



CITY OF ABBOTSFORD
British Columbia

2011

CONSOLIDATED
FINANCIAL STATEMENTS

Fiscal Year Ending December 31, 2011

Prepared by Corporate Services Finance Division



CITY OF ABBOTSFORD

Consolidated Financial Statements for the Year Ended December 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying consolidated financial statements of the City of Abbotsford which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2011, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Other Matters

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

KPMG LLP

Chartered Accountants

April 23, 2012

Abbotsford, British Columbia


CITY OF ABBOTSFORD

Consolidated Statement of Financial Position


As at December 31, 2011, with comparative figures as at December 31, 2010

In thousands

	2011	2010
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 91,141	\$ 50,637
Accounts receivable (Note 3)	46,184	67,359
Portfolio investments (Note 4)	53,670	92,486
	<u>190,995</u>	<u>210,482</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	73,244	77,873
Restricted revenue (Note 6)	28,748	32,231
Deferred revenue (Note 7)	14,650	14,162
	<u>116,642</u>	<u>124,266</u>
Long-term debt (Note 8)	92,160	96,598
	<u>208,802</u>	<u>220,864</u>
NET FINANCIAL DEBT	<u>(17,807)</u>	<u>(10,382)</u>
NON-FINANCIAL ASSETS		
Net tangible capital assets (Note 10)	1,451,824	1,392,723
Inventories	1,170	1,242
Pre-paids	2,891	2,736
	<u>1,455,885</u>	<u>1,396,701</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 1,438,078</u>	<u>\$ 1,386,319</u>



R. Bruce Banman, Mayor



Pat Soanes, CMA, General Manager
Finance & Corporate Services

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Consolidated Statement of Operations

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011 Plan (see Note 17)	2011 Actual	2010 Actual
REVENUE			
Municipal taxation	\$ 122,016	\$ 120,403	\$ 111,206
Fees, charges, sales of services	69,512	73,116	69,980
Developer charges earned	28,361	14,243	16,857
Developer contributions	23,000	17,234	8,249
Government grants	20,824	30,659	44,671
Interest and penalties	2,614	4,194	4,533
Rent	3,538	3,529	3,422
Other	610	319	562
	<u>270,475</u>	<u>263,697</u>	<u>259,480</u>
EXPENSE			
General government	15,515	14,011	14,654
Development services	4,054	4,194	3,484
Protective services	62,679	62,221	60,834
Parks, recreation, culture & libraries	38,056	38,917	37,468
Transit	9,414	8,877	8,067
Engineering	51,520	48,176	65,297
Dyking, drainage & irrigation	3,192	3,239	3,110
Waterworks	15,176	13,784	12,198
Sanitary sewer	13,190	11,552	9,925
Airport	6,860	6,967	5,730
	<u>219,656</u>	<u>211,938</u>	<u>220,767</u>
ANNUAL SURPLUS	<u>50,819</u>	<u>51,759</u>	<u>38,713</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,386,319</u>	<u>1,386,319</u>	<u>1,347,606</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,437,138</u>	<u>\$ 1,438,078</u>	<u>\$ 1,386,319</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Consolidated Statement of Cash Flows

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011	2010
OPERATING ACTIVITIES		
Annual surplus	\$ 51,759	\$ 38,713
Non-cash items included in annual surplus:		
Amortization expense	37,764	36,104
Contributed tangible capital assets	(17,234)	(8,249)
Net loss on disposal of tangible capital assets	1,606	497
Recognition of restricted revenue	(16,673)	(18,714)
Changes in non-cash operating items:		
Accounts receivable	21,175	(26,189)
Inventories	72	190
Pre-paids	(156)	(1,336)
Accounts payable, deposits and accruals	(4,629)	17,091
Deferred revenue	488	4,436
	74,172	42,543
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	814	1,659
Acquisition of tangible capital assets	(82,050)	(80,035)
	(81,236)	(78,376)
INVESTING ACTIVITY		
(Increase)/Decrease in portfolio investments	38,816	(4,852)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	13,190	11,180
Debt principal repaid	(4,438)	(4,204)
	8,752	6,976
INCREASE/(DECREASE) IN CASH AND EQUIVALENTS	40,504	(33,709)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	50,637	84,346
CASH AND EQUIVALENTS, END OF YEAR	\$ 91,141	\$ 50,637

CITY OF ABBOTSFORD

Consolidated Statement of Change in Net Financial Assets (Debt)

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011 Plan (see Note 17)	2011 Actual	2010 Actual
ANNUAL SURPLUS	\$ 50,819	\$ 51,759	\$ 38,713
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(128,711)	(82,050)	(80,035)
Contributed tangible capital assets	(23,000)	(17,234)	(8,249)
Amortization	36,276	37,764	36,104
Proceeds from sale of tangible capital assets	-	814	1,659
Net loss on disposal of tangible capital assets	-	1,606	497
	(115,435)	(59,100)	(50,024)
OTHER NON-FINANCIAL ASSETS:			
Decrease in inventory	-	72	190
Increase in pre-paids	-	(156)	(1,336)
	-	(84)	(1,146)
DECREASE IN NET FINANCIAL ASSETS	(64,616)	(7,425)	(12,457)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	(10,382)	(10,382)	2,075
NET FINANCIAL DEBT, END OF YEAR	\$ (74,998)	\$ (17,807)	\$ (10,382)

See notes to consolidated financial statements.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

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

1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Principles of Consolidation:

With the exception of the Cemetery Care Trust Fund, the Consolidated Financial Statements include all of the funds of the City and of Ledgeview Properties Ltd., the City's wholly-owned company. Except for water and sewer user fees, 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 water and sewer utilities, whose ownership transferred from the Fraser Valley Regional District (FVRD) jointly to the City of Abbotsford and District of Mission on January 1, 2005, are consolidated in the City's financial statements, with the District of Mission's minority interest removed.

(b) Fund Accounting:

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

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

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

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

(c) Financial Plan:

The Community Charter requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2011 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on January 10, 2011, with the exception of adjustments detailed in Note 17 to the Consolidated Statements, and is not subject to audit.

(d) Cash and Cash Equivalents:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

(e) Portfolio Investments:

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

(f) Non-Financial Assets:

Tangible capital assets, inventories and pre-paids 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.

(i) 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.

	<u>Major Asset Category</u>	<u>Useful Life Range</u>
		(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 Sewer and Detention	50 - 100
	Dyking, Drainage and Irrigation	20 - 100

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

(ii) Inventories

Inventories of supplies are valued at the lower of cost and net realizable value, on a weighted average basis.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

(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.

(j) Expense Recognition:

Operating and capital expenses are recognized on the accrual basis in the period they are incurred.

(k) Government Transfers:

Government transfers are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur. Transfers to other agencies are normally granted only in return for services provided to the community.

(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 and tangible capital asset historical costs pre-2008, timing of new asset recognition, and tangible capital asset amortization. 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 if the amount is different.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

2. CASH AND CASH EQUIVALENTS: (in thousands)	2011	2010
Cash	\$23,432	\$33,383
MFA short-term money market investment pool	67,709	17,254
	<u>\$91,141</u>	<u>\$50,637</u>

3. ACCOUNTS RECEIVABLE: (in thousands)	2011	2010
Fees and charges	\$18,717	\$26,550
Taxes	8,450	7,486
Government grants	8,938	28,470
Development cost charges	5,762	3,504
Local improvement charges	4,317	1,349
	<u>\$46,184</u>	<u>\$67,359</u>

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

4. PORTFOLIO INVESTMENTS:

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

(in thousands)	2011		2010	
	Cost	Market	Cost	Market
Portfolio investments	\$53,670	\$55,462	\$92,486	\$94,495
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Duration	less than 2 years	2-10 years	less than 2 years	2-10 years
Average holdings	\$25,794	\$30,645	\$32,186	\$39,448
Annual yield	2.13%	5.48%	2.08%	5.31%

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts Payable: (in thousands)	2011	2010
Trade payables	\$35,599	\$37,010
Deposits	8,998	9,405
Tax prepayments	11,252	12,351
Salaries and wages	6,095	5,778
Due to Cemetery Care Trust Fund	59	695
Accrued liabilities:		
Retirement allowance liability	6,504	5,815
Liability claims	2,673	4,941
Vacation pay	961	881
Landfill restoration liability	1,103	997
	<u>\$73,244</u>	<u>\$77,873</u>



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011

Retirement Allowance Liability:

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

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

In 2010, an independent actuarial valuation of the retirement liability was performed. The actuarial valuation for these benefits was performed to determine the City's benefit obligation as at December 31, 2010. The difference between the actuarially determined benefit obligation of \$6,923,000 and the accrued benefit liability of \$5,815,000 as at December 31, 2010, was an unamortized actuarial loss of \$1,108,000, (2011 - \$419,000) 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, 2012.

