



ANNUALREPORT

FISCAL YEAR ENDING DECEMBER 31, 2012



2012 annual report

City of Abbotsford
2012 Annual Report for fiscal year ending
December 31, 2012.

Prepared by City of Abbotsford
Finance & Corporate Services Department
and the Corporate Communications,
Marketing & Strategic Planning Department.

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City Vision

Abbotsford is the most sustainable, liveable and prosperous community in British Columbia

City Mission

We deliver excellent services that improve the sustainability and quality of life in Abbotsford



Message from the Mayor

On behalf of Abbotsford City Council, I am pleased to be able to share with you the City of Abbotsford 2012 Annual Report.

This report provides our residents with a clear record of our achievements over the past year and demonstrates how we are providing best value for tax dollars. This past year we continued to take a look at how we do business at the City and the value we provided for taxpayers. We are all sensitive to rising costs and continue to strive towards great efficiencies with the customer in mind at all times.

One of the key areas that Council identified as a focus for us to achieve in 2012 was economic development. I am pleased to share that this year we established a Mayor's Task Force on Economic Prosperity and began work on a policy framework to guide economic development in our City for years to come. Abbotsford's quality of life is one of the best in the world. Through working together as a community, Abbotsford will continue to be a strong and vibrant city.

Looking ahead, Abbotsford made strides in becoming a more attractive place for recreational activities by winning the right to host the 2016 Summer Games. Our city is no stranger to welcoming visitors – and as one of the friendliest cities this side of the Fraser River, we look forward to welcoming athletes from across the province.

As the 2012 year came to a close, Council was pleased to appoint George Murray as the new City Manager for Abbotsford in 2013. George brings 29 years of experience in both the private and public sectors, including more than eight years of experience as the secretary treasurer with the Abbotsford School District and four years with the Fraser Valley Regional District, most recently as chief administrative officer. Prior to that, he worked for 15 years in a leadership capacity for the municipalities of Whistler, Merritt and Chilliwack. We are extremely excited about the experience and opportunity George brings to the position and know he will continue to bring more transparency and accountability to our operations throughout his tenure.

Included in this report is a comprehensive overview of Abbotsford's financial performance for the fiscal year ending on December 31, 2012, as well as a review of departmental activities and program highlights for the year. I invite you to read through the updates and to reflect on how we can all continue to work towards ensuring that Abbotsford is a prosperous and sustainable community for today and tomorrow.

As a small business owner, as Mayor and as a long-time resident of Abbotsford, it is an honour and a privilege for me to serve as the Mayor of this great city and I look forward to many years of success ahead.

A handwritten signature in black ink, appearing to be 'B. Banman', with a long horizontal line extending to the right.

Bruce Banman
Mayor

Elected Officials

The Mayor and eight councillors are elected for a three-year term. Members of Council are elected at large, meaning they each represent the community as a whole, rather than only a specific geographic portion of it.

The City of Abbotsford, pursuant to the Community Charter operates on a Committee-of-the-Whole system, whereby all members of Council sit at the Executive Committee, in an open meeting, prior to each Regular Council Meeting. The Executive Committee has authority to deal with all matters, with the exception of bylaws, tenders and approval of budgets. Council makes decisions by either passing resolution or a bylaw. A resolution requires a single vote; whereas, a bylaw requires four readings.

Mayor and Council serve on many committees, boards and commissions and provide strategic input and direction on areas ranging from agriculture and arts to economic development and regional issues.

Abbotsford City Council

Councillors



Mayor
Bruce Banman



Les Barkman



Henry Braun



Simon Gibson



Moe Gill



Bill MacGregor



David Loewen



Patricia Ross



John Smith



elected
officials

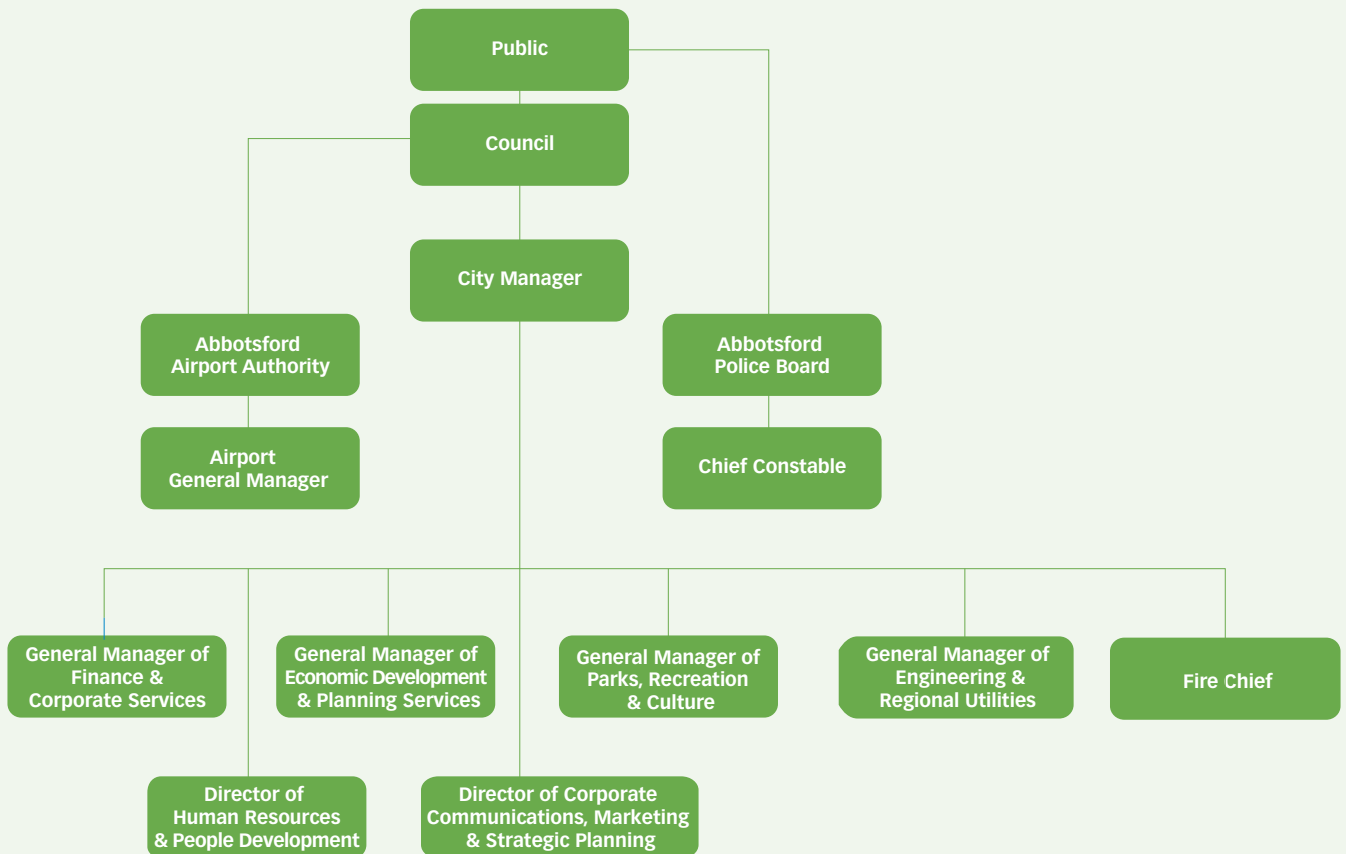




Organizational Structure

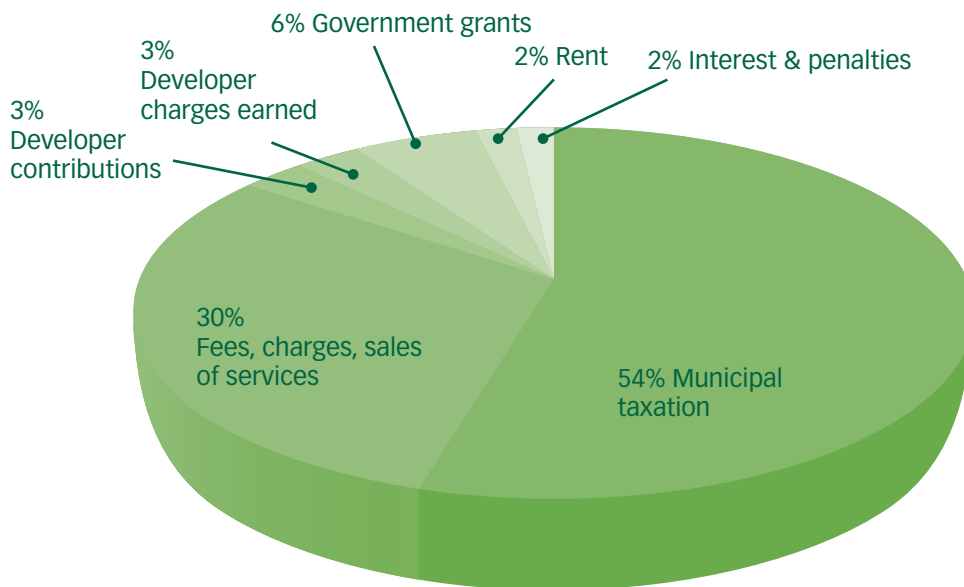
The Mayor and eight Councillors elected by the public are responsible for setting the direction and establishing the policies for leading the community. These policies are carried out by the City's administration, which is organized below.

The Abbotsford International Airport and the Abbotsford Police Department report to individual boards. All other departments report directly to the City Manager, who reports to Council. The City Manager is the chief administrative officer of the organization.



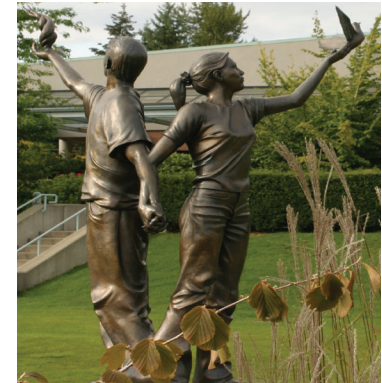
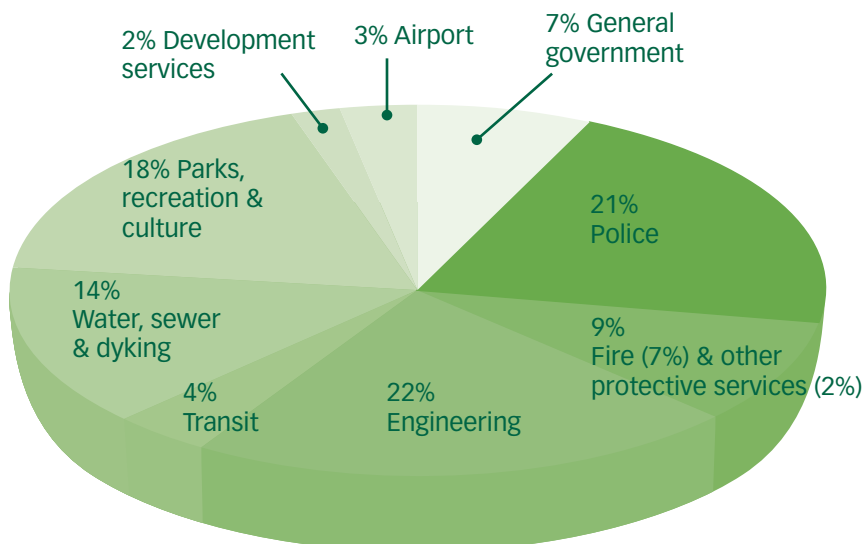
2012 Revenue

Illustration of the City's revenue sources for 2012.



2012 Expenditures

Illustration of the City's expenditures for 2012.





City of Abbotsford Services

The City of Abbotsford is responsible for providing relevant and timely community services and infrastructure in support of a sustainable, enjoyable City. Each day, City staff endeavour to provide efficient and effective municipal services within an accountable and sustainable fiscal framework. To find out more about our City Services visit www.abbotsford.ca.

Abbotsford City services are organized into 10 main service areas:

City Manager's Office

The City Manager's Office provides leadership and fosters collaboration with all other departments at the City to ensure that exceptional customer service is provided to the citizens of Abbotsford. The Office works closely with the organization and other partners to align the City's work with Council's direction and the values of the community, and challenges each department to strive for better performance.

Economic Development and Planning Services

Economic Development and Planning Services is primarily responsible for formulating policies and standards for new development; managing approvals of all types of land development; regulating building construction, ensuring compliance with community standards; facilitating development of best practices to protect the environment; and bylaw enforcement.

Emergency Program

The Emergency Program's mandate is to meet provincial legislation under the Emergency Program Act, identifying our City's responsibilities to provide a safer community. The key responsibilities are to establish and exercise plans to prepare, respond, and recover during disasters such as those which are man-made (hazardous materials, terrorism) or naturally occurring (floods, earthquakes).

Engineering and Regional Utilities

The Engineering Department plans, designs, constructs and maintains the engineering infrastructure essential for a high quality of life in Abbotsford. The Engineering Department has approximately 200 staff working at City Hall, the Operations Yard, JAMES Treatment Plant, and the Norrish Drinking Water Plant.

Finance and Corporate Services

The Finance and Corporate Services Department administers the statutory functions of the Community Charter and Local Government Act to provide excellence in customer service to the public and the organization by supporting other departments at the City in service delivery to the public. The department is responsible for five divisions, including City Clerk's Office, Financial Services, Business & Technology Solutions, Purchasing & Supply Solutions, and Risk Management.

Fire Rescue Service

The Fire Rescue Service responds to emergency incidents, including fires, motor vehicle incidents with injuries, medical and hazardous materials. Fire Rescue Service works closely with other emergency response partners such as BC Ambulance and Abbotsford Police. Fire Rescue Service members conduct fire inspections for over 2,900 properties in the City along with providing fire public education.

Human Resources

The City of Abbotsford is committed to fostering a diverse and high performing workforce with strong and effective leaders. The Human Resources Department provides leadership and promotes excellence in human resources management. The department is committed to supporting the organization in its dedication to customer service and engagement, and being a workplace of choice where health and safety exist for all staff, positive relations exist with union and employee associations and learning is a continuous activity.

Mayor and Council

City Council is responsible for local government leadership and decision making in the City of Abbotsford. The primary functions of City Council are to establish administrative policy; to adopt bylaws governing matters delegated to local government through the Community Charter and other Provincial statutes for the protection of the public good; and, to levy taxes for these purposes. The day-to-day administration and operation of the City is delegated by Council to the City Manager and City Staff.

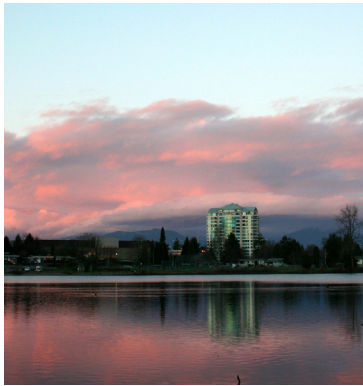
Parks, Recreation and Culture

The Parks, Recreation & Culture Department is responsible for planning, developing, maintaining, and operating all City parks, trails, cemeteries, recreation, and cultural facilities. It consists of four functions: Administration, Parks, Recreation, and Cultural Services. The department provides services and programs for over 151 parks and four cemeteries totalling 2,584 acres. Recreation and cultural programs are provided at seven facilities including the Abbotsford Recreation Centre, Matsqui Recreation Centre, MSA Arena, Abbotsford Exhibition Park, Centennial Outdoor Pool, Matsqui Centennial Auditorium and the Reach Gallery & Museum.

Communications, Marketing & Strategic Planning

The Communications, Marketing and Strategic Planning Department's mission is to provide relevant messaging to the City's internal and external stakeholders through a commitment to exceptional customer service. The department ensures that the public, employees, media have a clear understanding of the City of Abbotsford's priorities, programs and policies. The department also provides assistance to the Mayor and Council and all City departments to inform the public about City programs, services and emerging issues of interest and to encourage civic participation in municipal government. The department is responsible for liaising with Council on the development of the Strategic Plan, including defining the major priorities, as well as developing strategies, actions and performance measures for meeting and tracking the success of these strategies.





2012 Corporate Strategic Plan Key Accomplishments

The City of Abbotsford's vision is to be the most sustainable, liveable and prosperous community in British Columbia. This goal is being achieved through Abbotsford's mission to deliver excellent services that improve the sustainability and quality of life in Abbotsford.

GOAL 1: Fiscal Sustainability

- Implement Financial Strategies for Fiscal Sustainability
- Revenue Source and Cost Savings Initiatives
- Partnerships to Support Community Infrastructure Development

Key Accomplishments

This year, we focused on our goal of maximizing our fiscal sustainability through the development of our Long -Term Financial Plan (LTFP) which, going forward will provide critical support for our overall municipal strategic planning framework. The City of Abbotsford's Long-Term Financial Plan will be a high level guiding plan for the City along with the Official Community Plan, the Strategic Plan and the Community Sustainability Strategy.

We also continued with the review of our budget processes and undertook the development of a budget module to streamline the budgeting process across departments. This process was initiated as an objective under our Revenue Source and Cost Savings process, which supports our organizational philosophy of continuous improvement across the organization.

Continuous improvement has been a focus throughout the City, with emphasis on working smarter. Our staff have implemented several improvements to modernize, increase productivity and improve service. In 2013 the City will continue to implement a process improvement program across all departments.

GOAL 2: Economic Competitiveness & Innovation

- Mayor's Task Force on Economic Prosperity
- Develop Economic Sectoral Strategies
- Planning Innovation and Leadership

Key Accomplishments

Healthy, sustainable economic growth can be facilitated and supported by sound planning and policy, by engaging-with and listening-to the business community, and by creating an inviting business climate. In December of 2011, Mayor Banman announced the formulation of the Mayor's Task Force on Economic Prosperity. The work of this Task Force in 2012 resulted in a draft Economic Development Strategy and Action Plan. This document serves as a catalyst for stakeholder discussions across a wide range of economic issues including taking advantage of Abbotsford's unique mix of assets; promoting Smart Growth; encouraging Innovation; and, identifying metrics for success.

This year we also continued to promote the City's investment potential in particular as it relates to industrial lands of the City in the Country Plan. This includes sponsoring business to business events using the annual airshow as a venue, presentations to significant commercial real estate firms and production of articles profiling Abbotsford.

Abbotsford City Council also officially endorsed the U District Plan. In early 2011 City staff began developing a 30-year planning concept for the area around the University of the Fraser Valley (UFV), known as the 'U District'. The U District is located to the south of Highway 1, within the City's Urban Development Boundary. It is approximately 365 acres in size and has a population of over 2,000 residents. The development of the vision was formed by an extensive public consultation process that engaged UFV staff and students, U District land owners and residents, the development industry, City committees, City staff and the public. The document provides a context for future development in this strategic location so that new development will support the long-term growth and diversification of UFV and the surrounding area. The vision also provides planned and predictable development direction. This direction offers residential, commercial and applied research investment opportunities that encourage mixed-use, amenity-rich and 'green' development supporting University of the Fraser Valley and capitalizing on the new McCallum Interchange and future transit expansions. You can find more information on the U District and other Economic Development initiatives online at: www.abbotsford.ca.

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GOAL 3: Leadership in Environmental Stewardship

- Community Sustainability Plan
- Climate Change & Environmental Practices

Key Accomplishments

The Community Sustainability Strategy is the City's integrated community sustainability plan. Through a grant from the federal government, the City created a Community Sustainability Strategy that includes a Green Energy Plan, a Green Community Plan and a Green Economic Investment Study. These plans were all completed and presented to City Council in 2012 and can all be found online on the City's website.

Additionally this year, the Ministry of Agriculture approved an amendment to the City's Zoning Bylaw allowing the City to implement the environmentally friendly curbside composting program as of January 2013. Food waste and compostables have a lower tipping fee than regular garbage, by as much as \$20-\$25 per tonne, and can be turned into a usable by-product. The new composting, recycling and garbage disposal program will save the City an estimated \$300,000 in the first year of implementation and divert tonnes of waste from the landfill.

GOAL 4: Safe, Healthy, and Inclusive Community

- Quality of City Initiatives
- Community Safety Initiatives
- Community Wellness Initiatives

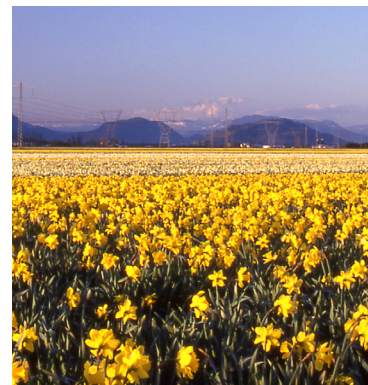
Key Accomplishments

Abbotsford City Council believes that transparency in government is the foundation for public trust, accountability, improved decision-making and informed participation. Government functions best when it is open, inclusive, responsive and accountable for its actions. One of the most effective ways to provide transparency is through citizen participation and inclusion in government. The City already provides for citizen participation in a variety of contexts and citizen advisory boards exist for a wide range of City activities—everything from the airport to sister city exchanges. Community Councils also play a key role in the land-use planning process. This year, we broadened our access points for citizens to include improved online service by updating the search function on our website, continuing to promote My City Online and fully embracing the use of social media as both an information source for residents and a feedback channel.

We also furthered our community ties by establishing a Volunteer Coordinator position to coordinate and mobilize teams of volunteers to assist with City events. This not only provides a critical link between the City and residents who wish to engage, it also provides needed support for community events in times of fiscal restraint.

