



2020
**CONSOLIDATED
FINANCIAL
STATEMENTS**

2020 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the City of Abbotsford

Opinion

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

- the statement of financial position as at end of December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes, exhibits and schedules to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2020 and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

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

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

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

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

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

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements'

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

2020 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 3

City of Abbotsford
Page 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Abbotsford, Canada


May 11, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 with comparative information as at December 31, 2019 (in thousands)

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 45,420	\$ 33,052
Accounts receivable (Note 3)	37,552	40,555
Portfolio investments (Note 4)	513,079	465,901
	<u>596,051</u>	<u>539,508</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	91,216	84,118
Restricted revenue (Note 6)	127,474	114,298
Deferred revenue (Note 7)	16,672	19,104
	<u>235,362</u>	<u>217,520</u>
Long-term debt (Note 8)	47,804	51,675
	<u>283,166</u>	<u>269,195</u>
NET FINANCIAL ASSETS	<u>312,885</u>	<u>270,313</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	1,435,060	1,439,563
Inventories (Note 10)	1,391	1,368
Pre-paid expenses (Note 11)	907	718
	<u>1,437,358</u>	<u>1,441,649</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 1,750,243</u>	<u>\$ 1,711,962</u>
Contingent liabilities (Note 16)		


HENRY BRAUN, MAYOR


KOMAL BASATIA, CPA, CGA
ACTING CFO

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

	2020 Plan (Note 19)	2020 Actual	2019 Actual
REVENUE			
Municipal taxation	\$ 155,912	\$ 157,009	\$ 150,969
Fees and other charges	91,344	74,956	90,485
Developer charges earned	12,509	2,780	3,867
Contributed tangible capital assets	-	25,145	19,372
Grants and government transfers	57,483	29,880	25,832
Portfolio investment income	7,616	10,558	9,076
Interest and penalties	620	777	1,740
Rent	3,838	4,042	3,861
	<u>329,322</u>	<u>305,147</u>	<u>305,202</u>
EXPENSE			
General government	24,983	24,724	21,020
Planning & development services	8,369	6,424	6,263
Protective services	77,705	77,341	73,549
Parks, recreation, culture & libraries	37,615	57,061	42,644
Transit	15,480	11,668	12,596
Engineering	37,486	48,142	48,089
Dyking, drainage & irrigation	13,890	4,447	2,858
Waterworks	11,952	17,381	16,800
Sanitary sewer	10,730	13,692	13,112
Airport	5,132	5,986	6,617
	<u>243,342</u>	<u>266,866</u>	<u>243,548</u>
ANNUAL SURPLUS	<u>85,980</u>	<u>38,281</u>	<u>61,654</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,711,962</u>	<u>1,711,962</u>	<u>1,650,308</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$1,797,942</u>	<u>\$1,750,243</u>	<u>\$1,711,962</u>

 See notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

	2020	2019
OPERATING ACTIVITIES		
Annual Surplus	\$ 38,281	\$ 61,654
Non-cash items included in annual surplus:		
Amortization expense	37,562	38,252
Contributed tangible capital assets	(25,145)	(19,372)
Loss/(gain) on disposal of tangible capital assets	22,023	(653)
Recognition of restricted revenue	(2,860)	(3,118)
Changes in non-cash operating items:		
Accounts receivable	3,003	975
Inventories	(23)	95
Pre-paid expenses	(189)	(8)
Accounts payable and accrued liabilities	7,098	(2,971)
Deferred revenue	(2,432)	3,240
	<u>77,318</u>	<u>78,094</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(47,178)	(49,529)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	16,036	24,803
Debt principal repaid	(3,870)	(3,529)
	<u>12,166</u>	<u>21,274</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	1,086	933
Acquisition of tangible capital assets	(31,024)	(36,009)
	<u>(29,938)</u>	<u>(35,076)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	12,368	14,763
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,052</u>	<u>18,289</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 45,420</u>	<u>\$ 33,052</u>

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

	2020 Plan (Note 19)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 85,980	\$ 38,281	\$ 61,654
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(210,696)	(31,024)	(36,009)
Contributed tangible capital assets	-	(25,145)	(19,372)
Amortization	-	37,562	38,252
Proceeds from disposal of tangible capital assets	-	1,087	933
Loss/(gain) on disposal of tangible capital assets	-	22,023	(653)
	(210,696)	4,503	(16,849)
OTHER NON-FINANCIAL ASSETS:			
(Increase)/decrease in inventory	-	(23)	95
(Increase) in pre-paid expenses	-	(189)	(8)
	-	(212)	87
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(124,716)	42,572	44,892
NET FINANCIAL ASSETS, BEGINNING OF YEAR	270,313	270,313	225,421
NET FINANCIAL ASSETS, END OF YEAR	\$ 145,597	\$ 312,885	\$ 270,313

 See notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

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

1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Principles of Consolidation:

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

(b) Fund Accounting:

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

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

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

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

(c) Financial Plan:

The Community Charter (Section 165) requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2020 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on December 16, 2019, with the exception of adjustments detailed in Note 19 to the Consolidated Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(d) Cash and Cash Equivalents:

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

(e) Portfolio Investments:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(f) Non-Financial Assets:

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

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

Tangible Capital Assets

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

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

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(g) Accrued Liabilities:

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

(h) Financial Instruments:

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

(i) Revenue Recognition:

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

(j) Expense Recognition:

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

(k) Government Transfers:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

(l) Use of Estimates:

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

(m) Contaminated Sites:

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

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

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

(n) Comparative Figures:

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

2. CASH AND CASH EQUIVALENTS:

	2020	2019
Cash	\$ 40,236	\$ 27,912
MFA short-term money-market investment pools	5,184	5,140
	\$ 45,420	\$ 33,052