(in thousands)	2011	2010
Actuarial benefit obligation	\$ 6,923	\$ 6,923
Unamortized actuarial (loss)	(419)	(1,108)
Accrued benefit liability	<u>\$ 6,504</u>	<u>\$ 5,815</u>
Accrued benefit liability (in thousands)	2011	2010
Balance, beginning of year	\$5,815	\$5,365
Current service cost	906	599
Interest cost	233	244
Benefits paid	(450)	(393)
Balance, end of year	<u>\$6,504</u>	<u>\$5,815</u>
Actuarial Assumptions used to determine the benefit obligation:	2011	2010
Discount rate	4.0%	4.3%
Expected wage and salary increase – Fire & Police	3.0%	3.5%
Expected wage and salary increase – all departments	2.5%	3.0%

Landfill Restoration Liability:

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



CITY OF ABBOTSFORD
 Notes to the Consolidated Financial Statements
 For the Year Ended December 31, 2011

The Valley Road and Trethewey Street Landfill sites are expected to require care up to, and including, the year 2024, with further care dependent on the outcome of closure plans prepared by qualified independent consultants required by BC Ministry of Environment permits. The closure plans will provide direction on costs and scope of care needed. The Valley Road Landfill Closure Plan should be complete in early 2012.

The McCallum Road site ceased operation in 1978, and the property was subsequently sold with no liability assumed for the City.

A liability of \$1,103,000, at December 31, 2011 (2010 - \$997,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2011 was 4.5% (2010 - 4.5%) and the inflation rate used in 2011 was 2% (2010 - 2%). Landfill restoration costs in 2011 were \$106,800 (2010 - \$199,961). There are no assets designated for settling the post-closure care liability.

(in thousands)	2011	2010
Restoration liability, beginning of year	\$ 997	\$ 681
Adjust liability	106	316
Restoration liability, end of year	<u>\$1,103</u>	<u>\$ 997</u>

6. RESTRICTED REVENUE LIABILITY:

(in thousands)	Development Cost Charges	Development Fees	Airport Fees	2011 Total	2010 Total
Balance December 31, 2010	\$17,466	\$14,042	\$ 723	\$32,231	\$39,765
Add:					
Current year contributions	8,333	1,830	2,314	12,477	10,554
Interest	345	351	17	713	626
	<u>26,144</u>	<u>16,223</u>	<u>3,054</u>	<u>45,421</u>	<u>50,945</u>
Deduct amounts recognized as revenue in current year					
Contributions from developers:					
- Capital expenditures	13,640	701	-	14,341	16,640
Airport fees:					
- Eligible airport expenditures	-	-	2,332	2,332	2,074
	<u>13,640</u>	<u>701</u>	<u>2,332</u>	<u>16,673</u>	<u>18,714</u>
Balance, December 31, 2011	<u>\$ 12,504</u>	<u>\$15,522</u>	<u>\$ 722</u>	<u>\$28,748</u>	<u>\$32,231</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.

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City of Abbotsford for the remaining amount of DCCs owing. As at December 31, 2011, the amount of DCCs due over the next two years is \$5,762,000 (2010 - \$3,504,000).

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.

Development Cost Charge Liability: (in thousands)	2011	2010
Storm sewer	\$10,767	\$10,960
Parks	275	620
Joint Abbotsford/Mission waterworks (Abbotsford portion)	-	1,904
Sanitary sewer	115	2,372
Joint Abbotsford/Mission sanitary sewer (Abbotsford portion)	1,347	1,610
	<u>\$12,504</u>	<u>\$17,466</u>

7. DEFERRED REVENUE: (in thousands)

	2011	2010
Fees and charges	\$ 2,093	\$ 4,240
Provincial government grants	11,275	9,922
UFV Library Lease	1,282	-
	<u>\$14,650</u>	<u>\$14,162</u>

8. LONG-TERM DEBT:

The City carries no debt for others. Debenture debt principal is reported net of sinking fund balances, and interest expense is reported net of sinking fund earnings. All long-term debt is payable in Canadian dollars. Principal payments due within each of the next five years are listed below:

(in thousands)	General	Joint Water	Joint Sewer	TOTAL
2012	\$ 3,173	\$ 759	\$ 549	\$ 4,481
2013	3,305	795	575	4,675
2014	2,889	631	602	4,122
2015	3,005	662	630	4,297
2016	3,125	695	660	4,480
2017 and thereafter	61,808	5,650	2,647	70,105
	<u>\$77,305</u>	<u>\$9,192</u>	<u>\$5,663</u>	<u>\$92,160</u>

Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Supplementary Information, Exhibit 5). The City's interest expense on long-term debt totaled \$4,941,000 in 2011 (2010 - \$5,155,000).



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

9. INTERNAL BORROWING

To achieve more financial flexibility and minimize borrowing costs to the fullest extent possible, internal borrowing between capital reserves is sometimes used in accordance with the legal authority provided under the *Community Charter*. Interest charges equivalent to the interest that would have been earned on the borrowed funds had they remained in the reserve fund are applied annually.

In 2010 and 2011, internal borrowing was provided for two road interchange projects which will subsequently be funded through the Roads DCC Program and one project through the Water DCC Program. The internal borrowing enabled the City to take advantage of significant Federal and Provincial Stimulus Grant funds. Also in 2011, internal borrowing was provided for Joint Water projects to account for timing differences between DCC funds collected and actual expenditures.

Additionally, a parcel of land strategic for the future development of the Abbotsford Airport was available for sale in 2010. To complete this purchase, the Airport borrowed \$5,000,000 internally, and is repaying this amount over a five-year period.

(in thousands)	2011	2010
Roads DCC projects	\$23,325	\$14,874
Water DCC project	357	465
Joint Water DCC projects	1,955	-
Airport land acquisition	4,000	5,000
	\$29,637	\$20,339

10. TANGIBLE CAPITAL ASSETS:

(in thousands)	2011	2010
Tangible Capital Assets consist of the following:		
General		
Land	\$ 374,131	\$ 369,256
Land Improvements	7,655	7,818
Park Improvements	21,178	20,582
Buildings	131,592	134,292
Machinery & Equipment	14,528	15,308
Vehicles	12,555	12,276
Infrastructure		
Airport	31,868	5,897
Water	197,563	190,882
Sewer	144,924	142,466
Transportation	229,000	228,753
Storm Sewer and Detention	184,896	181,884
Dyking, Drainage & Irrigation	22,507	23,152
Assets Under Construction	79,427	60,157
	\$1,451,824	\$1,392,723

See Exhibit 3 for continuity of Tangible Capital Assets.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements is \$17,234,000 (2010 – \$8,249,000).

Art and historic treasures are held by the local government 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.

During the year, the City determined that certain tangible capital assets had been omitted from its 2010 asset registers. The consolidated statement of financial position for the 2010 comparative period has been recasted for these items. The effects of the recast on the consolidated statement of financial position are summarized below:

(in thousands)	<u>2010</u>
Accumulated surplus at December 31, 2010	
Accumulated surplus as previously reported	\$ 1,385,601
Net book value of tangible capital assets not previously reported	718
Accumulated surplus, as recasted	<u>\$ 1,386,319</u>
 Tangible capital assets at December 31, 2010	
Tangible capital assets as previously reported	\$ 1,392,005
Net book value of tangible capital assets not previously reported	718
Tangible capital assets, as recasted	<u>\$ 1,392,723</u>

11. ACCUMULATED SURPLUS

(in thousands)	<u>2011</u>	<u>2010</u>
Unappropriated Balance		
General operations	\$ 8,296	\$ 8,280
Waterworks operations	1,018	940
Sanitary sewer operations	4,601	4,601
Airport operations	1,176	1,176
	<u>15,091</u>	<u>14,997</u>
Appropriated Surplus		
General operations reserve	13,961	9,210
Statutory capital reserves	76,220	82,348
	<u>90,181</u>	<u>91,558</u>
 Investment in Tangible Capital Assets	1,328,745	1,275,786
Investment in Other Non-Financial Assets	4,061	3,978
Total Accumulated Surplus	<u>\$1,438,078</u>	<u>\$1,386,319</u>



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011

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

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

12. SUPPLEMENTAL CASH FLOW INFORMATION:

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

(in thousands)	2011	2010
Interest paid	\$5,110	\$5,255
Interest received	\$4,327	\$3,643

13. EXPENSE BY OBJECT:

(in thousands)	2011	2010
Salaries and benefits	\$ 87,750	\$ 82,886
Operating goods and services	50,077	49,963
Minor capital projects	11,106	9,033
Infrastructure projects	6,958	26,304
Amortization expense	37,764	36,104
Net loss on retirement of tangible capital assets	1,605	497
Transfer payments to other governments and agencies	11,737	10,824
Debt interest payments	4,941	5,156
Total Expense by Object	\$211,938	\$220,767

14. 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 2011 the City reports a liability of \$2,673,000 (2010 – \$4,941,000) which, at this time, is management's best estimate of expected future settlements.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

(c) Municipal Pension Plan:

The City of Abbotsford and its employees contribute to the Municipal Pension Plan (the “Plan”), a jointly trusted pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The Actuary does not attribute portions of the unfunded liability to individual employers.

