



2021
CONSOLIDATED
FINANCIAL
STATEMENTS

2021 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

To the Members of Council of the City of Abbotsford

Opinion

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

- the statement of financial position as at end of December 31, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes, exhibits and schedules 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 City of Abbotsford as at December 31, 2021 and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

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

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements'

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

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

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

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

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



Chartered Professional Accountants

Abbotsford, Canada
May 9, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021 with comparative information as at December 31, 2020 (in thousands)

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 63,059	\$ 45,420
Accounts receivable (Note 3)	48,434	37,552
Portfolio investments (Note 4)	<u>554,630</u>	<u>513,079</u>
	666,123	596,051
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	116,757	91,216
Restricted revenue (Note 6)	140,024	127,474
Deferred revenue (Note 7)	<u>16,272</u>	<u>16,672</u>
	273,053	235,362
Long-term debt (Note 8)	<u>43,965</u>	<u>47,804</u>
	317,018	283,166
NET FINANCIAL ASSETS	<u>349,105</u>	<u>312,885</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	1,451,504	1,435,060
Inventories (Note 10)	1,685	1,391
Pre-paid expenses (Note 11)	<u>982</u>	<u>907</u>
	1,454,171	1,437,358
ACCUMULATED SURPLUS (Note 12)	<u>\$ 1,803,276</u>	<u>\$ 1,750,243</u>



HENRY BRAUN, MAYOR



KOMAL BASATIA, CPA, CGA
CFO

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

	2021 Plan (Note 19)	2021 Actual	2020 Actual
REVENUE			
Municipal taxation	\$ 160,399	\$ 162,748	\$ 157,009
Fees and other charges	79,839	93,240	74,956
Developer charges earned	12,616	3,511	2,780
Contributed tangible capital assets	-	11,392	25,145
Grants and government transfers	61,782	38,648	29,880
Portfolio investment income	5,245	9,026	10,558
Interest and penalties	338	1,119	777
Rent	4,088	4,674	4,042
	324,307	324,358	305,147
EXPENSE			
General government	27,516	37,349	24,724
Planning & development services	7,839	6,148	6,424
Protective services	80,655	84,590	77,341
Parks, recreation, culture & libraries	38,495	37,818	57,061
Transit	14,913	11,934	11,668
Engineering	39,119	52,427	48,142
Dyking, drainage & irrigation	13,461	3,748	4,447
Waterworks	12,355	17,023	17,381
Sanitary sewer	10,293	13,937	13,692
Airport	4,518	6,351	5,986
	249,164	271,325	266,866
ANNUAL SURPLUS			
ACCUMULATED SURPLUS, BEGINNING OF YEAR	75,143	53,033	38,281
ACCUMULATED SURPLUS, END OF YEAR	\$1,825,386	\$1,803,276	\$1,750,243

 See notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

	2021	2020
OPERATING ACTIVITIES		
Annual Surplus	\$ 53,033	\$ 38,281
Non-cash items included in annual surplus:		
Amortization expense	42,767	37,562
Contributed tangible capital assets	(11,392)	(25,145)
Loss/(gain) on disposal of tangible capital assets	(1,868)	22,023
Recognition of restricted revenue	(3,521)	(2,860)
Changes in non-cash operating items:		
Accounts receivable	(10,883)	3,002
Inventories	(294)	(23)
Pre-paid expenses	(75)	(189)
Accounts payable and accrued liabilities	25,541	7,098
Deferred revenue	<u>(399)</u>	<u>(2,432)</u>
	92,909	77,317
INVESTING ACTIVITIES		
Increase in portfolio investments	(41,551)	(47,178)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	16,071	16,036
Debt principal repaid	<u>(3,839)</u>	<u>(3,870)</u>
	12,232	12,166
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	3,539	1,086
Acquisition of tangible capital assets	<u>(49,489)</u>	<u>(31,024)</u>
	(45,950)	(29,938)
INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,640	12,367
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>45,419</u>	<u>33,052</u>
	\$ 63,059	\$ 45,419

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

	2021 Plan (Note 19)	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ 75,143	\$ 53,033	\$ 38,281
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(216,773)	(49,489)	(31,024)
Contributed tangible capital assets	-	(11,392)	(25,145)
Amortization	-	42,767	37,562
Proceeds from disposal of tangible capital assets	-	3,538	1,087
Loss/(gain) on disposal of tangible capital assets	-	(1,868)	22,023
	(216,773)	(16,444)	4,503
OTHER NON-FINANCIAL ASSETS:			
Increase in inventory	-	(294)	(23)
Increase in pre-paid expenses	-	(75)	(189)
	-	(369)	(212)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(141,630)	36,220	42,572
NET FINANCIAL ASSETS, BEGINNING OF YEAR	312,885	312,885	270,313
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 171,255</u>	<u>\$ 349,105</u>	<u>\$ 312,885</u>

 See notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

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

SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Principles of Consolidation:

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

(b) Fund Accounting:

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

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

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

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

(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 2021 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on January 25, 2021, with the exception of adjustments detailed in Note 19 to the Consolidated Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(d) Cash and Cash Equivalents:

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

(e) Portfolio Investments:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(f) Non-Financial Assets:

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

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

Tangible Capital Assets

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

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

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

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(g) Accrued Liabilities:

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

(h) Financial Instruments:

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

(i) Revenue Recognition:

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

(j) Expense Recognition:

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

(k) Government Transfers:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(l) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee post-retirement benefits, liability claims, landfill restoration costs, allowance for doubtful accounts receivable, provision for contingencies, historical tangible capital asset costs for those acquired prior to 2008, and timing of new asset recognition. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, are recorded or disclosed in the financial statements in the period that the change in estimate is made, as well as in the period of settlement.

(m) Contaminated Sites:

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

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

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

(n) Comparative Figures:

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

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

2. CASH AND CASH EQUIVALENTS:

	2021	2020
Cash	\$ 59,868	\$ 40,236
MFA short-term money-market investment pools	3,191	5,184
	\$ 63,059	\$ 45,420

3. ACCOUNTS RECEIVABLE:

	2021	2020
Fees and charges	\$ 27,574	\$ 16,876
Taxes	4,796	5,365
Grants	10,327	5,296
Development cost charges	2,544	6,572
Local improvement/service charges	3,193	3,443
	\$ 48,434	\$ 37,552

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

4. PORTFOLIO INVESTMENTS:

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

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

	2021		2020	
	Cost	Market	Cost	Market
\$	554,630	\$ 554,542	513,079	\$ 514,073
	Short-term	Long-term	Short-term	Long-term
Average holdings	478,672	17,350	442,350	16,978
Annual yield	2.02 %	1.82 %	2.48 %	3.15 %

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2021	2020
Accounts payable:		
Trade payables	\$ 27,458	\$ 14,671
Deposits	47,666	34,774
Tax prepayments	15,538	14,692
Salaries and wages	5,938	7,085
Due to Cemetery Care Trust Fund	2,074	3,171
Accrued liabilities:		
Retirement allowance liability	13,111	12,790
Liability claims	401	426
Vacation pay	2,660	2,338
Landfill restoration liability	1,911	1,269
	<hr/> \$ 116,757	<hr/> \$ 91,216

(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 2021, 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, 2021. The difference between the actuarially determined benefit obligation of \$14,026,000 and the accrued benefit liability of \$13,111,000 as at December 31, 2021, was an unamortized actuarial loss of \$915,000, (2020 loss - \$1,233,000) 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, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

	2021	2020
Actuarial benefit obligation	\$ 14,026	\$ 14,023
Unamortized actuarial gain/(loss)	(915)	(1,233)
Accrued benefit liability	<u><u>\$ 13,111</u></u>	<u><u>\$ 12,790</u></u>

Accrued benefit liability:

	2021	2020
Balance, beginning of year	\$ 12,790	\$ 12,032
Current service cost	1,155	1,038
Interest cost	308	361
Benefits paid	(1,278)	(730)
Amortization of net actuarial loss	136	89
Balance, end of year	<u><u>\$ 13,111</u></u>	<u><u>\$ 12,790</u></u>

Actuarial Assumptions used to determine the benefit obligation:

	2021	2020
Discount rate	2.5 %	2.1 %
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 %

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(b) Landfill Restoration Liability:

Closure and post-closure care requirements are established by a number of regulations: British Columbia's Contaminated Sites Regulation and Hazardous Waste Regulation, both under the Environmental Management Act and BC Ministry of Environment permits.