The City of Abbotsford recognizes that traffic safety has a big impact on the sustainability and liveability of our community. This year we continued working closely and in partnership with the Abbotsford Police Department (APD) and our other community partners to improve safety in our City, with a strong focus on supporting the APD's strategic goal of reducing traffic fatalities. Our Engineering Department addresses issues related to the infrastructure and flow of traffic on roadways, including the installation and maintenance of sidewalks, traffic lights, signage, traffic calming measures and crosswalks. By integrating three E's - Engineering, Education and Enforcement - the City works in collaboration to create a safer environment for all road users including motorists, cyclists, and pedestrians.

Finally, we continued our quest to support a healthy and active Abbotsford community for all. A quick scan of the population in Abbotsford reveals a diverse ethnic and socioeconomic make-up, and a large proportion of youth – 20 percent of which is between the ages of 1 and 14 years of age. An ongoing challenge is to keep these community demographics in mind when addressing our community's health needs. In 2012, we continued with implementing the SCOPE (Sustainable Childhood Obesity Prevention) project through community engagement and outreach activities directed specifically at our diverse population.





GOALS 5 & 6: Engaged and Effective Workforce & Provide Exceptional Customer Service

- Employee Engagement Initiatives
- Corporate Customer Service Strategy

Key Accomplishments

Internally at the City, we launched a number of employee engagement initiatives including an employee wellness program, a comprehensive leadership and supervisor training program, the Employee Ideas portal and the Mayor's Budget Blitz for process improvement. These programs were all implemented alongside our own 'Uncovered Boss' program, modeled after the TV show the Undercover Boss, which saw senior management working alongside program staff for one day each month. This program resulted in many quick process improvements being generated at the ground level with instant support from the top, which not only supported employee engagement, but also our continuous improvement goals as well.

Finally, we continued providing our Customer Service and Continuous Improvement Training to staff across the organization with a goal of ensuring that all employees have the support they need in making Abbotsford the most sustainable, liveable and prosperous community in BC.

Financial Year in Review

June 24, 2013

Your Worship and Members of Council:

It is my pleasure to submit the 2012 Annual Report for the City of Abbotsford, in accordance with Section 98 of the Community Charter. This Annual Report provides readers a clear understanding of the financial position and the results of operations for the City for the year ended December 31, 2012. The Financial Position and Financial Activities of the City are reported and audited on a consolidated basis.

The City also reports, as supplementary information, the financial position and financial activities of all of the funds of the City, which include: General, Water, Sewer, and Airport operating, capital, and reserve funds. Statements of Financial Position and Financial Activities for Ledgeview Properties Ltd., a wholly-owned corporation of the City, are also included.

DEPARTMENTS

- Abbotsford International Airport
- City Manager
- Economic Development & Planning Services
- Engineering & Regional Utilities
- Finance & Corporate Services
- Fire Rescue Services
- Parks, Recreation & Culture
- Police

LOCAL AND REGIONAL GOVERNMENTS

The City is a member of the Fraser Valley Regional District (FVRD), with six of the twenty-two members on the FVRD Board of Directors. The FVRD provides 9-1-1 emergency services, mosquito control, air quality management, and weed control.

The City also belongs to the Fraser Valley Regional Hospital District (FVRHD). The FVRHD is responsible for the capital financing needs of the region's hospitals. Membership on the FVRD and FVRHD Boards is identical. The FVRD and FVRHD are separate entities from the City. However, the City is responsible for a share of the operating and capital costs of the two Districts, which is determined by calculating a proportionate share of assessed value of the participating members for the various regional services. The Regional Districts determine the total amount to be requisitioned from the City, which is raised through property taxation.

As a partner with Metro Vancouver in regional park planning and acquisition, the City appoints two members to the forty-member Board of Directors. The City is also a member of the Fraser Valley Regional Library, and liaises with the City of Sumas, Washington and local First Nations communities, to deal with common issues and services.



financial year
in review



Public transit is provided in partnership with the District of Mission through an agreement with British Columbia Transit Authority. In 2012, FirstCanada ULC was contracted as the operator of both the conventional and custom transit services for the system.

Water treatment and supply services, and sanitary sewer treatment facilities, are overseen jointly by the City of Abbotsford and the District of Mission through a Water-Sewer Commission.

COMMISSIONS, AUTHORITIES & BOARDS

A Parks, Recreation & Culture Commission, consisting of twelve members (three from City Council; three from the Board of School Trustees, School District No. 34 [Abbotsford]; and six from the community), provides input into parks, recreation and cultural programs, recommending priorities to Council.

The Abbotsford Airport Authority is appointed to manage and operate the Abbotsford International Airport for, and on behalf of, the City. Airport Authority members are appointed by City Council for a three-year term. The airport is a self-sustaining operation and does not require financial assistance from general municipal operations.

The Abbotsford Police Board is a statutory body created pursuant to the BC Police Act, whose role is to provide general direction to the Abbotsford Police Department, including appointment of the Chief Constable. The Board is comprised of the Mayor, who is the designated Chair, one person appointed by the municipal Council and five persons appointed by the Lieutenant Governor-in-Council.

FINANCIAL MANAGEMENT AND CONTROL

The City maintains a system of internal budgetary, accounting and financial controls designed to provide reasonable assurances to safeguard municipal assets and provide reliable financial information. A five-year financial plan is prepared each year, representing the service levels and capital expenditure programs that Council wishes to implement. Responsibility for preparing, monitoring and managing operating and capital budgets rests with management staff charged with implementing Council's programs.

The Finance & Corporate Services Department is responsible for compiling estimates prepared by the operating departments, analyzing the financial implications of these estimates, making recommendations to the senior management team (which includes the City Manager and departmental General Managers), coordinating the presentation of budget material to Council, and periodic monitoring and comparison of the City's actual financial activities to approved budgets.

Preparation and presentation of financial statements and related exhibits and schedules included in the Annual Report is also the responsibility of the City's Finance & Corporate Services Department. While there is close consultation with the City's auditors, management is responsible for decisions relating to the form and content of the financial statements, and for the treatment, reporting and disclosure of financial transactions.

The statements have been prepared in accordance with generally-accepted accounting standards for local governments. The preparation of financial information involves the use of estimates and judgments based on careful assessment of the data available through the City's financial information system.

AUDIT

The Community Charter requires that Council appoint an auditor to audit the accounts and transactions of the municipality, including all municipal administrative bodies handling funds for which no statutory audit provision is made. The auditor has a right of access at all times to every record, instrument, account and any other component of the financial reporting system of the municipality, or of any municipal administrative body handling municipal matters or funds.

The audit firm KPMG LLP was appointed by Council and is responsible for expressing an opinion on whether the consolidated financial statements prepared by management present fairly, in all material respects, the financial position of the City of Abbotsford and the results of its operations.

FINANCIAL RESULTS

The Consolidated Statement of Financial Position for the year ended December 31, 2012, records a decrease in financial equity of \$0.8 million, for a total financial equity in fund balances of \$104.5 million (2011 - \$105.3 million). Consolidated equity in non-financial assets increased by \$6.4 million, for a total consolidated equity in non-financial assets of \$1,337.1 million (2011 - \$1,330.7 million).

The management discussion and analysis of the financial position and operating results (included in the 2012 financial statements) provides further financial details.

On behalf of the Finance & Corporate Services Department, I take this opportunity to convey my appreciation to all members of Council and staff for their efforts in achieving these favourable results for 2012. I also thank those employees who contributed to the City's financial processes and the preparation of the 2012 Annual Report.

Respectfully submitted,



Pat Soanes, CMA
General Manager
Finance & Corporate Services



financial year
in review

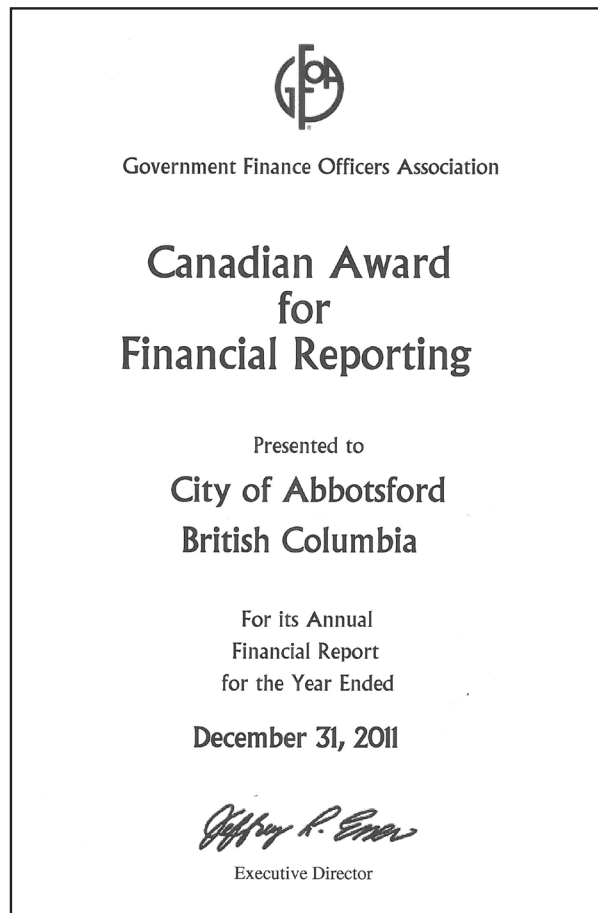


Canadian Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Abbotsford for its Annual Report of the fiscal year ended December 31, 2011. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles, and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only.



Management Discussion and Analysis

The City of Abbotsford reports the results of its operations on a consolidated basis, along with accompanying notes to the consolidated financial statements. The City also reports, as supplementary information, the financial position and financial activities of the four funds of the City, which are: General, Waterworks, Sanitary Sewer, and Airport. Each fund is self-supporting with no cross-subsidization between funds. Additionally, in accordance with segment reporting requirements, the Notes to the Financial Statements include a Schedule of Revenues and Expenses segmented by municipal service area.

Municipal financial statements for a fiscal year must be prepared by the financial officer appointed by Council. The financial statements must be prepared in accordance with generally-accepted accounting principles for local governments.

As is required, the City's accounting policies conform to generally-accepted accounting policies for local government financial reporting in British Columbia, and the Consolidated Financial Statements (including the accompanying notes) were prepared in accordance with current recommendations issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Net Financial Assets

A key indicator in assessing the financial health of a local government is its net financial assets (financial assets less liabilities). Net financial assets decreased by \$5.4 million during 2012, from \$17.8 million of net financial debt, to \$12.4 million of net debt at the end of 2012. Most of the decrease is due to the repayment of long-term debt.

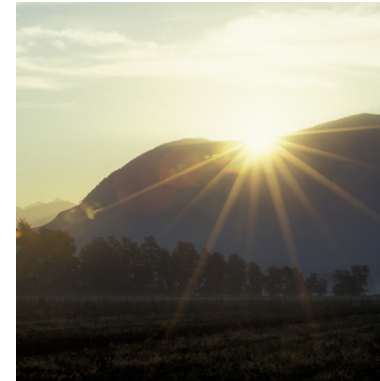
Long-Term Debt

Total debt repayments of \$4.5 million were made in 2012. As a result, total long-term debt at the end of the year was \$87.6 (2011 - \$92.1 million). Of that amount, \$74.1 million is general fund debt.

The City continues to review its ability to provide for an early debt repayment strategy for the significant amount of debt it assumed with the transfer of the water supply and sewage treatment operation from the Fraser Valley Regional District (FVRD).

Annual Debt Servicing Capacity

The Community Charter imposes a limit to the amount a municipality may borrow - the "legal debt servicing limit". In 2012, the City's legal debt servicing limit was \$50.3 million, and the annual debt servicing was \$9.2 million. The remaining debt servicing capacity of \$41.1 million represents the amount of additional borrowing the City could incur, if it chose, while still remaining within the debt servicing limit prescribed by the Community Charter.





Non-financial Assets

Non-financial assets are comprised of capital assets, inventory and pre-paid expenses. The net book value of tangible capital assets decreased by \$709,000 in 2012 to \$1,449 million.

(in millions)		
Land & land improvements	\$ 2.2	\$ 384.0
Park improvements	(0.7)	20.5
Buildings	1.3	132.9
Machinery & equipment	(1.4)	13.1
Vehicles	1.6	14.1
Airport	(1.0)	30.8
Water	11.1	208.7
Sewer	3.7	148.6
Transportation	12.7	241.0
Storm drainage	2.0	185.4
Dyking, drainage & irrigation	(0.4)	22.2
Assets under construction	(31.8)	47.7
Total non-financial assets	<u>(\$ 0.7)</u>	<u>\$1,449.0</u>

ACCUMULATED SURPLUS

Financial

Equity in financial assets is determined by the amount of financial assets less liabilities (excluding long-term debt). Financial equity in operating and reserve fund balances for the year ended December 31, 2012, records a decrease in financial equity of \$0.8 million, for a total financial equity in fund balances of \$104.5 million (2011 - \$105.3 million).

Tangible Capital Assets & Other Non-Financial Assets

Equity in non-financial assets is determined by the amount of capital and other non-financial assets, less long-term debt. Equity in non-financial assets increased from \$1,330.7 million in 2011, to \$1,337.1 million in 2012. The \$6.4 million increase was largely due to an increased investment of \$5.4 million in tangible capital assets. The remaining \$1.0 million change was a result of increased inventory and pre-paid levels.

CONSOLIDATED STATEMENT OF OPERATIONS

On a consolidated basis, the City experienced an annual surplus of \$5.7 million, compared with \$51.8 million in 2011, and \$38.7 million in 2010. This annual surplus is due in part to capital revenues for which there were no expenses (i.e., \$13.0 million in grant funding).

Exhibit 2 of the financial statements provides the sources of the consolidated annual surplus for 2012:

General Operating	\$ (12)
Water Operating	--
Sewer Operating	(599)
Operating Reserve	80
Capital Reserves	(193)
Investment in non-financial assets (i.e., capital and inventory)	<u>6,396</u>
Total annual surplus	<u>\$5,672</u>

Supporting schedules (Exhibits 1 to 5) and (Schedules A to T) explain fund details and comparisons to budget.

General Operating Fund - Schedule A

This schedule provides detail on the \$12,000 decrease (\$15,000 increase in 2011) in unappropriated surplus in the general fund.

Major variances in the General Operating Fund:

Increased revenues:

Police fees & charges	\$0.74 million
Interest & tax penalties	\$0.58 million
Government grants	\$2.04 million

Reduced expenses:

General government services	\$2.71 million
Transit services	\$0.56 million

Increased expenses:

Police services	\$1.34 million
Fire rescue services	\$0.58 million
Entertainment & Sports Centre	\$1.03 million
Engineering/transportation services	\$5.22 million

Water Operating Fund - Schedule B

Operations in 2012 had reduced revenues resulting from a budget that was set too high, based on incomplete data; a change in rate structure from tiered to a uniform rate; and lower than forecasted consumption. The revenue shortfall was addressed by eliminating the anticipated \$500,000 surplus, as well as reducing the transfer to the capital reserve by \$405,000.

Sewer Operating Fund - Schedule C

Reduced expenditures in 2012 helped to offset a \$1.33 million revenue shortfall. The remaining shortfall was addressed by allowing a negative change in unappropriated surplus of \$0.60 million.





Reserves - Exhibit 4

Capital

This exhibit provides details of the transfers to and from reserves. Total capital reserves decreased by \$193,000 from 2011 to 2012. The financial plan anticipated a reduction of \$32.8 million that did not occur due to projects being deferred, as well as delayed project start dates in 2012.

Operating

The operating reserve decreased slightly by \$80,000 in 2012.

FUTURE OUTLOOK

The 2012 Annual Financial Report for the City of Abbotsford provides an in-depth look at the City's financial performance over the past year. It was a major accomplishment to complete the year with a small shortfall of \$12,000 in the general operating fund. The key areas of focus for the City were on achieving financial sustainability through continued effort to streamline business processes and prudent fiscal management.

Looking at the road ahead, regional and global economic challenges will continue to have an impact on the City. Achieving fiscal sustainability, maintaining the City's considerable investment in capital infrastructure and looking for innovative ways to deliver services that residents want and value will be a primary focus in 2013 and beyond.

Pat Soanes, CMA
General Manager
Finance & Corporate Services

An aerial photograph of a suburban neighborhood. In the foreground, several large, two-story houses with gabled roofs and stone or brick accents are visible. A white pickup truck and a dark SUV are parked on a curved road in front of one of the houses. The middle ground shows more houses and trees. In the background, a large, rolling hill covered in dense forest rises above the neighborhood. The overall scene is peaceful and well-maintained.

2012 financial statements



City Vision

Abbotsford is the most sustainable, liveable and prosperous community in British Columbia

City Mission

We deliver excellent services that improve the sustainability and quality of life in Abbotsford



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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, 2012, 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 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, 2012, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Auditor's Report



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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants

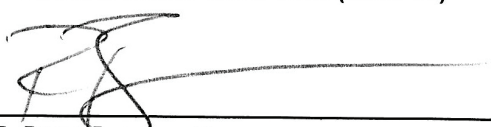
April 23, 2013


Abbotsford, British Columbia

Consolidated Statement of Financial Position

As at December 31, 2012 with comparative figures as at December 31, 2011
In thousands

	2012	2011
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 68,422	\$ 91,141
Accounts receivable (Note 3)	39,675	46,184
Portfolio investments (Note 4)	80,553	53,670
	<u>188,650</u>	<u>190,995</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	66,599	73,244
Restricted revenue (Note 6)	28,271	28,748
Deferred revenue (Note 7)	18,514	14,650
	<u>113,384</u>	<u>116,642</u>
Long-term debt (Note 8)	87,663	92,160
	<u>201,047</u>	<u>208,802</u>
NET FINANCIAL ASSETS (DEBT)	<u>(12,397)</u>	<u>(17,807)</u>
NON-FINANCIAL ASSETS		
Net tangible capital assets (Note 10)	1,448,991	1,449,700
Inventories	1,131	1,170
Pre-paids	3,901	2,891
	<u>1,454,023</u>	<u>1,453,761</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 1,441,626</u>	<u>\$ 1,435,954</u>


R. Bruce Banman, Mayor


Pat Soanes, CMA, General Manager
Finance & Corporate Services

See notes to consolidated financial statements.

Consolidated Statement of Operations

For the year ended December 31, 2012, with comparative figures for 2011

In thousands

	2012 Plan (see Note 16)	2012 Actual	2011 Actual
REVENUE			
Municipal taxation	\$ 126,917	\$ 124,045	\$ 120,403
Fees, charges, sales of services	70,148	69,467	73,116
Developer charges earned	19,636	6,852	14,243
Developer contributions	20,000	6,771	17,234
Government grants	17,213	13,017	30,659
Interest and penalties	3,165	4,376	4,194
Rent	3,692	3,771	3,529
Other	954	108	319
	<u>261,725</u>	<u>228,407</u>	<u>263,697</u>
EXPENSE			
General government	17,632	14,686	14,011
Development services	4,319	4,354	4,194
Protective services	64,476	66,234	62,221
Parks, recreation, culture & libraries	40,392	40,908	38,917
Transit	10,237	9,678	8,877
Engineering	44,173	48,367	48,176
Dyking, drainage & irrigation	3,261	3,386	3,239
Waterworks	13,342	16,214	13,784
Sanitary sewer	15,646	11,563	11,552
Airport	7,390	7,345	6,967
	<u>220,868</u>	<u>222,735</u>	<u>211,938</u>
ANNUAL SURPLUS	<u>40,857</u>	<u>5,672</u>	<u>51,759</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,435,954</u>	<u>1,435,954</u>	<u>1,384,195</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,476,811</u>	<u>\$ 1,441,626</u>	<u>\$ 1,435,954</u>

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2012, with comparative figures for 2011

In thousands

	2012	2011
OPERATING ACTIVITIES		
Annual surplus	\$ 5,672	\$ 51,759
Non-cash items included in annual surplus:		
Amortization expense	44,677	37,764
Contributed tangible capital assets	(6,766)	(17,234)
Net loss on disposal of tangible capital assets	1,989	1,606
Recognition of restricted revenue	(9,202)	(16,673)
Change in non-cash operating items:		
Accounts receivable	6,509	21,175
Inventories	39	72
Pre-pays	(1,010)	(156)
Accounts payable, deposits and accruals	(6,645)	(4,629)
Deferred revenue	3,864	488
	39,127	74,172
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	420	814
Acquisition of tangible capital assets	(39,611)	(82,050)
	(39,191)	(81,236)
INVESTING ACTIVITY		
(Increase)/Decrease in portfolio investments	(26,883)	38,816
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	8,725	13,190
Debt principal repaid	(4,497)	(4,438)
	4,228	8,752
DECREASE IN CASH AND EQUIVALENTS	(22,719)	40,504
CASH AND EQUIVALENTS, BEGINNING OF YEAR	91,141	50,637
CASH AND EQUIVALENTS, END OF YEAR	\$ 68,422	\$ 91,141

See notes to consolidated financial statements.

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31, 2012, with comparative figures for 2011

In thousands

	2012 Plan (see Note 16)	2012 Actual	2011 Actual
ANNUAL SURPLUS	\$ 40,857	\$ 5,672	\$ 51,759
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(100,701)	(39,611)	(82,050)
Contributed tangible capital assets	(20,000)	(6,766)	(17,234)
Amortization	38,172	44,677	37,764
Proceeds from disposal of tangible capital assets	-	420	814
Net loss on disposal of tangible capital assets	-	1,989	1,606
	(82,529)	709	(59,100)
OTHER NON-FINANCIAL ASSETS:			
Decrease in inventory	-	39	72
Increase in pre-pays	-	(1,010)	(156)
	-	(971)	(84)
DECREASE IN NET FINANCIAL ASSETS	(41,672)	5,410	(7,425)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	(17,807)	(17,807)	(10,382)
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ (59,479)	\$ (12,397)	\$ (17,807)

See notes to consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

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 2012 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on March 26, 2012, with the exception of adjustments detailed in Note 16 to the Consolidated Statements, and is not subject to audit.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

(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.

