and charges	49,104	22,266	18,189	7,151	-
Developer charges earned	-	-	-	-	-
Contributed Tangible Capital Assets	-	-	-	-	-
Grants and government transfers	23,746	-	-	-	-
Investment income	2,115	-	137	39	21,816
Rent	4,468	48	-	1,958	-
Other sources	-	-	-	-	-
Contributions (to)/from other funds	-	-	-	-	-
	277,590	22,314	18,326	9,148	21,816
EXPENSE					
General government services	33,029	-	-	-	-
Planning & development services	9,094	-	-	-	-
Protective services	102,831	-	-	-	-
Parks, recreation, culture, libraries	41,102	-	-	-	-
Transit services	17,627	-	-	-	-
Engineering services	32,707	-	-	-	-
Diking, drainage and irrigation services	3,715	-	-	-	-
Waterworks services	-	13,489	-	-	-
Sanitary sewer services	-	-	11,086	-	-
Airport services	-	-	-	5,714	-
Amortization and accretion	24,759	6,289	5,339	1,730	-
Loss/(gain) on disposal of TCA	(836)	-	-	(6)	-
	264,028	19,778	16,425	7,438	-
ANNUAL SURPLUS/(DEFICIT)	13,562	2,536	1,901	1,710	21,816
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	13,872	-	-	-	(13,872)
General capital reserve	(38,258)	-	-	-	(18,592)
Storm drainage capital reserve	(9,579)	-	-	-	8,346
Waterworks capital reserve	(402)	(8,825)	-	-	(3,861)
Sanitary sewer capital reserve	-	-	(7,240)	-	4,110
Airport capital reserve	(38)	-	-	(3,440)	2,075
Eliminate amortization and loss/gain	25,188	6,289	5,339	1,730	-
Change in inventory/pre-paid expenses	1,706	-	-	-	(1,706)
Debt principle repayments	(4,348)	-	-	-	-
ANNUAL SURPLUS/(DEFICIT)	1,703	-	-	-	(1,684)
SURPLUS, BEGINNING OF YEAR	26,179	4,265	5,799	1,176	386,536
SURPLUS, END OF YEAR	\$ 27,882	\$ 4,265	\$ 5,799	\$ 1,176	\$ 384,852



Statement of Financial Activities - By Fund

For the year ended December 31, 2024, with comparative information for 2023 (in thousands)

EXHIBIT 2 - CONTINUED

Capital Funds					
General Schedule Q	Waterworks Schedule Q	San Sewer Schedule Q	Airport Schedule Q	Total 2024	Total 2023
\$ - \$	- \$	- \$	- \$	198,157 \$	185,658
12,180	50	54	-	108,994	106,161
5,794	72	1,178	-	7,044	3,103
23,056	1,755	1,652	-	26,463	6,448
24,002	-	-	46	47,794	62,042
-	-	-	-	24,107	17,893
-	-	-	-	6,474	6,213
-	-	-	-	-	433
(1,977)	1,742	235	-	-	-
63,055	3,619	3,119	46	419,033	387,951
109	-	-	-	33,138	35,496
-	-	-	-	9,094	8,150
8,958	-	-	-	111,789	95,149
765	-	-	-	41,867	38,570
-	-	-	-	17,627	11,274
34,182	-	-	-	66,889	39,826
72	-	-	-	3,787	3,858
-	1,602	-	-	15,091	16,021
-	-	(627)	-	10,459	11,722
-	-	-	71	5,785	5,694
-	-	-	-	38,117	40,240
-	-	-	-	(842)	(1,151)
44,086	1,602	(627)	71	352,801	304,849
18,969	2,017	3,746	(25)	66,232	83,102
-	-	-	-	-	-
56,932	-	(71)	(11)	-	-
1,233	-	-	-	-	-
-	13,088	-	-	-	-
-	-	3,130	-	-	-
-	-	-	1,403	-	-
(25,188)	(6,289)	(5,339)	(1,730)	-	-
-	-	-	-	-	-
4,348	-	-	-	-	-
56,294	8,816	1,466	(363)	66,232	83,102
1,041,879	236,940	165,759	72,777	1,941,309	1,858,207
\$ 1,098,173	\$ 245,756	\$ 167,225	\$ 72,414	\$ 2,007,541	\$ 1,941,309



See notes to Consolidated Financial Statements.