3. ACCOUNTS RECEIVABLE:

	2020	2019
Fees and charges	\$ 16,876	\$ 16,074
Taxes	5,365	5,739
Grants	5,296	4,864
Development cost charges	6,572	10,104
Local improvement/service charges	3,443	3,774
	\$ 37,552	\$ 40,555

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

4. PORTFOLIO INVESTMENTS:

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

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

	2020		2019	
	Cost	Market	Cost	Market
	\$ 513,079	\$ 514,073	\$ 465,901	\$ 466,072
	Short-term	Long-term	Short-term	Long-term
Average holdings	442,350	16,978	366,816	20,509
Annual yield	2.48 %	3.15 %	2.65 %	2.21 %

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2020	2019
Accounts payable:		
Trade payables	\$ 14,671	\$ 19,675
Deposits	34,774	27,487
Tax prepayments	14,692	14,256
Salaries and wages	7,085	4,987
Due to Cemetery Care Trust Fund	3,171	2,037
Accrued liabilities:		
Retirement allowance liability	12,790	12,032
Liability claims	426	437
Vacation pay	2,338	2,027
Landfill restoration liability	1,269	1,180
	<u>\$ 91,216</u>	<u>\$ 84,118</u>

(a) Retirement Allowance Liability:

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

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

In 2020, an independent actuarial valuation of the retirement allowance liability was performed. The actuarial valuation for these benefits was updated to determine the City's benefit obligation as at December 31, 2020. The difference between the actuarially determined benefit obligation of \$14,023,000 and the accrued benefit liability of \$12,790,000 as at December 31, 2020, was an unamortized actuarial loss of \$1,233,000, (2019 loss - \$757,000) 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, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

	<u>2020</u>	<u>2019</u>
Actuarial benefit obligation	\$ 14,023	\$ 12,789
Unamortized actuarial gain/(loss)	(1,233)	(757)
Accrued benefit liability	<u>\$ 12,790</u>	<u>\$ 12,032</u>

Accrued benefit liability:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 12,032	\$ 11,789
Current service cost	1,038	1,066
Interest cost	361	442
Plan amendment gain	-	(1,306)
Benefits paid	(730)	(582)
Amortization of net actuarial loss	89	127
Recognition of net unamortized actuarial loss in determination of plan amendments	-	496
Balance, end of year	<u>\$ 12,790</u>	<u>\$ 12,032</u>

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(a) Retirement Allowance Liability: continued

Actuarial Assumptions used to determine the benefit obligation:

	2020	2019
Discount rate	2.1 %	2.7 %
Expected average annual wage and salary increase - Fire & Police	2.5 %	2.5 %
Expected average annual wage and salary increase - all others	2.5 %	2.5 %

(b) Landfill Restoration Liability:

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

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

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

The Trethewey Street Landfill site is expected to require care up to and including the year 2040, primarily for leachate monitoring and gas collection. Further care requirements may be determined from a closure plan prepared by a qualified independent consultant, as required by BC Ministry of Environment permits - this deadline is set at December 2022.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

(b) Landfill Restoration Liability: continued

The liability of \$1,269,000, at December 31, 2020 (2019 - \$1,180,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities for both landfills. An additional \$2,409,000 (present value) is estimated to be required for closure activities related to future sediment deposits at the Valley Road site; only a portion of this liability has been included as only 5.5% of the capacity has been used.

The discount rate used in 2020 was 2.1% (2019 – 2.7%) and the inflation rate used in 2020 was 2.0% (2019 - 2.0%). Landfill closure costs in 2020 were \$141,923 (2019 - \$143,637). There are no assets designated for settling the post-closure care liability.

	2020	2019
Restoration liability, beginning of year	\$ 1,180	\$ 1,163
Adjustment to liability	89	17
Restoration liability, end of year	<u>\$ 1,269</u>	<u>\$ 1,180</u>

(c) Liability for Contaminated Sites:

The City has determined that as of December 31, 2020, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY:

	Development Cost Charges	Development Fees	Airport Fees	2020 Total	2019 Total
Balance, beginning of year	\$ 83,983	\$ 27,594	\$ 2,721	\$ 114,298	\$ 92,613
Add:					
Current year contributions	10,279	3,543	-	13,822	22,522
Interest	1,583	576	55	2,214	2,281
	95,845	31,713	2,776	130,334	117,416
Less: Amounts recognized as revenue					
Developer charges earned - capital expenditures	2,386	469	-	2,855	3,118
Airport fees - eligible airport expenditures	-	-	5	5	-
	2,386	469	5	2,860	3,118
Balance, end of year	\$ 93,459	\$ 31,244	\$ 2,771	\$ 127,474	\$ 114,298

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

(a) Development Cost Charges (DCC):

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City for the remaining amount of DCCs owing. As at December 31, 2020, the amount of DCCs due over the next two years is \$6,572,087 (2019 - \$10,103,732).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

6. RESTRICTED REVENUE LIABILITY: CONTINUED

(a) Development Cost Charges (DCC): continued

	2020	2019
Storm drainage	\$ 13,204	\$ 12,797
Parks	20,898	19,704
Waterworks - supply	22,243	20,197
Waterworks - distribution	2,012	1,760
Sanitary sewer - collection	6,033	6,017
Sanitary sewer - treatment plant	8,500	7,329
Roads	20,569	16,179
	<u>\$ 93,459</u>	<u>\$ 83,983</u>

(b) Development Fees:

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

(c) Airport Fees:

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

7. DEFERRED REVENUE:

	Balance, Beginning of Year	Externally restricted inflows	Revenue earned	Balance, December 31, 2020
Fees and charges	\$ 6,646	\$ 10,100	\$ (12,359)	\$ 4,387
Grants	12,458	3,050	(3,223)	12,285
	<u>\$ 19,104</u>	<u>\$ 13,150</u>	<u>\$ (15,582)</u>	<u>\$ 16,672</u>

8. LONG-TERM DEBT:

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

	Total
2021	\$ 3,802
2022	3,954
2023	4,112
2024	4,277
2025	4,448
2026 and thereafter	27,211
	<u>\$ 47,804</u>

All debt is held by the General Capital fund. Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Exhibit 5). The City's interest expense on long-term debt totaled \$2,865,500 in 2020 (2019 - \$3,010,900).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2020	2019
General		
Land	447,992	455,844
Land improvements	6,154	6,571
Park improvements	17,460	18,852
Buildings	105,749	101,584
Machinery & equipment	5,815	4,980
Vehicles	15,449	12,797
Infrastructure		
Airport	22,888	23,901
Waterworks	226,874	227,183
Sanitary sewer	155,381	151,683
Transportation	190,819	193,083
Storm drainage and detention	186,411	180,527
Dyking, drainage & irrigation	18,351	18,729
Assets under construction	35,717	43,829
	<u>\$ 1,435,060</u>	<u>\$ 1,439,563</u>

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

The value of contributed capital assets received and recognized in the year 2020 from developers, for various infrastructure works and related land and parks is \$25,145,136 (2019 – \$19,371,673).

Art and historic treasures are held by the City in its museum and arts centre. Due to the subjective nature of the assets, they are not included in the values shown on the financial statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

10. INVENTORIES:

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

	<u>2020</u>	<u>2019</u>
Stock	\$ 628	\$ 632
Fuel	45	36
Gravel	718	700
	<u>\$ 1,391</u>	<u>\$ 1,368</u>

11. PRE-PAID EXPENSES:

Pre-paid expenses are cash disbursements that have been made prior to the related benefits being received. Examples include insurance and software licensing.

	<u>2020</u>	<u>2019</u>
General	\$ 834	\$ 658
Abbotsford Centre	73	60
	<u>\$ 907</u>	<u>\$ 718</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

12. ACCUMULATED SURPLUS:

	2020	2019
Unappropriated Balance		
General operations	\$ 19,570	\$ 19,550
Waterworks operations	4,265	4,265
Sanitary sewer operations	5,799	5,801
Airport operations	1,176	1,176
	30,810	30,792
Appropriated Surplus		
General operations reserve	75,674	66,964
Statutory capital reserves	254,201	224,232
	329,875	291,196
Investment in tangible capital assets	1,387,256	1,387,888
Investment in other non-financial assets	2,302	2,068
Total Accumulated Surplus	<u>\$ 1,750,243</u>	<u>\$ 1,711,962</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 through bylaw in accordance with the Community Charter, and their use is restricted by the legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	<u>2020</u>	<u>2019</u>
Interest paid	\$ 2,814	\$ 3,224
Interest received	9,874	9,996

14. SUPPLEMENTAL GRANT REVENUE INFORMATION:

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

	<u>2020</u>	<u>2019</u>
Federal transfers	\$ 6,397	\$ 12,001
Provincial transfers	23,483	13,831
Total grant revenue	<u>\$ 29,880</u>	<u>\$ 25,832</u>

15. EXPENSE BY OBJECT:

	<u>2020</u>	<u>2019</u>
Salaries and benefits	\$ 115,518	\$ 110,726
Operating goods and services	63,957	66,902
Minor capital projects	9,083	8,610
Amortization	37,562	38,252
Loss (gain) on disposal of tangible capital assets	22,023	(653)
Transfer payments to other governments and agencies	15,858	16,700
Long-term debt interest	2,865	3,011
Total expense by object	<u>\$ 266,866</u>	<u>\$ 243,548</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES:

(a) Fraser Valley Regional District (FVRD):

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

(b) Third Party Claims:

The City is involved in certain legal actions. Although the actual outcome of these claims is currently indeterminable, in 2020 the City reports a liability of \$426,345 (2019 – \$437,282) which, at this time, is management's best estimate of expected future settlements.

(c) Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined-benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 1,000 contributors from the City of Abbotsford.

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

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES: CONTINUED

(c) Municipal Pension Plan: continued

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results available in 2022. In 2020, the City paid \$10,253,960 (2019 - \$10,141,780) for employer contributions while employees contributed \$8,087,239 (2019 - \$8,013,399) to the plan.

(d) Municipal Finance Authority:

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

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

The City has a cash receivable with the Authority, from the one percent paid to the Debt Reserve Fund, totaling \$1,237,851 (2019 - \$1,212,892). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2019 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2019 - \$2,442,730), whereby the City may be required to loan extra amounts to the Authority.

(e) Abbotsford International Airport:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

16. CONTINGENT LIABILITIES: CONTINUED

(f) Agricultural Land Commission:

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

(g) Clayburn Village Project

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

17. CONTRACTUAL OBLIGATIONS:

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

	Extent of Contracts	Estimated Remaining Expenditure
Airport services	\$ 6,309	\$ 2,958
Drainage construction	332	332
Road construction	35,059	31,341
Waterworks construction	2,692	350
Sanitary sewer construction	282	20
Vehicles & equipment	5,173	5,173
Operational services	19,588	6,510
Building construction	744	404
	\$ 70,179	\$ 47,088

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

18. CONTRACTUAL RIGHTS:

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

	Extent of Contracts
2021	\$ 18,076
2022	11,358
2023	7,179
2024	2,086
2025	1,602
2026 and thereafter	17,680
	\$ 57,981

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

19. 2020 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 3030-2020 on April 6, 2020. The City of Abbotsford has elected to present the amended budget, which was adopted prior to the tax rates bylaw, as it reflects the City's comprehensive budget figures and includes on-going prior years' commitments related to capital expenditures and relevant government grants.