(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-pays 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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

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.

(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.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

2. CASH AND CASH EQUIVALENTS:

(in thousands)

	2012	2011
Cash	\$28,159	\$23,432
MFA short-term money market investment pool	40,263	67,709
	\$68,422	\$91,141

3. ACCOUNTS RECEIVABLE: (in thousands)

	2012	2011
Fees and charges	\$16,353	\$18,717
Taxes	8,821	8,450
Government grants	4,013	8,938
Development cost charges	3,212	5,762
Local improvement charges	7,276	4,317
	\$39,675	\$46,184

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)	2012		2011	
	Cost	Market	Cost	Market
Portfolio investments	\$80,553	\$81,587	\$53,670	\$55,462
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Duration	less than 2	2-10 years	less than 2	2-10 years
Average holdings	\$36,904	\$27,357	\$25,794	\$30,645
Annual yield	2.05%	6.08%	2.13%	5.48%

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts Payable: (in thousands)	2012	2011
Trade payables	\$25,301	\$35,599
Deposits	9,535	8,998
Tax prepayments	11,326	11,252
Salaries and wages	7,863	6,095
Due to Cemetery Care Trust Fund	127	59
Accrued liabilities:		
Retirement allowance liability	9,163	6,504
Liability claims	839	2,673
Vacation pay	1,154	961
Landfill restoration liability	1,291	1,103
	<u>\$66,599</u>	<u>\$73,244</u>

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 2012, 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, 2012. The difference between the actuarially determined benefit obligation of \$9,950,000 and the accrued benefit liability of \$9,163,000 as at December 31, 2012, is the unamortized actuarial loss of \$787,000, which is being amortized over a period equal to the employees' average remaining service lifetime. The next actuarial valuation will be as at December 31, 2013.

(in thousands)	2012	2011
Actuarial benefit obligation	\$9,950	\$ 6,923
Unamortized actuarial (loss)	(787)	(419)
Accrued benefit liability	<u>\$9,163</u>	<u>\$ 6,504</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

Accrued benefit liability (in thousands)	2012	2011
Balance, beginning of year	\$6,504	\$5,815
Current service cost	2,704	906
Interest cost	289	233
Benefits paid	(362)	(450)
Amortization of net actuarial loss/(gain)	28	-
Balance, end of year	\$9,163	\$6,504

Actuarial Assumptions used to determine the benefit obligation:

	2012	2011
Discount rate	3.5%	4.0%
Expected wage and salary increase – Fire & Police	2.5%	3.0%
Expected wage and salary increase – all departments	2.5%	2.5%

Landfill Restoration Liability:

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

The Valley Road and Trethewey Street Landfill sites are expected to require care up to, and including, the year 2025, with further care dependent on the outcome of closure plans prepared by qualified independent consultants required by BC Ministry of Environment permits. The closure plans will provide direction on costs and scope of care needed. The Valley Road Landfill Closure Plan should be complete by mid-2013.

A liability of \$1,291,000, at December 31, 2012 (2011 - \$1,103,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2012 was 3.5% (2011 – 4.5%) and the inflation rate used in 2012 was 2% (2011 - 2%). Landfill restoration costs in 2012 were \$55,677 (2011 - \$106,800). There are no assets designated for settling the post-closure care liability.

(in thousands)	2012	2011
Restoration liability, beginning of year	\$1,103	\$ 997
Adjust liability	188	106
Restoration liability, end of year	\$1,291	\$1,103

6. RESTRICTED REVENUE LIABILITY:

(in thousands)	Development Cost Charges	Development Fees	Airport Fees	2012 Total	2011 Total
Balance December 31, 2011	\$12,504	\$15,522	\$ 722	\$28,748	\$32,231
Add:					
Current year contributions	4,086	1,600	2,407	8,093	12,477
Interest	262	351	19	632	713
	<u>16,852</u>	<u>17,473</u>	<u>3,148</u>	<u>37,473</u>	<u>45,421</u>
Deduct amounts recognized as revenue in current year					
Contributions from developers:					
- Capital expenditures	4,939	2,081	-	7,020	14,341
Airport fees:					
- Eligible airport expenditures	-	-	2,182	2,182	2,332
	<u>4,939</u>	<u>2,081</u>	<u>2,182</u>	<u>9,202</u>	<u>16,673</u>
Balance, December 31, 2012	<u>\$11,913</u>	<u>\$15,392</u>	<u>\$ 966</u>	<u>\$28,271</u>	<u>\$28,748</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.

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, 2012, the amount of DCCs due over the next two years is \$3,212,522 (2011 - \$5,762,000).

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)	2012	2011
Storm sewer	\$10,414	\$10,767
Parks	721	275
Sanitary sewer	88	115
Joint Abbotsford/Mission sanitary sewer (Abbotsford portion)	690	1,347
	<u>\$11,913</u>	<u>\$12,504</u>

Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

7. DEFERRED REVENUE: (in thousands)

	2012	2011
Fees and charges	\$ 4,395	\$ 2,093
Provincial government grants	13,124	11,275
UFV Library Lease	995	1,282
	<u>\$18,514</u>	<u>\$14,650</u>

8. LONG-TERM DEBT:

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

(in thousands)	General	Joint Water	Joint Sewer	TOTAL
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	3,250	730	585	4,565
2018 and thereafter	58,545	4,920	2,059	65,524
	<u>\$74,119</u>	<u>\$8,433</u>	<u>\$5,111</u>	<u>\$87,663</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 \$4,662,000 in 2012 (2011 - \$4,941,000).

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.

From 2010 to 2012, internal borrowing was provided for two road interchange projects which will subsequently be funded through the Roads DCC Program as DCC contributions are received. In addition, internal borrowing was also provided to a 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 agreed to repay this amount over a five-year period.

Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

(in thousands)	2012	2011
Roads DCC projects	\$24,038	\$23,325
Water DCC project	281	357
Joint Water DCC projects	991	1,955
Airport land acquisition	2,500	4,000
	<u>\$27,810</u>	<u>\$29,637</u>

10. TANGIBLE CAPITAL ASSETS:

(in thousands)	2012	2011
Tangible Capital Assets consist of the following:		
General		
Land	\$ 376,258	\$ 374,131
Land Improvements	7,723	7,655
Park Improvements	20,502	21,178
Buildings	132,860	131,592
Machinery & Equipment	13,088	14,528
Vehicles	14,144	12,555
Infrastructure		
Airport	30,840	31,868
Water	208,709	197,563
Sewer	148,630	144,924
Transportation	241,013	228,345
Storm Sewer and Detention	185,412	183,427
Dyking, Drainage & Irrigation	22,154	22,507
Assets Under Construction	47,658	79,427
	<u>\$1,448,991</u>	<u>\$1,449,700</u>

See Exhibit 3 for continuity of Tangible Capital Assets.

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 \$6,766,000 (2011 – \$17,234,000).

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 incorrectly included in its 2011 asset registers. The consolidated statement of financial position for the 2011 comparative period has been recasted for these items. The effects of the recast on the consolidated statement of financial position are summarized below:

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

(in thousands)	2011	2010
Accumulated surplus at December 31, 2011		
Accumulated surplus as previously reported	\$1,438,078	\$1,386,319
Net book value of tangible capital assets adjustment	(2,124)	(2,124)
Accumulated surplus, as recasted	<u>\$1,435,954</u>	<u>\$1,384,195</u>
Tangible capital assets at December 31, 2011		
Tangible capital assets as previously reported	\$1,451,824	\$1,392,723
Net book value of tangible capital assets adjustment	(2,124)	(2,124)
Tangible capital assets, as recasted	<u>\$1,449,700</u>	<u>\$1,390,599</u>

11. ACCUMULATED SURPLUS:

(in thousands)	2012	2011
Unappropriated Balance		
General operations	\$ 8,284	\$ 8,296
Waterworks operations	1,018	1,018
Sanitary sewer operations	4,002	4,601
Airport operations	1,176	1,176
	<u>14,480</u>	<u>15,091</u>
Appropriated Surplus		
General operations reserve	14,040	13,961
Statutory capital reserves	76,028	76,220
	<u>90,068</u>	<u>90,181</u>
Investment in Tangible Capital Assets	1,332,046	1,326,621
Investment in Other Non-Financial Assets	5,032	4,061
Total Accumulated Surplus	<u>\$1,441,626</u>	<u>\$1,435,954</u>

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

Appropriated Surplus is the amount of Accumulated Surplus, supported by a portion of the City's cash and receivables that has been set aside for a specified purpose. The Statutory Capital Reserves have been established 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)	2012	2011
Interest paid	\$4,803	\$5,110
Interest received	\$2,747	\$4,327

13. EXPENSE BY OBJECT:

(in thousands)	2012	2011
Salaries and benefits	\$ 93,274	\$ 87,750
Operating goods and services	52,161	50,077
Minor capital projects	12,714	11,106
Infrastructure projects	-	6,958
Amortization expense	44,677	37,764
Net loss on retirement of tangible capital assets	1,989	1,605
Transfer payments to other governments and agencies	13,257	11,737
Debt interest payments	4,663	4,941
Total Expense by Object	\$222,735	\$211,938

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 2012 the City reports a liability of \$839,000 (2011 – \$2,673,000) which, at this time, is management's best estimate of expected future settlements.

(c) Municipal Pension Plan:

The City of Abbotsford and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

The most recent actuarial valuation as at December 31, 2009, indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. Defined contribution plan accounting is applied to the Plan, as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Abbotsford paid \$7,110,390 (2011 - \$7,041,000) for employer contributions to the Plan in fiscal 2012, while employees contributed \$5,863,437 (2011 - \$5,666,000) to the plan in fiscal 2012.

(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 \$1,575,000 (2011 - \$1,529,000). The balance of the City's portion of the Debt Reserve Fund totals \$3,517,000 (2011 - \$3,517,000), for which the City has also executed demand notes in connection with each debenture totaling \$3,517,000 (2011 - \$3,517,000), whereby the City may be required to loan extra amounts to the Authority.

(e) Abbotsford International Airport:

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

(f) Abbotsford Heat:

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

(g) Agricultural Land Commission:

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

15. 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)		
<u>Nature</u>	<u>Extent of Contracts</u>	<u>Estimated Remaining Expenditure</u>
Buildings construction	\$ 6,189	\$ 62
Fleet equipment	508	508
Road construction	4,116	162
Sewer construction	23,833	17,611
Storm drainage construction	1,859	299
Water construction	21,471	2,178

16. 2012 PLAN:

The unaudited budget data presented in these consolidated financial statements was included in the City of Abbotsford 2012-2016 Financial Plan, adopted through Bylaw No. 2126-2012 on March 26, 2012. The following table reconciles the approved budget to the budget figures in these consolidated financial statements:

Notes to the Consolidated Financial Statements

For the year ended December 31, 2012

(in thousands)	<u>Budget Amount</u>
Revenues:	
Consolidated budget	\$269,805
Expenses:	
Consolidated budget	206,956
Annual surplus per approved budget	<u>62,849</u>
Less:	
Minor capital expenses	(16,180)
Collections for other governments	(5,812)
Annual surplus per Statement of Operations	<u>\$ 40,857</u>

17. 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, 2012, the trust fund balance is \$3,272,000 (2011 -\$3,178,000).

18. 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 & strategic planning
- Human resources
- Financial services
- Business & technology solutions
- Purchasing & supply solutions
- Risk management

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

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

Sewer

Includes:

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

Economic Development/Development Services

Includes:

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

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

Airport

Includes:

- National and international flights
- Passenger and cargo services

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

(in thousands)

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
GENERAL OPERATING FUND			
General Government	\$ 80,058	\$ 82,591	\$ 79,833
Development Services	1,857	2,021	2,150
Police	44,973	45,656	45,019
Fire	135	239	192
Other Protective Services	4,097	3,742	4,174
Parks, Recreation and Culture	6,895	6,662	6,681
Entertainment & Sports Centre	2,525	2,686	3,097
Library	3,982	3,967	3,800
Transit	6,784	6,491	6,115
Engineering	2,578	2,954	2,937
Solid waste	7,338	7,435	7,650
Storm Drainage	3,407	3,403	3,403
Dyking & Irrigation	2,104	2,070	2,050
	166,733	169,917	167,101
WATER OPERATING FUND	17,653	16,552	17,190
SEWER OPERATING FUND	11,819	10,490	12,448
AIRPORT OPERATING FUND	5,678	6,088	5,668
CAPITAL FUNDS	58,722	23,608	59,783
RESERVE FUNDS	1,660	2,022	2,198
	262,265	228,677	264,388
CONSOLIDATION ADJUSTMENTS	(540)	(270)	(691)
	261,725	228,407	263,697

Notes to the Consolidated Financial Statements
For the year ended December 31, 2012

(in thousands)

EXPENSE

GENERAL OPERATING FUND

General Government	16,988	14,277	13,237
Development Services	4,287	4,354	4,194
Police	46,178	47,516	43,731
Fire	14,446	15,022	14,723
Other Protective Services	3,661	3,533	3,444
Parks, Recreation and Culture	24,864	24,425	24,021
Entertainment & Sports Centre	10,818	11,848	11,290
Library	4,152	4,155	3,395
Transit	10,237	9,678	8,877
Engineering	22,714	27,929	22,461
Solid waste	7,350	7,361	6,577
Storm Drainage	5,167	5,090	4,960
Dyking & Irrigation	3,244	3,366	3,208

174,106 178,554 164,118

WATER OPERATING FUND

12,682 13,839 12,597

SEWER OPERATING FUND

11,279 10,886 10,883

AIRPORT OPERATING FUND

7,160 7,012 6,967

CAPITAL FUNDS

16,181 12,714 18,064

221,408 223,005 212,629

CONSOLIDATION ADJUSTMENTS

(540) (270) (691)

220,868 222,735 211,938

SURPLUS

\$ 40,857 \$ 5,672 \$ 51,759

Independent Auditors' Report

Cemetery Care Trust Fund



KPMG LLP
Chartered Accountants
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Abbotsford BC V2T 4W6
Canada

Telephone (604) 854-2200
Fax (604) 853-2756
Internet www.kpmg.ca

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, 2012, 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, 2012 in accordance with Canadian generally accepted accounting principles.

The logo for KPMG LLP, featuring the text "KPMG LLP" in a stylized, handwritten font, with a horizontal line underneath.

Chartered Accountants

April 23, 2013

Abbotsford, British Columbia

Cemetery Care Trust Fund Statement of Financial Position

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

	2012	2011
FINANCIAL ASSETS		
Portfolio investments	\$ 3,145	\$ 3,119
Accounts receivable	127	59
NET FINANCIAL ASSETS	3,272	3,178
ACCUMULATED SURPLUS		
Balance, beginning of year	3,178	3,073
Contributions	94	105
Investment earnings	107	109
Transfer to General Operating Fund	(107)	(109)
Balance, end of year	\$ 3,272	\$ 3,178

Notes to the Cemetery Care Trust Fund

For the year ended December 31, 2012

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 2012 are comprised of corporate and government investments.

(in thousands)	2012		2011	
	Cost	Market	Cost	Market
Portfolio investments	\$3,145	\$3,225	\$3,119	\$3,205
	<u>Long-term</u>		<u>Long-term</u>	
Duration	2-10 years		2-10 years	
Average holdings	\$3,101		\$ 2,933	
Annual yield	3.38%		3.55%	

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 2012, \$107,000 (2011 - \$109,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2012, 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.

Statement of Financial Position – By Fund

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

Exhibit 1

	Operating Funds				Reserve Funds
	General	Water	Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 68,422	\$ -	\$ -	\$ -	\$ -
Due from other funds	7,473	-	4,755	1,689	90,068
Internal borrowing	28,287	-	-	-	-
Accounts receivable	28,409	6,404	1,820	692	-
Portfolio investments	80,553	-	-	-	-
	213,144	6,404	6,575	2,381	90,068
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	66,347	93	10	149	-
Due to other funds	109,560	5,199	-	-	-
Restricted revenue	24,648	94	2,563	966	-
Deferred revenue	4,305	-	-	90	-
	204,860	5,386	2,573	1,205	-
Long-term debt (external)	-	-	-	-	-
Internal borrowing	-	-	-	-	-
	-	-	-	-	-
	204,860	5,386	2,573	1,205	-
NET FINANCIAL ASSETS	8,284	1,018	4,002	1,176	90,068
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,131	-	-	-	-
Pre-paids	3,901	-	-	-	-
	5,032	-	-	-	-
ACCUMULATED SURPLUS	\$ 13,316	\$ 1,018	\$ 4,002	\$ 1,176	\$ 90,068

Statement of Financial Position – By Fund

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

Exhibit 1 continued

2012 Financial Statements

General	Capital Funds			Consolidation Adjustments	Total 2012	Total 2011
	Water	Sewer	Airport			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,422	\$ 91,141
13,048	-	-	-	(117,033)	-	-
-	-	-	-	(28,287)	-	-
76	-	2,274	-	-	39,675	46,184
-	-	-	-	-	80,553	53,670
13,124	-	2,274	-	(145,320)	188,650	190,995
-	-	-	-	-	66,599	73,244
-	-	2,274	-	(117,033)	-	-
-	-	-	-	-	28,271	28,748
14,119	-	-	-	-	18,514	14,650
14,119	-	2,274	-	(117,033)	113,384	116,642
74,119	8,433	5,111	-	-	87,663	92,160
24,515	1,272	-	2,500	(28,287)	-	-
98,634	9,705	5,111	2,500	(28,287)	87,663	92,160
112,753	9,705	7,385	2,500	(145,320)	201,047	208,802
(99,629)	(9,705)	(5,111)	(2,500)	-	(12,397)	(17,807)
972,515	235,647	166,471	74,358	-	1,448,991	1,449,700
-	-	-	-	-	1,131	1,170
-	-	-	-	-	3,901	2,891
972,515	235,647	166,471	74,358	-	1,454,023	1,453,761
\$872,886	\$225,942	\$161,360	\$ 71,858	\$ -	\$ 1,441,626	\$1,435,954

Statement of Financial Activities – By Fund

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

Exhibit 2

	OPERATING FUNDS				RESERVE FUNDS
	General Schedule A	Water Schedule B	Sewer Schedule C	Airport Schedule D	Schedule S
REVENUE					
Municipal taxation	\$ 121,033	\$ -	\$ -	\$ -	\$ -
Fees and charges	35,761	16,530	10,402	3,963	-
Developer charges earned	-	-	-	-	-
Developer contributions	5	-	-	-	-
Government grants	8,831	-	43	75	-
Interest and penalties	2,546	5	45	37	2,013
Rent	1,741	17	-	2,013	-
Other	-	-	-	-	9
Contributions other funds	-	-	-	-	-
	169,917	16,552	10,490	6,088	2,022
EXPENSE					
General government	14,277	-	-	-	-
Development services	4,354	-	-	-	-
Protective services	66,071	-	-	-	-
Parks, recreation, culture, libraries	40,428	-	-	-	-
Transit	9,678	-	-	-	-
Engineering services	40,380	-	-	-	-
Dyking services	3,366	-	-	-	-
Water services	-	13,839	-	-	-
Sewer services	-	-	10,886	-	-
Airport services	-	-	-	7,012	-
	178,554	13,839	10,886	7,012	-
ANNUAL SURPLUS/(DEFICIT)	(8,637)	2,713	(396)	(924)	2,022
INTERFUND TRANSACTIONS					
Operating Reserve	148	-	-	-	(148)
General Capital Reserve	(20,026)	-	-	-	(86)
Affordable Housing Reserve	-	-	-	-	-
Storm Sewer Reserve	(818)	-	-	-	377
Waterworks Capital Reserve	-	(8,208)	-	-	(5,093)
Sewer Capital Reserve	-	-	(4,100)	-	1,444
Airport Capital Reserve	-	-	-	(194)	1,371
Capital Fund	-	-	-	-	-
Tangible capital assets	33,438	6,254	4,448	2,618	-
Debt proceeds	-	-	-	-	-
Internal borrowing	327	-	-	-	-
	13,069	(1,954)	348	2,424	(2,135)
Debt principal repayment	(3,473)	(759)	(551)	(1,500)	-
CHANGE IN INVENTORY/PRE-PAID	971				
CHANGE IN UNAPPROPRIATED SURPLUS	(12)	-	(599)	-	
CHANGE IN APPROPRIATED SURPLUS					(113)
CHANGE IN CAPITAL EQUITY					
ANNUAL SURPLUS (DEFICIT)					
SURPLUS, BEGINNING OF YEAR	12,357	1,018	4,601	1,176	90,181
SURPLUS, END OF PERIOD	\$ 13,316	\$ 1,018	\$ 4,002	\$ 1,176	\$ 90,068