Schedule of Tangible Capital Assets

As at December 31, 2024, with comparative information as at December 31, 2023 (In thousands)

EXHIBIT 3

	Cost						Closing Balance	
	Opening Balance*	Add		Less				
		Additions	Transfer from asset class	Disposals	Transfer to asset class			
General								
Land	\$ 455,230	\$ 10,736	\$ -	\$ (2)	\$ -	\$ 465,964		
Land improvements	16,862	71	290	-	-	17,223		
Park improvements	64,550	19	-	-	-	64,569		
Buildings	248,418	1,800	16,586	-	-	266,804		
Machinery & equipment	46,706	1,606	414	(325)	-	48,401		
Vehicles	42,337	4,445	861	(1,397)	-	46,246		
Infrastructure								
Airport	37,239	26	5	-	-	37,270		
Waterworks	364,087	8,514	6,254	-	-	378,855		
Sanitary sewer	280,314	3,242	2,604	-	-	286,160		
Transportation	580,823	11,298	46,556	-	-	638,677		
Storm drainage	287,433	14,124	2,378	-	-	303,935		
Diking, drainage & irrigation	51,969	-	-	-	-	51,969		
Assets Under Construction	183,474	44,788	-	-	(75,948)	152,314		
	\$2,659,442	\$ 100,669	\$ 75,948	\$ (1,724)	\$ (75,948)	\$ 2,758,387		

*Asset costs include \$1,879,000 related to asset retirement obligations. These assets are included in buildings, land and Waterworks infrastructure ending balances in the amounts of 1,477,000, \$261,000 and \$141,000, respectively.



Schedule of Tangible Capital Assets

As at December 31, 2024, with comparative information as at December 31, 2023 (In thousands)

EXHIBIT 3 - CONTINUED

Opening Balance	Accumulated Amortization			Closing Balance	Net Book Value Dec 31, 2024	Net Book Value Dec 31, 2023
	Add		Less			
	Amortization	Accumulated Amortization on Disposals				
\$ 11,961	- \$ 327	-	\$ 12,288	- \$ 4,935	\$ 465,964	\$ 455,230
49,235	1,590	-	50,825	13,744	4,935	15,315
141,292	4,072	-	145,364	121,440	107,126	
35,486	1,580	(301)	36,765	11,636	11,220	
23,503	2,721	(1,069)	25,155	21,091	18,834	
17,304	1,013	-	18,317	18,953	19,935	
141,617	6,258	-	147,875	230,980	222,470	
130,815	5,324	-	136,139	150,021	149,499	
413,747	10,688	-	424,435	214,242	167,076	
104,062	3,932	-	107,994	195,941	183,371	
35,629	709	-	36,338	15,631	16,340	
				- 152,314	183,474	
\$ 1,104,651	\$ 38,214	\$ (1,370)	\$ 1,141,495	\$ 1,616,892	\$ 1,554,791	



Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2024, with comparative information as at 2023 (in thousands)

EXHIBIT 4

	Balance, Beginning of Year	(To)/From Operating Fund	(To)/From Other Funds	Interest Earned	Balance, December 31, 2024
STATUTORY CAPITAL RESERVES					
General	\$ 84,423	\$ 37,425	\$ (54,647)	\$ 4,269	\$ 71,470
Storm drainage	4,900	79	8,267	353	13,599
Waterworks	74,030	9,228	(13,089)	4,361	74,530
Sanitary sewer	76,339	7,240	(3,130)	4,746	85,195
Airport	31,487	3,479	(1,403)	1,966	35,529
Affordable housing	1,339	-	-	81	1,420
Property acquisition	9,689	829	(508)	591	10,601
Growing Communities	27,462	-	(1,693)	1,640	27,409
	309,669	58,280	(66,203)	18,007	319,753
GENERAL OPERATING RESERVE					
Planned Transfers					
Climate action	3,042	1,148	-	189	4,379
Community Works Fund	31,622	(4,019)	-	1,724	29,327
Election	132	125	-	12	269
Insurance	1,300	(700)	-	76	676
IT systems upgrades	1,048	100	-	67	1,215
	37,144	(3,346)	-	2,068	35,866
Operating Surplus Transfers					
Police	1,547	(1,189)	-	77	435
Winter operations	3,018	(1,107)	-	175	2,086
Storm drainage	10,000	221	(9,500)	586	1,307
Sumas Prairie diking, drainage & irrigation	(238)	(218)	-	(6)	(462)
Matsqui Prairie diking, drainage & irrigation	361	13	-	32	406
Solid waste	(2,424)	920	-	(28)	(1,532)
	12,264	(1,360)	(9,500)	836	2,240
Other Transfers					
New facility operations	1,265	-	-	77	1,342
Water source contingency	945	-	-	57	1,002
Infrastructure maintenance	5,257	-	-	318	5,575
Transit provision	4,898	(150)	-	295	5,043
Debt provision	2,601	-	-	157	2,758
Flood Event 2021	7,448	(1,164)	-	-	6,284
Operating project carryforwards	5,047	(58)	-	-	4,989
	27,461	(1,372)	-	904	26,993
Total Reserves	\$ 386,538	\$ 52,202	\$ (75,703)	\$ 21,815	\$ 384,852



Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2024, with comparative information as at 2023 (in thousands)

EXHIBIT 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding, Beginning of Year	2024 Debt Servicing			Debt Outstanding December 31, 2024						
						Principal	Interest	Total							
GENERAL FUND															
Parks, Recreation and Culture															
Abbotsford Centre	1586	102/103	2032	5.00	\$ 27,074	\$ 2,473	\$ 1,678	\$ 4,151	\$ 24,601						
Cultural Centre	1587	102/103	2027	5.00	2,903	625	228	853	2,278						
Community Centre	1588	102/103	2027	5.00	5,807	1,250	455	1,705	4,557						
Total Long-term Debt					\$ 35,784	\$ 4,348	\$ 2,361	\$ 6,709	\$ 31,436						



See notes to Consolidated Financial Statements.

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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE A

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Municipal taxation	\$ 195,631	\$ 198,157	\$ 185,658
Fees and charges	31,698	38,145	38,592
Licenses and permits	9,454	10,959	10,331
Rent	4,570	4,468	4,372
Portfolio investment income	1,980	2,115	1,109
Grants and government transfers	20,940	23,746	46,231
	<u>264,273</u>	<u>277,590</u>	<u>286,293</u>
EXPENSE			
General government services (Schedule E)	37,550	33,028	35,001
Planning & development services (Schedule F)	9,830	9,093	8,150
Police services (Schedule G)	70,214	72,119	66,840
Fire rescue services (Schedule H)	25,071	30,714	24,515
Parks, recreation & culture services (Schedule I)	32,107	32,443	29,638
Abbotsford Centre (Schedule J)	3,157	3,093	3,067
Library services (Schedule K)	5,385	5,566	5,128
Transit services (Schedule L)	16,174	17,627	11,274
Engineering services (Schedule M)	20,038	19,817	19,356
Solid waste services (Schedule N)	10,099	9,664	10,167
Storm drainage services (Schedule O)	3,634	3,226	2,930
Diking, drainage and irrigation services - Matsqui Prairie (Schedule P)	1,411	1,337	1,122
Diking, drainage and irrigation services - Sumas Prairie (Schedule P)	2,383	2,378	2,130
	<u>237,053</u>	<u>240,105</u>	<u>219,318</u>
ANNUAL SURPLUS BEFORE AMORTIZATION			
Amortization and accretion (Schedules E - P)	-	37,485	66,975
Loss/(gain) on disposal of tangible capital assets (Schedules E - P)	-	24,759	26,729
ANNUAL SURPLUS	<u>-</u>	<u>(836)</u>	<u>(1,082)</u>
	<u>27,220</u>	<u>13,562</u>	<u>41,328</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,194)	(2,947)
Transfer to general capital reserve	(19,742)	(47,083)	(66,638)
Transfer to operating reserve	(8,814)	(11,226)	(12,457)
Transfer from operating reserve	5,613	25,098	\$ 16,306
Debt principal repayments	(4,277)	(4,348)	(4,188)
Inventory and pre-paid expenses	-	1,706	1,750
Eliminate amortization and loss/gain	-	25,188	28,596
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 1,703</u>	<u>\$ 1,750</u>



Segment Information - Revenues by Type & Expenses by Function Waterworks Operating Fund