The City of Abbotsford paid \$7,041,000 (2010 - \$6,362,000) for employer contributions to the Plan in fiscal 2011, while employees contributed \$5,666,000 (2010 - \$4,960,000) to the plan in fiscal 2011.

(d) Municipal Finance Authority:

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

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 \$1,529,000 (2010 - \$1,510,000). The balance of the City’s portion of the Debt Reserve Fund totals \$3,517,000 (2010 – \$3,570,000), for which the City has also executed demand notes in connection with each debenture totaling \$3,517,000 (2010 – \$3,570,000), whereby the City may be required to loan extra amounts to the Authority.

(e) Reciprocal insurance exchange agreement:

The City is a member of the Municipal Insurance Association (MIA), which operates under a reciprocal insurance exchange agreement. The main purposes of the exchange agreement are: (1) to pool the risk of third party liability claims against member municipalities (approximately 150)

in order to allow for stable financial planning related to those liability claims; and (2) to engage in broad risk management strategies to reduce accidents or occurrences that may result in liability claims against the City. The City is assessed an annual premium by MIA based on factors such as population, administrative costs, premium tax, and re-insurance costs. MIA is subject to financial oversight by the Provincial Government.

(f) 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.

(g) Abbotsford Heat:

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

(h) 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.

15. WATER AND SEWER FUNDS:

On January 1, 2000, the East Urban and Rural Waterworks areas were merged with the West Waterworks area, drawing basic water flows from the Central Fraser Valley Water Commission's Norrish Creek water system. To reflect the change in water supply, and to be consistent with the City's policy of equalizing taxes and costs of the former Districts of Abbotsford and Matsqui, the City of Abbotsford amalgamated its three waterworks funds into one fund. Similarly, the East and West Sewer area funds were also amalgamated into one fund.

The *Community Charter* requires repayment of debt to be borne by the applicable former specified area; therefore, debt schedules have not been merged.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
 For the Year Ended December 31, 2011

16. 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:

(in thousands)		Estimated
<u>Nature</u>	<u>Extent of Contracts</u>	<u>Remaining Expenditure</u>
Buildings construction	\$ 6,167	\$ 2,846
Road construction	21,340	3,154
Sewer construction	10,624	2,753
Water construction	37,255	12,268

17. 2011 PLAN:

Due to departmental re-organization within the City, certain comparative figures have been reclassified in 2011 to conform to the new financial presentation.

18. 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, 2011, the trust fund balance is \$3,178,000 (2010 - \$3,073,000).

19. 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

- Includes:
- Legislative and support services
 - Legal services
 - Communications & marketing
 - Human resources
 - Financial services
 - Information technology
 - Purchasing & supply services
 - Risk management
 - Strategic planning & business improvement

Fire Rescue Service & Other

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

Police Protection

Includes:

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

Engineering

Includes:

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

Solid Waste

Includes:

- Collection and disposal
- Composting and recycling
- Environmental education

Dyking & Irrigation

Includes:

- Dyking and irrigation infrastructure
- Water management of City Dyking &
Drainage Areas
- Irrigation services

Parks, Recreation & Culture

Includes:

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

Transit

Includes:

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

Drainage

Includes:

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

Water

Includes:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

Sewer

Includes:

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

Airport

Includes:

- National and international flights
- Passenger and cargo services

Economic Development/Development Services

Includes:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

20. SEGMENT INFORMATION – REVENUES BY TYPE & EXPENSES BY FUNCTION:

(in thousands)	2011 Plan	2011 Actual	2010 Actual
REVENUE			
GENERAL OPERATING FUND			
General Government	\$ 77,497	\$ 79,833	\$ 75,208
Development Services	1,935	2,150	1,932
Police	44,258	45,019	42,540
Fire	183	192	174
Other Protective Services	3,795	4,174	3,837
Parks, Recreation and Culture	7,069	6,681	6,505
Entertainment & Sports Centre	2,440	3,097	1,262
Library	3,809	3,800	3,713
Transit	6,357	6,115	5,694
Engineering	2,108	2,937	3,047
Solid waste	5,699	7,650	7,922
Storm Drainage	3,414	3,403	3,344
Dyking & Irrigation	2,054	2,050	1,905
	160,618	167,101	157,083
WATER OPERATING FUND	18,497	17,190	14,896
SEWER OPERATING FUND	13,109	12,448	13,258
AIRPORT OPERATING FUND	5,636	5,668	5,508
CAPITAL FUNDS	71,355	59,783	66,701
RESERVE FUNDS	1,310	2,198	2,155
	270,525	264,388	259,601
CONSOLIDATION ADJUSTMENTS	(50)	(691)	(121)
	270,475	263,697	259,480



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2011

(in thousands)	2011 Plan	2011 Actual	2010 Actual
EXPENSE			
GENERAL OPERATING FUND			
General Government	15,365	13,237	14,646
Development Services	4,054	4,194	3,589
Police	43,301	43,731	42,365
Fire	14,981	14,724	14,403
Other Protective Services	3,446	3,444	3,470
Parks, Recreation and Culture	24,627	24,021	23,629
Entertainment & Sports Centre	9,688	11,290	10,090
Library	3,441	3,395	3,345
Transit	9,414	8,877	8,067
Engineering	22,133	22,460	20,340
Solid waste	5,636	6,576	7,066
Storm Drainage	5,099	4,959	4,812
Dyking & Irrigation	3,192	3,210	3,110
	164,377	164,118	158,932
WATER OPERATING FUND	12,876	12,597	11,804
SEWER OPERATING FUND	11,875	10,883	9,248
AIRPORT OPERATING FUND	6,910	6,967	5,567
CAPITAL FUNDS	23,668	18,064	35,337
	219,706	212,629	220,888
CONSOLIDATION ADJUSTMENTS	(50)	(691)	(121)
	219,656	211,938	220,767
SURPLUS	\$ 50,819	\$ 51,759	\$ 38,713



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying financial statements of the City of Abbotsford Cemetery Care Trust Fund which comprise the statement of financial position as at December 31, 2011, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cemetery Care Trust Fund as at December 31, 2011 in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants


April 23, 2012

Abbotsford, British Columbia

CITY OF ABBOTSFORD
Cemetery Care Trust Fund
Statement of Financial Position

As at December 31, 2011, with comparative figures as at December 31, 2010
In thousands

	2011	2010
FINANCIAL ASSETS		
Portfolio investments	\$ 3,119	\$ 2,378
Accounts receivable	59	695
NET FINANCIAL ASSETS	<u>3,178</u>	<u>3,073</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	3,073	2,955
Contributions	105	118
Investment earnings	109	98
Transfer to General Operating Fund	(109)	(98)
Balance, end of year	<u>\$ 3,178</u>	<u>\$ 3,073</u>



R. Bruce Barman, Mayor



Pat Soanes, CMA, General Manager
 Finance & Corporate Services

See notes to Cemetery Care Trust Fund.



CITY OF ABBOTSFORD
 Notes to the Cemetery Care Trust Fund
 For the Year Ended December 31, 2011

1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) **Basis of accounting:**

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

(b) **Portfolio Investments:**

Portfolio investments are carried at cost.

(c) **Financial Instruments:**

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

2. ACCOUNTS RECEIVABLE/PAYABLE:

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

3. INVESTMENTS:

Investments for 2011 are comprised of corporate and government investments.

(in thousands)	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Portfolio investments	\$ 3,119	\$ 3,205	\$ 2,378	\$ 2,450
	<u>Long-term</u>		<u>Long-term</u>	
Duration	2-10 years		2-10 years	
Average holdings	\$ 2,933		\$ 2,366	
Annual yield	3.55%		3.75%	

4. STATEMENT OF FINANCIAL ACTIVITIES:

In 2002, the Cemetery Care Trust Fund began expending funds on the perpetual care and maintenance of the City's cemeteries. In 2011, \$109,000 (2010 - \$98,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2011, are recorded directly to equity. A Statement of Financial Activities has not been prepared, as it would not provide further information since the changes to equity are reported in the Statement of Financial Position.