Statement of Financial Activities – By Fund

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

Exhibit 2 continued

2012 Financial Statements

CAPITAL FUNDS					Consolidation Adjustments	2012 Actual	2011 Actual
General Schedule R	Water Schedule R	Sewer Schedule R	Airport Schedule R	SUBTOTAL			
\$ 2,366	\$ 477	\$ 169	\$ -	124,045	\$ -	\$ 124,045	\$ 120,403
227	(25)	428	2,181	69,467	-	69,467	73,116
4,852	700	1,300	-	6,852	-	6,852	14,243
4,579	1,861	326	-	6,771	-	6,771	17,234
2,004	533	1,531	-	13,017	-	13,017	30,659
-	-	-	-	4,646	(270)	4,376	4,194
-	-	-	-	3,771	-	3,771	3,529
117	(4)	(14)	-	108	-	108	319
(1,298)	1,553	(160)	(95)	-	-	-	-
12,847	5,095	3,580	2,086	228,677	(270)	228,407	263,697
409	-	-	-	14,686	-	14,686	14,011
-	-	-	-	4,354	-	4,354	4,194
163	-	-	-	66,234	-	66,234	62,221
480	-	-	-	40,908	-	40,908	38,917
-	-	-	-	9,678	-	9,678	8,877
8,140	-	-	-	48,520	(153)	48,367	48,176
20	-	-	-	3,386	-	3,386	3,239
-	2,394	-	-	16,233	(19)	16,214	13,784
-	-	699	-	11,585	(22)	11,563	11,552
-	-	-	409	7,421	(76)	7,345	6,967
9,212	2,394	699	409	223,005	(270)	222,735	211,938
3,635	2,701	2,881	1,677	5,672	-	5,672	51,759
-	-	-	-	-	-	-	-
20,112	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
441	-	-	-	-	-	-	-
-	13,301	-	-	-	-	-	-
-	-	2,656	-	-	-	-	-
-	-	-	(1,177)	-	-	-	-
-	-	-	-	-	-	-	-
(34,955)	(5,215)	(4,447)	(2,618)	(477)	-	(477)	(10,299)
-	-	-	-	-	-	-	-
1,190	(1,040)	-	-	477	-	477	10,299
(13,212)	7,046	(1,791)	(3,795)	-	-	-	-
3,473	759	551	1,500	-	-	-	-
(6,104)	10,506	1,641	(618)				
				5,672	\$ -	\$ 5,672	\$ 51,759
878,990	215,436	159,719	72,476	1,435,954		1,435,954	
\$ 872,886	\$ 225,942	\$ 161,360	\$ 71,858	\$ 1,441,626		\$ 1,441,626	

Schedule of Tangible Capital Assets

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Exhibit 3

	General					
	Land		Park	Buildings	Machinery &	Vehicles
	Land	Improvements	Improvements		Equipment	
COST						
Opening Balance	\$ 374,131	\$ 14,712	\$ 52,002	\$ 212,625	\$ 29,666	\$ 26,339
Add: Additions	2,564	83	325	3,771	838	1,896
Add: Transfer from asset class	(224)	432	679	4,320	221	1,865
Less: Disposals	(212)	-	(12)	(238)	(162)	(996)
Less: Transfer to asset class	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-
Closing Balance	376,259	15,227	52,994	220,478	30,563	29,104
ACCUMULATED AMORTIZATION						
Opening Balance	-	7,057	30,824	81,033	15,138	13,784
Add: Amortization	-	447	1,680	6,747	2,457	2,074
Less: Acc. Amortization on Disposals	-	-	(12)	(161)	(120)	(898)
Closing Balance	-	7,504	32,492	87,619	17,475	14,960
Net Book Value for year ended December 31, 2012	<u>\$ 376,259</u>	<u>\$ 7,723</u>	<u>\$ 20,502</u>	<u>\$ 132,859</u>	<u>\$ 13,088</u>	<u>\$ 14,144</u>
Net Book Value for year ended December 31, 2011	<u>\$ 374,131</u>	<u>\$ 7,655</u>	<u>\$ 21,178</u>	<u>\$ 131,592</u>	<u>\$ 14,528</u>	<u>\$ 12,555</u>

Schedule of Tangible Capital Assets

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Exhibit 3 continued

Infrastructure						Assets Under Construction	2012 Actual	2011 Actual
Airport	Water	Sewer	Transportation	Storm Drainage	Dyking, Drainage, Irrigation			
\$ 36,864	\$ 272,744	\$ 218,899	\$ 489,413	\$ 244,485	\$ 49,832	\$ 79,427	\$ 2,101,139	\$ 2,010,096
-	6,676	2,330	7,512	2,754	4	17,624	46,377	99,284
-	10,659	5,715	22,515	2,868	343	-	49,393	38,024
-	(2,009)	(466)	(1,471)	(271)	(303)	-	(6,140)	(8,241)
-	-	-	-	-	-	(49,393)	(49,393)	(38,024)
-	-	-	-	-	-	-	-	-
36,864	288,070	226,478	517,969	249,836	49,876	47,658	2,141,376	2,101,139
4,996	75,181	73,975	261,068	61,058	27,325	-	651,439	619,497
1,029	5,160	4,229	16,741	3,413	700	-	44,677	37,764
-	(980)	(357)	(853)	(47)	(303)	-	(3,731)	(5,822)
6,025	79,361	77,847	276,956	64,424	27,722	-	692,385	651,439
<hr/>						<hr/>	<hr/>	<hr/>
\$ 30,839	\$ 208,709	\$ 148,631	\$ 241,013	\$ 185,412	\$ 22,154	\$ 47,658	\$ 1,448,991	
<hr/>						<hr/>	<hr/>	<hr/>
\$ 31,868	\$ 197,563	\$ 144,924	\$ 228,345	\$ 183,427	\$ 22,507	\$ 79,427		\$ 1,449,700

Appropriated Surplus (Reserves) Continuity Schedule

For the year ended December 31, 2012, with comparative figures for 2011 in thousands

Exhibit 4

	Balance December 31 2011	Transfer from Operating Fund	Transfer to Other Funds	Other Contributions	Interest Earned	Balance December 31 2012
STATUTORY CAPITAL RESERVES						
General	\$ 13,373	\$ 20,026	\$ (20,112)	\$ 4	\$ 357	\$ 13,648
Storm Drainage	11,560	818	(441)	-	270	12,207
Waterworks	21,468	8,208	(13,301)	-	440	16,815
Sanitary Sewer	26,384	4,100	(2,656)	-	623	28,451
Airport	3,199	194	1,177	5	90	4,665
Affordable Housing	236	-	-	-	5	241
	76,220	33,346	(35,333)	9	1,785	76,027
GENERAL OPERATING RESERVE						
Planned Transfers						
New facility operations	1,269	1,897	(550)	-	23	2,639
Debt retirement	1,312	-	(820)	-	21	513
Recycling operating reserve	255	-	(258)	-	3	-
Insurance	2,772	-	-	-	64	2,836
Tradex operating reserve	485	95	-	-	12	592
Election	11	125	-	-	2	138
Solid waste recycling facility	2,052	94	(2,052)	-	25	119
Sister city	32	10	-	-	1	43
Community projects	70	973	(800)	-	4	247
	8,258	3,194	(4,480)	-	155	7,127
Operating Surplus Transfers						
Police	1,497	-	(397)	-	30	1,130
Winter operations	826	-	(53)	-	18	791
Storm Drainage	568	316	-	-	16	900
Sumas Prairie DDI	87	5	(48)	-	2	46
Matsqui Prairie DDI	69	-	(2)	-	1	68
Solid Waste	57	380	-	-	6	443
	3,104	701	(500)	-	73	3,378
Other Transfers						
Climate action	340	175	-	-	-	515
Economic Dev Commission startup	39	-	-	-	-	39
Long-Term financial plan/Core services review	400	-	(168)	-	-	232
Traffic fine revenue	1,127	1,925	(1,127)	-	-	1,925
Rate stabilization	250	250	-	-	-	500
External audit	57	57	(57)	-	-	57
Parks & Recreation	61	-	(8)	-	-	53
Arbitrated settlements	325	-	(150)	-	-	175
Animal Control Facility Improvements	-	40	-	-	-	40
	2,599	2,447	(1,510)	-	-	3,536
	13,961	6,342	(6,490)	-	228	14,041
TOTAL	\$ 90,181	\$ 39,688	\$ (41,823)	\$ 9	\$ 2,013	\$ 90,068

Debt Outstanding and Debt Servicing by Fund and Function

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Exhibit 5

					Debt Outstanding December 31 2011	2012 Debt Servicing			Debt Outstanding December 31 2012
	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)		Principal	Interest	Total	
GENERAL FUND									
Parks, recreation and culture									
Abbotsford Recreation Centre	2432	55	2013	8.500	\$ 882	\$ 515	\$ 276	\$ 791	\$ 367
Entertainment & Sports Centre	1586	102/103	2032	5.000	50,135	1,515	2,532	4,047	48,620
Cultural Centre	1587	102/103	2027	5.000	8,762	385	445	830	8,377
Community Centre	1588	102/103	2027	5.000	17,526	771	889	1,660	16,755
					77,305	3,186	4,142	7,328	74,119
SEWER FUND									
Abbotsford-Mission sewer									
558-533	63	2016	3.000	436	85	-	85	351	
326-125	71	2019	3.150	348	37	6	43	311	
326-164	71	2019	3.150	1,671	178	30	208	1,493	
326-533	71	2019	3.150	1,149	123	21	144	1,026	
455	75	2021	3.050	548	43	10	53	505	
655-325	85	2024	4.975	1,511	86	75	161	1,425	
				5,663	552	142	694	5,111	
WATER FUND									
Abbotsford-Mission water									
454	75	2021	3.050	1,710	136	31	167	1,574	
586	80	2023	4.775	5,508	346	254	600	5,162	
567	83	2013	3.710	381	187	14	201	194	
655-393	85	2024	4.975	1,593	90	79	169	1,503	
				9,192	759	378	1,137	8,433	
TOTAL LONG-TERM DEBT					\$ 92,160	\$ 4,497	\$ 4,662	\$ 9,159	\$ 87,663

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule A

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Municipal taxation:			
General	\$ 70,681	\$ 70,574	\$ 68,832
Police	40,574	40,518	38,648
Library	3,982	3,967	3,800
Dyking, drainage & irrigation	1,951	1,939	1,901
Utility tax	1,738	1,738	1,752
Business improvement assessment	212	232	209
Hotel tax	250	247	231
Grants in lieu of taxes:			
Federal government	1,110	978	1,079
Provincial governments and agencies	925	840	902
Fees and charges:			
Transit	2,403	2,344	2,295
Police	3,347	4,090	4,175
Solid waste	7,338	7,435	7,650
Storm drainage	3,407	3,403	3,403
Parks, recreation and culture	6,821	6,532	6,538
Entertainment & Sports Centre	2,525	2,668	3,097
Other	2,199	2,631	2,892
Licences and permits:			
Building permits	1,850	1,456	2,103
Soil removal fees	2,140	2,390	2,192
Business licences	875	932	894
Dog licences	280	245	279
Municipal licence plates	35	42	39
Secondary suite fees	1,175	1,196	1,175
Other licences and permits	478	397	463
Rental:			
Police	33	40	36
Other	1,680	1,701	1,537
Developer Contributions	-	5	105
Interest and tax penalties	1,929	2,510	2,368
Municipal Finance Authority refunds	-	36	39
Government grants:			
Transit	4,381	4,147	3,820
Police	1,019	1,008	2,160
Other	1,395	3,676	2,487
TOTAL REVENUES	166,733	169,917	167,101

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

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule A continued

	2012 Plan	2012 Actual	2011 Actual
EXPENSE			
General government services (Schedule E)	16,988	14,277	13,237
Development services (Schedule F)	4,287	4,354	4,194
Police services (Schedule G)	46,178	47,516	43,731
Fire & other protective services			
Fire rescue services (Schedule H)	14,446	15,022	14,723
Other protective services (Schedule I)	3,661	3,533	3,444
Parks, recreation & culture services (Schedule J)	24,864	24,425	24,021
Entertainment & Sports Centre (Schedule K)	10,818	11,848	11,290
Library services (Schedule L)	4,152	4,155	3,395
Transit services (Schedule M)	10,237	9,678	8,877
Engineering services			
Transportation services (Schedule N)	22,714	27,929	22,461
Solid Waste services (Schedule O)	7,350	7,361	6,577
Storm Drainage services (Schedule P)	5,167	5,090	4,960
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,220	1,249	1,218
Sumas Prairie (Schedule Q)	2,024	2,117	1,990
	174,106	178,554	164,118
ANNUAL SURPLUS/(DEFICIT)	(7,373)	(8,637)	2,983
INTERFUND TRANSACTIONS			
Debt Proceeds	-	-	-
Transfer to General Capital Fund	-	-	-
Transfer to Storm Sewer Capital Reserve	(818)	(818)	(818)
Transfer to General Capital Reserve	(18,970)	(19,622)	(21,743)
Transfer from General Capital Reserve	400	-	-
Transfer to Affordable Housing Reserve	-	-	-
Transfer to Operating Reserve	(1,181)	(6,024)	(8,346)
Transfer from Operating Reserve	4,528	6,172	3,681
Debt principal repayments	(3,173)	(3,473)	(3,058)
Transfer to General Capital Reserve (asset sales)	-	(404)	(790)
Transfer to Capital Fund	-	-	-
Inventory and pre-pays	-	(971)	(84)
Tangible capital assets	26,587	33,765	28,190
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ (12)	\$ 15

Segment Information – Revenues by Type & Expenses by Function Water Operating Fund

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule B

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
User rates	\$ 17,080	\$ 15,927	\$ 16,486
Other	561	603	577
Rental	12	17	12
Municipal Finance Authority refunds	-	5	115
	17,653	16,552	17,190
EXPENSE			
Abbotsford-Mission supply and transmission	2,674	2,553	2,487
Administration	2,305	2,213	2,173
Local supply and distribution	1,618	1,662	1,492
Meters	489	426	503
Hydrants	239	216	239
Maintenance	-	100	126
Long-term debt (external interest)	456	378	479
Internal borrowing interest	-	36	21
Amortization	4,901	5,226	4,822
Loss/(gain) on sale of tangible capital assets	-	1,029	255
	12,682	13,839	12,597
ANNUAL SURPLUS/(DEFICIT)	4,971	2,713	4,593
INTERFUND TRANSACTIONS			
Transfer to Waterworks Capital Reserve (asset sales)	-	-	(6)
Transfer to Waterworks Capital Reserve	(8,613)	(8,208)	(8,738)
Debt principal repayments	(759)	(759)	(853)
Tangible capital assets	4,901	6,254	5,082
CHANGE IN UNAPPROPRIATED SURPLUS	\$ 500	\$ -	\$ 78

Segment Information – Revenues by Type & Expenses by Function Sewer Operating Fund

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule C

2012 Financial Statements

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
User rates	\$ 10,368	\$ 8,743	\$ 10,474
Industrial surcharges	765	1,098	902
Other	611	561	948
Interest	75	34	91
Municipal Finance Authority refunds	-	11	12
Government Grants	-	43	21
	11,819	10,490	12,448
EXPENSE			
Joint Abbotsford-Mission Environmental System (JAMES) Plant	3,926	3,578	3,496
Administration	1,887	1,739	1,730
Maintenance	1,216	970	1,099
Long-term debt (external interest)	164	142	189
Internal borrowing interest	-	23	-
Amortization	4,086	4,297	3,987
Loss/(gain) on sale of tangible capital assets	-	137	382
	11,279	10,886	10,883
ANNUAL SURPLUS/(DEFICIT)	540	(396)	1,565
INTERFUND TRANSACTIONS			
Transfer to Sanitary Sewer Capital Reserve (asset sales)	-	(13)	(2)
Transfer to Sanitary Sewer Capital Reserve	(4,076)	(4,087)	(5,407)
Debt principal repayments	(550)	(551)	(527)
Tangible capital assets	4,086	4,448	4,371
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ (599)	\$ -

Segment Information – Revenues by Type & Expenses by Function

Airport Operating Fund

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule D

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 1,448	\$ 1,413	\$ 1,348
Public parking fees	1,371	1,476	1,283
Concessions	780	911	754
Other	71	163	290
Rental	1,967	2,013	1,944
Interest and penalties	41	37	49
Government Grants	-	75	-
	5,678	6,088	5,668
EXPENSE			
Administration	1,320	1,401	1,096
Marketing	394	403	359
Terminal building	623	593	843
Airside services	1,495	1,365	1,364
Groundside services	-	-	110
Mobile equipment	244	204	248
Parking	346	320	248
Internal borrowing interest	140	111	175
Amortization	2,598	2,614	1,999
Loss/(gain) on sale of tangible capital assets	-	1	525
	7,160	7,012	6,967
ANNUAL SURPLUS/(DEFICIT)			
	(1,482)	(924)	(1,299)
INTERFUND TRANSACTIONS			
Debt Principal Repayments	(1,000)	(1,500)	(1,000)
Transfer to Airport Capital Reserve (asset sales)	-	(3)	(16)
Transfer to Airport Capital Reserve	(116)	(191)	(345)
Transfer to Operating Reserve	-	-	-
Transfer from Operating Reserve	-	-	120
Tangible capital assets	2,598	2,618	2,540
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

Segment Information – Revenues by Type & Expenses by Function
General Operating Fund – General Government Services
For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule E

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Municipal taxation	\$ 74,916	\$ 74,609	\$ 73,004
Fees and charges	568	747	903
Licenses and permits - municipal licence plates	35	42	39
Rental	1,680	1,701	1,537
Interest and penalties	1,884	2,453	2,327
Government grants	875	2,898	1,984
Municipal Finance Authority	-	36	39
Other	100	105	-
	80,058	82,591	79,833
EXPENSE			
LEGISLATIVE SERVICES	683	585	551
CITY MANAGER'S OFFICE			
City manager	600	887	575
Elections	-	1	350
Corporate communications and marketing	637	612	581
Human resources	1,401	1,448	1,245
FINANCE & CORPORATE SERVICES			
City clerk	1,070	1,034	1,103
Corporate administration	354	315	298
Finance	2,127	1,975	2,103
Purchasing	829	755	733
Risk management	1,466	(448)	(624)
Information services	3,425	3,097	2,989
Strategic Planning & Business Improvements	195	198	299
OTHER			
General municipal buildings	2,010	2,142	2,366
Transfers to other agencies	535	556	517
Common services	2,528	2,486	1,051
AMORTIZATION	933	971	892
NET (GAIN)/LOSS ON SALE OF TANGIBLE CAPITAL ASSETS	-	10	321
LESS: VACANCY GAPPING	545	-	-
LESS: COST RECOVERIES	(2,350)	(2,347)	(2,113)
	16,988	14,277	13,237
ANNUAL SURPLUS/(DEFICIT)	63,070	68,314	66,596
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(172)	(490)
Transfer to General Capital Reserve	(2,719)	(2,707)	(3,018)
Transfer to Affordable Housing Reserve	-	-	-
Transfer to Operating Reserve	(992)	(4,938)	(4,570)
Transfer from Operating Reserve	1,252	1,244	296
Debt Principal Repayments	-	(287)	-
Inventory and pre-pays	-	(971)	(84)
Tangible capital assets	933	1,154	1,704
CHANGE IN UNAPPROPRIATED SURPLUS	\$ 61,544	\$ 61,637	\$ 60,434

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Development Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule F

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Licenses and permits:			
Business licenses	\$ 875	\$ 932	\$ 894
Development permit application fees	220	132	161
Rezoning application fees	130	119	155
Subdivision application fees	60	71	64
Other licenses and permits	53	66	70
Fees and charges:			
Development fees on Engineering projects	200	144	148
Other fees and charges	174	229	194
Developer contributions	-	5	105
Interest and penalties	30	28	26
Grants	115	295	333
	1,857	2,021	2,150
EXPENSE			
Development approvals	3,112	3,141	3,012
Economic development	987	1,034	1,005
License inspection	188	179	177
	4,287	4,354	4,194
ANNUAL SURPLUS/(DEFICIT)	(2,430)	(2,333)	(2,044)
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(95)	(270)	(342)
Transfer from Operating Reserve	-	-	104
Transfer to Capital Reserve	-	-	(24)
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (2,525)	\$ (2,603)	\$ (2,306)

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Police Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule G

2012 Financial Statements

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Municipal taxation	\$ 40,574	\$ 40,518	\$ 38,648
Fees and charges:			
Salary recoveries	2,302	3,088	3,077
Other revenue	1,045	1,002	1,098
Government grants:			
Traffic fine revenue-sharing	873	873	2,000
Other government grants	146	135	160
Rental	33	40	36
	44,973	45,656	45,019
EXPENSE			
Executive and police board	968	947	901
Criminal investigation	9,229	9,395	9,119
Patrol	15,319	14,856	14,867
Operations support	4,915	4,217	3,860
Human resources	802	680	493
Recruiting	217	168	331
Training and qualifications	902	867	848
Finance and budget	523	521	496
Support services	4,611	4,504	4,427
Police common services	6,023	8,660	5,765
Vehicle operating costs	1,284	1,226	1,166
Police building	549	549	633
Amortization	836	914	820
Loss/(gain) on sale of tangible capital assets	-	12	5
	46,178	47,516	43,731
ANNUAL SURPLUS/(DEFICIT)	(1,205)	(1,860)	1,288
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(20)	(20)
Transfer from Operating Reserve	1,324	1,524	-
Transfer to Operating Reserve	-	-	(559)
Transfer to capital (inventory)	-	-	-
Transfer to General Capital Reserve	(955)	(590)	(1,554)
Debt principal repayment	-	-	-
Tangible capital assets	836	946	845
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Fire Rescue Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule H