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE B

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges:			
User rates	\$ 21,200	\$ 20,686	\$ 22,167
Other fees and charges	436	1,580	1,069
Rent	39	48	43
	<u>21,675</u>	<u>22,314</u>	<u>23,279</u>
EXPENSE			
Abbotsford-Mission supply and transmission	5,259	5,066	5,241
Administration	3,339	3,470	3,194
Local supply and distribution	2,551	3,159	2,910
Meters	688	707	755
Hydrants	559	374	311
Maintenance	127	713	312
One time projects	362	-	-
	<u>12,885</u>	<u>13,489</u>	<u>12,723</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>8,790</u>	<u>8,825</u>	<u>10,556</u>
Amortization and accretion	-	6,289	6,420
Loss on disposal of tangible capital assets	-	-	11
ANNUAL SURPLUS	<u>8,790</u>	<u>2,536</u>	<u>4,125</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	157	-	-
Transfer to waterworks capital reserve	(8,947)	(8,825)	(10,556)
Eliminate amortization and loss/gain	-	6,289	6,431
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Segment Information - Revenues by Type & Expenses by Function Sanitary Sewer Operating Fund

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE C

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges:			
User rates	\$ 14,796	\$ 14,843	\$ 15,326
Industrial surcharges	1,139	1,389	1,361
Other fees and charges	590	1,957	1,474
Investment income	86	137	123
	16,611	18,326	18,284
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	6,485	6,041	5,673
Administration	2,886	3,266	2,649
Maintenance	1,846	1,779	1,674
	11,217	11,086	9,996
ANNUAL SURPLUS BEFORE AMORTIZATION		5,394	7,240
Amortization and accretion	-	5,339	5,371
Loss on disposal of tangible capital assets	-	-	-
ANNUAL SURPLUS	5,394	1,901	2,917
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	102	-	-
Transfer to sanitary sewer capital reserve	(5,496)	(7,240)	(8,288)
Eliminate amortization and loss/gain	-	5,339	5,371
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -



Segment Information - Revenues by Type & Expenses by Function Airport Operating Fund

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE D

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 2,116	\$ 1,970	\$ 2,598
Public parking fees	2,688	2,784	3,897
Concessions	1,863	2,044	2,842
Other fees and charges	527	353	448
Rent	1,861	1,958	1,799
Investment income	96	39	43
	9,151	9,148	11,627
EXPENSE			
Administration	2,350	2,108	1,961
Marketing	81	28	38
Terminal building	1,046	996	989
Airside	2,210	2,218	2,190
Mobile equipment	311	205	306
Parking	207	159	210
	6,205	5,714	5,694
ANNUAL SURPLUS BEFORE AMORTIZATION	2,946	3,434	5,933
Amortization and accretion	-	1,730	1,722
Loss on disposal of tangible capital assets	-	(6)	(81)
ANNUAL SURPLUS/(DEFICIT)	2,946	1,710	4,292
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	(6)	(91)
Transfer to airport capital reserve	(2,946)	(3,434)	(5,933)
Eliminate amortization and loss/gain	-	1,730	1,732
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE E

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Municipal taxation	\$ 120,979	\$ 123,489	\$ 115,623
Fees and charges	2,994	5,512	6,856
Licenses and permits	1,500	1,535	1,503
Rent	4,322	4,423	4,327
Investment income	1,980	2,115	1,109
Grants and government transfers	10,308	10,848	38,281
	142,083	147,922	167,699
EXPENSE			
MAYOR & COUNCIL	992	904	879
CITY MANAGER'S OFFICE	1,048	554	519
FINANCE & PROCUREMENT			
Corporate Administration	478	484	427
Finance	3,865	3,756	3,308
Procurement	1,186	1,275	1,110
LEGAL & LEGISLATIVE SERVICES			
City clerk	1,938	2,026	1,807
Bylaw enforcement	2,115	2,883	3,960
Risk management	2,751	4,218	5,866
Real estate services	856	1,112	924
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR administration	1,010	991	738
Corporate communications and marketing	1,491	1,531	1,256
Economic development	1,369	1,257	1,467
Human resources	3,114	2,875	2,936
Information technology	7,931	7,047	7,185
Housing services	559	387	3,024
OTHER			
Provincial emergency response	322	1,169	564
Restorative Justice	149	150	149
One-time projects	4,636	2,548	-
Transfer to other agencies	1,695	1,789	2,285
Common services	4,019	46	372
Less: Cost recoveries	(3,974)	(3,974)	(3,777)
	37,550	33,028	34,999
ANNUAL SURPLUS BEFORE AMORTIZATION	104,533	114,894	132,700
Amortization and accretion	-	1,209	1,492
Loss on disposal of tangible capital assets	-	-	(632)
	104,533	113,685	131,840
ANNUAL SURPLUS			
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(17,500)	(34,964)	(64,079)
Transfer to operating reserve	(6,950)	(8,238)	(9,751)
Transfer from operating reserve	2,122	13,491	14,512
Inventory and pre-paid expenses	-	1,706	1,750
Eliminate amortization and loss/gain	-	1,209	860
CHANGE IN UNAPPROPRIATED SURPLUS	\$ 82,205	\$ 86,889	\$ 75,132

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See notes to Consolidated Financial Statements.

Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Planning & Development Services

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE F

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,325	\$ 1,547	\$ 1,698
Development permit application fees	165	172	187
Rezoning application fees	220	328	221
Subdivision application fees	105	182	106
Building permits	3,056	3,885	3,224
Other licences and permits	70	75	58
Fees and charges:			
Development fees on Engineering projects	27	31	74
Other fees and charges	66	99	108
Grants	-	375	4
	5,034	6,694	5,680
EXPENSE			
Development approvals	4,927	4,515	4,200
Licence inspection	120	154	116
Building inspections	4,042	3,985	3,834
One-time projects	741	439	-
	9,830	9,093	8,150
ANNUAL SURPLUS/(DEFICIT)	(4,796)	(2,399)	(2,470)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	-	(300)
Transfer from operating reserve	741	292	86
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (4,055) \$	(2,107) \$	(2,684)



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE G

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Municipal taxation	\$ 66,827	\$ 66,842	\$ 62,490
Fees and charges:			
Salary recoveries	293	1,438	1,722
Other revenue	393	537	408
Government grants:			
Traffic fine revenue sharing	2,000	2,000	2,000
Other government grants	932	1,077	616
Rent	41	45	45
	70,486	71,939	67,281
EXPENSE			
EXECUTIVE ADMINISTRATION			
	1,769	1,777	1,838
ADMINISTRATION DIVISION			
Strategic services	1,585	2,475	2,359
Finance and budgets	809	788	788
Human resources	3,829	3,949	4,049
Support services	12,147	12,253	11,370
Vehicle maintenance	1,465	1,448	1,577
Police building	957	992	923
OPERATIONS DIVISION			
Criminal investigations	10,423	11,329	10,046
Patrol	22,903	22,366	21,648
Investigations support	5,336	5,138	5,021
Operations support	6,345	6,616	5,300
COMMON SERVICES & SECONDMENT			
	2,646	2,987	1,921
	70,214	72,118	66,840
ANNUAL SURPLUS BEFORE AMORTIZATION	272	(179)	441
Amortization and accretion	-	742	858
(Gain) on disposal of tangible capital assets	-	9	(38)
ANNUAL SURPLUS	272	(930)	(379)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(222)	(85)
Transfer from operating reserve	738	1,188	540
Transfer to operating reserve	-	-	-
Transfer to general capital reserve	(1,010)	(1,010)	(981)
Eliminate amortization and loss/gain	-	974	905
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-

i

See notes to Consolidated Financial Statements.

Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Fire Rescue Services

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE H

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges	\$ 154	\$ 212	\$ 340
Licences and permits	10	13	13
Grants	-	19	-
Emergency services recovery	52	87	87
	<u>216</u>	<u>331</u>	<u>440</u>
EXPENSE			
ABBOTSFORD FIRE RESCUE SERVICES			
Administration	2,182	2,759	2,027
Fire prevention and inspection	878	1,205	955
Emergency response	20,803	25,559	20,526
Fire halls and ground maintenance	830	883	769
EMERGENCY SERVICES			
Search and rescue	82	92	85
City emergency response	171	215	153
One-time projects	125	-	-
	<u>25,071</u>	<u>30,713</u>	<u>24,515</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(24,855)</u>	<u>(30,382)</u>	<u>(24,075)</u>
Amortization and accretion	-	1,019	1,067
(Gain) on disposal of tangible capital assets	-	(12)	-
ANNUAL (DEFICIT)	<u>(24,855)</u>	<u>(31,389)</u>	<u>(25,142)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(12)	-
Transfer from operating reserve	125	-	41
Transfer to operating reserve	-	-	(125)
Transfer to general capital reserve	177	-	-
Eliminate amortization and loss/gain	-	1,019	1,067
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (24,553)</u>	<u>\$ (30,382)</u>	<u>\$ (24,159)</u>



Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Parks, Recreation & Culture Services