CITY OF ABBOTSFORD

Exhibit 1

Statement of Financial Position - By Fund*As at December 31, 2011, with comparative figures as at December 31, 2010**In thousands*

	Operating Funds				Reserve Funds
	General	Water	Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 91,141	\$ -	\$ -	\$ -	\$ -
Due from other funds	7,892	-	5,467	1,623	90,181
Internal borrowing	29,637	-	-	-	-
Accounts receivable	34,233	7,362	2,354	491	-
Portfolio investments	53,670	-	-	-	-
	<u>216,573</u>	<u>7,362</u>	<u>7,821</u>	<u>2,114</u>	<u>90,181</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	72,980	99	12	153	-
Due to other funds	108,608	6,159	-	-	-
Restricted revenue	24,732	86	3,208	722	-
Deferred revenue	1,957	-	-	63	-
	<u>208,277</u>	<u>6,344</u>	<u>3,220</u>	<u>938</u>	<u>-</u>
Long-term debt (external)	-	-	-	-	-
Internal borrowing	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>208,277</u>	<u>6,344</u>	<u>3,220</u>	<u>938</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>8,296</u>	<u>1,018</u>	<u>4,601</u>	<u>1,176</u>	<u>90,181</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,170	-	-	-	-
Pre-paids	2,891	-	-	-	-
	<u>4,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 12,357</u>	<u>\$ 1,018</u>	<u>\$ 4,601</u>	<u>\$ 1,176</u>	<u>\$ 90,181</u>

Exhibit 1
... Continued

Capital Funds				Consolidation Adjustments	Total 2011	Total 2010
General	Water	Sewer	Airport			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,141	\$ 50,637
11,337	-	-	-	(116,500)	-	-
-	-	-	-	(29,637)	-	-
11	776	957	-	-	46,184	67,359
-	-	-	-	-	53,670	92,486
11,348	776	957	-	(146,137)	190,995	210,482
-	-	-	-	-	73,244	77,873
-	776	957	-	(116,500)	-	-
-	-	-	-	-	28,748	32,231
12,630	-	-	-	-	14,650	14,162
12,630	776	957	-	(116,500)	116,642	124,266
77,305	9,192	5,663	-	-	92,160	96,598
23,325	2,312	-	4,000	(29,637)	-	-
100,630	11,504	5,663	4,000	(29,637)	92,160	96,598
113,260	12,280	6,620	4,000	(146,137)	208,802	220,864
(101,912)	(11,504)	(5,663)	(4,000)	-	(17,807)	(10,382)
983,026	226,940	165,382	76,476	-	1,451,824	1,392,723
-	-	-	-	-	1,170	1,242
-	-	-	-	-	2,891	2,736
983,026	226,940	165,382	76,476	-	1,455,885	1,396,701
\$881,114	\$215,436	\$159,719	\$ 72,476	\$ -	\$ 1,438,078	\$ 1,386,319

CITY OF ABBOTSFORD

Exhibit 2

Statement of Financial Activities - By Fund

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	OPERATING FUNDS				RESERVE FUNDS
	General Schedule A	Water Schedule B	Sewer Schedule C	Airport Schedule D	Schedule S
REVENUE					
Municipal taxation	\$ 117,354	\$ -	\$ -	\$ -	\$ -
Fees and charges	37,300	17,063	12,324	3,675	-
Developer charges earned	-	-	-	-	-
Developer contributions	-	-	-	-	-
Government grants	8,467	-	21	-	-
Interest and penalties	2,407	115	103	49	2,184
Rent	1,573	12	-	1,944	-
Other	-	-	-	-	14
Contributions other funds	-	-	-	-	-
	167,101	17,190	12,448	5,668	2,198
EXPENSE					
General government	13,237	-	-	-	-
Development services	4,194	-	-	-	-
Protective services	61,898	-	-	-	-
Parks, recreation, culture, libraries	38,706	-	-	-	-
Transit	8,877	-	-	-	-
Engineering services	33,998	-	-	-	-
Dyking services	3,208	-	-	-	-
Water services	-	12,597	-	-	-
Sewer services	-	-	10,883	-	-
Airport services	-	-	-	6,967	-
	164,118	12,597	10,883	6,967	-
ANNUAL SURPLUS/(DEFICIT)	2,983	4,593	1,565	(1,299)	2,198
INTERFUND TRANSACTIONS					
Operating Reserve	(4,665)	-	-	120	4,545
General Capital Reserve	(22,533)	-	-	-	924
Affordable Housing Reserve	-	-	-	-	-
Storm Sewer Reserve	(818)	-	-	-	(642)
Waterworks Capital Reserve	-	(8,744)	-	-	(6,527)
Sewer Capital Reserve	-	-	(5,409)	-	(1,796)
Airport Capital Reserve	-	-	-	(361)	(79)
Capital Fund	-	-	-	-	-
Tangible capital assets	28,190	5,082	4,371	2,540	-
Debt proceeds	-	-	-	-	-
Internal borrowing	-	-	-	-	-
	174	(3,662)	(1,038)	2,299	(3,575)
Debt principal repayment	(3,058)	(853)	(527)	(1,000)	-
CHANGE IN INVENTORY/PRE-PAID	84				
CHANGE IN UNAPPROPRIATED SURPLUS	15	78	-	-	-
CHANGE IN APPROPRIATED SURPLUS					(1,377)
CHANGE IN CAPITAL EQUITY					
ANNUAL SURPLUS (DEFICIT)					
SURPLUS, BEGINNING OF YEAR	12,258	940	4,601	1,176	91,558
SURPLUS, END OF YEAR	\$ 12,357	\$ 1,018	\$ 4,601	\$ 1,176	\$ 90,181

CAPITAL FUNDS							
General Schedule R	Water Schedule R	Sewer Schedule R	Airport Schedule R	SUBTOTAL	Consolidation Adjustments	2011 Actual	2010 Total
\$ 1,321	\$ 889	\$ 839	\$ -	\$ 120,403	\$ -	\$ 120,403	\$ 111,206
176	250	23	2,332	73,143	(27)	73,116	69,980
7,617	3,045	3,581	-	14,243	-	14,243	16,857
12,015	2,988	2,231	-	17,234	-	17,234	8,249
15,080	2,678	293	4,120	30,659	-	30,659	44,671
-	-	-	-	4,858	(664)	4,194	4,533
-	-	-	-	3,529	-	3,529	3,422
248	(10)	67	-	319	-	319	562
(350)	256	94	-	-	-	-	-
<u>36,107</u>	<u>10,096</u>	<u>7,128</u>	<u>6,452</u>	<u>264,388</u>	<u>(691)</u>	<u>263,697</u>	<u>259,480</u>
774	-	-	-	14,011	-	14,011	14,654
-	-	-	-	4,194	-	4,194	3,484
323	-	-	-	62,221	-	62,221	60,834
238	-	-	-	38,944	(27)	38,917	37,468
-	-	-	-	8,877	-	8,877	8,067
14,842	-	-	-	48,840	(664)	48,176	65,297
31	-	-	-	3,239	-	3,239	3,110
-	1,187	-	-	13,784	-	13,784	12,198
-	-	669	-	11,552	-	11,552	9,925
-	-	-	-	6,967	-	6,967	5,730
<u>16,208</u>	<u>1,187</u>	<u>669</u>	<u>-</u>	<u>212,629</u>	<u>(691)</u>	<u>211,938</u>	<u>220,767</u>
<u>19,899</u>	<u>8,909</u>	<u>6,459</u>	<u>6,452</u>	<u>51,759</u>	<u>-</u>	<u>51,759</u>	<u>38,713</u>
-	-	-	-	-	-	-	-
21,609	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,460	-	-	-	-	-	-	-
-	15,271	-	-	-	-	-	-
-	-	7,205	-	-	-	-	-
-	-	-	440	-	-	-	-
(36,642)	(6,929)	(4,371)	(2,540)	(10,299)	-	(10,299)	-
-	-	-	-	-	-	-	-
8,452	1,847	-	-	10,299	-	10,299	-
<u>(5,121)</u>	<u>10,189</u>	<u>2,834</u>	<u>(2,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,058	853	527	1,000	-	-	-	-
<u>17,836</u>	<u>19,951</u>	<u>9,820</u>	<u>5,352</u>	<u>51,759</u>	<u>\$ -</u>	<u>\$ 51,759</u>	<u>\$ 38,713</u>
863,278	195,485	149,899	67,124	1,386,319		1,386,319	
<u>\$ 881,114</u>	<u>\$ 215,436</u>	<u>\$ 159,719</u>	<u>\$ 72,476</u>	<u>\$ 1,438,078</u>		<u>\$ 1,438,078</u>	

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

Exhibit 3

For the Year ended December 31, 2011, with comparative figures for 2010
 In thousands

	General					
	Land	Land Improvements	Park Improvements	Buildings	Machinery & Equipment	Vehicles
COST						
Opening Balance	\$ 369,256	\$ 14,452	\$ 49,731	\$ 209,237	\$ 29,269	\$ 24,905
Add: Additions	5,690	242	820	2,416	1,365	1,212
Add: Transfer from asset class	(4)	18	1,530	1,458	234	1,203
Less: Disposals	(811)	-	(79)	(486)	(1,202)	(981)
Less: Transfer to asset class	-	-	-	-	-	-
Closing Balance	374,131	14,712	52,002	212,625	29,666	26,339
ACCUMULATED AMORTIZATION						
Opening Balance	-	6,634	29,149	74,945	13,961	12,629
Add: Amortization	-	423	1,754	6,571	2,354	1,961
Less: Acc. Amortization on Disposals	-	-	(79)	(483)	(1,177)	(806)
Closing Balance	-	7,057	30,824	81,033	15,138	13,784
Net Book Value for year ended December 31, 2011	\$ 374,131	\$ 7,655	\$ 21,178	\$ 131,592	\$ 14,528	\$ 12,555
Net Book Value for year ended December 31, 2010	\$ 369,256	\$ 7,818	\$ 20,582	\$ 134,292	\$ 15,308	\$ 12,276