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges	\$ 120	\$ 232	\$ 178
Licenses and permits	15	7	9
Grants	-	-	5
	135	239	192
EXPENSE			
Administration	530	507	321
Fire life and safety education	185	147	158
Fire prevention and inspection	789	751	769
Emergency response	11,510	12,020	12,080
Fire halls and ground maintenance	478	519	479
Fire flows and hydrants	247	247	222
Amortization	707	813	687
Loss/(gain) on sale of tangible capital assets	-	18	7
	14,446	15,022	14,723
ANNUAL SURPLUS/(DEFICIT)	(14,311)	(14,783)	(14,531)
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(18)	(13)
Transfer to General Capital Reserve	(797)	(797)	(797)
Tangible capital assets	707	848	706
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (14,401)	\$ (14,750)	\$ (14,635)

Segment Information – Revenues by Type & Expenses by Function
General Operating Fund – Other Protective Services
For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule I

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Licenses and permits:			
Building permits	\$ 1,850	\$ 1,456	\$ 2,103
Secondary suite fees	1,175	1,196	1,175
Dog licenses	280	245	279
Fees and charges	446	503	602
Interest and penalties	15	11	15
Government grants	331	331	-
	4,097	3,742	4,174
EXPENSE			
Animal control	447	347	296
Restorative Justice	149	146	126
Emergency services	361	457	343
Building inspections	1,855	1,812	1,840
Bylaw enforcement	635	594	639
Public safety inspection	214	177	200
	3,661	3,533	3,444
ANNUAL SURPLUS/(DEFICIT)	436	209	730
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	-	(40)	-
Transfer from Operating Reserve	-	-	-
Tangible capital assets	-	-	1
CHANGE IN UNAPPROPRIATED SURPLUS	\$ 436	\$ 169	\$ 731

Segment Information – Revenues by Type & Expenses by Function
 General Operating Fund – Parks, Recreation & Culture Services
 For the year ended December 31, 2012, with comparative figures for 2011
 in thousands

Schedule J

		2012 YTD					
	2012 Plan	General	Parks	Recreation	Culture	2012 Actual	2011 Actual
REVENUE							
Fees and charges	\$ 6,821	\$ 119	\$ 806	\$ 5,607	\$ -	\$ 6,532	\$ 6,538
Government grants	74	125	-	5	-	130	143
	6,895	244	806	5,612	-	6,662	6,681
EXPENSE							
Operations	18,834	1,727	6,507	9,310	777	18,321	17,727
Long-term debt (external interest)	1,644	-	3	1,166	445	1,614	1,682
Amortization	4,386	8	2,007	1,973	450	4,438	4,619
Loss/(gain) on sale of tangible capital assets	-	-	52	-	-	52	(7)
	24,864	1,735	8,569	12,449	1,672	24,425	24,021
ANNUAL SURPLUS/(DEFICIT)	(17,969)	(1,491)	(7,763)	(6,837)	(1,672)	(17,763)	(17,340)
INTERFUND TRANSACTIONS							
Debt principal repayments	(1,659)	-	-	(1,286)	(385)	(1,671)	(1,601)
Transfer to General Capital Reserve	(1,541)	(107)	(794)	(567)	(73)	(1,541)	(1,541)
Transfer to Cemetery Capital Reserve	(181)	-	(181)	-	-	(181)	(181)
Transfer to Operating Reserve	-	-	-	-	-	-	(23)
Transfer from Operating Reserve	62	8	-	-	-	8	22
Transfer to General Capital Reserve (asset s	-	-	-	-	-	-	(7)
Tangible capital assets	4,386	8	2,059	1,973	450	4,490	4,619
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (16,902)	\$ (1,582)	\$ (6,679)	\$ (6,717)	\$ (1,680)	\$ (16,658)	\$ (16,052)

Segment Information – Revenues by Type & Expenses by Function
 General Operating Fund – Entertainment & Sports Centre
 For the year ended December 31, 2012, with comparative figures for 2011
 in thousands

Schedule K

	2012	2012	2011
	Plan	Actual	Actual
REVENUE			
AESC Facility fees & charges	\$ 2,525	\$ 2,686	\$ 3,097
	2,525	2,686	3,097
EXPENSE			
AESC Facility			
Operations	4,395	4,652	5,306
Long-term debt (external interest)	2,556	2,532	2,592
Amortization	2,767	2,771	2,767
	9,718	9,955	10,665
AESC Facility annual surplus/(deficit)	(7,193)	(7,269)	(7,568)
Hockey revenue sharing /(supply fee)	(1,100)	(1,893)	(625)
ANNUAL SURPLUS/(DEFICIT)	(8,293)	(9,162)	(8,193)
INTERFUND TRANSACTIONS			
Transfer from Operating Reserve	1,300	1,300	1,000
Debt principal repayment	(1,514)	(1,515)	(1,457)
Tangible capital assets	2,767	2,771	2,767
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,740)	\$ (6,606)	\$ (5,883)

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Library Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule L

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Municipal tax for regional library	\$ 3,982	\$ 3,967	\$ 3,800
EXPENSE			
Transfer to Fraser Valley Regional Library	3,682	3,682	3,005
Library operating costs	300	269	301
Amortization	170	204	89
	4,152	4,155	3,395
ANNUAL SURPLUS/(DEFICIT)	(170)	(188)	405
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve	(400)	-	(1,534)
Transfer from General Capital Reserve	400	-	1,534
Transfer to Operating Reserve	-	-	(500)
Transfer from Operating Reserve	-	-	-
Tangible capital assets	170	204	89
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ 16	\$ (6)

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

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule M

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Provincial government grant	\$ 4,381	\$ 4,147	\$ 3,820
Fares	1,819	1,752	1,694
BC Bus Pass program	399	420	433
Advertising and other	185	172	168
	6,784	6,491	6,115
EXPENSE			
Transfer to BC Transit	10,105	9,572	8,732
Other	98	72	111
Amortization	34	34	34
	10,237	9,678	8,877
ANNUAL SURPLUS/(DEFICIT)	(3,453)	(3,187)	(2,762)
INTERFUND TRANSACTIONS			
Tangible capital assets	34	34	34
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (3,419)	\$ (3,153)	\$ (2,728)

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Engineering Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule N

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ 150	\$ 98	\$ 100
Recoveries	134	247	473
Map sales	12	3	10
Parking lot tickets	112	91	89
Other	30	101	47
Licenses and permits:			
Soil removal - temporary permits	340	108	136
Soil removal - monthly fees	1,800	2,282	2,056
Other	-	2	4
Government grants	-	22	22
	2,578	2,954	2,937
EXPENSE			
ADMINISTRATION	2,196	2,191	2,297
ENGINEERING	2,540	2,075	2,181
TRANSPORTATION			
Services	2,888	2,683	2,787
Operations - roads	4,640	4,594	4,400
EQUIPMENT FLEET			
Operations	3,373	3,333	3,408
Internal recoveries	(5,511)	(5,308)	(5,509)
INTERNAL BORROWING	400	131	468
AMORTIZATION	12,636	18,173	12,943
NET (GAIN)/LOSS ON SALE TANGIBLE CAPITAL ASSETS	-	505	(33)
LESS: COST RECOVERIES	(448)	(448)	(481)
	22,714	27,929	22,461
ANNUAL SURPLUS/(DEFICIT)	(20,136)	(24,975)	(19,524)
INTERFUND TRANSACTIONS			
Debt Proceeds	-	-	-
Transfer from Operating Reserve	-	54	-
Transfer to Capital Fund	-	-	-
Transfer to General Capital Reserve (asset sales)	-	(194)	(260)
Transfer to Operating Reserve	-	(300)	(144)
Transfer to General Capital Reserve	(11,494)	(11,495)	(12,753)
Tangible capital assets	12,636	18,872	13,170
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (18,994)	\$ (18,038)	\$ (19,511)

Segment Information – Revenues by Type & Expenses by Function
General Operating Fund – Solid Waste Services
For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule O

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 5,722	\$ 5,727	\$ 5,577
Garbage stickers	35	32	37
Recycling, compost and yard waste fees	70	61	69
Recoveries & other	1,511	1,615	1,967
	7,338	7,435	7,650
EXPENSE			
Planning, design and management	755	783	656
Operations and maintenance - Collection	2,230	2,101	2,050
Operations and maintenance - Disposal	4,259	4,369	3,762
Amortization	106	108	109
	7,350	7,361	6,577
ANNUAL SURPLUS/(DEFICIT)	(12)	74	1,073
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(94)	(156)	(1,844)
Transfer from Operating Reserve	590	1,992	725
Transfer to General Capital Reserve	(590)	(2,018)	(63)
Tangible capital assets	106	108	109
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

Segment Information – Revenues by Type & Expenses by Function

General Operating Fund – Storm Drainage Services

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule P

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Fees and charges:			
Storm drainage user fees	\$ 3,397	\$ 3,394	\$ 3,398
Other	10	9	5
	3,407	3,403	3,403
EXPENSE			
Storm sewers and detention	1,661	1,293	1,305
Urban watercourses	130	133	129
Rural drainage	-	26	29
Amortization	3,376	3,413	3,346
Loss/(gain) on sale of tangible capital assets	-	225	151
	5,167	5,090	4,960
ANNUAL SURPLUS/(DEFICIT)	(1,760)	(1,687)	(1,557)
Matsqui Prairie Dyking, Drainage & Irrigation (Schedule Q)	(506)	(554)	(531)
Sumas Prairie Dyking, Drainage & Irrigation (Schedule Q)	(635)	(742)	(628)
TOTAL ANNUAL SURPLUS/(DEFICIT)	(2,901)	(2,983)	(2,716)
INTERFUND TRANSACTIONS			
Transfer to Storm Sewer Capital Reserve	(818)	(818)	(818)
Transfer to Operating Reserve	-	(315)	(360)
Transfer from Operating Reserve	-	-	-
Matsqui Prairie	68	70	91
Sumas Prairie	275	382	277
Tangible capital assets	3,376	3,638	3,497
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ (26)	\$ (29)

Segment Information – Revenues by Type & Expenses by Function
General Operating Fund – Dyking, Drainage & Irrigation Services
For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule Q

	MATSQUI PRAIRIE			SUMAS PRAIRIE		
	2012 Plan	2012 Actual	2011 Actual	2012 Plan	2012 Actual	2011 Actual
REVENUE						
General tax levy	\$ 698	\$ 686	\$ 676	\$ 1,253	\$ 1,253	\$ 1,225
Other revenue	16	9	11	136	122	137
	714	695	687	1,389	1,375	1,362
EXPENSE						
Dyking	53	58	57	65	79	47
Drainage	529	555	515	700	699	713
Storm	195	206	193	-	-	-
Irrigation	111	96	122	86	91	90
Administration	119	129	112	160	158	153
Pump stations	-	-	-	574	592	553
Recoverable work	8	-	-	8	3	3
Amortization	205	205	219	431	495	431
Loss/(gain) on sale of tangible capital assets	-	-	-	-	-	-
	1,220	1,249	1,218	2,024	2,117	1,990
ANNUAL SURPLUS/(DEFICIT)	(506)	(554)	(531)	(635)	(742)	(628)
INTERFUND TRANSACTIONS						
Transfer to Operating Reserve	-	-	-	-	(5)	(4)
Transfer from Operating Reserve	-	2	-	-	48	-
Transfer to General Capital Reserve	(137)	(137)	(128)	(156)	(156)	(150)
Tangible capital assets	205	205	219	431	495	431
CONTRIBUTION FROM STORM DRAINAGE	<u>\$ (438)</u>	<u>\$ (484)</u>	<u>\$ (440)</u>	<u>\$ (360)</u>	<u>\$ (360)</u>	<u>\$ (351)</u>

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

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule R

		2012 Actual YTD					
	2012 Plan	General	Water	Sewer	Airport	2012 Actual	2011 Actual
REVENUE							
Municipal Taxation	\$ 5,494	2,366	477	169	-	\$ 3,012	\$ 3,049
Fees and charges	-	227	(25)	428	-	630	661
Airport improvement fees	2,220	-	-	-	2,181	2,181	2,120
Developer charges earned	19,636	4,852	700	1,300	-	6,852	14,243
Developer contributions	20,000	4,579	1,861	326	-	6,766	17,234
Government grants	10,418	2,004	533	1,531	-	4,068	22,171
Other sources	954	117	(4)	(14)	-	99	305
Contributions other funds	-	(1,298)	1,553	(160)	(95)	-	-
	58,722	12,847	5,095	3,580	2,086	23,608	59,783
EXPENSE							
Minor capital projects							
General government	644	409	-	-	-	409	774
Development services	-	-	-	-	-	-	-
Police services	32	38	-	-	-	38	131
Fire services	191	125	-	-	-	125	192
Other protective services	-	-	-	-	-	-	-
Parks services	338	246	-	-	-	246	143
Recreation services	220	234	-	-	-	234	95
Entertainment & Sports Centre services	-	-	-	-	-	-	-
Culture services	-	-	-	-	-	-	-
Library services	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-
Transportation services	7,992	7,534	-	-	-	7,534	7,367
Equipment Fleet services	-	-	-	-	-	-	30
Solid waste services	262	203	-	-	-	203	-
Storm drainage services	1,088	403	-	-	-	403	487
Dyking, drainage & irrigation	17	20	-	-	-	20	31
Waterworks	660	-	2,394	-	-	2,394	1,187
Sanitary sewer	4,367	-	-	699	-	699	669
Airport	370	-	-	-	409	409	-
	16,181	9,212	2,394	699	409	12,714	11,106
Interchange projects (Provincial assets)	-	-	-	-	-	-	6,958
ANNUAL SURPLUS/(DEFICIT)	42,541	3,635	2,701	2,881	1,677	10,894	41,719
INTERFUND TRANSACTIONS							
Transfer assets to other funds	-	-	-	-	-	-	-
General Capital Reserve	29,660	20,112	-	-	-	20,112	21,609
Storm Sewer Reserve	3,871	441	-	-	-	441	1,460
Waterworks Capital Reserve	19,693	-	13,301	-	-	13,301	15,271
Sanitary Sewer Capital Reserve	13,312	-	-	2,656	-	2,656	7,205
Airport Capital Reserve	-	-	-	-	(1,177)	(1,177)	440
Tangible capital assets	(38,172)	(34,955)	(5,215)	(4,447)	(2,618)	(47,235)	(50,482)
Debt principal repayment	5,482	3,473	759	551	1,500	6,283	5,438
Proceeds from debt	-	-	-	-	-	-	-
Internal Borrowing (General Revenue Fund)	-	713	(1,040)	-	-	(327)	10,299
Interest on Internal Borrowing (Interchanges)	-	477	-	-	-	477	-
Transfer from General Operating	-	-	-	-	-	-	-
Contribution from Airport Reserve	-	-	-	-	-	-	-
CHANGE IN CAPITAL EQUITY	\$ 76,387	\$ (6,104)	\$ 10,506	\$ 1,641	\$ (618)	\$ 5,425	\$ 52,959

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

For the year ended December 31, 2012, with comparative figures for 2011
in thousands

Schedule S

2012 Financial Statements

	2012 Plan	2012 Actual	2011 Actual
REVENUE			
Interest	\$ 1,660	\$ 2,013	\$ 2,184
Other Contributions	-	9	14
	1,660	2,022	2,198
ANNUAL SURPLUS/(DEFICIT)	1,660	2,022	2,198
INTERFUND TRANSACTIONS			
Operating Reserve	(3,347)	(148)	4,546
General Capital Reserve	(11,090)	(86)	924
Affordable Housing Reserve	-	-	-
Storm Sewer Reserve	(3,053)	377	(642)
Waterworks Capital Reserve	(11,080)	(5,093)	(6,527)
Sanitary Sewer Capital Reserve	(9,236)	1,444	(1,797)
Airport Capital Reserve	116	1,371	(79)
CHANGE IN APPROPRIATED SURPLUS	\$ (36,030)	\$ (113)	\$ (1,377)

Ledgeview Properties Ltd.

Statement of Financial Position

As at December 31, 2012, with comparative figures as at December 31, 2011
in thousands

Schedule T

	2012	2011
FINANCIAL ASSETS		
Lease agreement receivable	\$ 62	\$ 61
FINANCIAL LIABILITIES		
Due to City of Abbotsford	62	61
NET FINANCIAL ASSETS	-	-
NON-FINANCIAL ASSETS		
Land	2,845	2,845
Land Improvements	11	13
Buildings	47	54
	2,903	2,912
ACCUMULATED SURPLUS		
BALANCE, BEGINNING OF YEAR	2,912	2,920
Lease revenue	62	61
Amortization	(8)	(8)
Transfers to City of Abbotsford	(62)	(61)
BALANCE, END OF YEAR	\$ 2,904	\$ 2,912

An aerial photograph of a suburban neighborhood. In the foreground, several large, two-story houses with gabled roofs and multiple windows are visible. A white pickup truck and a dark SUV are parked on a street in front of one of the houses. The middle ground shows more houses and trees. The background features a large, open field and a dense forest of trees under a clear sky.

2012 financial statistics

2012 Financial Statistics

Accumulated Surplus

in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
ACCUMULATED SURPLUS										
Unappropriated Surplus										
General	\$ 8,435	\$ 8,443	\$ 8,429	\$ 9,034	\$ 8,564	\$ 8,181	\$ 8,048	\$ 8,280	\$ 8,296	\$ 8,284
Waterworks	10,384	9,558	7,813	6,293	1,586	1,535	1,095	940	1,018	1,018
Sanitary Sewer	3,047	3,197	3,297	3,884	4,561	4,094	4,252	4,601	4,601	4,002
Airport	499	889	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
	22,365	22,087	20,715	20,387	15,887	14,986	14,571	14,997	15,091	14,480
Appropriated Surplus										
Unexpended Debt proceeds										
General	-	-	-	-	14,394	2,091	-	-	-	-
Waterworks	-	-	(1,651)	-	-	-	-	-	-	-
Sanitary Sewer	-	-	(2,403)	-	-	-	-	-	-	-
Airport and Capital Loan	(800)	(600)	(400)	(200)	-	-	-	-	-	-
General Operating Reserve	7,942	12,460	7,220	8,799	7,171	6,409	8,622	9,210	13,961	14,041
Statutory Capital Reserves										
Development area	-	-	-	-	-	-	-	-	-	-
Land for development	-	-	-	-	-	-	-	-	-	-
General capital	25,503	27,717	29,677	22,402	22,604	23,941	8,113	12,079	13,373	13,648
Affordable housing	-	-	-	-	-	-	-	230	236	241
Airport	2,877	2,233	638	2,548	4,581	7,268	7,934	3,205	3,199	4,665
Infrastructure renewal:										
Storm sewer	14,876	15,974	17,609	12,634	9,634	9,956	10,888	11,916	11,560	12,207
Waterworks	8,117	10,386	15,730	19,714	23,950	26,894	28,895	27,393	21,468	16,815
Sanitary Sewer	8,429	10,375	17,523	18,518	19,234	21,662	23,854	27,525	26,384	28,451
	66,944	78,545	83,943	84,415	101,568	98,221	88,306	91,558	90,181	90,068
Investment in tangible capital assets	446,459	488,303	618,096	698,354	753,314	1,175,789	1,241,179	1,275,786	1,326,621	1,332,046
Investment in other non-financial assets	N/A	N/A	N/A	N/A	N/A	1,958	2,832	3,978	4,061	5,032
Total Accumulated Surplus	\$ 535,768	\$ 588,935	\$ 722,754	\$ 803,156	\$ 870,769	\$ 1,290,954	\$ 1,346,888	\$ 1,386,319	\$ 1,435,954	\$ 1,441,626

In accordance with PSAB Section 3150, effective January 1, 2009 (retroactive to 2008), the City changed its method of recording tangible capital assets, inventory and pre-pays. As a result, accumulated surplus up to 2007 is not directly comparable to that from 2008 forward.

2012 Financial Statistics
 Consolidated Annual Surplus and Net Financial Assets
 in thousands

	2008	2009	2010	2011	2012
(in 1,000's)					
CONSOLIDATED ANNUAL SURPLUS/(DEFICIT) AND NET FINANCIAL ASSETS/(NET DEBT)					
ANNUAL SURPLUS/(DEFICIT)	\$ 43,621	\$ 53,781	\$ 38,713	\$ 51,759	\$ 5,672
NET FINANCIAL ASSETS/(NET DEBT)	\$ 8,337	\$ 2,075	(\$10,382)	(\$17,807)	(\$12,397)

In accordance with PSAB Section 1200, effective January 1, 2009 (retroactive to 2008), the City changed its financial statement presentation to include a consolidated Statement of Changes in Net Financial Assets (Debt). As a result, only data for 2008 and forward is shown above.

