



CITY OF ABBOTSFORD
British Columbia

2012

CONSOLIDATED
FINANCIAL STATEMENTS

Fiscal Year Ending December 31, 2012

Prepared by Finance & Corporate Services Finance Division



CITY OF ABBOTSFORD

Consolidated Financial Statements for the Year Ended December 31, 2012

Table of Contents

Auditor's Report on Consolidated Statements

Consolidated Financial Statements:

Financial Position	1
Operations	2
Cash Flows.....	3
Change in Net Financial Assets (Debt).....	4
Notes to Consolidated Financial Statements	5-21

Auditor's Report on Cemetery Care Trust Fund

Cemetery Care Trust Fund Statement of Financial Position	22
--	----

Notes to Cemetery Care Trust Fund.....	23
--	----

Exhibits: 1	Statement of Financial Position - By Fund	24-25
2	Statement of Financial Activities – By Fund.....	26-27
3	Schedule of Tangible Capital Assets	28-29
4	Appropriated Surplus (Reserves) Continuity Schedule	30
5	Debt Outstanding and Debt Servicing by Fund and Function	31

Segment Information – Revenues by Type & Expenses by Function

Schedules: A	General Operating Fund.....	32-33
B	Water Operating Fund	34
C	Sewer Operating Fund	35
D	Airport Operating Fund	36
E	General Operating Fund - General Government Services	37
F	General Operating Fund - Development Services	38
G	General Operating Fund - Police Services.....	39
H	General Operating Fund - Fire Rescue Services	40
I	General Operating Fund - Other Protective Services.....	41
J	General Operating Fund - Parks, Recreation & Culture Services.....	42
K	General Operating Fund – Entertainment & Sports Centre	43
L	General Operating Fund – Library Services	44
M	General Operating Fund – Transit Services.....	45
N	General Operating Fund - Engineering Services	46



CITY OF ABBOTSFORD

Consolidated Financial Statements for the Year Ended December 31, 2012

Table of Contents

O	General Operating Fund – Solid Waste Services.....	47
P	General Operating Fund – Storm Drainage Services.....	48
Q	General Operating Fund – Dyking, Drainage & Irrigation Services	49
R	Capital Fund.....	50
S	Reserve Fund	51
T	Ledgeview Properties Ltd.- Statement of Financial Position	52



KPMG LLP
Chartered Accountants
32575 Simon Avenue
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 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 the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2012, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Other Matters

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Accountants

April 23, 2013

Abbotsford, British Columbia

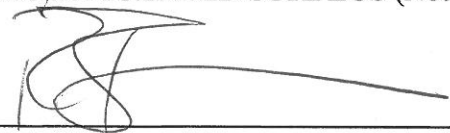
CITY OF ABBOTSFORD

Consolidated Statement of Financial Position

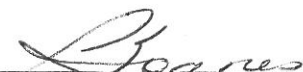
As at December 31, 2012, with comparative figures as at December 31, 2011

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-pays	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.

CITY OF ABBOTSFORD

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.

CITY OF ABBOTSFORD

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-paids	(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.

CITY OF ABBOTSFORD

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	<u>\$ (59,479)</u>	<u>\$ (12,397)</u>	<u>\$ (17,807)</u>

See notes to consolidated financial statements.

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:

<u>Operating Funds:</u>	Operating funds report the principal activities of General, Water, Sewer, and Airport operations.
<u>Capital Funds:</u>	Capital funds report the acquisition and disposal of property and equipment and their related financing.
<u>Reserve Funds:</u>	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.

(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

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.

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
	<u>\$68,422</u>	<u>\$91,141</u>

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
	<u>\$39,675</u>	<u>\$46,184</u>

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

4. PORTFOLIO INVESTMENTS:

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

(in thousands)	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>
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	<u>\$9,163</u>	<u>\$6,504</u>

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)

Restoration liability, beginning of year
Adjust liability
Restoration liability, end of year

	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
	16,852	17,473	3,148	37,473	45,421
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
	4,939	2,081	2,182	9,202	16,673
Balance, December 31, 2012	\$11,913	\$15,392	\$ 966	\$28,271	\$28,748

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
	\$11,913	\$12,504

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
	\$18,514	\$14,650

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.

(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:

(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
	14,480	15,091
Appropriated Surplus		
General operations reserve	14,040	13,961
Statutory capital reserves	76,028	76,220
	90,068	90,181
Investment in Tangible Capital Assets	1,332,046	1,326,621
Investment in Other Non-Financial Assets	5,032	4,061
Total Accumulated Surplus	\$1,441,626	\$1,435,954

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	<u>\$222,735</u>	<u>\$211,938</u>

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.

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:

(in thousands)	<u>Budget Amount</u>
Revenues:	
Consolidated budget	\$269,805
Expenses:	
Consolidated budget	206,956
Annual surplus per approved budget	62,849
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

Police Protection

Includes:

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

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

Parks, Recreation & Culture

Includes:

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

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

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands)

	2012 Plan	2012 Actual	2011 Actual
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



KPMG LLP
Chartered Accountants
32575 Simon Avenue
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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Accountants

April 23, 2013

Abbotsford, British Columbia

CITY OF ABBOTSFORD
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

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.