Infrastructure							Assets Under Construction	2011 Actual	2010 Actual
Airport	Water	Sewer	Transportation	Storm Drainage	Dyking, Drainage, Irrigation				
\$ 12,277	\$ 261,673	\$ 212,747	\$ 479,100	\$ 239,590	\$ 49,826	\$ 60,157	\$ 2,012,220	\$ 1,931,068	
5,948	6,696	4,286	7,855	5,454	6	57,294	99,284	88,283	
21,049	4,997	2,468	3,963	1,108	-	-	38,024	19,600	
(2,410)	(622)	(602)	(850)	(198)	-	-	(8,241)	(7,131)	
-	-	-	-	-	-	(38,024)	(38,024)	(19,600)	
36,864	272,744	218,899	490,068	245,954	49,832	79,427	2,103,263	2,012,220	
6,380	70,791	70,281	250,347	57,706	26,674	-	619,497	588,369	
511	4,754	3,917	11,468	3,400	651	-	37,764	36,104	
(1,895)	(364)	(223)	(747)	(48)	-	-	(5,822)	(4,976)	
4,996	75,181	73,975	261,068	61,058	27,325	-	651,439	619,497	
<u>\$ 31,868</u>	<u>\$ 197,563</u>	<u>\$ 144,924</u>	<u>\$ 229,000</u>	<u>\$ 184,896</u>	<u>\$ 22,507</u>	<u>\$ 79,427</u>	<u>\$ 1,451,824</u>		
<u>\$ 5,897</u>	<u>\$ 190,882</u>	<u>\$ 142,466</u>	<u>\$ 228,753</u>	<u>\$ 181,884</u>	<u>\$ 23,152</u>	<u>\$ 60,157</u>		<u>\$ 1,392,723</u>	

CITY OF ABBOTSFORD
Appropriated Surplus (Reserves) Continuity Schedule

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

Exhibit 4

	Balance December 31 2010	Transfer from Operating Fund	Transfer to Other Funds	Other Contributions	Interest Earned	Balance December 31 2011
STATUTORY CAPITAL RESERVES						
General	\$ 12,079	\$ 22,533	\$ (21,609)	\$ 10	\$ 360	\$ 13,373
Affordable Housing	230	-	-	-	6	236
Storm Drainage	11,916	818	(1,460)	-	286	11,560
Waterworks	27,393	8,744	(15,271)	-	602	21,468
Sanitary Sewer	27,525	5,409	(7,205)	-	655	26,384
Airport	3,205	361	(440)	4	69	3,199
	<u>82,348</u>	<u>37,865</u>	<u>(45,985)</u>	<u>14</u>	<u>1,978</u>	<u>76,220</u>
GENERAL OPERATING RESERVE						
Planned Transfers						
Debt retirement	1,289	-	-	-	23	1,312
New facility operations	1,439	-	(200)	-	30	1,269
Insurance	747	2,000	-	-	25	2,772
Election	246	-	(240)	-	5	11
Library expansion	1,022	500	(1,534)	-	12	-
Sister city	21	10	-	-	1	32
Special projects	18	851	(800)	-	1	70
Solid Waste recycling facility	188	1,844	-	-	20	2,052
Recycling agreement reserve	968	-	(725)	-	12	255
Tradex operating reserve	403	95	(24)	-	11	485
	<u>6,341</u>	<u>5,300</u>	<u>(3,523)</u>	<u>-</u>	<u>140</u>	<u>8,258</u>
Operating Surplus Transfers						
Police	1,154	559	(250)	-	34	1,497
Solid Waste	56	-	-	-	1	57
Winter operations	664	144	-	-	18	826
Storm Drainage	199	360	-	-	9	568
Matsqui Prairie DDI	67	-	-	-	2	69
Sumas Prairie DDI	81	4	-	-	2	87
	<u>2,221</u>	<u>1,067</u>	<u>(250)</u>	<u>-</u>	<u>66</u>	<u>3,104</u>
Other Transfers						
Airport	120	-	(120)	-	-	-
Climate action	92	248	-	-	-	340
Crime reduction	80	-	(80)	-	-	-
Economic Dev Commission start-up	39	-	-	-	-	39
Long-Term financial plan/Core services review	200	200	-	-	-	400
Traffic fine revenue	-	1,127	-	-	-	1,127
Rate stabilization	-	250	-	-	-	250
External audit	57	57	(57)	-	-	57
Parks & Recreation	60	23	(22)	-	-	61
Arbitrated settlements	-	325	-	-	-	325
	<u>648</u>	<u>2,230</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>2,599</u>
	<u>9,210</u>	<u>8,597</u>	<u>(4,052)</u>	<u>-</u>	<u>206</u>	<u>13,961</u>
TOTAL	<u>\$ 91,558</u>	<u>\$ 46,462</u>	<u>\$ (50,037)</u>	<u>\$ 14</u>	<u>\$ 2,184</u>	<u>\$ 90,181</u>

CITY OF ABBOTSFORD
Debt Outstanding and Debt Servicing by Fund and Function

Exhibit 5

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt				Debt Outstanding December 31 2011	
					Debt Outstanding December 31 2010	2011 Debt Servicing				
						Additions	Principal	Interest		Total
GENERAL FUND										
Parks, recreation and culture										
Abbotsford Recreation Centre	2432	55	2013	8.500	\$ 1,372	\$ -	\$ 490	\$ 302	\$ 792	\$ 882
Entertainment & Sports Centre	1586	102/103	2032	5.000	51,592	-	1,457	2,592	4,049	50,135
Cultural Centre	1587	102/103	2027	5.000	9,133	-	371	459	830	8,762
Community Centre	1588	102/103	2027	5.000	18,267	-	741	920	1,661	17,526
					80,364	-	3,059	4,273	7,332	77,305
SEWER FUND										
Abbotsford-Mission sewer										
	558-533	63	2016	4.000	518	-	82	4	86	436
	326-125	71	2019	3.150	384	-	36	8	44	348
	326-164	71	2019	3.150	1,840	-	169	38	207	1,671
	326-533	71	2019	3.150	1,266	-	117	26	143	1,149
	455	75	2021	5.690	589	-	41	34	75	548
	655-325	85	2024	4.900	1,592	-	81	79	160	1,511
					6,189	-	526	189	715	5,663
WATER FUND										
Abbotsford-Mission water										
	454	75	2021	5.690	1,839	-	129	104	233	1,710
	586	80	2023	4.900	5,838	-	330	270	600	5,508
	567	83	2013	3.710	562	-	181	21	202	381
	655-393	85	2024	4.900	1,679	-	86	83	169	1,593
					9,918	-	726	478	1,204	9,192
West waterworks	3529	53	2012	6.100	127	-	127	-	127	-
					10,045	-	853	478	1,331	9,192
TOTAL					\$ 96,598	\$ -	\$ 4,438	\$ 4,940	\$ 9,378	\$ 92,160

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

Schedule A

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011 Plan	2011 Actual	2010 Actual
REVENUE			
Municipal taxation:			
General	\$ 69,050	\$ 68,832	\$ 65,207
Police	38,737	38,648	36,257
Library	3,809	3,800	3,708
Dyking, drainage & irrigation	1,906	1,901	1,778
Utility tax	1,750	1,752	1,749
Business improvement assessment	215	209	208
Hotel tax	250	231	244
Grants in lieu of taxes:			
Federal government	1,050	1,079	1,048
Provincial governments and agencies	850	902	844
Fees and charges:			
Transit	2,311	2,295	2,200
Police	3,340	4,175	5,165
Solid waste	5,699	7,650	7,922
Storm drainage	3,414	3,403	3,344
Parks, recreation and culture	6,995	6,538	6,380
Entertainment & Sports Centre	2,440	3,097	1,262
Other	2,717	2,997	2,830
Licences and permits:			
Building permits	1,909	2,103	1,856
Soil removal fees	1,430	2,192	2,223
Business licences	875	894	869
Dog licences	270	279	306
Municipal licence plates	35	39	37
Secondary suite fees	1,165	1,175	1,163
Other licences and permits	358	463	380
Rental:			
Police	35	36	30
Other	1,573	1,537	1,486
Interest and tax penalties	1,229	2,368	2,670
Municipal Finance Authority refunds	50	39	38
Government grants:			
Transit	4,046	3,820	3,494
Police	2,146	2,160	1,088
Other	964	2,487	1,297
TOTAL REVENUES	160,618	167,101	157,083