	Annual Budget	Amended Budget	Change
Revenues			
Municipal assessment taxes	\$ 155,912	\$ 155,912	\$ -
Fees and charges	77,229	78,039	810
Developer charges earned	1,407	13,259	11,852
Contributions from other governments	5,993	9,945	3,952
Government grants	20,034	57,482	37,448
Rent	5,580	5,580	-
Interest and penalties	8,262	8,262	-
Other sources	3,077	7,592	4,515
	<u>\$ 277,494</u>	<u>\$ 336,071</u>	<u>\$ 58,577</u>
Expenses			
Capital Expenses	48,853	210,696	161,843
Protective services	76,096	76,825	729
Parks, recreation and cultural services	34,093	34,155	62
Engineering services	27,890	28,412	522
General government	22,701	23,538	837
Water services	11,496	11,901	405
Sewer services	10,131	10,265	134
Transit services	15,480	15,480	-
Airport services	5,082	5,082	-
Development services	7,368	8,369	1,001
Dyking services	3,151	3,151	-
Debt interest	2,922	2,922	-
Debt principal repayment	3,655	3,655	-
	<u>\$ 268,918</u>	<u>\$ 434,451</u>	<u>\$ 165,533</u>
Net Revenue (Expenses)	8,576	(98,381)	(106,957)
Debt proceeds	-	-	-
Transfers (to) from operating reserves	3,673	(24,665)	(28,338)
Transfers (to) from capital reserves	4,903	(73,716)	(78,619)
	<u>8,576</u>	<u>(98,381)</u>	<u>(106,957)</u>
Net Budgeted Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

19. 2020 BUDGET FIGURES: CONTINUED

Reconcile to Consolidated Statement of Operations

Net Revenue (Expenses) per Bylaw 2020-3030	\$ (98,381)
Add:	
Capital expenditures	210,696
Debt principal repayment	3,656
Water/Sewer/Cemetery fund reserve revenue	627
Less:	
Minor capital expenses	(25,806)
Collections for other governments	(4,812)
Annual surplus per Statement of Operations	<u>\$ 85,980</u>

20. CEMETERY CARE TRUST FUND:

The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The City administers the Cemetery Care Trust Fund for the perpetual care and maintenance of City-owned cemeteries. As at December 31, 2020, the trust fund balance is \$4,224,351 (2019 - \$4,093,826).

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

21. COVID-19 SAFE RESTART GRANT:

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

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

Loss of revenues:	
Recreation	\$ 4,068
Abbotsford Centre (net of expenses)	88
Gaming revenue	819
Building permits	156
Increased expenses:	
COVID-19 relief	615
Solid waste collection	539
Other:	
Transfer to reserve (future expenses)	2,053
	<u>\$ 8,338</u>

22. FINANCIAL RISKS:

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

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

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

There has been no change to the risk exposure outlined above from 2019 other than the pervasive impact of the ongoing COVID-19 pandemic, of which, may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the City's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known at this time.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

23. CITY SERVICES FINANCIAL INFORMATION:

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

General Government Services

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

Police Protection Services

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

Fire Rescue Services

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

Engineering Services

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

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

23. CITY SERVICES FINANCIAL INFORMATION: CONTINUED

Parks, Recreation & Culture Services

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

Solid Waste Services

Collection & disposal
Composting & recycling
Environmental education

Dyking & Irrigation Services

Dyking infrastructure
Water management of City dyking & drainage areas
Irrigation services & infrastructure

Sanitary Sewer Services

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

Airport Services

National & international flights
Passenger & cargo services

Planning & Development Services

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

Transit Services

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

Drainage Services

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

Waterworks Services

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

24. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 106,924	\$ 122,399	\$ 116,820
Planning & development services	6,608	6,851	7,793
Police services	57,001	57,357	55,023
Fire rescue services	272	205	238
Parks, recreation & culture services	7,399	3,331	7,431
Abbotsford Centre	5,490	2,401	7,352
Library services	5,065	5,065	4,916
Transit services	10,314	8,498	8,611
Engineering services	4,081	4,956	4,929
Solid waste services	8,093	8,932	8,067
Storm drainage services	3,725	3,742	3,752
Dyking, drainage and irrigation services	2,139	2,144	2,161
	<u>217,111</u>	<u>225,881</u>	<u>227,093</u>
WATERWORKS OPERATING FUND	19,900	19,725	19,245
SANITARY SEWER OPERATING FUND	14,144	15,021	14,700
AIRPORT OPERATING FUND	9,943	4,958	9,801
CAPITAL FUNDS	62,242	33,635	27,752
RESERVE FUNDS	5,982	5,927	6,611
	<u>329,322</u>	<u>305,147</u>	<u>305,202</u>

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

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

	2020 Plan	2020 Actual	2019 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	23,600	23,874	20,561
Planning & development services	8,370	6,425	6,263
Police services	56,093	55,526	54,340
Fire rescue services	20,732	20,836	19,117
Parks, recreation & culture services	23,765	45,209	25,899
Abbotsford Centre	8,485	6,336	11,431
Library services	4,765	4,851	4,723
Transit services	15,480	11,668	12,596
Engineering services	16,142	27,057	26,217
Solid waste services	8,924	9,938	8,690
Storm drainage services	3,345	6,359	6,157
Dyking, drainage and irrigation services	3,151	3,619	3,552
	192,852	221,698	199,546
WATERWORKS OPERATING FUND	10,663	16,754	16,152
SANITARY SEWER OPERATING FUND	8,939	13,402	12,622
AIRPORT OPERATING FUND	5,082	5,929	6,617
CAPITAL FUNDS	25,806	9,083	8,611
	243,342	266,866	243,548
ANNUAL SURPLUS	\$ 85,980	\$ 38,281	\$ 61,654

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2020 operating expenses, the City did not budget for amortization and loss/gain on disposal of tangible capital assets (non-cash expenses). The following table provides information on all City revenues and expenses compared to budget.