There are two landfills subject to these regulations - Valley Road Landfill and Trethewey Street Landfill - that were operated and closed to various stages between 1978 and 1989. The Trethewey site has been inactive since 1985. The Valley Road site recently re-opened its permit to deposit sediment dredged from the Sumas River.

Costs related to closure and post-closure activities at these sites include drainage control, leachate monitoring and collection, gas monitoring and recovery, final ground cover, closure assessment and planning, and regulatory approvals.

The Trethewey Street Landfill site is expected to require care up to and including the year 2040, primarily for leachate monitoring and gas collection. Further care requirements may be determined from a closure plan prepared by a qualified independent consultant, as required by BC Ministry of Environment permits - this deadline is set at December 2023.

The Valley Road Landfill Closure Plan was completed in 2020, however, analysis of remaining wood waste is still ongoing into 2022. The Valley Road Landfill site is expected to require care up to and including the year 2050, primarily for monitoring of groundwater, surface water, leachate, and sediment. The capacity of the site for river sediment is estimated by the closure plan at 67,500 cubic meters, of which 3,778 cubic meters have been used at the end of 2021. This capacity is projected to be fully used by 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(b) Landfill Restoration Liability: continued

The liability of \$1,911,000, at December 31, 2021 (2020 - \$1,269,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities for both landfills. An additional \$905,000 (present value) is estimated to be required for closure activities related to future sediment deposits at the Valley Road site; only a portion of this liability has been included as only 5.5% of the capacity has been used.

The discount rate used in 2021 was 2.5% (2020 – 2.1%) and the inflation rate used in 2021 was 2.6% (2020 - 2.0%). Landfill closure costs in 2021 were \$107,014 (2020 - \$141,923). There are no assets designated for settling the post-closure care liability.

	2021	2020
Restoration liability, beginning of year	\$ 1,269	\$ 1,180
Adjustment to liability	642	89
Restoration liability, end of year	\$ 1,911	\$ 1,269

(c) Liability for Contaminated Sites:

The City has determined that as of December 31, 2021, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY:

	Development Cost Charges	Development Fees	Airport Fees	2021 Total	2020 Total
Balance, beginning of year	\$ 93,459	\$ 31,244	\$ 2,771	\$ 127,474	\$ 114,298
Add:					
Current year contributions	10,692	3,244	-	13,936	13,822
Interest	1,586	549	-	2,135	2,214
	<u>105,737</u>	<u>35,037</u>	<u>2,771</u>	<u>143,545</u>	<u>130,334</u>
Less: Amounts recognized as revenue					
Developer charges earned - capital expenditures	2,547	964	-	3,511	2,855
Airport fees - eligible airport expenditures	-	-	10	10	5
	<u>2,547</u>	<u>964</u>	<u>10</u>	<u>3,521</u>	<u>2,860</u>
Balance, end of year	<u><u>\$ 103,190</u></u>	<u><u>\$ 34,073</u></u>	<u><u>\$ 2,761</u></u>	<u><u>\$ 140,024</u></u>	<u><u>\$ 127,474</u></u>

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

(a) Development Cost Charges (DCC):

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City for the remaining amount of DCCs owing. As at December 31, 2021, the amount of DCCs due over the next two years is \$2,543,661 (2020 - \$6,572,087).

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, 2021 (Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY: CONTINUED

(a) Development Cost Charges (DCC): continued

	2021	2020
Storm drainage	\$ 12,221	\$ 13,204
Parks	23,663	20,898
Waterworks - supply	24,700	22,243
Waterworks - distribution	2,247	2,012
Sanitary sewer - collection	6,667	6,033
Sanitary sewer - treatment plant	9,746	8,500
Roads	<u>23,946</u>	<u>20,569</u>
	<u><u>\$ 103,190</u></u>	<u><u>\$ 93,459</u></u>

(b) Development Fees:

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

(c) Airport Fees:

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

7. DEFERRED REVENUE:

	Balance, Beginning of Year	Externally restricted inflows	Revenue earned	Balance, December 31, 2021
Fees and charges	\$ 4,387	\$ 5,538	\$ (6,618)	\$ 3,307
Grants	12,285	3,299	(2,619)	12,965
	<u>\$ 16,672</u>	<u>\$ 8,837</u>	<u>\$ (9,237)</u>	<u>\$ 16,272</u>

8. 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
2022	\$ 3,954
2023	4,112
2024	4,277
2025	4,448
2026	4,626
2027 and thereafter	<u>22,548</u>
	<u>\$ 43,965</u>

All debt is held by the General Capital fund. Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Exhibit 5). The City's interest expense on long-term debt totaled \$2,718,400 in 2021 (2020 - \$2,865,500).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2021	2020
General		
Land	451,424	447,992
Land improvements	5,533	6,154
Park improvements	17,434	17,460
Buildings	110,323	105,749
Machinery & equipment	7,792	5,815
Vehicles	16,723	15,449
Infrastructure		
Airport	21,968	22,888
Waterworks	227,448	226,874
Sanitary sewer	154,473	155,381
Transportation	181,652	190,819
Storm drainage and detention	186,430	186,411
Dyking, drainage & irrigation	17,774	18,351
Assets under construction	52,530	35,717
	<hr/> \$ 1,451,504	<hr/> \$ 1,435,060

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

The value of contributed capital assets received and recognized in the year 2021 from developers, for various infrastructure works and related land and parks is \$11,391,617 (2020 – \$25,145,136).

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.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

10. 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:

	2021	2020
Stock	\$ 613	\$ 628
Fuel	90	45
Gravel	982	718
	\$ 1,685	\$ 1,391

11. 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.

	2021	2020
General	\$ 982	\$ 834
Abbotsford Centre	-	73
	\$ 982	\$ 907

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

12. ACCUMULATED SURPLUS:

	2021	2020
Unappropriated Balance		
General operations	\$ 19,627	\$ 19,570
Waterworks operations	4,263	4,265
Sanitary sewer operations	5,799	5,799
Airport operations	1,176	1,176
	30,865	30,810
Appropriated Surplus		
General operations reserve	82,970	75,674
Statutory capital reserves	279,234	254,201
	362,204	329,875
Investment in tangible capital assets	1,407,540	1,387,256
Investment in other non-financial assets	2,667	2,302
Total Accumulated Surplus	\$ 1,803,276	\$ 1,750,243

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.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	2021	2020
Interest paid	\$ 2,812	\$ 2,814
Interest received	6,679	9,874
	\$ 9,491	\$ 12,688

14. 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:

	2021	2020
Federal transfers	\$ 15,867	\$ 6,397
Provincial transfers	22,781	23,483
	\$ 38,648	\$ 29,880

15. EXPENSE BY OBJECT:

	2021	2020
Salaries and benefits	\$ 122,148	\$ 115,518
Operating goods and services	80,097	63,957
Minor capital projects	9,213	9,083
Amortization	42,767	37,562
Loss (gain) on disposal of tangible capital assets	(1,868)	22,023
Transfer payments to other governments and agencies	16,250	15,858
Long-term debt interest	2,718	2,865
Total expense by object	\$ 271,325	\$ 266,866

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES:

(a) Fraser Valley Regional District (FVRD):

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

(b) Third Party Claims:

The City is involved in certain legal actions. Although the actual outcome of these claims is currently indeterminable, in 2021 the City reports a liability of \$401,361 (2020 – \$426,345) 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 220,000 active members and approximately 112,000 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.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES: CONTINUED

(c) **Municipal Pension Plan: continued**

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results available in 2022. In 2021, the City paid \$11,067,999 (2020 - \$10,253,960) for employer contributions while employees contributed \$8,736,351 (2020 - \$8,087,239) 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 \$1,258,906 (2020 - \$1,237,851). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2020 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2020 - \$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, 2021 (Tabular amounts are in thousands of dollars)

16. 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.