Schedule A
...Continued

	2011 Plan	2011 Actual	2010 Actual
EXPENSE			
General government services (Schedule E)	\$ 15,365	\$ 13,237	\$ 14,646
Development services (Schedule F)	4,054	4,194	3,589
Police services (Schedule G)	43,301	43,731	42,365
Fire & other protective services			
Fire rescue services (Schedule H)	14,981	14,723	14,403
Other protective services (Schedule I)	3,446	3,444	3,470
Parks, recreation & culture services (Schedule J)	24,627	24,021	23,629
Entertainment & Sports Centre (Schedule K)	9,688	11,290	10,090
Library services (Schedule L)	3,441	3,395	3,345
Transit services (Schedule M)	9,414	8,877	8,067
Engineering services			
Transportation services (Schedule N)	22,133	22,461	20,340
Solid Waste services (Schedule O)	5,636	6,577	7,066
Storm Drainage services (Schedule P)	5,099	4,960	4,812
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,205	1,218	1,202
Sumas Prairie (Schedule Q)	1,987	1,990	1,908
	164,377	164,118	158,932
ANNUAL SURPLUS/(DEFICIT)	(3,759)	2,983	(1,849)
INTERFUND TRANSACTIONS			
Transfer to Storm Sewer Capital Reserve	(818)	(818)	(1,521)
Transfer to General Capital Reserve	(20,658)	(21,743)	(19,193)
Transfer to Affordable Housing Reserve	-	-	(80)
Transfer to Operating Reserve	(1,079)	(8,346)	(4,764)
Transfer from Operating Reserve	3,496	3,681	4,396
Debt principal repayments	(3,047)	(3,058)	(2,937)
Transfer to General Capital Reserve (asset sales)	-	(790)	(177)
Debt Proceeds	16,000	-	-
Transfer to Capital Fund	(16,000)	-	-
Inventory and pre-pays	-	(84)	(1,359)
Tangible capital assets	25,842	28,190	27,503
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (23)	\$ 15	\$ 19

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

Water Operating Fund

Schedule B

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011 Plan	2011 Actual	2010 Actual
REVENUE			
Fees and charges:			
User rates	\$ 18,050	\$ 16,486	\$ 14,239
Other	435	577	544
Rental	12	12	8
Interest	-	-	99
Municipal Finance Authority refunds	-	115	6
	<u>18,497</u>	<u>17,190</u>	<u>14,896</u>
EXPENSE			
Abbotsford-Mission supply and transmission	3,044	2,487	2,125
Administration	2,400	2,173	2,254
Local supply and distribution	1,902	1,492	1,578
Meters	489	503	624
Hydrants	271	239	211
Maintenance	-	126	119
Long-term debt (external interest)	508	479	537
Internal borrowing interest	-	21	2
Amortization	4,262	4,822	4,403
Loss/(gain) on sale of tangible capital assets	-	255	(49)
	<u>12,876</u>	<u>12,597</u>	<u>11,804</u>
ANNUAL SURPLUS/(DEFICIT)	<u>5,621</u>	<u>4,593</u>	<u>3,092</u>
INTERFUND TRANSACTIONS			
Transfer to Waterworks Capital Reserve (asset sales)	-	(6)	(640)
Transfer to Waterworks Capital Reserve	(8,585)	(8,738)	(6,837)
Debt principal repayments	(798)	(853)	(764)
Tangible capital assets	4,262	5,082	4,994
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 500</u>	<u>\$ 78</u>	<u>\$ (155)</u>

CITY OF ABBOTSFORD
Segment Information - Revenues by Type & Expenses by Function
Sewer Operating Fund

Schedule C

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011 Plan	2011 Actual	2010 Actual
REVENUE			
Municipal taxation	\$ -	\$ -	\$ 5
Fees and charges:			
User rates	11,510	10,474	9,096
Industrial surcharges	755	902	912
Other	769	948	3,148
Interest	75	91	92
Municipal Finance Authority refunds	-	12	5
Government Grants	-	21	-
	13,109	12,448	13,258
EXPENSE			
Joint Abbotsford-Mission Environmental System (JAMES) Plant	4,568	3,496	3,513
Administration	1,952	1,730	1,444
Maintenance	1,285	1,099	776
Long-term debt (external interest)	202	189	222
Amortization	3,868	3,987	3,903
Loss/(gain) on sale of tangible capital assets	-	382	(610)
	11,875	10,883	9,248
ANNUAL SURPLUS/(DEFICIT)	1,234	1,565	4,010
INTERFUND TRANSACTIONS			
Transfer to Sanitary Sewer Capital Reserve (asset sales)	-	(2)	(804)
Transfer to Sanitary Sewer Capital Reserve	(4,578)	(5,407)	(6,450)
Debt principal repayments	(524)	(527)	(503)
Tangible capital assets	3,868	4,371	4,096
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ 349

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****Airport Operating Fund**

Schedule D

*For the Year ended December 31, 2011, with comparative figures for 2010**In thousands*

	2011 Plan	2011 Actual	2010 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 1,403	\$ 1,348	\$ 1,334
Public parking fees	1,245	1,283	1,197
Concessions	855	754	795
Other	194	290	249
Rental	1,918	1,944	1,898
Interest and penalties	21	49	35
	<u>5,636</u>	<u>5,668</u>	<u>5,508</u>
EXPENSE			
Administration	1,597	1,455	1,411
Air-side/ground-side services/parking	1,932	1,722	1,465
Terminal complex and mobile equipment	1,027	1,091	1,040
Internal borrowing interest	50	175	23
Amortization	2,304	1,999	1,614
Loss/(gain) on sale of tangible capital assets	-	525	14
	<u>6,910</u>	<u>6,967</u>	<u>5,567</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(1,274)</u>	<u>(1,299)</u>	<u>(59)</u>
INTERFUND TRANSACTIONS			
Debt Principal Repayments	(1,000)	(1,000)	-
Transfer to Airport Capital Reserve (asset sales)	-	(16)	(38)
Transfer to Airport Capital Reserve	(30)	(345)	(1,449)
Transfer to Operating Reserve	-	-	(120)
Transfer From Operating Reserve	-	120	-
Tangible capital assets	2,304	2,540	1,666
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABBOTSFORD

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

Schedule E

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011 Plan	2011 Actual	2010 Actual
REVENUE			
Municipal taxation	\$ 73,165	\$ 73,004	\$ 69,300
Fees and charges	685	903	753
Licenses and permits - municipal licence plates	35	39	37
Rental	1,573	1,537	1,486
Interest and penalties	1,189	2,327	2,633
Government grants	800	1,984	961
Municipal Finance Authority	50	39	38
	<u>77,497</u>	<u>79,833</u>	<u>75,208</u>
EXPENSE			
LEGISLATIVE SERVICES	654	551	556
CITY MANAGER'S OFFICE			
City manager	593	575	593
Elections	349	350	-
Corporate communications and marketing	547	581	539
Human resources	1,407	1,245	1,508
STRATEGIC PLANNING & BUSINESS IMPROVEMENT	314	299	324
FINANCE & CORPORATE SERVICES			
City clerk	1,085	1,103	849
Corporate administration	312	298	278
Finance	2,220	2,103	1,775
Purchasing	829	733	709
Risk management	1,606	(624)	2,034
Information services	3,378	2,989	2,615
OTHER			
General municipal buildings	1,970	2,366	2,545
Transfers to other agencies	535	517	529
Common services	657	1,051	915
AMORTIZATION	871	892	884
NET (GAIN)/LOSS ON SALE OF TANGIBLE CAPITAL ASSETS	-	321	5
LESS: VACANCY GAPPING	132	-	-
LESS: COST RECOVERIES	(2,094)	(2,113)	(2,012)
	<u>15,365</u>	<u>13,237</u>	<u>14,646</u>
ANNUAL SURPLUS/(DEFICIT)	<u>62,132</u>	<u>66,596</u>	<u>60,562</u>
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(490)	-
Transfer to General Capital Reserve	(3,029)	(3,018)	(1,904)
Transfer to Affordable Housing Reserve	-	-	(80)
Transfer to Operating Reserve	(867)	(4,570)	(1,386)
Transfer from Operating Reserve	1,092	296	1,212
Inventory and pre-paids	-	(84)	(1,359)
Tangible capital assets	871	1,704	889
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 60,199</u>	<u>\$ 60,434</u>	<u>\$ 57,934</u>

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
General Operating Fund - Development Services**

Schedule F

*For the Year ended December 31, 2011, with comparative figures for 2010
In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Licenses and permits:			
Business licenses	\$ 875	\$ 894	\$ 869
Development permit application fees	100	161	115
Rezoning application fees	150	155	131
Subdivision application fees	50	64	56
Other licenses and permits	38	70	51
Fees and charges:			
Development fees on Engineering projects	440	148	311
Developer contributions	-	105	-
Other fees and charges	162	194	178
Interest and penalties	30	26	29
Grants	90	333	192
	1,935	2,150	1,932
EXPENSE			
Development approvals	2,966	3,012	2,682
Economic development	915	1,005	804
License inspection	173	177	103
	4,054	4,194	3,589
ANNUAL SURPLUS/(DEFICIT)	(2,119)	(2,044)	(1,657)
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(95)	(342)	(226)
Transfer from Operating Reserve	50	104	-
Transfer to Capital Reserve	-	(24)	-
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (2,164)	\$ (2,306)	\$ (1,883)