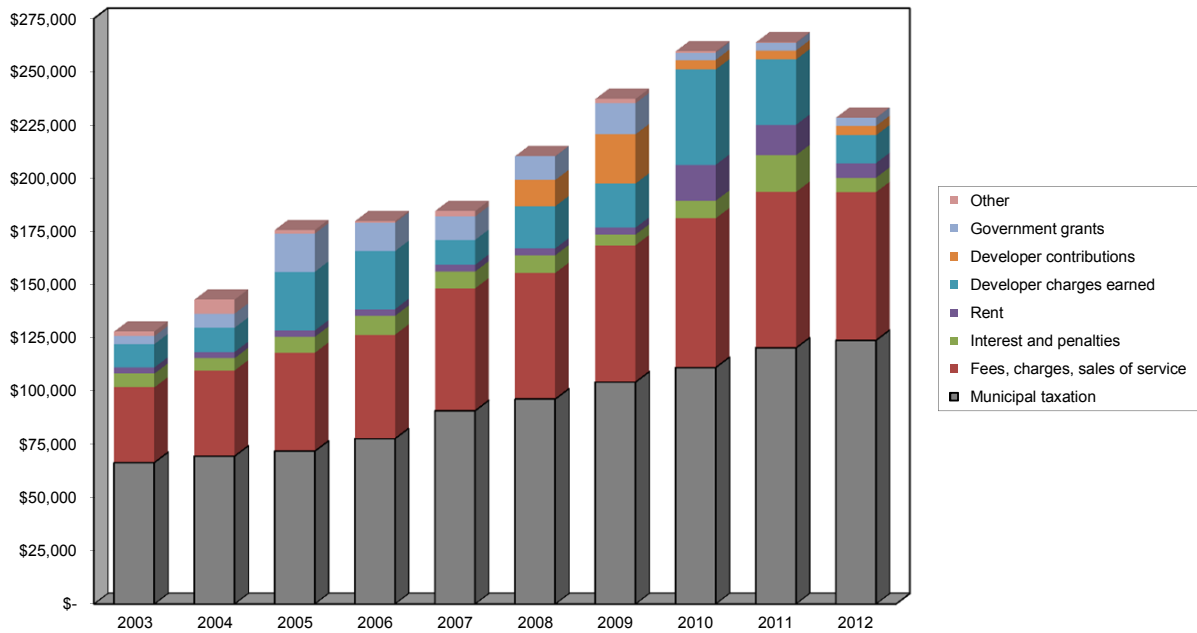
2012 Financial Statistics

Consolidated Revenue By Source

in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
CONSOLIDATED REVENUE BY SOURCE										
Municipal taxation	\$ 66,547	\$ 69,538	\$ 71,874	\$ 77,752	\$ 90,929	\$ 96,432	\$ 104,375	\$ 111,206	\$ 120,403	\$ 124,045
Fees, charges, sales of service	35,302	40,239	46,205	48,832	57,452	59,192	64,211	69,980	73,116	69,467
Developer contributions	-	-	-	-	-	12,277	23,118	8,249	17,234	6,771
Developer charges earned	10,954	11,371	27,577	27,201	11,665	19,758	20,652	16,857	14,243	6,852
Government grants	3,767	6,673	17,917	13,265	10,952	11,112	14,560	44,671	30,659	13,017
Interest and penalties	6,472	5,775	7,499	8,871	7,875	8,297	4,969	4,533	4,194	4,376
Rent	2,887	2,932	2,979	3,173	3,184	3,220	3,284	3,422	3,529	3,771
Other	-	-	-	-	-	127	2,022	562	319	108
Sale of capital assets	2,218	2,824	1,660	748	2,575	-	-	-	-	-
Transfer of Tradex facility	-	3,754	-	-	-	-	-	-	-	-
Total Consolidated Revenue by Source	\$ 128,147	\$ 143,106	\$ 175,711	\$ 179,842	\$ 184,632	\$ 210,415	\$ 237,191	\$ 259,480	\$ 263,697	\$ 228,407

2003-2012 CONSOLIDATED REVENUE BY SOURCE

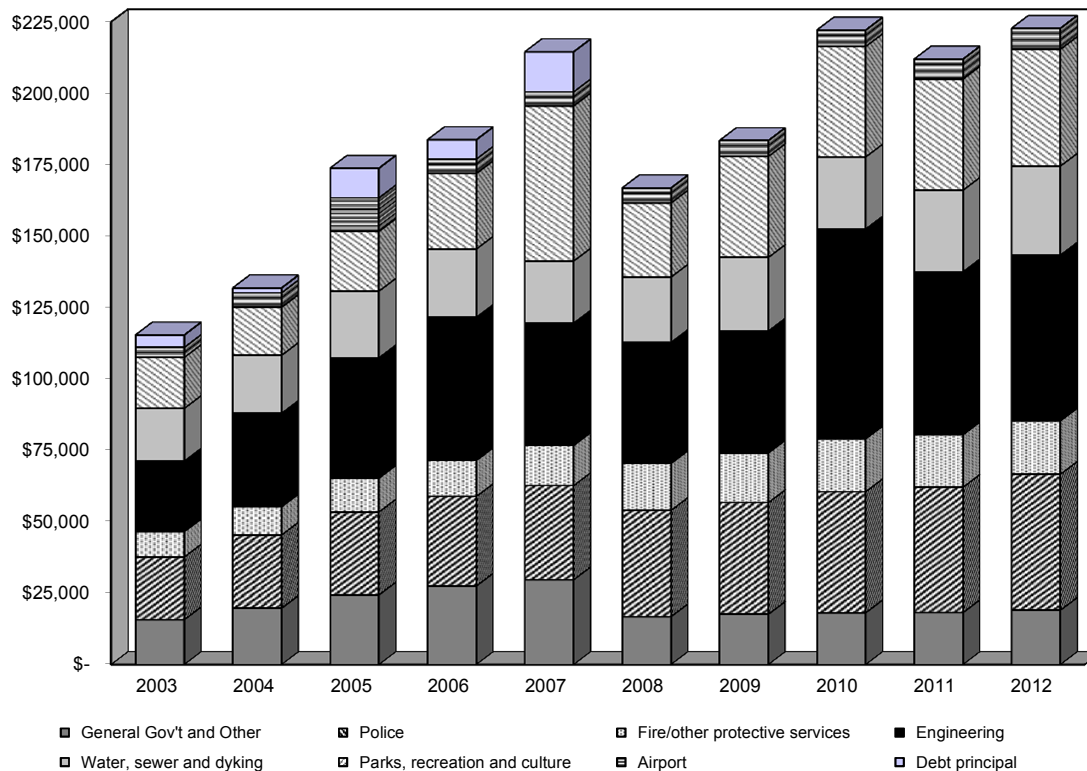


In accordance with PSAB Section 3150, effective January 1, 2009 (retroactive to 2008), the City changed its method of recording tangible capital assets. As a result, the City now recognizes assets contributed to the City by Developers.

2012 Financial Statistics
Consolidated Expenditure by Function
in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
CONSOLIDATED EXPENSES/EXPENDITURE BY FUNCTION										
General government	\$ 13,612	\$ 17,518	\$ 21,808	\$ 24,811	\$ 26,584	\$ 13,443	\$ 15,070	\$ 14,654	\$ 14,011	\$ 14,686
Protective services:										
Police	21,928	25,670	29,015	31,313	32,938	37,199	39,065	42,365	43,862	47,554
Fire/Other	8,845	9,844	11,829	12,587	14,044	16,397	17,344	18,469	18,359	18,680
Engineering	24,699	32,703	42,124	50,119	42,812	42,366	42,689	73,485	57,053	58,045
Water, sewer and dyking	18,441	20,294	23,340	23,910	21,736	22,888	25,789	25,233	28,575	31,163
Parks, recreation and culture	17,846	16,798	20,912	26,429	54,313	25,954	35,342	38,671	38,917	40,908
Development services	2,110	2,192	2,580	2,695	3,114	3,319	2,545	3,484	4,194	4,354
Airport	3,508	5,119	11,774	5,087	4,961	5,228	5,566	5,730	6,967	7,345
Total Expenses by Function						\$ 166,794	\$ 183,410	\$ 222,091	\$ 211,938	\$ 222,735
Add: Debt principal repayment	4,307	1,654	10,341	6,731	13,977	N/A	N/A	N/A	N/A	N/A
Total Expenditure by Function	\$ 115,296	\$ 131,792	\$ 173,723	\$ 183,682	\$ 214,479					

**2003-2012 CONSOLIDATED EXPENSES/EXPENDITURE
BY FUNCTION**

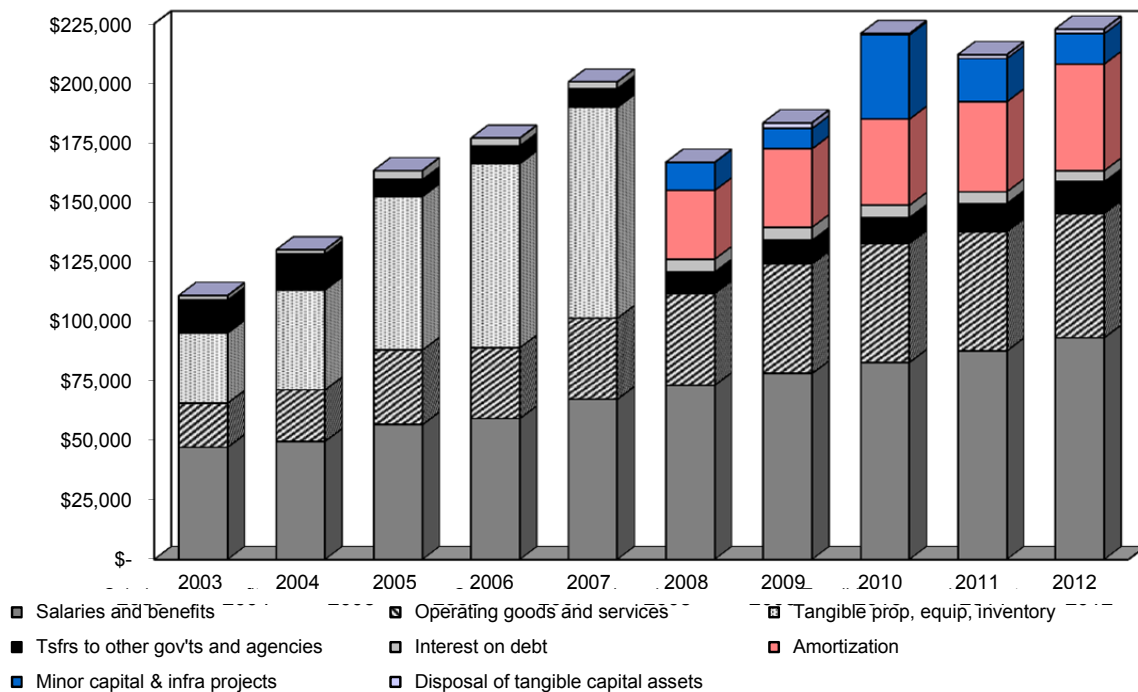


In accordance with PSAB Section 3150, effective January 1, 2009, the City changed its method of recording tangible capital assets, inventory and pre-paids. The City also implemented PSAB Section 1200, financial reporting formats. As a result, capital expenditures and debt principal repayments are no longer recorded as expenses in the City's financial statements, amortization and minor capital project expenses have been added.

2012 Financial Statistics
Consolidated Expenditure by Object
in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
CONSOLIDATED EXPENSES/EXPENDITURE BY OBJECT										
Salaries and benefits	\$ 47,170	\$ 49,678	\$ 56,678	\$ 59,261	\$ 67,353	\$ 73,201	\$ 78,191	\$ 82,886	\$ 87,750	\$ 93,274
Operating goods and services	18,604	21,655	31,408	29,805	34,084	38,663	46,074	49,963	50,077	52,161
Tangible prop, equip, inventory	29,428	42,014	64,402	77,203	88,378	N/A	N/A	N/A	N/A	N/A
Amortization	-	-	-	-	-	28,790	32,867	36,104	37,764	44,677
Minor capital & infra projects	-	-	-	-	-	11,739	8,522	35,337	18,064	12,714
Disposal of tangible capital assets	-	-	-	-	-	9	2,387	497	1,605	1,989
Tsfrs to other gov'ts and agencies	13,892	15,019	7,122	7,482	7,896	9,020	9,884	10,824	11,737	13,257
Interest on debt	1,895	1,763	3,772	3,200	2,791	5,372	5,485	5,156	4,941	4,663
Total Expenses by Object						\$ 166,794	\$ 183,410	\$ 220,767	\$ 211,938	\$ 222,735
Add: Debt principal repayment	4,307	1,654	10,341	6,731	13,977	N/A	N/A	N/A	N/A	N/A
Total Expenditure by Object	\$ 115,296	\$ 131,783	\$ 173,723	\$ 183,682	\$ 214,479					

**2003-2012 CONSOLIDATED EXPENSES/EXPENDITURE
BY OBJECT**



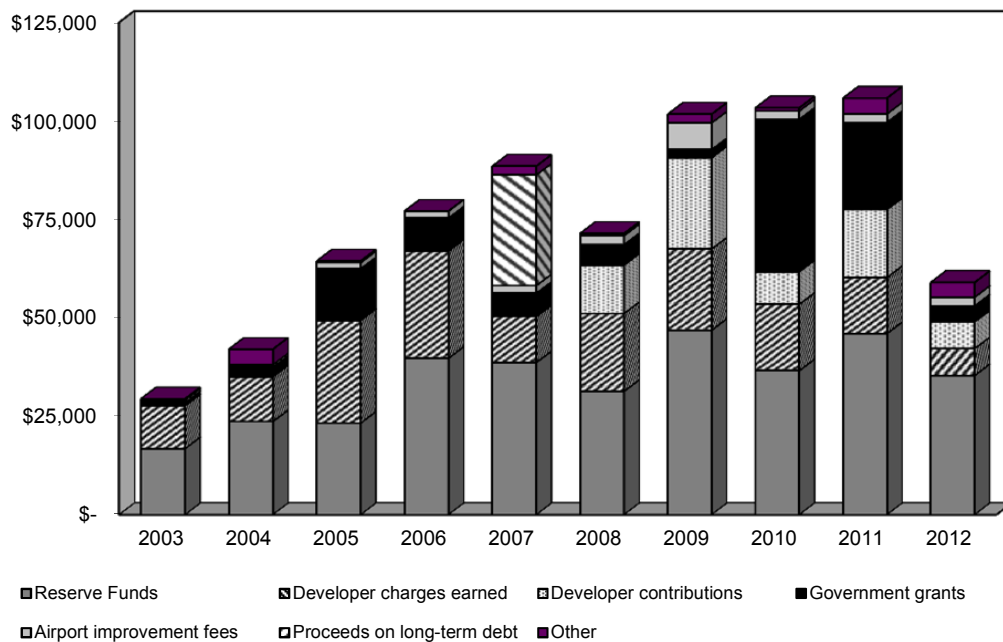
In accordance with PSAB Section 3150, effective January 1, 2009, the City changed its method of recording tangible capital assets, inventory and pre-paids. The City also implemented PSAB Section 1200, financial reporting formats. As a result, capital expenditures and debt principal repayments are no longer recorded as expenses in the City's financial statements, amortization and minor capital project expenses have been added.

2012 Financial Statistics
Sources of Capital Funding
in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
SOURCES OF CAPITAL FUNDING*										
Reserve Funds	\$ 16,792	\$ 23,643	\$ 23,281	\$ 39,734	\$ 38,628	\$ 31,318	\$ 46,838	\$ 36,580	\$ 45,985	\$ 35,333
Developer charges earned	10,856	11,371	26,051	27,201	11,665	19,758	20,652	16,857	14,243	6,852
Developer contributions	-	-	-	-	-	12,277	23,118	8,249	17,234	6,766
Airport improvement fees	629	628	1,513	1,711	1,924	2,262	2,116	2,074	2,120	2,181
Proceeds on long-term debt	-	-	-	-	28,106	-	-	-	-	-
Government grants	823	2,445	13,135	8,414	5,942	5,203	6,746	38,730	22,171	4,068
Other	328	3,927	422	8	2,210	565	2,200	791	4,015	3,741
Total Sources of Capital Funding	\$ 29,428	\$ 42,014	\$ 64,402	\$ 77,068	\$ 88,475	\$ 71,383	\$ 101,670	\$ 103,281	\$ 105,768	\$ 58,941

*2000-2007 only - includes increase/decrease in inventory

2003-2012 SOURCES OF CAPITAL FUNDING



In accordance with PSAB Section 3150, effective January 1, 2009 (retroactive to 2008), the City changed its method of recording tangible capital assets. As a result, the City now recognizes assets contributed to the City by Developers.

2012 Financial Statistics
Capital Expenditure by Function/Tangible Capital Assets
in thousands

	2000	2001	2002	2003	2004	2005	2006	2007
(in 1,000's)								
CAPITAL EXPENDITURE BY FUNCTION*								
General government	\$ 4,249	\$ 981	\$ 1,760	\$ 1,999	\$ 5,551	\$ 3,050	\$ 8,787	\$ 7,314
Protective services	1,545	1,752	886	776	1,665	2,749	2,754	2,329
Engineering	13,143	14,775	11,941	15,134	22,586	31,636	38,591	29,411
Water, sewer, and dyking services	7,789	2,145	4,371	3,999	4,858	10,067	11,837	8,575
Parks, recreation and culture	1,495	3,795	3,798	6,382	4,350	7,681	12,581	39,006
Development services	24	6	-	-	-	-	-	-
Airport	1,642	4,397	3,897	1,138	3,004	9,219	2,517	1,840
Total by Function	\$ 29,887	\$ 27,851	\$ 26,653	\$ 29,428	\$ 42,014	\$ 64,402	\$ 77,067	\$ 88,475

*2000-2007 only - includes increase/decrease in inventory

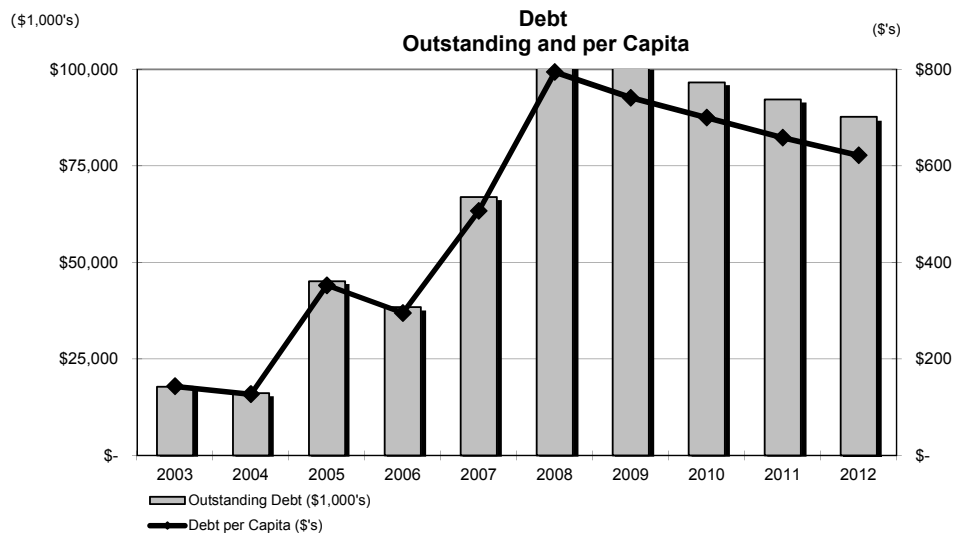
In accordance with PSAB Section 3150, effective January 1, 2009, the City changed its method of recording tangible capital assets, inventory and pre-pays. The City also implemented PSAB Section 1200, financial reporting formats. As a result, capital expenditures are no longer recorded as expenses in the City's financial statements.

	2008	2009	2010	2011	2012
(1,000's)					
TANGIBLE CAPITAL ASSETS (Net Book Value) BY ASSET CATEGORY					
Land	\$ 349,988	\$ 354,281	\$ 369,256	\$ 374,131	\$ 376,258
Land improvements	5,662	7,846	7,818	7,655	7,723
Park improvements	16,859	19,094	20,582	21,178	20,502
Buildings	73,932	135,738	134,292	131,592	132,860
Machinery & equipment	6,627	15,403	15,308	14,528	13,088
Vehicles	12,322	13,797	12,276	12,555	14,144
Airport	6,485	6,191	5,897	31,868	30,840
Water	172,682	180,000	190,882	197,563	208,709
Sewer	133,900	143,633	142,466	144,924	148,630
Transportation	221,722	230,554	228,753	228,345	241,013
Storm drainage	175,324	183,814	181,884	183,427	185,412
Dyking, drainage & irrigation	24,402	23,752	23,152	22,507	22,154
Assets under construction	80,754	27,878	60,157	79,427	47,658
Total Capital Assets by Category	\$ 1,280,659	\$ 1,341,981	\$ 1,392,723	\$ 1,449,700	\$ 1,448,991

2012 Financial Statistics

Debt Outstanding by Function

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's except as noted)										
DEBT OUTSTANDING BY FUNCTION										
General government*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Protective services - police*	2,070	1,660	697	426	123	-	-	-	-	-
Protective services - fire*	-	-	-	-	-	-	-	-	-	-
Engineering*	-	-	-	-	-	-	-	-	-	-
Parks, recreation and culture*	9,870	9,084	4,987	3,111	45,208	86,120	83,301	80,364	77,305	74,119
Dyking, drainage and irrigation*	323	289	248	-	-	-	-	-	-	-
Water	5,229	4,823	26,407	22,791	13,889	11,538	10,808	10,045	9,192	8,433
Sewer	284	266	12,793	12,073	7,704	7,212	6,693	6,189	5,663	5,111
Airport	-	-	-	-	-	-	-	-	-	-
Total Debt Outstanding by Function	\$ 17,776	\$ 16,122	\$ 45,132	\$ 38,401	\$ 66,924	\$ 104,870	\$ 100,802	\$ 96,598	\$ 92,160	\$ 87,663
*Property tax supported debt	\$ 11,940	\$ 10,744	\$ 5,684	\$ 3,537	\$ 45,331	\$ 86,120	\$ 83,301	\$ 80,364	\$ 77,305	\$ 74,119
DEBT PER CAPITA (\$'s)										
	\$ 143	\$ 127	\$ 353	\$ 295	\$ 507	\$ 794	\$ 741	\$ 700	\$ 658	\$ 622



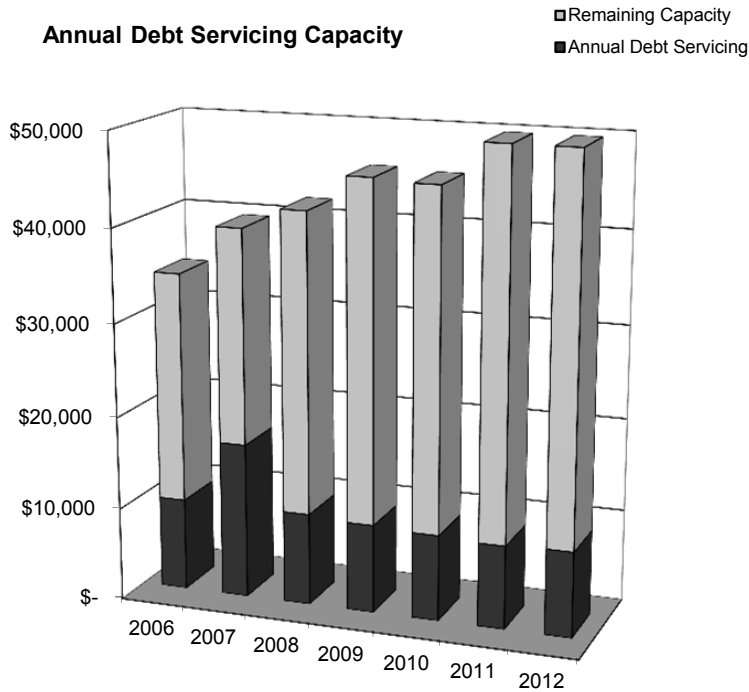
The increase in debt in 2005 was related to Abbotsford's assumption of its share of debt related to regional water and sewer services, the operations of which were transferred from the Fraser Valley Regional District to the City of Abbotsford and the District of Mission. New debt in 2007 was for three projects: a sports and entertainment facility, a recreation centre expansion, and a museum/cultural centre.