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

17. CONTRACTUAL OBLIGATIONS:

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

	Extent of Contracts	Estimated Remaining Expenditure
Operational services	\$ 6,601	\$ 5,086
Road construction	20,437	12,915
Sanitary sewer construction	3,076	1,374
Storm Drainage	8,114	6,317
Vehicles & Equipment	1,264	658
Waterworks Construction	4,867	3,354
	\$ 44,359	\$ 29,704

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

18. 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
2022	\$ 7,477
2023	24,746
2024	2,884
2025	2,178
2026	1,705
2027 and thereafter	<u>17,005</u>
	<u><u>\$ 55,995</u></u>

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

19. 2021 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 3143-2021 on April 6, 2021. 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 ongoing prior years' commitments related to capital expenditures and relevant government grants.

	Annual Budget	Amended Budget	Change
Revenues			
Municipal assessment taxes	\$ 160,399	\$ 160,399	-
Fees and charges	69,648	71,939	2,291
Developer charges earned	1,501	12,616	11,115
Contributions from other governments	4,375	7,451	3,076
Government grants	23,653	61,782	38,129
Rent	5,647	5,647	-
Interest and penalties	6,334	6,334	-
Other sources	3,304	5,671	2,367
	\$ 274,861	\$ 331,839	\$ 56,978
Expenses			
Capital Expenses	38,257	216,773	178,516
Protective services	79,153	79,153	-
Parks, recreation and cultural services	35,197	35,412	215
Engineering services	28,491	29,737	1,246
General government	25,558	27,002	1,444
Water services	11,933	12,184	251
Sewer services	10,581	10,641	60
Transit services	16,053	14,913	(1,140)
Airport services	4,518	4,518	-
Development services	7,164	7,839	675
Dyking services	3,215	3,215	-
Debt interest	2,776	2,776	-
Debt principal repayment	3,802	3,802	-
	\$ 266,698	\$ 447,965	\$ 181,267
Net Revenue (Expenses)	8,163	(116,126)	(124,289)
Debt proceeds	-	-	-
Transfers (to) from operating reserves	(6,202)	(32,214)	(26,012)
Transfers (to) from capital reserves	14,365	(83,912)	(98,277)
	8,163	(116,126)	(124,289)
Net Budgeted Surplus	\$ -	\$ -	\$ -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

19. 2021 BUDGET FIGURES: CONTINUED

Reconcile to Consolidated Statement of Operations

Net Revenue (Expenses) per Bylaw 2020-3030	\$ (116,126)
Add:	
Capital expenditures	216,773
Debt principal repayment	3,802
Water/Sewer/Cemetery fund reserve revenue	-
Less:	
Minor capital expenses	(24,335)
Collections for other governments	(4,971)
Annual surplus per Statement of Operations	<u>\$ 75,143</u>

20. 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, 2021, the trust fund balance is \$4,364,554 (2020 - \$4,224,351).

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

21. COVID-19 SAFE RESTART GRANT:

The Provincial government provided "COVID-19 Safe Restart Grants for Local Governments" to support local governments with increased operating costs and lower revenues due to the COVID-19 pandemic. This funding was also to ensure local governments can continue to deliver the services residents depend on in their communities.

In 2020, the City received \$8,338,000 to assist with these costs. Below is a schedule of how the funds were allocated:

2020:

Loss of revenues:		
Recreation	\$	4,068
Abbotsford Centre (net of expenses)		88
Gaming revenue		819
Building permits		156
Increased expenses:		
COVID-19 relief		615
Solid waste collection		539
Total allocated in 2020	\$	<u>6,285</u>

2021:

Loss of revenues:		
Transit		898
Abbotsford Centre (net of expenses)		684
Solid waste collection		467
General operating expenses		4
Total allocated in 2021	\$	<u>2,053</u>

22. FINANCIAL RISKS:

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

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

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

There has been no change to the risk exposure outlined above from 2020 other than the pervasive impact of the ongoing COVID-19 pandemic, of which, may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the City's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known at this time.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

23. CITY SERVICES FINANCIAL INFORMATION:

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

General Government Services

Legislative & support services
Strategic planning, corporate communications & marketing
Human resources
Financial services
Information technology
Procurement
Risk management
Economic development
Continuous improvement
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

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

23. CITY SERVICES FINANCIAL INFORMATION: CONTINUED

Parks, Recreation & Culture Services

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

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)

Dyking & Irrigation Services

Dyking infrastructure
Water management of City dyking & 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, 2021 (Tabular amounts are in thousands of dollars)

24. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 110,260	\$ 136,051	\$ 122,399
Planning & development services	5,822	7,940	6,851
Police services	58,945	60,305	57,357
Fire rescue services	272	174	205
Parks, recreation & culture services	4,541	4,394	3,331
Abbotsford Centre	5,490	2,395	2,401
Library services	5,135	5,135	5,065
Transit services	8,647	7,749	8,498
Engineering services	3,924	4,797	4,956
Solid waste services	9,258	9,259	8,932
Storm drainage services	3,725	3,751	3,742
Dyking, drainage and irrigation services	2,140	2,113	2,144
	<u>218,159</u>	<u>244,063</u>	<u>225,881</u>
WATERWORKS OPERATING FUND	20,595	21,263	19,725
SANITARY SEWER OPERATING FUND	14,801	16,118	15,021
AIRPORT OPERATING FUND	4,847	8,097	4,958
CAPITAL FUNDS	61,795	29,214	33,635
RESERVE FUNDS	4,110	5,603	5,927
	<u>324,307</u>	<u>324,358</u>	<u>305,147</u>

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

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

	2021 Plan	2021 Actual	2020 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	26,276	36,233	23,874
Planning & development services	7,839	6,147	6,425
Police services	58,418	60,703	55,526
Fire rescue services	21,461	22,420	20,836
Parks, recreation & culture services	24,952	25,451	45,209
Abbotsford Centre	8,402	6,834	6,336
Library services	4,835	5,023	4,851
Transit services	14,913	11,934	11,668
Engineering services	16,806	28,775	27,057
Solid waste services	9,458	10,910	9,938
Storm drainage services	3,473	7,450	6,359
Dyking, drainage and irrigation services	3,214	3,528	3,619
	<u>200,047</u>	<u>225,408</u>	<u>221,698</u>
WATERWORKS OPERATING FUND	10,910	16,750	16,754
SANITARY SEWER OPERATING FUND	9,354	13,877	13,402
AIRPORT OPERATING FUND	4,518	6,077	5,929
CAPITAL FUNDS	24,335	9,213	9,083
	<u>249,164</u>	<u>271,325</u>	<u>266,866</u>
ANNUAL SURPLUS	\$ 75,143	\$ 53,033	\$ 38,281

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2021 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.

	2021 Plan	2021 Actual (less Amortization)	2020 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 110,260	\$ 136,051	\$ 122,399
Planning & development services	5,822	7,940	6,851
Police services	58,945	60,305	57,357
Fire rescue services	272	174	205
Parks, recreation & culture services	4,541	4,394	3,331
Abbotsford Centre	5,490	2,395	2,401
Library services	5,135	5,135	5,065
Transit services	8,647	7,749	8,498
Engineering services	3,924	4,797	4,956
Solid waste services	9,258	9,259	8,932
Storm drainage services	3,725	3,751	3,742
Dyking, drainage and irrigation services	2,140	2,113	2,144
	218,159	244,063	225,881
WATERWORKS OPERATING FUND	20,595	21,263	19,725
SANITARY SEWER OPERATING FUND	14,801	16,118	15,021
AIRPORT OPERATING FUND	4,847	8,097	4,958
CAPITAL FUNDS	61,795	29,215	33,635
RESERVE FUNDS	4,110	5,602	5,927
	<u>324,307</u>	<u>324,358</u>	<u>305,147</u>