CITY OF ABBOTSFORD

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

Schedule G

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Municipal taxation	\$ 38,737	\$ 38,648	\$ 36,257
Fees and charges:			
Salary recoveries	2,367	3,077	4,131
Other revenue	973	1,098	1,034
Government grants:			
Traffic fine revenue-sharing	2,000	2,000	947
Other government grants	146	160	141
Rental	35	36	30
	<u>44,258</u>	<u>45,019</u>	<u>42,540</u>
EXPENSE			
Executive and police board	943	901	759
Criminal investigation	7,743	9,119	7,684
Patrol	16,226	14,867	13,490
Operations support	4,023	3,860	4,520
Human resources	616	493	461
Recruiting	362	331	337
Training and qualifications	889	848	705
Finance and budget	484	496	428
Support services	4,430	4,427	4,189
Police common services	5,115	5,765	7,297
Vehicle repair	1,084	1,166	1,063
Police building	523	633	542
Amortization	863	820	870
Loss/(Gain) on sale of tangible capital assets	-	5	20
	<u>43,301</u>	<u>43,731</u>	<u>42,365</u>
ANNUAL SURPLUS/(DEFICIT)	<u>957</u>	<u>1,288</u>	<u>175</u>
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(20)	(21)
Transfer from Operating Reserve	-	-	1,703
Transfer to Operating Reserve	-	(559)	(438)
Transfer to General Capital Reserve	(1,820)	(1,554)	(2,330)
Tangible Capital Assets	863	845	911
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
General Operating Fund - Fire Rescue Services**

Schedule H

*For the Year ended December 31, 2011, with comparative figures for 2010
In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 163	\$ 178	\$ 145
Licenses and permits	20	9	23
Grants	-	5	6
	183	192	174
EXPENSE			
Administration	527	321	358
Fire life and safety education	192	158	149
Fire prevention and inspection	810	769	727
Emergency response	12,104	12,080	11,876
Fire halls and ground maintenance	475	479	469
Fire flows and hydrants	224	222	173
Amortization	649	687	648
Loss/(gain) on sale of tangible capital assets	-	7	3
	14,981	14,723	14,403
ANNUAL SURPLUS/(DEFICIT)	(14,798)	(14,531)	(14,229)
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(13)	(4)
Transfer to General Capital Reserve	(797)	(797)	(797)
Tangible capital assets	649	706	655
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (14,946)	\$ (14,635)	\$ (14,375)

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
General Operating Fund - Other Protective Services**

Schedule I

*For the Year ended December 31, 2011, with comparative figures for 2010
In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Licenses and permits:			
Building permits	\$ 1,909	\$ 2,103	\$ 1,856
Secondary suite fees	1,165	1,175	1,163
Dog licenses	270	279	306
Fees and charges	441	602	497
Interest and penalties	10	15	8
Government grants	-	-	7
	<u>3,795</u>	<u>4,174</u>	<u>3,837</u>
EXPENSE			
Animal control	418	296	427
Restorative Justice	129	126	126
Emergency services	371	343	352
Building inspections	1,746	1,840	1,722
Bylaw enforcement	582	639	592
Public safety inspection	200	200	251
	<u>3,446</u>	<u>3,444</u>	<u>3,470</u>
ANNUAL SURPLUS/(DEFICIT)	349	730	367
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	-	-	(80)
Tangible capital assets	-	1	-
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 349</u>	<u>\$ 731</u>	<u>\$ 287</u>

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Parks, Recreation & Culture Services

Schedule J

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011 Plan	2011 Actual				2011 Actual	2010 Actual
		General	Parks	Recreation	Culture		
REVENUE							
Fees and charges	\$ 6,995	\$ 119	\$ 794	\$ 5,625	\$ -	\$ 6,538	\$ 6,380
Government grants	74	143	-	-	-	143	125
	7,069	262	794	5,625	-	6,681	6,505
EXPENSE							
Operations	18,405	1,397	6,506	9,053	771	17,727	17,316
Long-term debt (external interest)	1,713	-	-	1,222	460	1,682	1,748
Amortization	4,509	8	2,046	2,115	450	4,619	4,540
Loss/(gain) on sale of tangible capital assets	-	-	-	(7)	-	(7)	25
	24,627	1,405	8,552	12,383	1,681	24,021	23,629
ANNUAL SURPLUS/(DEFICIT)	(17,558)	(1,143)	(7,758)	(6,758)	(1,681)	(17,340)	(17,124)
INTERFUND TRANSACTIONS							
Debt principal repayments	(1,590)	-	-	(1,231)	(370)	(1,601)	(1,536)
Transfer to General Capital Reserve	(1,541)	(107)	(794)	(567)	(73)	(1,541)	(1,541)
Transfer to Cemetery Capital Reserve	(181)	-	(181)	-	-	(181)	(150)
Transfer to Operating Reserve	-	-	-	(23)	-	(23)	(60)
Transfer from Operating Reserve	-	22	-	-	-	22	131
Transfer to General Capital Reserve (asset sales)	-	-	-	(7)	-	(7)	-
Tangible capital assets	4,509	8	2,046	2,115	450	4,619	4,565
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (16,361)	\$ (1,220)	\$ (6,687)	\$ (6,471)	\$ (1,674)	\$ (16,052)	\$ (15,715)

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Entertainment and Sports Centre

Schedule K

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 2,440	\$ 3,097	\$ 1,262
	2,440	3,097	1,262
EXPENSE			
Operations	4,307	5,931	4,675
Long-term debt (external interest)	2,614	2,592	2,648
Amortization	2,767	2,767	2,767
	9,688	11,290	10,090
ANNUAL SURPLUS/(DEFICIT)	(7,248)	(8,193)	(8,828)
INTERFUND TRANSACTIONS			
Transfer from Operating Reserve	1,300	1,000	1,300
Debt principal repayment	(1,457)	(1,457)	(1,401)
Tangible capital assets	2,767	2,767	2,767
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (4,638)	\$ (5,883)	\$ (6,162)

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Library Services

Schedule L

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Municipal tax for regional library	\$ 3,809	\$ 3,800	\$ 3,708
Fees and charges	-	-	2
Grants	-	-	3
	3,809	3,800	3,713
EXPENSE			
Transfer to Fraser Valley Regional Library	3,005	3,005	2,856
Library operating costs	304	301	357
Amortization	132	89	132
	3,441	3,395	3,345
ANNUAL SURPLUS/(DEFICIT)	368	405	368
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve	(1,517)	(1,534)	-
Transfer from Operating Reserve	1,017	1,534	-
Transfer to Operating Reserve	-	(500)	(500)
Tangible capital assets	132	89	132
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ (6)	\$ -

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****General Operating Fund - Transit Services**

Schedule M

*For the Year ended December 31, 2011, with comparative figures for 2010**In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Provincial government grant	\$ 4,046	\$ 3,820	\$ 3,494
Fares	1,721	1,694	1,649
BC Bus Pass program	385	433	402
Advertising and other	205	168	149
	<u>6,357</u>	<u>6,115</u>	<u>5,694</u>
EXPENSE			
Transfer to BC Transit	9,282	8,732	7,968
Other	98	111	65
Amortization	34	34	34
	<u>9,414</u>	<u>8,877</u>	<u>8,067</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(3,057)</u>	<u>(2,762)</u>	<u>(2,373)</u>
INTERFUND TRANSACTIONS			
Tangible capital assets	34	34	34
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (3,023)</u>	<u>\$ (2,728)</u>	<u>\$ (2,339)</u>

CITY OF ABBOTSFORD

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

Schedule N

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ 300	\$ 100	\$ 206
Gravel sales	-	-	250
Recoveries	241	473	252
Map sales	12	10	16
Other	125	136	93
Licenses and permits:			
Soil removal - temporary permits	130	136	165
Soil removal - monthly fees	1,300	2,056	2,058
Other	-	4	4
Government grants	-	22	3
	<u>2,108</u>	<u>2,937</u>	<u>3,047</u>
EXPENSE			
ADMINISTRATION	2,271	2,297	2,081
ENGINEERING	2,545	2,181	2,280
TRANSPORTATION			
Services	2,797	2,787	2,447
Operations - roads	4,661	4,400	3,516
EQUIPMENT FLEET			
Operations	2,986	3,408	3,252
Internal recoveries	(4,749)	(5,509)	(5,416)
INTERNAL BORROWING	-	468	98
AMORTIZATION	12,103	12,943	12,233
NET (GAIN)/LOSS ON SALE TANGIBLE CAPITAL ASSETS	-	(33)	370
LESS: COST RECOVERIES	(481)	(481)	(521)
	<u>22,133</u>	<u>22,461</u>	<u>20,340</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(20,025)</u>	<u>(19,524)</u>	<u>(17,293)</u>
INTERFUND TRANSACTIONS			
Debt Proceeds	16,000	-	-
Transfer to Capital Fund	(16,000)	-	-
Transfer to General Capital Reserve (asset sales)	-	(260)	(152)
Transfer to Operating Reserve	-	(144)	(665)
Transfer to General Capital Reserve	(11,494)	(12,753)	(12,193)
Tangible capital assets	12,103	13,170	12,755
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (19,416)</u>	<u>\$ (19,511)</u>	<u>\$ (17,548)</u>