2012 Financial Statistics

Annual Debt Servicing

in thousands

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's)										
Annual Debt Servicing	\$ 6,202	\$ 3,417	\$ 14,113	\$ 9,931	\$ 16,768	\$ 9,926	\$ 9,553	\$ 9,281	\$ 9,004	\$ 9,216
% of Total Expenditures	5.4%	2.6%	8.1%	5.4%	7.8%	6.0%	5.2%	4.2%	4.2%	4.1%
Legal Debt Servicing Limit*		\$ 30,729	\$ 31,980	\$ 34,564	\$ 39,834	\$ 42,091	\$ 45,893	\$ 45,574	\$ 50,850	\$ 50,341
Legal Debt Limit	\$ 283,493									
*Legislation in 2004 replaced total debt limits with debt servicing limits										
Remaining Debt Servicing Capacity		\$ 27,312	\$ 17,867	\$ 24,633	\$ 23,066	\$ 32,165	\$ 36,340	\$ 36,293	\$ 41,846	\$ 41,125



OVERLAPPING DEBT	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Abbotsford	\$ 17,776	\$ 16,122	\$ 45,132	\$ 38,401	\$ 66,924	\$ 104,870	\$ 100,802	\$ 96,598	\$ 92,160	\$ 87,663
Fraser Valley Regional District	61,705	67,364	29,551	33,286	29,943	23,793	25,506	28,803	26,151	24,637
Fraser Valley Regional Hospital	11,640	10,082	9,569	34,641	63,918	41,602	53,282	58,449	55,048	51,904
	<u>\$ 91,121</u>	<u>\$ 93,568</u>	<u>\$ 84,252</u>	<u>\$ 106,328</u>	<u>\$ 160,785</u>	<u>\$ 170,265</u>	<u>\$ 179,590</u>	<u>\$ 183,850</u>	<u>\$ 173,359</u>	<u>\$ 164,204</u>

Note: The School District does not report debt as all School debt is recorded by the Province of British Columbia

2012 Financial Statistics

Property Assessment

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's except as noted)										

PROPERTY ASSESSMENT

General Assessment

Land	\$ 4,010,312	\$ 4,352,313	\$ 5,322,949	\$ 6,107,652	\$ 7,683,755	\$ 9,192,910	\$ 9,332,579	\$ 9,402,463	\$ 9,778,744	\$ 9,948,332
Improvements	4,022,959	4,600,554	5,234,741	5,576,866	6,609,830	7,320,397	7,451,409	7,436,839	7,856,254	7,948,905
	\$ 8,033,271	\$ 8,952,867	\$ 10,557,690	\$ 11,684,518	\$ 14,293,585	\$ 16,513,307	\$ 16,783,988	\$ 16,839,302	\$ 17,634,998	\$ 17,897,237

Average Single Family Residential Assessed Values

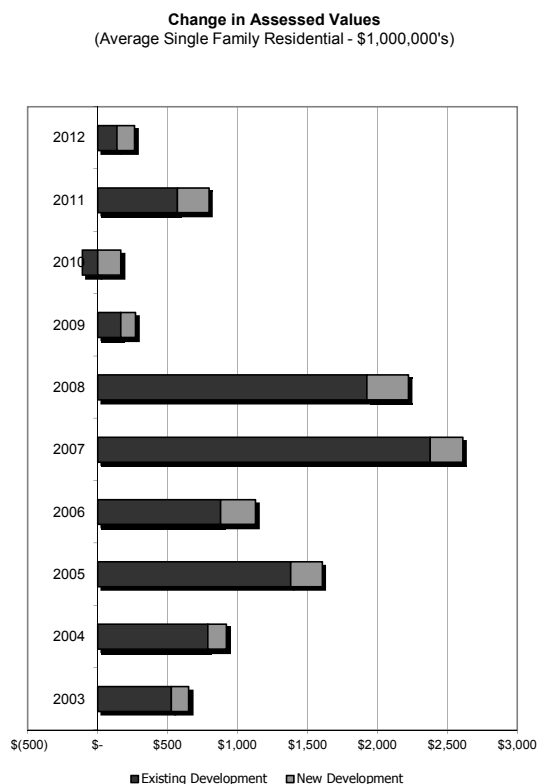
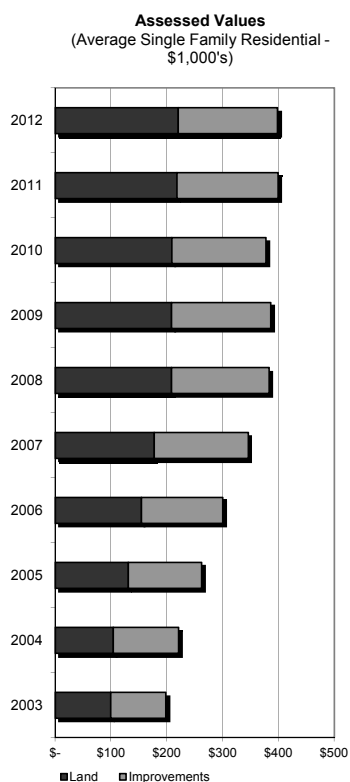
Land	\$ 99	\$ 104	\$ 131	\$ 154	\$ 177	\$ 208	\$ 208	\$ 209	\$ 218	\$ 220
Improvements	99	117	131	146	169	175	178	168	181	178
	\$ 198	\$ 221	\$ 262	\$ 300	\$ 346	\$ 383	\$ 386	\$ 377	\$ 399	\$ 398

NEW CONSTRUCTION AND DEVELOPMENT

Building Permits Issued*	1,881	1,790	2,002	1,775	1,991	1,722	1,483	1,812	1,481	1,481
Building Permit Value	\$ 155,560	\$ 162,751	\$ 280,178	\$ 380,893	\$ 274,646	\$ 351,683	\$ 156,284	\$ 207,210	\$ 255,557	\$ 158,907
New Construction	\$ 124,415	\$ 132,835	\$ 225,163	\$ 249,281	\$ 233,156	\$ 295,734	\$ 107,288	\$ 164,880	\$ 226,078	\$ 125,399

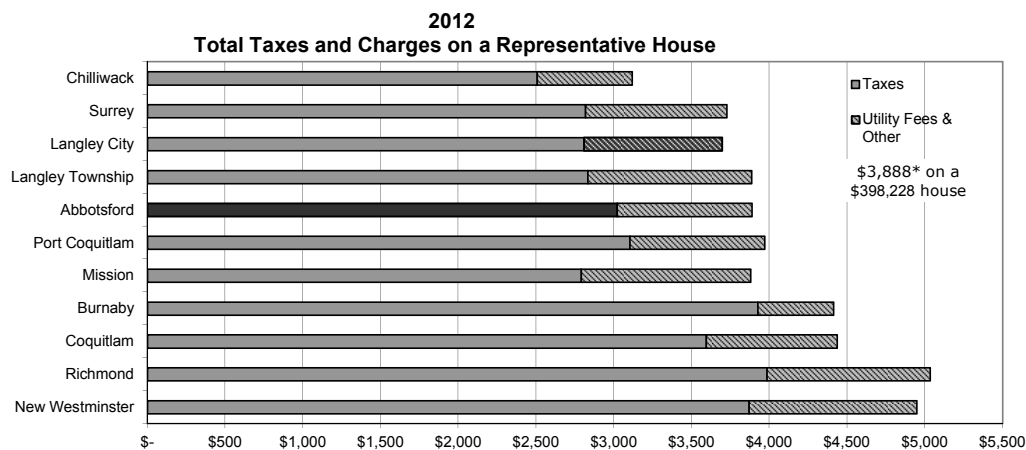
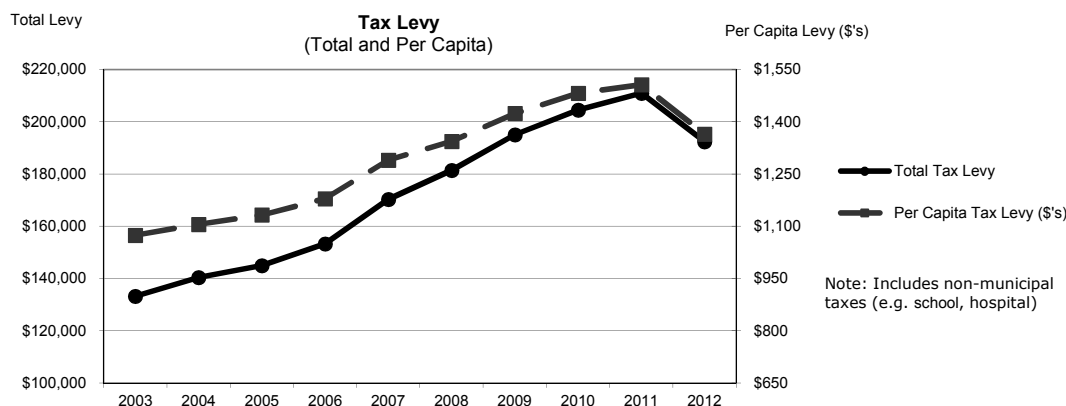
New Housing Starts (single family)*	515	419	468	329	442	263	208	320	217	186
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*actual numbers



2012 Financial Statistics Property Taxation

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(in 1,000's except as noted)										
PROPERTY TAXATION										
Tax Levy*										
Current Tax Levy	\$ 132,598	\$ 139,699	\$ 144,334	\$ 152,524	\$ 169,488	\$ 180,522	\$ 194,027	\$ 203,355	\$ 209,681	\$ 191,212
Penalty & Interest	665	722	661	784	841	923	1,056	1,213	1,248	1,213
Total Tax Levy	\$ 133,263	\$ 140,421	\$ 144,995	\$ 153,308	\$ 170,329	\$ 181,445	\$ 195,083	\$ 204,568	\$ 210,929	\$ 192,425
Per Capita Tax Levy (\$'s)	\$ 1,075	\$ 1,106	\$ 1,133	\$ 1,179	\$ 1,290	\$ 1,344	\$ 1,424	\$ 1,482	\$ 1,507	\$ 1,365
* as of 2012, water and sewer charges are no longer billed with taxes										
Taxes Collected										
Current Taxes Collected	\$ 129,268	\$ 136,727	\$ 141,419	\$ 149,636	\$ 166,394	\$ 177,010	\$ 189,425	\$ 199,396	\$ 205,169	\$ 186,309
% Current Taxes Collected	97.00	97.37	97.53	97.60	97.69	97.56	97.10	97.47	97.27	96.82



Source: Ministry of Community, Sport & Cultural Development; includes non-municipal taxes (e.g. school, hospital)
*Includes School, Regional District, Hospital, BCA, MFA charges

TAXES COLLECTED FOR OTHER AGENCIES

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
School	\$ 42,643	\$ 44,473	\$ 45,702	\$ 47,063	\$ 48,744	\$ 50,631	\$ 52,163	\$ 53,158	\$ 54,432	\$ 54,128
FVRHD	4,366	4,495	4,609	4,698	4,935	5,079	5,331	5,436	5,276	5,349
FVRD	1,944	1,751	1,862	1,936	2,022	2,305	2,314	2,488	1,774	1,730
BC Assessment	1,244	1,246	1,283	1,283	1,317	1,376	1,465	1,522	1,496	1,498
MFA	2	2	2	3	4	3	4	4	4	5
Total	\$ 50,199	\$ 51,967	\$ 53,458	\$ 54,983	\$ 57,022	\$ 59,394	\$ 61,277	\$ 62,608	\$ 62,982	\$ 62,710

2012 Financial Statistics
Assessments and Tax Rates
General and Specific Municipal Purposes

CITY OF ABBOTSFORD PROPERTIES

PROPERTY CLASS	Net Taxable Values (in thousands)	DOLLARS OF TAX PER \$1,000 TAXABLE VALUE				
		GENERAL			SPECIFIED AREAS	
		Municipal	Municipal	Regional	Matsqui	Sumas
		General	General*		Dyking	Dyking
		(Police)	(Other)	Library		
1. Residential	\$ 14,574,019	1.72748	3.01050	0.16953	1.40897	0.60221
2. Utilities	82,419	14.07035	24.52060	1.38170	1.40897	12.43399
5. Light Industrial	438,992	4.35723	7.59341	0.42722	1.40897	9.92396
6. Business/Other	2,537,993	4.37623	7.62651	0.42892	1.40897	4.96198
8. Recreation/Non-Profit	13,162	2.52760	4.40487	0.24752	1.40897	0.60221
9. Farm	139,431	6.69219	11.66257	0.65609	1.40897	-
	<u>\$ 17,786,016</u>					

FORMER ELECTORAL AREA "H" PROPERTIES

PROPERTY CLASS	Net Taxable Values (in thousands)	GENERAL		
		Municipal	Municipal	Regional
		General	General*	
		(Police)	(Other)	Library
1. Residential	\$ 106,993	1.54273	2.39282	0.13562
2. Utilities	874	12.46941	19.34041	1.09621
5. Light Industrial	3,054	4.02490	6.24274	0.35384
6. Business/Other	134	4.02666	6.24547	0.35399
8. Recreation/Non-Profit	-	-	-	-
9. Farm	166	5.81215	9.01482	0.51096
	<u>\$ 111,221</u>			

*includes General Debt

2012 TAX RATES - OTHER GOVERNMENTS & AGENCIES

PROPERTY CLASS	DOLLARS OF TAX PER \$1,000 TAXABLE VALUE					
	Fraser	Greater	Regional	Municipal	BC	School
	Valley	Vancouver		Finance		
	Regional	Regional	Hospital	Authority	Assessment	
	District	District	District			
1. Residential	0.07603	0.03778	0.23507	0.00020	0.05990	2.27160
2. Utilities	0.26611	0.13223	0.82275	0.00070	0.51130	14.20000
5. Light Industrial	0.25851	0.12845	0.79925	0.00070	0.18430	2.56000
6. Business/Other	0.18628	0.09256	0.57593	0.00050	0.18430	6.40000
8. Recreation/Non-Profit	0.07603	0.03778	0.23507	0.00020	0.05990	3.40000
9. Farm	0.07603	0.03778	0.23507	0.00020	0.05990	3.45000

2012 Financial Statistics Other statistics

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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PUBLIC WORKS INFRASTRUCTURE

Streets and Roads (km)	880	891	901	908	920	924	935	939	944	986
Sanitary Sewers (km)	497	508	514	522	530	533	540	543	549	554
Storm Sewers (km)	425	436	448	455	468	474	484	487	494	497
City Water Mains (km)	807	824	839	850	870	880	896	906	911	914
Joint Water Mains (km) - Abbotsford portion	66	68	68	68	68	69	69	71	72	72
Joint Water Mains (km) - Mission portion	18	18	18	18	18	18	18	19	19	19
Water Services	22,756	23,715	24,381	24,774	24,921	25,150	25,224	25,257	25,576	27,153

Note: New measurement system used for tracking in 2010; updated information from 2001 to 2009

REGISTERED ELECTORS (in 1,000's)	59	59	79	77	77	83	83	83	87	87
PROPERTIES ON TAX ROLL (in 1,000's)	45	45	45	46	42	42	43	44	44	45

Note: properties on tax roll revised from 2007 to 2011 - incorrectly reported in those years

NUMBER OF EMPLOYEES (F.T.E.)*

Airport	8	8	9	10	13	13	16	17	15	15
Engineering	160	155	175	176	178	210	209	237	216	218
Fire	68	68	69	81	90	101	103	103	102	96
Parks, Recreation & Culture	91	92	92	91	95	105	102	91	117	133
Police (civilians)	70	74	78	84	83	77	73	81	82	91
Police (uniformed)	165	173	187	202	199	204	207	210	218	217
Other (City Manager/Administration, Corporate & Development Services)	112	-	-	-	-	-	-	-	-	-
City Manager/Administration*	-	30	34	39	44	30	31	21	21	20
Finance & Corporate Services*	-	50	52	54	57	58	44	66	64	67
Economic Development/Planning Services	-	48	54	52	56	59	71	74	72	62
	674	698	750	789	815	857	856	900	907	919

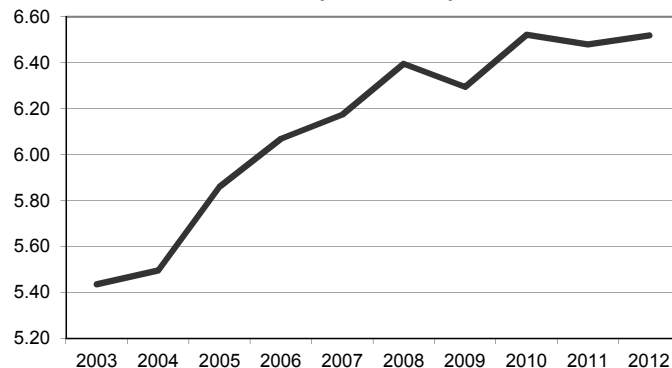
*full-time equivalents based on filled positions existing at December 31

*City Clerk's Division of Administration moved to Finance & Corporate Services in 2010

ABBOTSFORD AIRPORT

Aircraft movements (in 1,000's)	156	149	152	160	175	155	123	102	97	108
Passengers (in 1,000's)	422	369	393	500	508	504	472	464	475	491

FTE Positions per 1,000 Population

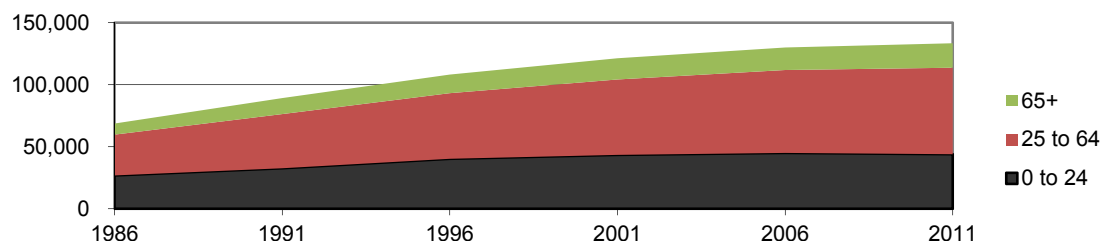


Population by Age Group

Source: Statistics Canada Census age distribution

AGE	1986	1991	1996	2001	2006	2011
0 to 4	5,801	7,247	8,543	8,262	8,270	8,535
5 to 9	5,372	7,134	8,460	9,101	8,533	8,245
10 to 14	4,954	6,354	8,299	8,945	9,330	8,550
15 to 19	5,243	5,927	7,569	8,871	9,519	9,470
20 to 24	5,450	6,009	7,331	8,156	9,404	9,175
25 to 34	11,963	14,639	16,992	16,669	16,934	18,000
35 to 44	9,045	12,861	15,392	19,096	18,818	17,480
45 to 54	5,992	8,501	12,167	15,269	17,522	18,680
55 to 64	5,909	7,571	8,429	9,960	13,497	15,665
65 to 74	5,537	7,699	8,336	8,565	8,900	10,131
75+	3,513	5,347	6,612	8,368	9,273	9,575
TOTAL	68,778	89,300	109,140	121,263	130,000	133,506

Abbotsford Age Distribution



Population Growth (1956-2011)

Source: Statistics Canada (does not include estimated Census undercounts in 1991, 1996 or 2001)

YEAR	POPULATION	% INCREASE	BC POPULATION	% OF BC
1956	16,858	--	1,398,464	1.21
1961	20,326	20.60	1,629,082	1.25
1966	22,408	10.20	1,873,674	1.20
1971	31,033	38.50	2,184,621	1.42
1976	40,768	31.40	2,466,608	1.65
1981	54,736	34.30	2,744,467	1.99
1986	65,945	20.50	2,889,207	2.28
1991	86,928	31.80	3,282,061	2.65
1996	105,403	21.30	3,724,500	2.83
2001	115,463	9.50	3,907,738	2.95
2006	123,864	7.20	4,113,487	3.01
2011	133,500	7.40	4,573,321	2.92

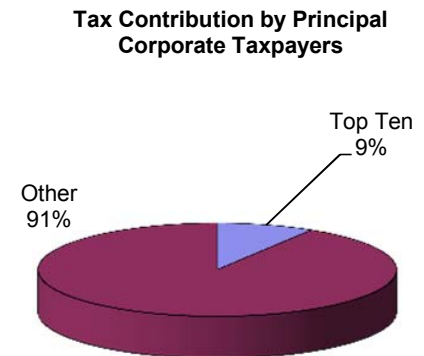
ANNUAL POPULATION ESTIMATES (1,000's)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
124	127	128	130	132	134	136	138	140	141

TOP 10 PRINCIPAL CORPORATE TAXPAYERS

(in 1,000's)

Industry	Tax Contribution
Retail	\$ 1,724
Utility	1,340
Utility	1,326
Utility	986
Crown - Federal	955
Retail	885
Utility	733
Retail	672
Retail	654
Retail	516
Total, Top Ten	\$ 9,791



Total Abbotsford general tax \$ 111,077

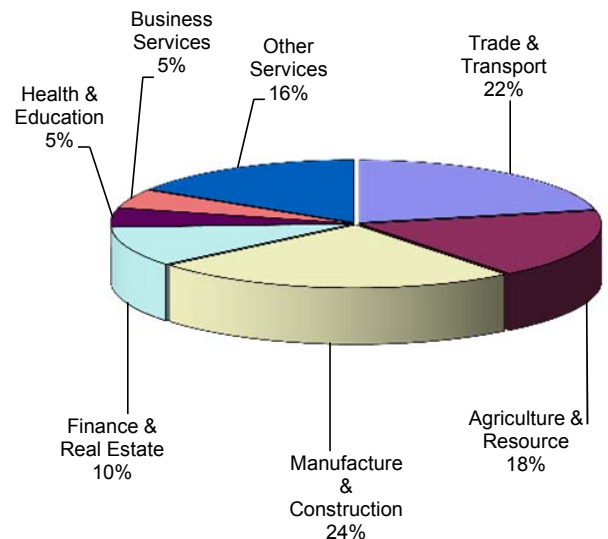
Proportion of tax paid by top ten 9%

Source: Entities identified through BC Assessment; tax contribution data from City of Abbotsford

EMPLOYMENT BY INDUSTRY

(actual #'s)

	People Employed
Manufacturing and construction industries	18,500
Health and education	15,200
Trade and transportation	21,000
Business services	8,700
Agriculture and resource-based industries	4,100
Finance and real estate	4,200
Other services	13,800
Total	85,500



Source: Statistics Canada, Labour Force Survey CANSIM 282-0112, Annual Averages
Prepared by: BC Stats, February 2012.