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE I

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
FEES AND CHARGES			
Recreation	\$ 5,625	\$ 6,220	\$ 5,348
Parks	884	1,030	895
Cemeteries	626	851	864
Recoveries and other	708	822	841
GRANTS AND GOVERNMENT TRANSFERS	-	64	-
	7,843	8,987	7,948
EXPENSE			
ADMINISTRATION	2,078	1,876	1,747
PARKS			
Park operations	10,915	12,357	10,398
Parks planning	857	642	422
RECREATION			
Recreation services	8,146	8,524	7,874
Facility maintenance	6,586	5,904	5,944
CULTURE	1,756	1,523	1,665
CEMETERIES	770	830	834
ONE-TIME PROJECTS	342	103	-
LONG-TERM DEBT INTEREST	657	683	753
	32,107	32,442	29,637
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(24,264)	(23,455)	(21,689)
Amortization and accretion	-	2,959	2,884
ANNUAL (DEFICIT)	(24,264)	(26,414)	(24,573)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(1,851)	(1,874)	(1,806)
Transfer to general capital reserve	-	-	(22)
Transfer to cemetery capital reserve	(160)	(27)	(34)
Transfer to operating reserve	-	(50)	(100)
Transfer from operating reserve	292	138	180
Eliminate amortization and loss/gain	-	2,959	2,884
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (25,983)	\$ (25,268)	\$ (23,471)



Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Abbotsford Centre

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE J

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges	\$ 50	\$ 11	\$ 32
Investment income	-	-	-
	50	11	32
EXPENSE			
Operations	1,512	1,415	1,297
Long-term debt interest	1,645	1,678	1,770
	3,157	3,093	3,067
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(3,107)	(3,082)	(3,035)
Amortization and accretion	-	818	879
ANNUAL (DEFICIT)	(3,107)	(3,900)	(3,914)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	-	-	79
Debt principal repayments	(2,426)	(2,473)	(2,383)
Eliminate amortization and loss/gain	-	818	879
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,533) \$	(5,555) \$	(5,339)



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE K

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Municipal tax	\$ 5,685	\$ 5,686	\$ 5,462
EXPENSE			
Transfer to Fraser Valley Regional Library	4,946	5,103	4,764
Operating costs	439	463	364
	5,385	5,566	5,128
ANNUAL SURPLUS BEFORE AMORTIZATION	300	120	334
Amortization and accretion	-	145	145
ANNUAL SURPLUS	300	(25)	189
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(300)	(120)	(334)
Eliminate amortization and loss/gain	-	145	145
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE L

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Grants and government transfers	\$ 7,138	\$ 7,853	\$ 4,799
Fares	2,700	2,833	1,328
BC bus pass program	693	737	376
Advertising and other	204	596	411
	<u>10,735</u>	<u>12,019</u>	<u>6,914</u>
EXPENSE			
Transfer to BC Transit	15,979	17,154	11,056
Other	195	473	218
	<u>16,174</u>	<u>17,627</u>	<u>11,274</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION			
	(5,439)	(5,608)	(4,360)
Amortization and accretion	-	12	12
ANNUAL (DEFICIT)	(5,439)	(5,620)	(4,372)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	150	150	-
Eliminate amortization and loss/gain	-	12	12
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,289)	\$ (5,458)	\$ (4,360)



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE M

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 1,109	\$ 1,862
Recoveries	224	626	1,182
Parking lot tickets	-	27	56
Other	1,199	421	449
Licenses and permits:			
Soil removal fees	3,000	3,213	3,313
Other	3	11	10
Grants	562	1,509	532
Rent	207	-	-
	5,195	6,916	7,404
EXPENSE			
ADMINISTRATION	3,308	3,342	2,278
ENGINEERING	3,937	3,717	3,570
TRANSPORTATION			
Services	3,770	3,815	3,587
Operations - roads	6,966	9,097	7,869
EQUIPMENT FLEET			
Operations	5,324	5,225	5,708
Internal recoveries	(7,235)	(8,247)	(6,820)
ONE-TIME PROJECTS	1,382	118	-
MUNICIPAL BUILDINGS	2,952	3,116	3,484
LESS: COST RECOVERIES	(366)	(366)	(320)
	20,038	19,817	19,356
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(14,843)	(12,901)	(11,952)
Amortization and accretion	-	12,824	14,331
(Gain) on disposal of tangible capital assets	-	(833)	(412)
ANNUAL (DEFICIT)	(14,843)	(24,892)	(25,871)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(956)	(481)
Transfer to general capital reserve	(1,912)	(3,022)	(1,164)
Transfer to operating reserve	(438)	(1,696)	(511)
Transfer from operating reserve	873	1,614	683
Eliminate amortization and loss/gain	-	12,947	14,400
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (16,320)	\$ (16,005)	\$ (12,944)



Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Solid Waste Services

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE N

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 9,400	\$ 9,355	\$ 8,250
Recycling, compost and yard waste fees	1,063	1,118	1,107
Recoveries & other	-	37	1,850
	<hr/>	<hr/>	<hr/>
	10,463	10,510	11,207
EXPENSE			
Planning, design and management	1,672	1,419	1,541
Collection	4,254	3,859	3,570
Disposal	4,173	4,386	5,056
	<hr/>	<hr/>	<hr/>
ANNUAL SURPLUS BEFORE AMORTIZATION	10,099	9,664	10,167
	<hr/>	<hr/>	<hr/>
Amortization and accretion	-	387	465
ANNUAL SURPLUS	364	459	575
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	(364)	(920)	(1,039)
Eliminate amortization and loss/gain	-	461	464
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-



Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Storm Drainage Services

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE O

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Urban storm drainage user fees	\$ 4,081	\$ 4,083	\$ 3,930
Other	7	1	12
	<u>4,088</u>	<u>4,084</u>	<u>3,942</u>
EXPENSE			
Urban storm sewers and detention	2,528	2,667	2,354
Urban watercourses	172	152	153
Urban one-time projects	462	-	-
Rural drainage	472	408	423
	<u>3,634</u>	<u>3,227</u>	<u>2,930</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	454	857	1,012
Amortization and accretion	-	3,941	3,886
ANNUAL SURPLUS/(DEFICIT)	454	(3,084)	(2,874)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(354)	(604)
Transfer from operating reserve	214	211	-
Transfer to general capital reserve	(79)	(79)	-
Transfer for contribution from urban storm drainage-Matsqui Prairie	(610)	(592)	(397)
Transfer for contribution from urban storm drainage-Sumas Prairie	(451)	(451)	(435)
Eliminate amortization and loss/gain	-	3,941	3,886
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (472)	\$ (408)	\$ (424)



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

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE P

	2024 Plan	2024 Actual	2023 Actual	2024 Plan	2024 Actual	2023 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
General tax levy	\$ 768	\$ 758	\$ 752	\$ 1,372	\$ 1,382	\$ 1,332
Other revenue	16	-	-	241	351	203
	784	758	752	1,613	1,733	1,535
EXPENSE						
Diking Drainage	71	57	46	95	86	79
Storm	728	643	543	803	925	808
Irrigation	253	312	229	-	-	-
Administration	148	146	131	164	150	222
Pump stations	187	179	173	251	250	231
One-time projects	-	-	-	1,062	967	790
Recoverable work	16	-	-	-	-	-
	8	-	-	8	-	-
ANNUAL (DEFICIT) BEFORE AMORTIZATION	1,411	1,337	1,122	2,383	2,378	2,130
	(627)	(579)	(370)	(770)	(645)	(595)
Amortization and accretion	-	193	200	-	510	510
ANNUAL (DEFICIT)	(627)	(772)	(570)	(770)	(1,155)	(1,105)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS						
General capital reserve	-	-	-	(24)	(24)	(24)
Transfer to operating reserve	-	(13)	(27)	-	-	-
Transfer from operating reserve	17	-	-	343	218	184
Eliminate amortization and loss/gain	-	193	200	-	510	510
Contribution from urban storm drainage	610	592	397	451	451	435
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	- \$	- \$	- \$	- \$