	2020 Plan	2020 Actual (less Amortization)	2019 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 106,924	\$ 122,399	\$ 116,820
Planning & development services	6,608	6,851	7,793
Police services	57,001	57,357	55,023
Fire rescue services	272	205	238
Parks, recreation & culture services	7,399	3,331	7,431
Abbotsford Centre	5,490	2,401	7,352
Library services	5,065	5,065	4,916
Transit services	10,314	8,498	8,611
Engineering services	4,081	4,956	4,929
Solid waste services	8,093	8,932	8,067
Storm drainage services	3,725	3,742	3,752
Dyking, drainage and irrigation services	2,139	2,144	2,161
	<u>217,111</u>	<u>225,881</u>	<u>227,093</u>
WATERWORKS OPERATING FUND	19,900	19,725	19,245
SANITARY SEWER OPERATING FUND	14,144	15,021	14,700
AIRPORT OPERATING FUND	9,943	4,958	9,801
CAPITAL FUNDS	62,242	33,635	27,752
RESERVE FUNDS	5,982	5,927	6,611
	<u>329,322</u>	<u>305,147</u>	<u>305,202</u>

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: CONTINUED

	2020 Plan	2020 Actual (less Amortization)	2019 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	23,600	22,497	19,204
Planning & development services	8,370	6,425	6,263
Police services	56,093	54,526	53,325
Fire rescue services	20,732	19,974	18,121
Parks, recreation & culture services	23,765	20,846	22,936
Abbotsford Centre	8,485	5,452	10,179
Library services	4,765	4,624	4,535
Transit services	15,480	11,656	12,577
Engineering services	16,142	14,582	14,132
Solid waste services	8,924	9,843	8,672
Storm drainage services	3,345	2,458	2,472
Dyking, drainage and irrigation services	3,151	2,900	2,820
	<u>192,852</u>	<u>175,783</u>	<u>175,236</u>
WATERWORKS OPERATING FUND	10,663	10,235	9,797
SANITARY SEWER OPERATING FUND	8,939	8,107	7,536
AIRPORT OPERATING FUND	5,082	4,073	4,770
CAPITAL FUNDS	25,806	9,083	8,610
AMORTIZATION	-	37,562	38,252
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	22,023	(653)
	<u>243,342</u>	<u>266,866</u>	<u>243,548</u>
ANNUAL SURPLUS	<u>\$ 85,980</u>	<u>\$ 38,281</u>	<u>\$ 61,654</u>

STATEMENT OF FINANCIAL POSITION – BY FUND

As at December 31, 2020 with comparative information as at December 31, 2019 (in thousands)

EXHIBIT 1

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary		
			Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 45,420	\$ -	\$ -	\$ -	\$ -
Due from other funds	406	22,689	21,061	4,118	329,875
Accounts receivable	24,950	6,183	1,158	191	-
Portfolio investments	513,079	-	-	-	-
	<u>583,855</u>	<u>28,872</u>	<u>22,219</u>	<u>4,309</u>	<u>329,875</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	90,114	174	719	209	-
Due to other funds	385,269	-	-	-	-
Restricted revenue	84,570	24,433	15,701	2,770	-
Deferred revenue	4,333	-	-	154	-
	<u>564,286</u>	<u>24,607</u>	<u>16,420</u>	<u>3,133</u>	<u>-</u>
Long-term debt	-	-	-	-	-
	<u>564,286</u>	<u>24,607</u>	<u>16,420</u>	<u>3,133</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,569</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>329,875</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	1,391	-	-	-	-
Pre-paid expenses	907	-	-	-	-
	<u>2,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 21,867</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$329,875</u>

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION – BY FUND

As at December 31, 2020 with comparative information as at December 31, 2019 (in thousands)

EXHIBIT 1 - Continued

Capital Funds					Consolidation Adjustments	Total 2020	Total 2019
General	Waterworks	Sanitary Sewer	Airport				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	45,420	\$ 33,052
6,678	2,714	-	-	(387,541)	-	-	-
1,423	247	742	2,658	-	-	37,552	40,555
-	-	-	-	-	-	513,079	465,901
8,101	2,961	742	2,658	(387,541)	-	596,051	539,508
-	-	-	-	-	-	91,216	84,118
-	-	365	1,907	(387,541)	-	-	-
-	-	-	-	-	-	127,474	114,297
11,435	-	-	750	-	-	16,672	19,104
11,435	-	365	2,657	(387,541)	-	235,362	217,519
47,804	-	-	-	-	-	47,804	51,675
59,239	-	365	2,657	(387,541)	-	283,166	269,194
(51,138)	2,961	377	1	-	-	312,885	270,314
976,458	227,870	166,619	64,113	-	-	1,435,060	1,439,563
-	-	-	-	-	-	1,391	1,368
-	-	-	-	-	-	907	718
976,458	227,870	166,619	64,113	-	-	1,437,358	1,441,649
\$ 925,320	\$ 230,831	\$ 166,996	\$ 64,114	\$ -	\$ -	\$ 1,750,243	\$ 1,711,962

 See notes to Consolidated Financial Statements.