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: CONTINUED

	2021 Plan	2021 Actual (less Amortization)	2020 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	26,276	34,381	22,497
Planning & development services	7,839	6,147	6,425
Police services	58,418	59,710	54,526
Fire rescue services	21,461	21,446	19,974
Parks, recreation & culture services	24,952	22,626	20,846
Abbotsford Centre	8,402	5,958	5,452
Library services	4,835	4,814	4,624
Transit services	14,913	11,922	11,656
Engineering services	16,806	14,696	14,582
Solid waste services	9,458	10,869	9,843
Storm drainage services	3,473	3,313	2,458
Dyking, drainage and irrigation services	3,214	2,792	2,900
	<u>200,047</u>	<u>198,674</u>	<u>175,783</u>
WATERWORKS OPERATING FUND			
	10,910	9,927	10,235
SANITARY SEWER OPERATING FUND			
	9,354	8,371	8,107
AIRPORT OPERATING FUND			
	4,518	4,241	4,073
CAPITAL FUNDS			
	24,335	9,213	9,083
AMORTIZATION			
	-	42,767	37,562
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS			
	-	(1,868)	22,023
	<u>249,164</u>	<u>271,325</u>	<u>266,866</u>
ANNUAL SURPLUS	\$ 75,143	\$ 53,033	\$ 38,281

STATEMENT OF FINANCIAL POSITION – BY FUND

As at December 31, 2021 with comparative information as at December 31, 2020 (in thousands)

EXHIBIT 1

	Operating Funds				Reserve Funds
					Sanitary
	General	Waterworks	Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 63,059	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,024	27,201	22,998	3,872	362,204
Accounts receivable	32,934	4,348	419	423	-
Portfolio investments	554,630	-	-	-	-
	652,647	31,549	23,417	4,295	362,204
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	116,424	127	-	206	-
Due to other funds	419,949	-	-	-	-
Restricted revenue	92,477	27,158	17,618	2,770	-
Deferred revenue	4,169	-	-	143	-
	633,019	27,285	17,618	3,119	-
Long-term debt	-	-	-	-	-
NET FINANCIAL ASSETS	633,019	27,285	17,618	3,119	-
	19,628	4,264	5,799	1,176	362,204
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,685	-	-	-	-
Pre-paid expenses	982	-	-	-	-
	2,667	-	-	-	-
ACCUMULATED SURPLUS	\$ 22,295	\$ 4,264	\$ 5,799	\$ 1,176	\$ 362,204

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION – BY FUND

As at December 31, 2021 with comparative information as at December 31, 2020 (in thousands)

EXHIBIT 1 - CONTINUED

Capital Funds					Total 2021	Total 2020
General	Waterworks	Sanitary Sewer	Airport	Consolidation Adjustments		
\$ - \$ 3,585	- \$ -	- \$ -	- \$ -	- \$ (421,884)	\$ 63,059	\$ 45,420
7,385	-	605	2,320	-	48,434	37,552
-	-	-	-	-	554,630	513,079
10,970	-	605	2,320	(421,884)	666,123	596,051
-	-	-	-	-	116,757	91,216
-	-	301	1,634	(421,884)	-	-
-	-	-	-	-	140,023	127,474
10,971	-	304	686	-	16,273	16,672
10,971	-	605	2,320	(421,884)	273,053	235,362
43,965	-	-	-	-	43,965	47,804
54,936	-	605	2,320	(421,884)	317,018	283,166
(43,965)	-	-	-	-	349,105	312,885
986,623	232,181	167,062	65,638	-	1,451,504	1,435,060
-	-	-	-	-	1,685	1,391
-	-	-	-	-	982	907
986,623	232,181	167,062	65,638	-	1,454,171	1,437,358
\$ 942,657	\$ 232,181	\$ 167,062	\$ 65,638	\$ -	\$ 1,803,276	\$ 1,750,243

 See notes to Consolidated Financial Statements.

STATEMENT OF FINANCIAL ACTIVITIES – BY FUND

As at December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 2

	Operating Funds				Reserve
	General	Waterworks	San Sewer	Airport	Funds
	Schedule A	Schedule B	Schedule C	Schedule D	Schedule R
REVENUE					
Municipal taxation	\$ 162,748	\$ -	\$ -	\$ -	\$ -
Fees and charges	49,219	21,212	16,008	4,264	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants and government transfers	24,894	-	-	1,914	-
Investment income	4,302	11	110	98	5,585
Rent	2,834	40	-	1,821	-
Other sources	-	-	-	-	18
Contributions (to)/from other funds	-	-	-	-	-
	243,997	21,263	16,118	8,097	5,603
EXPENSE					
General government services	34,381	-	-	-	-
Planning & development services	6,147	-	-	-	-
Protective services	81,157	-	-	-	-
Parks, recreation, culture, libraries	33,398	-	-	-	-
Transit services	11,922	-	-	-	-
Engineering services	28,837	-	-	-	-
Dyking, drainage and irrigation services	2,768	-	-	-	-
Waterworks services	-	9,927	-	-	-
Sanitary sewer services	-	-	8,371	-	-
Airport services	-	-	-	4,241	-
Amortization	29,061	6,555	5,256	1,893	-
Loss/(gain) on disposal of TCA	(2,329)	267	251	(57)	-
	225,342	16,749	13,878	6,077	-
	18,655	4,514	2,240	2,020	5,603
ANNUAL SURPLUS/(DEFICIT)					
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	(7,091)	-	-	-	7,091
General capital reserve	(37,053)	6,819	5,507	1,903	3,964
Storm drainage capital reserve	-	-	-	-	(1,085)
Waterworks capital reserve	-	(11,333)	-	-	6,434
Sanitary sewer capital reserve	-	-	(7,747)	-	3,678
Airport capital reserve	-	-	-	(3,923)	3,962
Property acquisition reserve	-	-	-	-	2,683
Eliminate amortization and loss/gain	29,751	-	-	-	-
	(14,393)	(4,514)	(2,240)	(2,020)	26,727
Debt principal repayments	(3,839)	-	-	-	-
Change in inventory/pre-paid expenses	(369)	-	-	-	-
	54	-	-	-	32,330
SURPLUS, BEGINNING OF YEAR	21,871	4,265	5,799	1,176	329,874
SURPLUS, END OF YEAR	\$ 22,295	\$ 4,265	\$ 5,799	\$ 1,176	\$ 362,204

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES - BY FUND

As at December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 2 - CONTINUED

Capital Funds					
General Schedule Q	Waterworks Schedule Q	San Sewer Schedule Q	Airport Schedule Q	Total 2021	Total 2020
\$ 2,244	\$ 207	\$ 20	\$ -	\$ 162,748	\$ 157,009
3,264	60	187	-	93,174	74,956
7,171	3,306	915	-	3,511	2,780
7,814	-	87	3,939	11,392	25,145
-	-	-	-	38,648	29,880
-	-	-	-	10,106	11,335
-	-	-	-	4,695	4,042
-	-	-	-	18	-
124	75	-	(199)	-	-
20,617	3,648	1,209	3,740	324,292	305,147
1,221	-	-	-	35,602	23,347
-	-	-	-	6,147	6,424
1,464	-	-	-	82,621	75,479
511	-	-	-	33,909	31,586
-	-	-	-	11,922	11,656
5,189	-	-	-	34,026	31,672
220	-	-	-	2,988	3,729
-	274	-	-	10,201	10,861
-	-	60	-	8,431	8,397
-	-	-	274	4,515	4,130
-	-	-	-	42,765	37,562
-	-	-	-	(1,868)	22,023
8,605	274	60	274	271,259	266,866
12,012	3,374	1,149	3,466	53,033	38,281
33,052	-	-	-	-	-
1,085	-	-	-	-	-
-	4,795	-	-	(104)	-
-	-	4,424	-	355	-
-	-	-	(39)	-	-
(2,683)	-	-	-	-	-
(29,968)	(6,819)	(5,507)	(1,903)	(14,446)	-
1,486	(2,024)	(1,083)	(1,942)	(2)	-
3,839	-	-	-	-	-
-	-	-	-	(369)	(233)
17,337	1,350	66	1,524	53,033	38,281
925,320	230,831	166,996	64,114	1,750,243	1,711,962
\$ 942,657	\$ 232,181	\$ 167,062	\$ 65,638	\$ 1,803,276	\$ 1,750,243

 See notes to Consolidated Financial Statements.