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Solid Waste Services

Schedule O

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 5,585	\$ 5,577	\$ 5,285
Garbage stickers	34	37	37
Recycling, compost and yard waste fees	80	69	1,735
Recoveries & other	-	1,967	865
	<u>5,699</u>	<u>7,650</u>	<u>7,922</u>
EXPENSE			
Planning, design and management	720	656	606
Operations and maintenance - Collection	2,105	2,050	1,972
Operations and maintenance - Disposal	2,780	3,762	4,273
Amortization	31	109	108
Loss/(gain) on sale of tangible capital assets	-	-	107
	<u>5,636</u>	<u>6,577</u>	<u>7,066</u>
ANNUAL SURPLUS/(DEFICIT)	63	1,073	856
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(94)	(1,844)	(1,062)
Transfer from Operating Reserve	-	725	50
Transfer to General Capital Reserve	-	(63)	(204)
Tangible capital assets	31	109	215
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145)</u>

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
General Operating Fund - Storm Drainage Services****Schedule P***For the Year ended December 31, 2011, with comparative figures for 2010
In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Fees and charges:			
Storm drainage user fees	\$ 3,404	\$ 3,398	\$ 3,336
Other	10	5	8
	<u>3,414</u>	<u>3,403</u>	<u>3,344</u>
EXPENSE			
Storm sewers and detention	1,745	1,305	722
Urban watercourses	121	129	125
Rural drainage	-	29	35
Amortization	3,233	3,346	3,318
Loss/(gain) on sale of tangible capital assets	-	151	612
	<u>5,099</u>	<u>4,960</u>	<u>4,812</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(1,685)</u>	<u>(1,557)</u>	<u>(1,468)</u>
Matsqui Prairie Dyking, Drainage & Irrigation (Schedule Q)	(506)	(531)	(527)
Sumas Prairie Dyking, Drainage & Irrigation (Schedule Q)	(632)	(628)	(678)
	<u>(2,823)</u>	<u>(2,716)</u>	<u>(2,673)</u>
INTERFUND TRANSACTIONS			
Transfer to Storm Sewer Capital Reserve	(818)	(818)	(1,521)
Transfer to Operating Reserve	-	(360)	(199)
Transfer from Operating Reserve	37	-	-
Matsqui Prairie	91	91	102
Sumas Prairie	280	277	326
Tangible capital assets	3,233	3,497	3,930
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ (29)</u>	<u>\$ (35)</u>

CITY OF ABBOTSFORD

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

Schedule Q

For the Year ended December 31, 2011, with comparative figures for 2010

In thousands

	MATSQUI PRAIRIE			SUMAS PRAIRIE		
	2011 Plan	2011 Actual	2010 Actual	2011 Plan	2011 Actual	2010 Actual
REVENUE						
General tax levy	\$ 681	\$ 676	\$ 661	\$ 1,225	\$ 1,225	\$ 1,117
Other revenue	18	11	14	130	137	113
	699	687	675	1,355	1,362	1,230
EXPENSE						
Dyking	45	57	50	65	47	58
Drainage	505	515	473	704	713	683
Storm	190	193	220	-	-	-
Irrigation	120	122	123	86	90	93
Administration	116	112	113	155	153	154
Pump stations	-	-	-	538	553	489
Recoverable work	10	-	4	8	3	-
Amortization	219	219	219	431	431	431
	1,205	1,218	1,202	1,987	1,990	1,908
ANNUAL SURPLUS/(DEFICIT)	(506)	(531)	(527)	(632)	(628)	(678)
INTERFUND TRANSACTIONS						
Transfer to Operating Reserve	-	-	(67)	-	(4)	(81)
Transfer to General Capital Reserve	(128)	(128)	(50)	(151)	(150)	(24)
Tangible capital assets	219	219	219	431	431	431
CONTRIBUTION FROM STORM DRAINAGE	\$ (415)	\$ (440)	\$ (425)	\$ (352)	\$ (351)	\$ (352)

CITY OF ABBOTSFORD
Segment Information - Revenues by Type & Expenses by Function
Capital Fund

Schedule R

For the Year ended December 31, 2011, with comparative figures for 2010
In thousands

	2011 Plan	2011 Actual				2011 Actual	2010 Actual
		General	Water	Sewer	Airport		
REVENUE							
Municipal Taxation	\$ 4,399	\$ 1,321	\$ 889	\$ 839	\$ -	\$ 3,049	\$ 158
Fees and charges	-	176	250	23	212	661	517
Airport improvement fees	1,338	-	-	-	2,120	2,120	2,074
Developer charges earned	28,361	7,617	3,045	3,581	-	14,243	16,857
Developer contributions	23,000	12,015	2,988	2,231	-	17,234	8,249
Government grants	13,668	15,080	2,678	293	4,120	22,171	38,730
Other sources	589	248	(10)	67	-	305	116
Contributions other funds	-	(350)	256	94	-	-	-
	71,355	36,107	10,096	7,128	6,452	59,783	66,701
EXPENSE							
Minor capital projects							
General government	150	774	-	-	-	774	8
Police services	951	131	-	-	-	131	266
Fire services	-	192	-	-	-	192	225
Parks services	-	143	-	-	-	143	369
Recreation services	300	95	-	-	-	95	35
Transportation services	6,812	7,367	-	-	-	7,367	6,486
Equipment Fleet services	-	30	-	-	-	30	5
Storm drainage services	-	487	-	-	-	487	405
Waterworks	2,300	-	1,187	-	-	1,187	394
Sanitary sewer	1,315	-	-	669	-	669	677
Airport	-	-	-	-	-	-	163
Dyking services	-	31	-	-	-	31	-
	11,828	9,250	1,187	669	-	11,106	9,033
Interchange projects (Provincial assets)	11,840	6,958	-	-	-	6,958	26,304
ANNUAL SURPLUS/(DEFICIT)	47,687	19,899	8,909	6,459	6,452	41,719	31,364
INTERFUND TRANSACTIONS							
General Capital Reserve	26,877	21,609	-	-	-	21,609	15,897
Storm Sewer Reserve	2,289	1,460	-	-	-	1,460	719
Waterworks Capital Reserve	26,028	-	15,271	-	-	15,271	9,536
Sanitary Sewer Capital Reserve	22,400	-	-	7,205	-	7,205	4,077
Airport Capital Reserve	1,687	-	-	-	440	440	6,351
Tangible capital assets	(36,276)	(36,642)	(6,929)	(4,371)	(2,540)	(50,482)	(58,598)
Debt principal repayment	5,369	3,058	853	527	1,000	5,438	4,204
Proceeds from debt	24,743	-	-	-	-	-	-
Internal Borrowing (General Revenue Fund)	-	8,452	1,847	-	-	10,299	20,339
CHANGE IN CAPITAL EQUITY	\$ 120,804	\$ 17,836	\$ 19,951	\$ 9,820	\$ 5,352	\$ 52,959	\$ 33,889

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****Reserve Fund**

Schedule S

*For the Year ended December 31, 2011, with comparative figures for 2010**In thousands*

	2011	2011	2010
	Plan	Actual	Actual
REVENUE			
Interest	\$ 1,310	\$ 2,184	\$ 1,709
Other Contributions	-	14	446
	<u>1,310</u>	<u>2,198</u>	<u>2,155</u>
ANNUAL SURPLUS/(DEFICIT)	<u>1,310</u>	<u>2,198</u>	<u>2,155</u>
INTERFUND TRANSACTIONS			
Operating Reserve	(2,440)	4,545	488
General Capital Reserve	(6,219)	924	3,473
Affordable Housing Reserve	-	-	80
Storm Sewer Reserve	(1,471)	(642)	802
Waterworks Capital Reserve	(17,443)	(6,527)	(2,059)
Sanitary Sewer Capital Reserve	(17,822)	(1,796)	3,177
Airport Capital Reserve	(1,657)	(79)	(4,864)
CHANGE IN APPROPRIATED SURPLUS	<u>\$ (45,742)</u>	<u>\$ (1,377)</u>	<u>\$ 3,252</u>

CITY OF ABBOTSFORD
Ledgeview Properties Ltd.
Statement of Financial Position

As at December 31, 2011, with comparative figures as at December 31, 2010
In thousands

Schedule T

	2011	2010
FINANCIAL ASSETS		
Lease agreement receivable	\$ 61	\$ 64
FINANCIAL LIABILITIES		
Due to City of Abbotsford	61	64
NET FINANCIAL ASSETS	-	-
NON-FINANCIAL ASSETS		
Land	2,845	2,845
Land Improvements	13	15
Buildings	54	60
	<u>2,912</u>	<u>2,920</u>
ACCUMULATED SURPLUS		
BALANCE, BEGINNING OF YEAR	2,920	2,928
Lease revenue	61	64
Amortization	(8)	(8)
Transfers to City of Abbotsford	(61)	(64)
BALANCE, END OF YEAR	\$ 2,912	\$ 2,920