STATEMENT OF FINANCIAL ACTIVITIES – BY FUND

As at December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 2

	Operating Funds				Reserve
	General Schedule A	Waterworks Schedule B	San Sewer Schedule C	Airport Schedule D	Funds Schedule R
REVENUE					
Municipal taxation	\$ 157,009	\$ -	\$ -	\$ -	-
Fees and charges	36,472	19,685	14,888	3,142	2
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants and government transfers	24,937	-	-	-	-
Investment income	5,190	-	132	88	5,925
Rent	2,275	40	-	1,727	-
Other sources	-	-	-	-	-
Contributions (to)/from other funds	-	-	-	-	-
	225,883	19,725	15,020	4,957	5,927
EXPENSE					
General government services	22,497	-	-	-	-
Planning & development services	6,424	-	-	-	-
Protective services	74,500	-	-	-	-
Parks, recreation, culture, libraries	30,921	-	-	-	-
Transit services	11,656	-	-	-	-
Engineering services	26,885	-	-	-	-
Dyking, drainage and irrigation services	2,901	-	-	-	-
Waterworks services	-	10,235	-	-	-
Sanitary sewer services	-	-	8,107	-	-
Airport services	-	-	-	4,072	-
Amortization	24,341	6,331	5,059	1,831	-
Loss/(gain) on disposal of TCA	21,573	189	236	25	-
	221,698	16,755	13,402	5,928	-
ANNUAL SURPLUS/(DEFICIT)	4,185	2,970	1,618	(971)	5,927
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	(7,410)	-	-	-	7,410
General capital reserve	(39,155)	-	-	-	13,797
Affordable housing reserve	(500)	-	-	-	500
Storm drainage capital reserve	(9)	-	-	-	(538)
Waterworks capital reserve	-	(9,487)	-	-	7,250
Sanitary sewer capital reserve	-	-	(6,909)	-	4,531
Airport capital reserve	-	-	-	(900)	(813)
Property acquisition reserve	-	-	-	-	617
Eliminate amortization and loss/gain	46,992	6,517	5,291	1,871	-
	(82)	(2,970)	(1,618)	971	32,754
Debt principal repayments	(3,870)	-	-	-	-
Change in inventory/pre-paid expenses	(233)	-	-	-	-
ANNUAL SURPLUS/(DEFICIT)	-	-	-	-	38,681
SURPLUS, BEGINNING OF YEAR	21,638	4,265	5,799	1,176	291,193
SURPLUS, END OF YEAR	\$ 21,871	\$ 4,265	\$ 5,799	\$ 1,176	\$ 329,874

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES – BY FUND

As at December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 2 - Continued

Capital Funds					
General Schedule Q	Waterworks Schedule Q	San Sewer Schedule Q	Airport Schedule Q	Total 2020	Total 2019
\$ -	\$ -	\$ -	\$ -	157,009	\$ 150,969
696	(15)	64	22	74,956	90,481
1,853	295	632	-	2,780	3,867
21,009	2,301	1,835	-	25,145	19,372
1,520	378	364	2,681	29,880	25,832
-	-	-	-	11,335	10,816
-	-	-	-	4,042	3,861
-	-	-	-	-	7
(169)	688	(399)	(120)	-	-
24,909	3,647	2,496	2,583	305,147	305,205
850	-	-	-	23,347	19,664
-	-	-	-	6,424	6,263
979	-	-	-	75,479	71,538
665	-	-	-	31,586	38,241
-	-	-	-	11,656	12,577
4,787	-	-	-	31,672	31,428
828	-	-	-	3,729	2,997
-	626	-	-	10,861	10,445
-	-	290	-	8,397	8,026
-	-	-	58	4,130	4,770
-	-	-	-	37,562	38,252
-	-	-	-	22,023	(653)
8,109	626	290	58	266,866	243,548
16,800	3,021	2,206	2,525	38,281	61,657
-	-	-	-	-	-
24,143	1,030	185	-	-	-
-	-	-	-	-	-
547	-	-	-	-	-
-	2,237	-	-	-	-
-	-	2,378	-	-	-
-	-	-	1,713	-	-
(617)	-	-	-	-	-
(46,992)	(6,517)	(5,291)	(1,871)	-	-
(22,919)	(3,250)	(2,728)	(158)	-	-
3,870	-	-	-	-	-
-	-	-	-	(233)	105
(2,249)	(229)	(522)	2,367	38,281	61,657
927,569	231,060	167,518	61,747	1,711,962	1,650,308
\$ 925,320	\$ 230,831	\$ 166,996	\$ 64,114	\$ 1,750,243	\$ 1,711,962

 See notes to Consolidated Financial Statements.

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 3

	Cost					
	Opening Balance	Add		Less		Closing Balance
		Additions	Transfer from asset class	Disposals	Transfer to asset class	
General						
Land	\$ 455,844	\$ 13,270	\$ 841	\$ (21,963)	\$ -	\$ 447,992
Land improvements	16,985	-	-	-	-	16,985
Park improvements	62,594	250	-	(37)	-	62,807
Buildings	228,841	384	7,570	(637)	-	236,158
Machinery & equipment	35,970	1,118	1,191	(428)	-	37,851
Vehicles	35,036	2,969	2,140	(2,064)	-	38,081
Infrastructure						
Airport	37,141	-	-	-	-	37,141
Waterworks	344,408	5,263	914	(890)	-	349,695
Sanitary sewer	262,874	3,880	5,106	(1,547)	-	270,313
Transportation	555,276	5,943	3,345	(717)	-	563,847
Storm drainage	269,529	6,162	3,593	(290)	-	278,994
Dyking, drainage & irrigation	51,465	68	272	-	-	51,805
Assets Under Construction	43,830	16,859	-	-	(24,972)	35,717
	\$2,399,793	\$ 56,166	\$ 24,972	\$ (28,573)	\$ (24,972)	\$2,427,386