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 3

	Cost							
	Opening Balance	Add		Less		Closing Balance		
		Additions	Transfer from asset class	Disposals	Transfer to asset class			
General								
Land	\$ 447,993	\$ 3,517	\$ -	\$ (86)	\$ -	\$ 451,424		
Land improvements	16,985	-	-	(1)	(233)	16,751		
Park improvements	62,807	8	1,439	(680)	-	63,574		
Buildings	236,158	2,346	6,267	(671)	-	244,100		
Machinery & equipment	37,853	2,043	1,488	(1,185)	-	40,199		
Vehicles	38,081	3,915	420	(4,612)	-	37,804		
Infrastructure								
Airport	37,141	-	98	-	-	37,239		
Waterworks	349,695	6,343	1,019	(614)	-	356,443		
Sanitary sewer	270,312	3,642	1,035	(393)	-	274,596		
Transportation	563,848	5,909	346	(465)	-	569,638		
Storm drainage	278,994	2,347	1,953	(471)	-	282,823		
Dyking, drainage & irrigation	51,804	26	139	-	-	51,969		
Assets Under Construction	35,717	30,783	-	-	(13,970)	52,530		
	\$2,427,388	\$ 60,879	\$ 14,204	\$ (9,178)	\$ (14,203)	\$ 2,479,090		

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 3 - CONTINUED

Opening Balance	Accumulated Amortization			Net Book Value Dec 31, 2021	Net Book Value Dec 31, 2020
	Add		Less		
	Amortization	Accumulated Amortization on Disposals	Closing Balance		
\$ 10,831	\$ 387	\$ 1	\$ (11,218)	\$ 5,533	\$ 6,154
45,347	1,473	(680)	(46,140)	17,434	17,460
130,409	3,919	(551)	(133,777)	110,323	105,749
32,036	1,545	(1,174)	(32,407)	7,792	5,815
22,632	2,550	(4,101)	(21,081)	16,723	15,449
14,253	1,018	-	(15,271)	21,968	22,888
122,821	6,521	(347)	(128,995)	227,448	226,874
114,932	5,333	(142)	(120,123)	154,473	155,381
373,028	15,300	(342)	(387,986)	181,652	190,819
92,583	3,980	(170)	(96,393)	186,430	186,411
33,454	741	-	(34,195)	17,774	18,351
				52,530	35,717
\$ 992,326	\$ 42,767	\$ (7,506)	\$ (1,027,586)	\$ 1,451,504	\$ 1,435,060

 See notes to Consolidated Financial Statements.

APPROPRIATED SURPLUS (RESERVES) CONTINUITY SCHEDULE

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 4

	Balance, Beginning of Year	(To)/From Operating Fund	(To)/From Other Funds	Interest Earned	Balance, December 31, 2021
STATUTORY CAPITAL RESERVES					
General	\$ 99,280	\$ 34,370	\$ (29,308)	\$ 1,553	\$ 105,895
Storm drainage	11,022	-	(1,085)	183	10,120
Waterworks	58,760	11,443	(5,009)	1,028	66,222
Sanitary sewer	61,048	7,869	(4,191)	1,059	65,785
Airport	20,244	3,930	32	378	24,584
Affordable housing	1,230	-	-	20	1,250
Property acquisition	2,616	2,683	-	79	5,378
	254,200	60,295	(39,561)	4,300	279,234
GENERAL OPERATING RESERVE					
Planned Transfers					
New facility operations	2,657	-	-	51	2,708
Water system contingency	850	-	-	16	866
Insurance	2,570	-	-	44	2,614
Tradex	70	95	(79)	2	88
Election	197	112	-	7	316
Community Works Fund	35,591	9,316	-	589	45,496
Climate action	2,203	101	-	38	2,342
Community projects	482	-	-	9	491
Storm sewers	26	25	-	1	52
COVID-19 relief grant	2,089	(2,089)	-	-	-
	46,735	7,560	(79)	757	54,973
Operating Surplus Transfers					
Police	4,738	(360)	(2,416)	38	2,000
Winter operations	3,190	-	-	61	3,251
Storm drainage	6,869	-	-	132	7,001
Sumas Prairie dyking, drainage & irrigation	(95)	164	-	1	70
Matsqui Prairie dyking, drainage & irrigation	262	48	-	7	317
Solid waste	(1,560)	(1,610)	-	(61)	(3,231)
Infrastructure maintenance	4,727	-	-	91	4,818
	18,131	(1,758)	(2,416)	269	14,226
Other Transfers					
General government	4,348	1,263	-	108	5,719
Planning & development	687	(48)	-	12	651
Fire rescue services	165	(165)	-	-	-
Parks & recreation	99	215	-	6	320
Engineering	885	24	-	17	926
Traffic fine revenue	219	-	-	4	223
Transit provision	4,404	-	-	85	4,489
Debt provision	-	-	1,416	27	1,443
	10,807	1,289	1,416	259	13,771
Total Reserves	75,673	7,091	(1,079)	1,285	82,970
	\$ 329,873	\$ 67,386	\$ (40,640)	\$ 5,585	\$ 362,204

See notes to consolidated financial statements.

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

DEBT OUTSTANDING AND DEBT SERVICING BY FUND & FUNCTION

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

EXHIBIT 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding, Beginning of Year	2021 Debt Servicing			Debt Outstanding December 31, 2021						
						Principal	Interest	Total							
GENERAL FUND															
Parks, Recreation and Culture															
Abbotsford Centre	1586	102/103	2032	5.00	\$ 33,900	\$ 2,178	\$ 1,881	\$ 4,059	\$ 31,722						
Cultural Centre	1587	102/103	2027	5.00	4,635	554	279	833	4,081						
Community Centre	1588	102/103	2027	5.00	9,269	1,107	558	1,665	8,162						
Total Long-term Debt					\$ 47,804	\$ 3,839	\$ 2,718	\$ 6,557	\$ 43,965						

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE A

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Municipal taxation:			
General	\$ 92,949	\$ 94,237	\$ 90,237
Police	55,557	55,607	54,221
Library	5,135	5,135	5,065
Dyking, drainage & irrigation	1,952	1,949	1,956
Utility tax	2,000	2,244	2,166
Business improvement assessment	392	497	466
Hotel tax	200	546	393
Grants in lieu of taxes:			
Federal government	910	863	920
Provincial governments and agencies	1,305	1,670	1,585
Fees and charges:			
Transit	2,208	2,404	2,292
Police	560	1,788	747
Solid waste	9,258	8,798	8,394
Storm drainage	3,725	3,751	3,742
Parks, recreation and culture	4,481	4,294	3,264
Abbotsford Centre	5,490	2,377	2,362
Other	2,697	14,779	5,756
Licenses and permits:			
Building permits	2,551	3,986	3,334
Soil removal fees	2,535	3,297	3,249
Business licences	1,250	1,424	1,377
Municipal license plates	-	-	4
Secondary suite fees	1,375	1,435	1,395
Other licences and permits	546	946	555
Rental:			
Police	41	45	45
Other	2,231	2,768	2,230
Investment income	1,967	4,307	5,165
Municipal Finance Authority refunds	36	21	25
Grants and government transfers:			
Transit	6,439	5,345	6,206
Police	2,788	2,866	2,379
Other	7,583	16,683	16,352
	218,161	244,062	225,882