UNEMPLOYMENT RATE - ABBOTSFORD/MISSION (Source: Statistics Canada)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
7.5%	6.5%	5.6%	4.6%	4.3%	4.8%	7.9%	8.0%	8.9%	7.9%

Permissive Tax Exemptions

	2012	2011
ATHLETIC OR SERVICE CLUB OR ASSOCIATIONS EXEMPTIONS	\$ 233,877	\$ 231,644
LOCAL AUTHORITIES EXEMPTIONS	357,298	292,410
CHARITABLE ORGANIZATIONS EXEMPTIONS	166,169	166,169
DOWNTOWN ABBOTSFORD REVITALIZATION EXEMPTIONS	30,204	48,981
ABBOTSFORD AIRPORT REVITALIZATION EXEMPTIONS	47,642	54,470
PRIVATE SCHOOL EXEMPTIONS	236,653	236,653
RELIGIOUS ORGANIZATIONS EXEMPTIONS	359,261	359,261
	<u>\$ 1,431,104</u>	<u>\$ 1,389,588</u>

Permissive Tax Exemptions

ATHLETIC OR SERVICE CLUB OR ASSOCIATIONS

1	62230-7432-1	Abbotsford Community Services	33780 Laurel Street	\$	194
6	62230-7432-1	Abbotsford Community Services	33780 Laurel Street		5,084
6	62330-5323-1	Abbotsford Curling Club	2555 McMillan Road		13,072
1	93320-2091-1	Abbotsford Fish & Game Club	4161 Lakemount Lodge Road		297
6	93320-2091-1	Abbotsford Fish & Game Club	4161 Lakemount Lodge Road		799
8	93320-2091-1	Abbotsford Fish & Game Club	4161 Lakemount Lodge Road		3,967
1	31560-4160-9	Abbotsford Horseshoe Club	2308 Adanac Street		1,169
6	51650-4800-0	Abbotsford Judo Club	31480 Maclure		5,334
8	62230-2970-7	Abbotsford Senior's Association	33889 Essendene Avenue		5,563
8	62230-3150-1	Abbotsford Senior's Association	2631 Cyril Street		4,362
6	95000-1398-0	Air Force Association of Canada 861	32470 Haida Drive		7,029
1	95000-0590-6	Bradner Community Club	28780 Myrtle Avenue		1,290
6	95000-0610-8	Bradner Community Club	5305 Bradner Road		1,826
8	95000-0610-8	Bradner Community Club	5305 Bradner Road		2,394
6	95000-0630-3	Bradner Community Club	5227 Bradner Road		281
8	95000-0630-3	Bradner Community Club	5227 Bradner Road		5,192
8	72070-6200-0	Clayburn Village Community Society	4315 Wright Street		4,213
8	95000-0681-9	Clayburn Village Community Society	4304 Wright Street		2,563
8	95000-1510-9	Clayburn Village Community Society	34819 Clayburn Road		4,547
1	10130-5581-0	Elks Rec. Children's' Camp Society	27865 0 Avenue		3,822
6	71870-5812-0	Fraser Valley Conservancy	33350 Industrial Avenue		24,463
1	95000-0730-7	Girl Guides of Canada	5315 Willet Road		375
8	95000-0730-7	Girl Guides of Canada	5315 Willet Road		7,111
6	95000-1399-0	Kiwanis Family Housing Society	32470 Haida Drive		22,348
6	71800-6000-8	Ledgeview Properties Ltd.	35997 McKee Road		8,947
8	71800-6000-8	Ledgeview Properties Ltd.	35997 McKee Road		32,620
6	71800-6002-0	Ledgeview Properties Ltd.	McKee Road		586
8	71800-6002-0	Ledgeview Properties Ltd.	McKee Road		9,070
6	93040-3010-1	Ledgeview Properties Ltd.	36039 McKee Road		2,956
8	93040-3010-1	Ledgeview Properties Ltd.	36039 McKee Road		13,214
8	93040-7560-9	Ledgeview Properties Ltd.	McKee Road		286
8	95000-0450-1	Matsqui Hall Association	5783 Wallace Street		2,201
6	95000-0690-1	Matsqui Hall Association	33676 St Olaf Avenue		1,327
8	95000-0690-1	Matsqui Hall Association	33676 St Olaf Avenue		1,983
8	95000-0660-1	Mt Lehman Athletic Association	6418 Mt Lehman Road		5,047
6	95000-0700-9	Mt Lehman Athletic Association	6418 Mt Lehman Road		455
8	95000-0700-9	Mt Lehman Athletic Association	6418 Mt Lehman Road		2,193
8	82130-6000-0	Ridgedale Rod & Gun Club	35606 Harris Road		3,628
1	95000-0470-7	Ridgedale Rod & Gun Club	35606 Harris Road		378
6	95000-0470-7	Ridgedale Rod & Gun Club	35606 Harris Road		736
8	95000-0470-7	Ridgedale Rod & Gun Club	35606 Harris Road		4,781
8	00024-2205-0	Scouts Canada	Foxglove Lane		4,539
6	93240-0420-7	Straiton Community Club	4698 Upper Sumas Mtn Road		529
8	93240-0420-7	Straiton Community Club	4698 Upper Sumas Mtn Road		2,120
6	95000-1397-0	Twisters Gymnastics	32470 Haida Drive		8,986

233,877

LOCAL AUTHORITIES

6	51670-2771-0	Abbotsford Cultural Centre Society	32388 Veterans Way		156,761
6	61010-7211-1	First Canada ULC	1225 Riverside Street		53,103
6	51680-5902-0	Women's Resource Society of the Fraser Valley	3096 Clearbrook Road		72,258
6	97000-0243-0	Tourism Abbotsford	1190 Cornell Street		75,175

357,298

Permissive Tax Exemptions

CHARITABLE ORGANIZATIONS

1	62230-5730-1	Abbotsford Community Services	2420 Montrose Ave	2,286
6	62230-5730-1	Abbotsford Community Services	2420 Montrose Ave	21,270
8	62230-5730-1	Abbotsford Community Services	2420 Montrose Ave	13,972
6	62230-6381-1	Abbotsford Community Services	2539 Montvue Ave	8,855
1	62230-7432-1	Abbotsford Community Services	33780 Laurel Street	97
6	62230-7432-1	Abbotsford Community Services	33780 Laurel Street	7,357
8	62230-5140-2	Abbotsford Community Services-Food Bank	33914 Essendene Ave	6,305
6	41600-7750-1	Mennonite Central Committee BC	31414 Marshall Rd	17,473
6	51630-8081-0	Mennonite Central Committee BC	31872 South Fraser Way	45,418
6	61700-5960-6	Northview Community Church	2616 Ware Street	5,859
8	62230-6881-1	Royal Canadian Legion No 015	2513 West Railway St	2,959
1	61510-0580-6	Salvation Army of Canada	34081 Gladys Ave	3,846
6	61510-0580-6	Salvation Army of Canada	34081 Gladys Ave	29,587
8	61510-0580-6	Salvation Army of Canada	34081 Gladys Ave	886

166,169

DOWNTOWN ABBOTSFORD REVITALIZATION

6	62230-3394-1	0808516 BC Ltd	#104 - 2636 Montrose Avenue	1,462
6	62230-3391-1	603546 BC Ltd	#101 - 2636 Montrose Avenue	1,416
6	62230-3396-1	C L K Ventures Inc	#201 - 2636 Montrose Avenue	867
6	62230-3399-1	Canadian Voice Exchange Inc	#202 - 2636 Montrose Avenue	718
6	62230-3400-1	Canadian Voice Exchange Inc	#202 - 2636 Montrose Avenue	662
6	62230-3401-1	Canadian Voice Exchange Inc	#202 - 2636 Montrose Avenue	713
6	62230-3395-1	DEER Holdings Inc	#105 - 2636 Montrose Avenue	1,416
6	62230-6120-1	D'Hondt, James & De St. Remy, Allana	2551 Montrose Avenue	1,308
6	62230-5560-3	Dragon Fort Holdings Ltd	2439 Pauline Street	8,120
6	62230-7250-8	Duke of Dublin Olde Irish Pub Inc	33720 South Fraser Way	6,894
6	62230-3397-1	Kasck Holdings Inc	#203 - 2636 Montrose Avenue	344
6	62230-3398-1	Kasck Holdings Inc	#203 - 2636 Montrose Avenue	872
6	62230-3392-1	Modas Operandi Hair Salon Ltd.	#102 - 2636 Montrose Avenue	1,754
6	62230-3393-1	Quixotic Ventures Ltd.	#103 - 2636 Montrose Avenue	1,724
6	62230-3171-1	Siemens, Jacob	33839 Essendene Avenue	1,936

30,204

ABBOTSFORD AIRPORT REVITALIZATION

6	97000-0258-0	600897 BC LTD	1255 Townline Road	20,621
6	97000-0257-0	VK Aviation Corp. (Chinook Helicopters)	30720 Rotor Drive	27,021

47,642

PRIVATE SCHOOLS

6	71800-9723-0	Abbotsford Christian School Society	35011 Old Clayburn Road	27,747
6	71830-2827-0	Abbotsford Christian School Society	3939 Old Clayburn Road	17,723
6	10510-8590-1	Catholic Independent Schools	2747 Townline Road	71,904
6	71880-0651-0	Christian Outreach of Canada	3970 Gladwin Road	39,492
6	82340-4070-4	Dasmesh Punjabi Educational Association	5930 Riverside Street	5,768
6	62230-2102-1	Dogwood Independent School Society	33886 Pine Street	3,101
6	71950-2840-0	Mennonite Educational Institute Society	31655 Downes Road	66,754
6	71940-4721-0	Mennonite Educational Institute Society	31638 Downs Road	4,164.71

236,653

CHURCHES

8	10530-4103-0	Abb West Cong Jehovah's Witnesses	31165 Gardner Avenue	4,007
8	61540-3770-1	Abbotsford Baptist Church	33651 Busby Road	2,024
8	95000-0340-5	Abbotsford City Fellowship Society	2413 McCallum Road	2,080
8	31540-9651-0	Abbotsford Evangelical Free Church	33218 Marshall Road	4,966
8	6223-02101-1	Abbotsford Gospel Society	33868 Pine St	2,927
8	95000-0277-0	Abbotsford Pentecostal Assembly	3145 Gladwin Road	11,658

Permissive Tax Exemptions

8	31550-4022-0	BC Conf Mennonite Brethren Churches	1661 McCallum Road	6,740
8	41620-5220-7	BC Conf Mennonite Brethren Churches	2311 Clearbrook Road	2,128
8	41620-5240-2	BC Conf Mennonite Brethren Churches	31980 Oak Avenue	1,741
8	41620-5260-8	BC Conf Mennonite Brethren Churches	31966 Oak Avenue	1,741
8	41620-6660-7	BC Conf Mennonite Brethren Churches	2231 Clearbrook Road	1,733
8	41620-6661-0	BC Conf Mennonite Brethren Churches	2228 Holly Street	1,959
8	41620-6730-2	BC Conf Mennonite Brethren Churches	2244 Holly Street	1,959
8	71750-6360-0	BC Conf Mennonite Brethren Churches	3130 McMillan Road	3,660
8	71910-3551-0	BC Conf Mennonite Brethren Churches	32064 Downes Road	3,950
8	95000-0041-0	BC Conf Mennonite Brethren Churches	3160 Ross Road	2,612
8	95000-0131-0	BC Conf Mennonite Brethren Churches	32454 Huntingdon Road	3,426
8	95000-0260-7	BC Conf Mennonite Brethren Churches	2285 Clearbrook Road	9,360
8	95000-0270-1	BC Conf Mennonite Brethren Churches	2719 Clearbrook Road	3,555
8	61430-3320-1	BC Corp Seventh Day Adventist Church	1921 Griffith Road	2,612
8	95000-0350-8	Central Valley Baptist Church	33393 Old Yale Road	1,387
8	61540-0300-0	Christ the King Church	2393 West Railway Street	2,830
8	10550-3411-0	Christian & Missionary Alliance	3440 Mt Lehman Road	11,223
8	51660-4065-0	Christian & Missionary Alliance	2575 Gladwin Road	9,368
8	72110-7270-0	Christian Life Community Church	35131 Straiton Rd	3,241
8	95000-0071-0	Church of God In Christ	29623 Downes Road	4,805
8	61410-0032-1	Church of the Nazarene	2390 McMillan Road	3,064
8	95000-0410-0	Community Baptist Bible Church	5525 Gladwin Road	3,660
8	95000-0300-4	Conf of Uni Menno Church of BC	32027 Peardonville Road	1,983
8	41610-6890-0	Conference of Mennonites in BC	2051 Windsor Street	5,603
8	51670-6591-0	Conference of Mennonites in BC	2630 Langdon Street	8,111
8	10550-0868-0	Emmanuel Free Reformed Church	3366 Mt Lehman Road	3,088
8	95000-0010-6	Fountainhead Christian Society	29394 Huntingdon Road	3,064
8	95000-0090-8	Fraser Valley Buddhist Temple	28941 Haverman Road	2,040
8	31480-0920-4	Fraser Valley Hindu Society	31545 Walmsley Road	3,168
8	95000-0910-0	Gateway Community Christian	2884 Gladys Ave	6,740
8	61420-3920-7	Grace Communités Corp	35230 Delair Road	2,475
8	61440-4890-1	Grace Evangelical Bible Church	2087 McMillan Road	5,152
8	95000-0140-8	Grace Tabernacle	721 Gladwin Road	2,636
8	51630-4683-0	Gurdwara Baba Banda Singh Bahadar Sikh Society	31631 South Fraser Way	22,365
8	82260-2851-0	Gurmat Center Society	31987 Townshipline Road	3,104
8	95000-2200-1	Immanuel Covenant Church	35063 Page Road	3,491
8	10530-5282-0	Immanuel Fellowship Baptist Church	2950 Blue Jay Street	3,789
8	10550-2641-0	Kalgidhar Darbar Sahib Society	3348 Siskin Drive	13,440
8	61710-5070-2	Khalsa Diwan Society of Abbotsford	33094 South Fraser Way	24,679
8	61710-6100-1	Khalsa Diwan Society of Abbotsford	33089 South Fraser Way	9,836
8	71900-4301-0	Marantha Baptist Church	3580 Clearbrook Road	5,482
8	95000-0430-6	Matsqui Evangelical Lutheran Church	5781 Riverside Street	1,419
8	90320-0360-4	Mennonite Brethren Church of BC	310 Arnold Road	2,999
8	71920-5609-0	Mennonite Church of BC	3471 Clearbrook Road	5,563
8	62320-6760-5	New Apostolic Church Canada	2480 McMillan Road	1,459
8	61420-5361-1	New Life Christian Reformed Church	35270 Delair Road	4,265
8	61540-3910-4	New Life Pentecostal Church	33668 McDougall Avenue	1,540
8	61440-4840-1	Parish of St Matthew Abbotsford	2010 Guilford Drive	3,378
8	95000-0221-0	Peace Evangelical Lutheran Church	2029 Ware Street	2,354
8	10550-4840-6	President of the Lethbridge Stake	30635 Blueridge Drive	15,068
8	31570-2440-1	Roman Catholic Archbishop of Vancouver	33333 Mayfair Avenue	11,731
8	82260-2860-0	Sant Baba Vasakha Sing Sikh	31957 Townshipline Road	1,564
8	71820-9970-6	Second Christian Church of Abbotsford	34611 Old Clayburn Road	4,676
8	71860-7320-0	Society of Bethel Reform Church of Abbotsford	3260 Gladwin Road	4,475

Permissive Tax Exemptions

8	61530-2630-8	Solid Rock Christian	1980 Salton Road	1,500
8	95000-0151-2	TR Cong West Abbotsford Mennonite Church	31216 King Road	3,660
8	71890-8610-0	Trinity Christian Reformed Church	3215 Trethewey Street	6,119
8	71910-7503-0	Trinity Lutheran Church	3845 Gladwin Road	7,941
8	95000-0290-5	Trust Cong Abbotsford Gospel Hall	2464 Parkview Street	1,798
8	31500-8280-0	Trust Cong King Rd Menn Brthrn Church	32068 King Road	4,450
8	95000-0120-2	Trust Mt Lehman Cong United Church	6256 Mt Lehman Road	2,709
8	61500-1500-2	Trustees Cong Can Reform Church	33947 King Road	2,306
8	61500-0910-1	Trustees of Abbotsford	1672 Salton Road	3,410
8	95000-0100-7	Trustees of Bradner Congregation	5275 Bradner Road	1,653
8	71860-6001-0	Trustees of Gladwin Heights Pastoral	3474 Gladwin Road	3,273
8	10440-2100-7	Trustees of the Congregation	28163 Swensson Avenue	5,023
8	95000-0330-0	Trustees of the Congregation	2597 Bourquin Crescent East	3,128
8	62230-1100-3	Trustees of Trinity Memorial	33737 George Ferguson Way	1,483
8	91330-4061-1	Trustees on Congregation Prairie Chapel	1929 Interprovincial Hwy	1,951
8	61420-3450-7	Zion Christian Reformed Church	35199 Delair Road	3,701

359,261

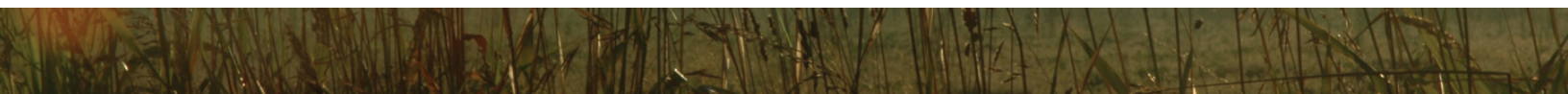
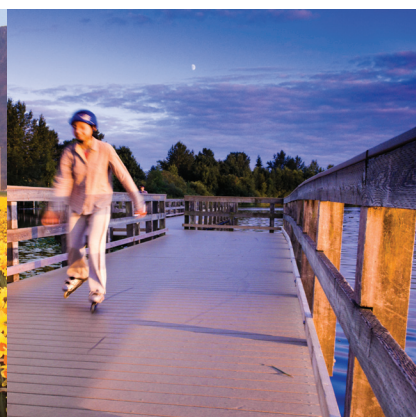
Total Permissive Exemptions

\$ 1,431,104

City of Abbotsford
2012 Annual Report for fiscal year ending
December 31, 2012.

For more information please contact:
City of Abbotsford
Finance & Corporate Services Department
Tel: 604-864-5524
Email: finance-info@abbotsford.ca





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