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 3 - Continued

	Accumulated Amortization			Closing Balance	Net Book Value Dec 31, 2020	Net Book Value Dec 31, 2019
	Opening Balance	Add Amortization	Less Accumulated Amortization on Disposals			
\$	-	\$ -	\$ -	\$ -	447,992	\$ 455,844
	10,414	417	-	(10,831)	6,154	6,571
	43,741	1,643	(37)	(45,347)	17,460	18,853
	127,257	3,780	(628)	(130,409)	105,749	101,584
	30,991	1,688	(643)	(32,036)	5,815	4,979
	22,239	2,220	(1,827)	(22,632)	15,449	12,797
	13,239	1,014	-	(14,253)	22,888	23,902
	117,224	6,297	(700)	(122,821)	226,874	227,184
	111,191	5,052	(1,311)	(114,932)	155,381	151,683
	362,193	11,063	(228)	(373,028)	190,819	193,083
	89,001	3,670	(88)	(92,583)	186,411	180,528
	32,736	718	-	(33,454)	18,351	18,729
	-	-	-	-	35,717	43,830
\$	960,226	\$ 37,562	\$ (5,462)	\$ (992,326)	\$ 1,435,060	\$ 1,439,567

 See notes to Consolidated Financial Statements.

APPROPRIATED SURPLUS (RESERVES) CONTINUITY SCHEDULE

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 4

	Balance, Beginning of Year	(To)/From Operating Fund	(To)/From Other Funds	Interest Earned	Balance, December 31, 2020
STATUTORY CAPITAL RESERVES					
General	\$ 83,752	\$ 37,738	\$ (23,863)	\$ 1,653	\$ 99,280
Storm drainage	11,339	9	(547)	221	11,022
Waterworks	50,433	10,365	(3,115)	1,077	58,760
Sanitary sewer	55,385	6,909	(2,377)	1,131	61,048
Airport	20,653	899	(1,713)	405	20,244
Affordable housing	717	500	-	13	1,230
Property acquisition	1,953	617	-	46	2,616
	<u>224,232</u>	<u>57,037</u>	<u>(31,615)</u>	<u>4,546</u>	<u>254,200</u>
GENERAL OPERATING RESERVE					
Planned Transfers					
New facility operations	2,611	-	-	46	2,657
Water system contingency	835	-	-	15	850
Insurance	2,520	-	-	50	2,570
Tradex	52	95	(79)	2	70
Election	82	112	-	3	197
Community Works Fund	32,545	2,374	-	672	35,591
Climate action	1,988	173	-	42	2,203
Community projects	473	-	-	9	482
Storm sewers	26	-	-	-	26
COVID-19 relief grant	-	2,053	-	36	2,089
	<u>41,132</u>	<u>4,807</u>	<u>(79)</u>	<u>875</u>	<u>46,735</u>
Operating Surplus Transfers					
Police	4,211	444	-	83	4,738
Winter operations	3,134	-	-	56	3,190
Storm drainage	6,145	604	-	120	6,869
Sumas Prairie dyking, drainage & irrigation	(111)	18	-	(2)	(95)
Matsqui Prairie dyking, drainage & irrigation	186	71	-	5	262
Solid waste	(632)	(900)	-	(28)	(1,560)
Infrastructure maintenance	3,078	1,566	-	83	4,727
	<u>16,011</u>	<u>1,803</u>	<u>-</u>	<u>317</u>	<u>18,131</u>
Other Transfers					
General government	3,287	985	-	76	4,348
Planning & development	568	107	-	12	687
Fire rescue services	891	(729)	-	3	165
Parks & recreation	-	97	-	2	99
Engineering	531	339	-	15	885
Traffic fine revenue	215	-	-	4	219
Transit provision	4,327	-	-	77	4,404
	<u>9,819</u>	<u>799</u>	<u>-</u>	<u>189</u>	<u>10,807</u>
	<u>66,962</u>	<u>7,409</u>	<u>(79)</u>	<u>1,381</u>	<u>75,673</u>
Total Reserves	\$ 291,194	\$ 64,446	\$ (31,694)	\$ 5,927	\$ 329,873

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

DEBT OUTSTANDING AND DEBT SERVICING BY FUND & FUNCTION

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

EXHIBIT 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding, Beginning of Year	2020 Debt Servicing			Debt Outstanding December 31, 2020
						Principal	Interest	Total	
GENERAL FUND									
Parks, Recreation and Culture									
Abbotsford Centre	1586	102/103	2032	5.00	\$ 36,173	\$ 2,273	\$ 1,965	\$ 4,238	\$ 33,900
Cultural Centre	1587	102/103	2027	5.00	5,168	533	300	833	4,635
Community Centre	1588	102/103	2027	5.00	10,334	1,065	600	1,665	9,269
Total Long-term Debt					\$ 51,675	\$ 3,871	\$ 2,865	\$ 6,736	\$ 47,804

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE A

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Municipal taxation:			
General	\$ 89,887	\$ 90,237	\$ 86,743
Police	54,221	54,221	51,775
Library	5,065	5,065	4,916
Dyking, drainage & irrigation	1,952	1,956	1,959
Utility tax	2,000	2,166	2,143
Business improvement assessment	392	466	392
Hotel tax	400	393	786
Grants in lieu of taxes:			
Federal government	950	920	988
Provincial governments and agencies	1,045	1,585	1,267
Fees and charges:			
Transit	3,716	2,292	3,164
Police	550	747	1,015
Solid waste	8,093	8,394	8,067
Storm drainage	3,725	3,742	3,752
Parks, recreation and culture	7,342	3,264	7,362
Abbotsford Centre	5,490	2,362	7,326
Other	2,858	5,756	6,879
Licenses and permits:			
Building permits	3,550	3,334	4,431
Soil removal fees	2,545	3,249	3,234
Business licences	1,175	1,377	1,345
Municipal license plates	-	4	36
Secondary suite fees	1,254	1,395	1,377
Other licences and permits	571	555	520
Rental:			
Police	41	45	45
Other	2,104	2,230	2,096
Investment income	1,900	5,165	3,864
Municipal Finance Authority refunds	36	25	28
Grants and government transfers:			
Transit	6,598	6,206	5,447
Police	2,189	2,379	2,190
Other	7,462	16,352	13,949
	217,111	225,882	227,096