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE A - CONTINUED

	2021 Plan	2021 Actual	2020 Actual
EXPENSE			
General government services (Schedule E)	26,276	34,381	22,497
Planning & development services (Schedule F)	7,839	6,147	6,424
Protective services			
Police services (Schedule G)	58,415	59,711	54,526
Fire rescue services (Schedule H)	21,461	21,446	19,974
Parks, recreation & culture services (Schedule I)	24,952	22,626	20,846
Abbotsford Centre (Schedule J)	8,402	5,958	5,452
Library services (Schedule K)	4,835	4,814	4,623
Transit services (Schedule L)	14,913	11,922	11,656
Engineering services (Schedule M)	16,806	15,146	14,580
Solid waste services (Schedule N)	9,458	10,867	9,844
Storm drainage services (Schedule O)	3,473	3,313	2,461
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule P)	1,260	1,161	1,102
Sumas Prairie (Schedule P)	1,958	1,607	1,799
	<u>200,048</u>	<u>199,099</u>	<u>175,784</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>18,113</u>	<u>44,963</u>	<u>50,098</u>
Amortization (Schedules E - P)	-	28,822	24,341
Loss/(gain) on disposal of tangible capital assets (Schedules E - P)	-	(2,329)	21,573
	<u>18,113</u>	<u>18,470</u>	<u>4,184</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(3,472)	(1,072)
Transfer to general capital reserve	(21,094)	(34,042)	(38,591)
Transfer to operating reserve	(7,443)	(16,449)	(13,293)
Transfer from operating reserve	14,226	8,774	5,883
Debt principal repayments	(3,802)	(3,839)	(3,870)
Inventory and pre-paid expenses	-	369	(233)
Eliminate amortization and loss/gain	-	30,189	46,992
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ - \$</u>	<u>- \$</u>	<u>-</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE B

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges:			
User rates	\$ 20,059	\$ 20,195	\$ 18,754
Other fees and charges	480	1,028	931
Rent	56	40	40
	<u>20,595</u>	<u>21,263</u>	<u>19,725</u>
EXPENSE			
Abbotsford-Mission supply and transmission	4,219	3,891	3,868
Administration	3,399	2,889	2,786
Local supply and distribution	2,080	1,973	2,149
Meters	657	561	705
Hydrants	433	345	494
Maintenance	122	268	233
	<u>10,910</u>	<u>9,927</u>	<u>10,235</u>
ANNUAL SURPLUS BEFORE AMORTIZATION			
	9,685	11,336	9,490
Amortization	-	6,555	6,331
Loss on disposal of tangible capital assets	-	267	189
ANNUAL SURPLUS	9,685	4,514	2,970
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to waterworks capital reserve	(9,685)	(11,333)	(9,487)
Eliminate amortization and loss/gain	-	6,819	6,517
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE C

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges:			
User rates	\$ 13,320	\$ 13,754	\$ 12,820
Industrial surcharges	1,046	1,139	1,165
Other fees and charges	358	1,115	903
Investment income	77	110	132
	<u>14,801</u>	<u>16,118</u>	<u>15,020</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	5,227	4,685	4,596
Administration	2,498	2,317	2,188
Maintenance	1,629	1,369	1,323
	<u>9,354</u>	<u>8,371</u>	<u>8,107</u>
ANNUAL SURPLUS BEFORE AMORTIZATION			
	<u>5,447</u>	<u>7,747</u>	<u>6,913</u>
Amortization	-	5,256	5,059
Loss on disposal of tangible capital assets	-	251	236
ANNUAL SURPLUS	5,447	2,240	1,618
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to sanitary sewer capital reserve	(5,447)	(7,747)	(6,909)
Eliminate amortization and loss/gain	-	5,507	5,291
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE D

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 910	\$ 1,274	\$ 818
Public parking fees	1,090	1,373	1,097
Concessions	741	1,397	985
Other fees and charges	234	220	242
Rent	1,776	1,821	1,727
Investment income	96	98	88
Grants and government transfers	-	1,914	-
	4,847	8,097	4,957
EXPENSE			
Administration	1,500	1,516	1,456
Marketing	72	12	4
Terminal building	789	588	456
Airside	1,669	1,734	1,599
Mobile equipment	297	241	222
Parking	191	150	335
	4,518	4,241	4,072
ANNUAL SURPLUS BEFORE AMORTIZATION			
Amortization	-	1,893	1,831
Loss on disposal of tangible capital assets	-	(57)	25
ANNUAL SURPLUS/(DEFICIT)	329	2,020	(971)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	(67)	(15)
Transfer to airport capital reserve	(329)	(3,856)	(885)
Eliminate amortization and loss/gain	-	1,903	1,871
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE E

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Municipal taxation	\$ 97,756	\$ 100,057	\$ 95,766
Fees and charges	1,167	12,849	4,021
Rent	1,967	2,681	1,922
Investment income	1,933	4,288	5,126
Grants and government transfers	7,403	16,050	15,539
Municipal Finance Authority refunds	36	21	25
	110,262	135,946	122,399
EXPENSE			
MAYOR & COUNCIL	868	652	683
CITY MANAGER'S OFFICE	1,133	488	490
FINANCE, LEGAL & LEGISLATIVE SERVICES			
City clerk	1,662	1,177	1,609
Bylaw enforcement	1,777	3,124	2,671
Elections	300	298	-
Finance & procurement	4,596	3,798	4,244
Risk management	2,078	1,808	1,402
Restorative justice	149	148	148
Real estate services	369	402	515
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR administration	1,234	1,166	1,080
Corporate communications and marketing	869	832	815
Human resources	2,624	2,218	2,367
Information technology	5,206	5,476	4,682
Economic development	1,207	767	782
Housing services	1,201	2,226	1,129
OTHER			
Provincial emergency response	-	11,295	933
Transfer to other agencies	707	1,167	974
Common services	3,338	706	1,068
Less: Cost recoveries	(3,040)	(3,367)	(3,095)
	26,278	34,381	22,497
ANNUAL SURPLUS BEFORE AMORTIZATION			
Amortization	-	1,747	1,365
Loss on disposal of tangible capital assets	-	-	12
	83,984	99,818	98,525
ANNUAL SURPLUS			
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(6,435)	(19,117)	(23,557)
Transfer to operating reserve	(6,272)	(15,457)	(9,341)
Transfer from operating reserve	10,727	5,742	3,913
Inventory and pre-paid expenses	-	-	(233)
Eliminate amortization and loss/gain	-	1,747	1,377
	\$ 82,004	\$ 72,733	\$ 70,684



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, 2021 with comparative information for 2020 (in thousands)

SCHEDULE F

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,250	\$ 1,424	\$ 1,377
Development permit application fees	150	256	133
Rezoning application fees	200	437	214
Subdivision application fees	100	167	128
Building permits	2,551	3,986	3,334
Secondary suite fees	1,375	1,435	1,395
Other licences and permits	83	72	70
Fees and charges:			
Development fees on Engineering projects	30	71	48
Other fees and charges	83	92	152
Grants	-	-	-
	5,822	7,940	6,851
EXPENSE			
Development approvals	4,668	3,221	3,383
Licence inspection	-	2	120
Building inspections	3,171	2,924	2,921
	7,839	6,147	6,424
ANNUAL SURPLUS/(DEFICIT)	(2,017)	1,793	427
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	-	(429)
Transfer from operating reserve	1,240	48	113
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (777)	\$ 1,841	\$ 111

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE G

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Municipal taxation	\$ 55,557	\$ 55,607	\$ 54,221
Fees and charges:			
Salary recoveries	100	1,116	197
Other revenue	459	671	550
Government grants:			
Traffic fine revenue - sharing	2,000	2,000	1,950
Other government grants	788	866	394
Rent	41	45	45
	58,945	60,305	57,357
EXPENSE			
Finance and budgets	696	685	660
Executive administration	2,140	2,392	2,134
Operations support	5,467	5,277	4,970
Support services	6,937	7,299	6,492
Criminal investigations	9,113	11,116	8,420
Patrol	18,218	19,570	18,811
Operations control	6,717	5,200	4,853
Police building	687	631	524
Human resources	2,484	2,951	2,328
Vehicle maintenance	1,312	1,320	1,411
Common services & secondment	4,647	3,269	3,923
	58,418	59,710	54,526
ANNUAL SURPLUS BEFORE AMORTIZATION	527	595	2,831
Amortization	-	1,074	1,022
(Gain) on disposal of tangible capital assets	-	(81)	(22)
ANNUAL SURPLUS	527	(398)	1,831
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(488)	(49)
Transfer from operating reserve	385	360	-
Transfer to operating reserve	-	-	(1,898)
Transfer to general capital reserve	(912)	(912)	(933)
Eliminate amortization and loss/gain	-	1,438	1,049
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-