CITY OF ABBOTSFORD**Exhibit 1****Statement of Financial Position - By Fund***As at December 31, 2012, with comparative figures as at December 31, 2011.**In thousands*

	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-pays	3,901	-	-	-	-
	5,032	-	-	-	-
ACCUMULATED SURPLUS	\$ 13,316	\$ 1,018	\$ 4,002	\$ 1,176	\$ 90,068

Exhibit 1
... Continued

Capital Funds				Consolidation Adjustments	Total 2012	Total 2011
General	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

CITY OF ABBOTSFORD
Exhibit 2
Statement of Financial Activities - By Fund
For the Year ended December 31, 2012, with comparative figures for 2011.
In thousands

	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

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	

CITY OF ABBOTSFORD**Schedule of Tangible Capital Assets****Exhibit 3***For the Year ended December 31, 2012, with comparative figures for 2011**In thousands*

	General					
	Land	Land Improvements	Park Improvements	Buildings	Machinery & Equipment	Vehicles
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>

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	
\$ 30,839	\$ 208,709	\$ 148,631	\$ 241,013	\$ 185,412	\$ 22,154	\$ 47,658	\$ 1,448,991		
\$ 31,868	\$ 197,563	\$ 144,924	\$ 228,345	\$ 183,427	\$ 22,507	\$ 79,427		\$ 1,449,700	

CITY OF ABBOTSFORD

Appropriated Surplus (Reserves) Continuity Schedule

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

Exhibit 4

In thousands

	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

CITY OF ABBOTSFORD

Debt Outstanding and Debt Servicing by Fund and Function

Exhibit 5

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

In thousands

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt				Debt
					Outstanding December 31 2011	2012 Debt Servicing			Outstanding December 31 2012
						Principal	Interest	Total	
GENERAL FUND									
Parks, recreation and culture									
Abbotsford Recreation Centre	2432	55	2013	8.500	\$ 882	\$ 515	\$ -	\$ 515	\$ 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	3,866	7,052	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	\$ 4,386	\$ 8,883	\$ 87,663

CITY OF ABBOTSFORD

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

Schedule A

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

In thousands

	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

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
	<u>174,106</u>	<u>178,554</u>	<u>164,118</u>
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	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ 15</u>

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

Water Operating Fund

Schedule B

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

In thousands

	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

CITY OF ABBOTSFORD

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

Schedule C

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

In thousands

	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)	\$ -

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

Airport Operating Fund

Schedule D

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

In thousands

	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	\$ -	\$ -	\$ -

CITY OF ABBOTSFORD

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

Schedule E

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

In thousands

	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-paids	-	(971)	(84)
Tangible capital assets	933	1,154	1,704
CHANGE IN UNAPPROPRIATED SURPLUS	\$ 61,544	\$ 61,637	\$ 60,434

CITY OF ABBOTSFORD

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

Schedule F

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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)

CITY OF ABBOTSFORD

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

Schedule G

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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	\$ -	\$ -	\$ -

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Fire Rescue Services

Schedule H

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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)

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
General Operating Fund - Other Protective Services****Schedule I***For the Year ended December 31, 2012, with comparative figures for 2011.**In thousands*

	2012 Plan	2012 Actual	2011 YTD
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

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Parks, Recreation & Culture Services

Schedule J

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

In thousands

		2012 YTD					
	2012					2012	2011
	Plan	General	Parks	Recreation	Culture	Actual	YTD
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 sale)	-	-	-	-	-	-	(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)

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Entertainment and Sports Centre

Schedule K

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

In thousands

	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)

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

Schedule L

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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
	<u>4,152</u>	<u>4,155</u>	<u>3,395</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(170)</u>	<u>(188)</u>	<u>405</u>
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	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ (6)</u>

CITY OF ABBOTSFORD

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

Schedule M

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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
	<u>6,784</u>	<u>6,491</u>	<u>6,115</u>
EXPENSE			
Transfer to BC Transit	10,105	9,572	8,732
Other	98	72	111
Amortization	34	34	34
	<u>10,237</u>	<u>9,678</u>	<u>8,877</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(3,453)</u>	<u>(3,187)</u>	<u>(2,762)</u>
INTERFUND TRANSACTIONS			
Tangible capital assets	34	34	34
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (3,419)</u>	<u>\$ (3,153)</u>	<u>\$ (2,728)</u>

CITY OF ABBOTSFORD

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

Schedule N

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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)

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****General Operating Fund - Solid Waste Services****Schedule O***For the Year ended December 31, 2012, with comparative figures for 2011.**In thousands*

	2012 Plan	2012 Actual	2011 YTD
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	\$ -	\$ -	\$ -

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Storm Drainage Services

Schedule P

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

In thousands

	2012 Plan	2012 Actual	2011 YTD
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)

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

General Operating Fund - Dyking, Drainage and Irrigation Services

Schedule Q

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

In thousands

	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>

CITY OF ABBOTSFORD
Segment Information - Revenues by Type & Expenses by Function
Capital Fund
Schedule R
For the Year ended December 31, 2012, with comparative figures for 2011.
In thousands

		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

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function
Reserve Fund****Schedule S***For the Year ended December 31, 2012, with comparative figures for 2011.**In thousands*

	2012 Plan	2012 Actual	2011 YTD
REVENUE			
Interest	\$ 1,660	\$ 2,013	\$ 2,184
Other Contributions	-	9	14
	<u>1,660</u>	<u>2,022</u>	<u>2,198</u>
ANNUAL SURPLUS/(DEFICIT)	<u>1,660</u>	<u>2,022</u>	<u>2,198</u>
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	<u>\$ (36,030)</u>	<u>\$ (113)</u>	<u>\$ (1,377)</u>

CITY OF ABBOTSFORD

Ledgeview Properties Ltd.

Statement of Financial Position

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

Schedule T

In thousands

	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