Segment Information - Revenues by Type & Expenses by Function Capital Fund

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE Q

	2024 Plan	General	Waterworks	Sanitary Sewer	Airport	2024 Actual	2023 Actual
REVENUE							
Fees and charges	\$ 5,490	\$ 12,180	\$ 50	\$ 54	\$ -	\$ 12,284	\$ 6,055
Developer charges earned	30,811	5,794	72	1,178	-	7,044	3,102
Contributed Tangible Capital Assets	-	23,056	1,755	1,652	-	26,463	6,448
Grants and government transfers	33,439	24,002	-	-	46	24,048	15,812
Contributions (to)/from other funds	-	(1,977)	1,742	235	-	-	-
	69,740	63,055	3,619	3,119	46	69,839	31,417
EXPENSE							
Minor capital projects							
General government	1,591	109	-	-	-	109	495
Police services	5	-	-	-	-	-	5
Fire services	15	16	-	-	-	16	-
Park services	548	712	-	-	-	712	641
Recreation services	32	53	-	-	-	53	96
Transportation services	13,717	33,273	-	-	-	33,273	7,216
Flood event	15,548	8,942	-	-	-	8,942	3,788
Equipment fleet services	4	74	-	-	-	74	28
Solid waste services	105	3	-	-	-	3	26
Storm drainage services	907	832	-	-	-	832	103
Diking, drainage & irrigation	9,271	72	-	-	-	72	606
Waterworks	1,358	-	1,602	-	-	1,602	3,298
Sanitary sewer	2,169	-	-	(627)	-	(627)	1,726
Airport	-	-	-	-	71	71	-
	45,270	44,086	1,602	(627)	71	45,132	18,028
ANNUAL SURPLUS							
	24,470	18,969	2,017	3,746	(25)	24,707	13,389
RECONCILE TO CHANGE IN CAPITAL EQUITY							
General capital reserve	149,308	56,932	-	(71)	(11)	56,850	65,507
Storm drainage reserve	17,775	1,233	-	-	-	1,233	1,943
Waterworks capital reserve	26,210	-	13,088	-	-	13,088	9,753
Sanitary sewer capital reserve	27,539	-	-	3,130	-	3,130	5,977
Airport capital reserve	19,010	-	-	-	1,403	1,403	3,809
Tangible capital assets	-	(25,188)	(6,289)	(5,339)	(1,730)	(38,546)	(42,131)
Debt principal repayment	4,277	4,348	-	-	-	4,348	4,188
CHANGE IN CAPITAL EQUIITY	\$268,589	\$ 56,294	\$ 8,816	\$ 1,466	\$ (363)	\$ 66,213	\$ 62,435



Segment Information - Revenues by Type & Expenses by Function Reserve Fund

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)

SCHEDULE R

	2024 Plan	2024 Actual	2023 Actual
REVENUE			
Investment income	\$ 17,603	\$ 21,816	\$ 16,618
Fees and charges	-	-	433
	<u>17,603</u>	<u>21,816</u>	<u>17,051</u>
ANNUAL SURPLUS	<u>17,603</u>	<u>21,816</u>	<u>17,051</u>
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	(13,868)	(13,872)	(3,849)
General capital reserve	(128,102)	(18,592)	117
Affordable housing reserve	-	-	-
Storm drainage reserve	(17,346)	8,346	(1,943)
Waterworks capital reserve	(17,431)	(3,861)	1,053
Sanitary sewer capital reserve	(22,165)	4,110	2,315
Airport capital reserve	(16,064)	2,075	2,215
Property acquisition reserve	-	-	2,707
Change in inventory/pre-paid expenses	-	(1,706)	(1,750)
CHANGE IN APPROPRIATED SURPLUS	<u><u>\$ (197,373)</u></u>	<u><u>\$ (1,684)</u></u>	<u><u>\$ 17,916</u></u>



Cemetery Care Trust Fund



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Abbotsford

Opinion

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

- the statement of financial position as at December 31, 2024
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024, and its results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management for the Financial Statements

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

Cemetery Care Trust Fund

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Cemetery Care Trust Fund

City of Abbotsford
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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Chilliwack, Canada
May 6, 2025

Cemetery Care Trust Fund - Statement of Financial Position

For the Year Ended December 31, 2024, with comparative information for 2023 (in thousands)^h

	2024 Actual	2023 Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 4,614	\$ 4,675
Accounts receivable	199	7
NET FINANCIAL ASSETS	<u>4,813</u>	<u>4,682</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	4,682	4,524
Contributions	131	158
Investment earnings	245	178
Transfer to general operating fund	(245)	(178)
Balance, end of year	<u>\$ 4,813</u>	<u>\$ 4,682</u>

Cemetery Care Trust Fund - Notes to the Financial Statements

1. Significant Accounting Policies:

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

(a) Basis of accounting:

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

(b) Portfolio Investments:

Portfolio investments are carried at cost.

(c) Financial Instruments:

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

2. Accounts Receivable/Payable:

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

3. Investments:

Investments for 2024 are comprised of corporate and government investments.

(in thousands)	2024		2023	
	Cost	Market	Cost	Market
Portfolio Investments	\$4,614	\$4,682	\$4,675	4,779
	Short-Term		Long-Term	
Duration	0 – 2 Years		2 - 15 Years	
Average Holdings	\$189		\$4,513	
Annual Yield	7.15%		4.42%	



Cemetery Care Trust Fund - Notes to the Financial Statements

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 2024, \$245,000 (2023 - \$178,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2024, 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.