See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE H

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges	\$ 210	\$ 96	\$ 119
Licences and permits	10	11	4
Grants	-	-	24
Emergency services recovery	52	67	58
	<u>272</u>	<u>174</u>	<u>205</u>
EXPENSE			
ABBOTSFORD FIRE RESCUE SERVICES			
Administration	664	666	559
Fire prevention and inspection	847	778	809
Emergency response	19,112	19,104	17,886
Fire halls and ground maintenance	576	643	521
EMERGENCY SERVICES			
Search and rescue	75	84	87
City emergency response	187	171	112
	<u>21,461</u>	<u>21,446</u>	<u>19,974</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(21,189)</u>	<u>(21,272)</u>	<u>(19,769)</u>
Amortization	-	1,015	979
(Gain) on disposal of tangible capital assets	-	(41)	(117)
ANNUAL (DEFICIT)	<u>(21,189)</u>	<u>(22,246)</u>	<u>(20,631)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(54)	(154)
Transfer from operating reserve	-	805	729
Transfer to operating reserve	-	-	-
Transfer to general capital reserve	(533)	(533)	(533)
Eliminate amortization and loss/gain	-	1,029	1,017
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (21,722)</u>	<u>\$ (20,999)</u>	<u>\$ (19,572)</u>

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE I

	2021 Plan	2021				2021 Actual	2020 Actual
		General	Parks	Recreation	Culture		
REVENUE							
Fees and charges	\$ 4,486	\$ 118	\$ 1,831	\$ 2,348	\$ -	\$ 4,297	\$ 3,265
Rent	57	-	-	67	-	67	66
Grants and government transfers	-	-	-	30	-	30	-
	<u>4,543</u>	<u>118</u>	<u>1,831</u>	<u>2,445</u>	<u>-</u>	<u>4,394</u>	<u>3,331</u>
EXPENSE							
Operations	24,090	1,141	10,199	9,277	1,172	21,789	19,945
Long-term debt interest	862	-	-	558	279	837	901
	<u>24,952</u>	<u>1,141</u>	<u>10,199</u>	<u>9,835</u>	<u>1,451</u>	<u>22,626</u>	<u>20,846</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION							
	(20,409)	(1,023)	(8,368)	(7,390)	(1,451)	(18,232)	(17,515)
Amortization	-	-	1,807	824	136	2,767	2,855
Loss on disposal of tangible capital assets	-	-	-	38	20	58	21,509
ANNUAL (DEFICIT)	<u>(20,409)</u>	<u>(1,023)</u>	<u>(10,175)</u>	<u>(8,252)</u>	<u>(1,607)</u>	<u>(21,057)</u>	<u>(41,879)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS							
Debt principal repayments	(1,645)	-	-	(1,108)	(554)	(1,662)	(1,598)
Transfer to general capital reserve	(1,519)	(107)	(794)	(545)	(73)	(1,519)	(1,519)
Transfer to cemetery capital reserve	(160)	-	(129)	-	-	(129)	(19)
Transfer to operating reserve	-	-	-	-	(232)	(232)	(97)
Transfer from operating reserve	312	17	-	-	-	17	-
Transfer to general capital reserve (asset sales)	-	-	-	-	-	-	(450)
Eliminate amortization and loss/gain	-	-	1,807	862	156	2,825	24,813
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (23,421)</u>	<u>\$ (1,113)</u>	<u>\$ (9,291)</u>	<u>\$ (9,043)</u>	<u>\$ (2,310)</u>	<u>\$ (21,757)</u>	<u>\$ (20,749)</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE J

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges	\$ 5,490	\$ 2,377	\$ 2,362
Investment income	- -	18	39
	<u>5,490</u>	<u>2,395</u>	<u>2,401</u>
EXPENSE			
Operations	6,488	4,077	3,487
Long-term debt interest	1,914	1,881	1,965
	<u>8,402</u>	<u>5,958</u>	<u>5,452</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(2,912)	(3,563)	(3,051)
Amortization	- -	876	884
ANNUAL (DEFICIT)	(2,912)	(4,439)	(3,935)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(2,157)	(2,178)	(2,273)
Eliminate amortization and loss/gain	- -	876	884
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,069)	\$ (5,741)	\$ (5,324)

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE K

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Municipal tax	\$ 5,135	\$ 5,135	\$ 5,065
EXPENSE			
Transfer to Fraser Valley Regional Library	4,479	4,479	4,367
Operating costs	356	335	256
	<u>4,835</u>	<u>4,814</u>	<u>4,623</u>
ANNUAL SURPLUS BEFORE AMORTIZATION			
	300	321	442
Amortization	-	174	227
Loss/(gain) on disposal of tangible capital assets'	-	35	-
ANNUAL SURPLUS	300	112	215
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(300)	(300)	(300)
Transfer to operating reserve	-	(21)	(142)
Eliminate amortization and loss/gain	-	209	227
CHANGE IN UNAPPROPRIATED SURPLUS	\$ - \$	- \$	-

 See notes to Consolidated Financial Statements.

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

For the year December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE L

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Grants and government transfers	\$ 6,439	\$ 5,345	\$ 6,206
Fares	1,306	1,512	1,395
BC bus pass program	691	683	702
Advertising and other	211	209	195
	<hr/> 8,647	<hr/> 7,749	<hr/> 8,498
EXPENSE			
Transfer to BC Transit	15,060	11,771	11,491
Other	(147)	151	165
	<hr/> 14,913	<hr/> 11,922	<hr/> 11,656
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<hr/> (6,266)	<hr/> (4,173)	<hr/> (3,158)
Amortization	-	12	12
ANNUAL (DEFICIT)	<hr/> (6,266)	<hr/> (4,185)	<hr/> (3,170)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Eliminate amortization and loss/gain	-	12	12
CHANGE IN UNAPPROPRIATED SURPLUS	<hr/> \$ (6,580)	<hr/> \$ (4,173)	<hr/> \$ (3,158)

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE M

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 846	\$ 655
Recoveries	188	371	220
Parking lot tickets	-	13	15
Other	811	222	244
Licenses and permits:			
Soil removal fees	2,535	3,297	3,249
Other	4	3	5
Grants	179	25	286
Developer contributions	-	-	40
Rent	207	20	242
	3,924	4,797	4,956
EXPENSE			
ADMINISTRATION	1,969	2,062	1,974
ENGINEERING	4,584	3,234	3,500
TRANSPORTATION			
Services	3,954	3,138	3,159
Operations - roads	5,599	6,069	6,078
EQUIPMENT FLEET			
Operations	4,820	4,863	4,727
Internal recoveries	(6,196)	(6,430)	(6,533)
MUNICIPAL BUILDINGS	2,463	2,376	2,078
LESS: COST RECOVERIES	(387)	(387)	(403)
	16,806	14,925	14,580
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(12,882)	(10,128)	(9,624)
Amortization	-	16,787	12,537
(Gain) on disposal of tangible capital assets	-	(2,605)	(61)
ANNUAL (DEFICIT)	(12,882)	(24,310)	(22,100)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(3,195)	(418)
Transfer to general capital reserve	(11,508)	(11,508)	(11,810)
Transfer to operating reserve	(170)	(386)	(442)
Transfer from operating reserve	555	33	209
Eliminate amortization and loss/gain	-	17,221	12,900
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (24,005)	\$ (22,145)	\$ (21,661)

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE N

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 6,701	\$ 6,564	\$ 5,922
Garbage stickers	35	8	40
Recycling, compost and yard waste fees	993	934	744
Recoveries & other	1,529	1,285	1,688
Grants	-	468	539
	<u>9,258</u>	<u>9,259</u>	<u>8,933</u>
EXPENSE			
Planning, design and management	1,345	1,400	869
Collection	3,682	3,712	3,762
Disposal	4,431	5,757	5,213
	<u>9,458</u>	<u>10,869</u>	<u>9,844</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(200)	(1,610)	(911)
Amortization	-	37	27
Loss/(gain) on disposal of tangible capital assets	-	4	67
ANNUAL (DEFICIT)	(200)	(1,651)	(1,005)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	-	-
Transfer from operating reserve	831	1,610	911
Eliminate amortization and loss/gain	-	41	94
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE O

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Storm drainage user fees	\$ 3,722	\$ 3,725	\$ 3,724
Other	3	26	18
	<u>3,725</u>	<u>3,751</u>	<u>3,742</u>
EXPENSE			
Storm sewers and detention	2,825	2,020	1,959
Urban watercourses	159	992	170
Rural drainage	489	301	332
	<u>3,473</u>	<u>3,313</u>	<u>2,461</u>
ANNUAL SURPLUS BEFORE AMORTIZATION			
	<u>252</u>	<u>438</u>	<u>1,281</u>
Amortization	-	3,836	3,715
Loss on disposal of tangible capital assets	-	301	185
ANNUAL SURPLUS/(DEFICIT)	<u>252</u>	<u>(3,699)</u>	<u>(2,619)</u>
Matsqui Prairie (Schedule P)	(543)	(685)	(600)
Sumas Prairie (Schedule P)	(532)	(730)	(875)
TOTAL ANNUAL (DEFICIT)	<u>(823)</u>	<u>(5,114)</u>	<u>(4,094)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	(25)	(25)	(743)
Transfer from operating reserve	182	160	8
Transfer to general capital reserve	49	-	(9)
Reconcile to contribution from storm drainage-Matsqui Prairie	543	183	133
Reconcile to contribution from storm drainage-Sumas Prairie	533	317	472
Eliminate amortization and loss/gain	(891)	4,056	3,901
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (432)</u>	<u>\$ (423)</u>	<u>\$ (332)</u>

 See notes to Consolidated Financial Statements.

SEGMENT INFORMATION – REVENUES BY TYPE & EXPENSES BY FUNCTION GENERAL OPERATING FUND – DYKING, DRAINAGE & IRRIGATION SERVICES

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE P

	2021 Plan	2021 Actual	2020 Actual	2021 Plan	2021 Actual	2020 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
General tax levy	\$ 701	\$ 707	\$ 702	\$ 1,252	\$ 1,242	\$ 1,253
Other revenue	16	-	4	171	164	185
	<u>717</u>	<u>707</u>	<u>706</u>	<u>1,423</u>	<u>1,406</u>	<u>1,438</u>
EXPENSE						
Dyking	60	53	53	80	47	75
Drainage	679	628	612	772	563	658
Storm	211	195	189	-	-	-
Irrigation	139	122	98	149	122	145
Administration	155	163	150	234	219	200
Pump stations	-	-	-	710	680	721
Recoverable work	16	-	-	10	-	-
	<u>1,260</u>	<u>1,161</u>	<u>1,102</u>	<u>1,955</u>	<u>1,631</u>	<u>1,799</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(543)	(454)	(396)	(532)	(225)	(361)
Amortization	-	231	204	-	505	514
ANNUAL (DEFICIT)	(543)	(685)	(600)	(532)	(730)	(875)
RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE						
Transfer to general capital reserve	65	-	-	118	(24)	(24)
Transfer to operating reserve	478	(48)	(71)	414	(164)	(18)
Eliminate amortization and loss/gain	-	231	204	-	505	514
CONTRIBUTION FROM STORM DRAINAGE	\$ - \$ (502) \$	(467) \$	- \$ (413) \$	(403)		

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE Q

	2021 Plan	General	Waterworks	Sanitary Sewer	Airport	2021 Actual	2020 Actual
REVENUE							
Fees and charges	\$ 4,207	\$ 2,244	\$ 207	\$ 20	-	\$ 2,471	\$ 762
Airport improvement fees	-	-	-	-	-	-	5
Developer charges earned	12,616	3,264	60	187	-	3,511	2,780
Contributed tangible capital assets	-	7,171	3,306	915	-	11,392	25,145
Grants and government transfers	44,972	7,814	-	87	3,939	11,840	4,943
Contributions (to)/from other funds	-	124	75	-	(199)	-	-
	61,795	20,617	3,648	1,209	3,740	29,214	33,635
EXPENSE							
Minor capital projects							
General government	1,240	1,221	-	-	-	1,221	850
Police services	739	1,457	-	-	-	1,457	977
Fire services	37	7	-	-	-	7	2
Park services	260	430	-	-	-	430	510
Recreation services	47	81	-	-	-	81	155
Transportation services	8,550	4,669	-	-	-	4,669	4,269
Equipment fleet services	22	151	-	-	-	151	194
Solid waste services	8	34	-	-	-	34	21
Storm drainage services	802	335	-	-	-	335	303
Dyking, drainage & irrigation	10,246	220	-	-	-	220	828
Waterworks	1,445	-	274	-	-	274	626
Sanitary sewer	939	-	-	60	-	60	290
Airport	-	-	-	-	274	274	58
	24,335	8,605	274	60	274	9,213	9,083
ANNUAL SURPLUS							
	37,460	12,012	3,374	1,149	3,466	20,001	24,552
RECONCILE TO CHANGE IN CAPITAL EQUITY							
General capital reserve	69,110	30,405	-	-	-	30,405	23,863
Storm drainage reserve	605	1,085	-	-	-	1,085	547
Waterworks capital reserve	28,392	-	5,009	-	-	5,009	3,115
Sanitary sewer capital reserve	15,284	-	-	4,191	-	4,191	2,378
Airport capital reserve	10,597	-	-	-	(32)	(32)	1,713
Tangible capital assets	-	(29,746)	(6,819)	(5,507)	(1,903)	(43,975)	(60,671)
Debt principal repayment	3,802	3,839	-	-	-	3,839	3,870
	\$165,250	\$ 17,595	\$ 1,564	\$ (167)	\$ 1,531	\$ 20,523	\$ (633)

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

SCHEDULE R

	2021 Plan	2021 Actual	2020 Actual
REVENUE			
Investment income	\$ 4,110	\$ 5,585	\$ 5,925
Other sources	-	18	2
	<u>4,110</u>	<u>5,603</u>	<u>5,927</u>
ANNUAL SURPLUS	4,110	5,603	5,927
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	(33,099)	7,090	7,409
General capital reserve	(47,967)	3,966	13,796
Affordable housing reserve	-	-	500
Storm drainage reserve	(654)	(1,085)	(538)
Waterworks capital reserve	(18,460)	6,434	7,250
Sanitary sewer capital reserve	(9,788)	3,677	4,531
Airport capital reserve	(10,268)	3,962	(814)
Property acquisition reserve	-	2,683	617
CHANGE IN APPROPRIATED SURPLUS	<u>\$(116,126)</u>	<u>\$ 32,330</u>	<u>\$ 38,678</u>

 See notes to Consolidated Financial Statements.

2021 CONSOLIDATED FINANCIAL STATEMENTS

CEMETERY CARE
TRUST FUND



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

Opinion

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

- the statement of financial position as at end of December 31, 2021
- 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 City of Abbotsford Cemetery Care Trust Fund as at December 31, 2021 in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

We are independent of the Company 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.

AUDITORS' REPORT PAGE 2

*Cemetery Care Trust Fund.
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements'

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

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

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

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

2021 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 3

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

The logo for KPMG LLP, featuring the letters "KPMG" in a stylized font above the letters "LLP". A horizontal line extends from the right side of "KPMG" towards the left, ending under "LLP".

Chartered Professional Accountants

Abbotsford, Canada
May 9, 2022

CEMETERY CARE TRUST FUND – STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2021 with comparative information for 2020 (in thousands)

	2021 Actual	2020 Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 2,290	\$ 1,054
Accounts receivable	2,075	3,171
NET FINANCIAL ASSETS	<u>4,365</u>	<u>4,225</u>
 ACCUMULATED SURPLUS		
Balance, beginning of year	4,225	4,094
Contributions	140	131
Investment earnings	110	105
Transfer to general operating fund	(110)	(105)
Balance, end of year	<u>\$ 4,365</u>	<u>\$ 4,225</u>

 See notes to Consolidated Financial Statements

2021 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

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.

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2021 (Tabular amounts are in thousands of dollars)

	2021 Actual	2020 Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 2,290	\$ 1,054
Accounts receivable	2,075	3,171
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CITY OF ABBOTSFORD

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