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE A - Continued

	2020 Plan	2020 Actual	2019 Actual
EXPENSE			
General government services (Schedule E)	23,600	22,497	19,204
Planning & development services (Schedule F)	8,369	6,424	6,263
Protective services			
Police services (Schedule G)	56,093	54,526	53,325
Fire rescue services (Schedule H)	20,732	19,974	18,121
Parks, recreation & culture services (Schedule I)	23,765	20,846	22,936
Abbotsford Centre (Schedule J)	8,485	5,452	10,179
Library services (Schedule K)	4,765	4,623	4,535
Transit services (Schedule L)	15,480	11,656	12,577
Engineering services (Schedule M)	16,141	14,580	14,132
Solid waste services (Schedule N)	8,924	9,844	8,672
Storm drainage services (Schedule O)	3,346	2,461	2,472
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule P)	1,226	1,102	1,102
Sumas Prairie (Schedule P)	1,926	1,799	1,718
	<u>192,852</u>	<u>175,784</u>	<u>175,236</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	24,259	50,098	51,860
Amortization (Schedules E - P)	-	24,341	25,024
Loss/(gain) on disposal of tangible capital assets (Schedules E - P)	-	21,573	(713)
	<u>24,259</u>	<u>4,184</u>	<u>27,549</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(1,072)	(933)
Transfer to general capital reserve	(17,064)	(38,591)	(34,133)
Transfer to operating reserve	(6,440)	(13,293)	(20,004)
Transfer from operating reserve	2,901	5,883	5,702
Debt principal repayments	(3,656)	(3,870)	(3,530)
Inventory and pre-paid expenses	-	(233)	105
Eliminate amortization and loss/gain	-	46,992	25,244
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE B

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges:			
User rates	\$ 18,964	\$ 18,754	\$ 18,282
Other fees and charges	897	931	923
Rent	39	40	40
	19,900	19,725	19,245
EXPENSE			
Abbotsford-Mission supply and transmission	4,269	3,868	3,419
Administration	3,264	2,786	3,020
Local supply and distribution	2,004	2,149	1,987
Meters	652	705	655
Hydrants	418	494	525
Maintenance	56	233	191
	10,663	10,235	9,797
ANNUAL SURPLUS BEFORE AMORTIZATION	9,237	9,490	9,448
Amortization	-	6,331	6,296
Loss on disposal of tangible capital assets	-	189	59
ANNUAL SURPLUS	9,237	2,970	3,093
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to waterworks capital reserve	(9,237)	(9,487)	(9,448)
Eliminate amortization and loss/gain	-	6,517	6,355
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE C

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges:			
User rates	\$ 12,519	\$ 12,820	\$ 12,321
Industrial surcharges	1,027	1,165	1,367
Other fees and charges	465	903	843
Investment income	133	132	169
	<u>14,144</u>	<u>15,020</u>	<u>14,700</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	4,975	4,596	4,059
Administration	2,376	2,188	2,059
Maintenance	1,588	1,323	1,418
	<u>8,939</u>	<u>8,107</u>	<u>7,536</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>5,205</u>	<u>6,913</u>	<u>7,164</u>
Amortization	-	5,059	5,085
Loss on disposal of tangible capital assets	-	236	1
ANNUAL SURPLUS	<u>5,205</u>	<u>1,618</u>	<u>2,078</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to sanitary sewer capital reserve	(5,205)	(6,909)	(7,164)
Eliminate amortization and loss/gain	-	5,291	5,086
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE D

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 2,555	\$ 818	\$ 2,301
Public parking fees	3,120	1,097	3,135
Concessions	2,151	985	2,150
Other fees and charges	367	242	399
Rent	1,654	1,727	1,680
Investment income	96	88	136
	9,943	4,957	9,801
EXPENSE			
Administration	1,855	1,456	1,563
Marketing	54	4	63
Terminal building	716	456	828
Airside	1,788	1,599	1,647
Mobile equipment	307	222	187
Parking	362	335	482
	5,082	4,072	4,770
ANNUAL SURPLUS BEFORE AMORTIZATION	4,861	885	5,031
Amortization	-	1,831	1,847
Loss on disposal of tangible capital assets	-	25	-
ANNUAL SURPLUS/(DEFICIT)	4,861	(971)	3,184
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	(15)	-
Transfer to airport capital reserve	(4,861)	(885)	(5,031)
Eliminate amortization and loss/gain	-	1,871	1,847
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE E

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Municipal taxation	\$ 94,673	\$ 95,766	\$ 92,318
Fees and charges	1,204	4,021	5,267
Rent	1,840	1,922	1,787
Investment income	1,900	5,126	3,838
Grants and government transfers	7,272	15,539	13,582
Municipal Finance Authority refunds	36	25	28
	<u>106,925</u>	<u>122,399</u>	<u>116,820</u>
EXPENSE			
MAYOR & COUNCIL	889	683	790
CITY MANAGER'S OFFICE	1,142	490	512
FINANCE, LEGAL & LEGISLATIVE SERVICES			
City clerk	1,459	1,609	1,187
Bylaw enforcement	1,566	2,671	2,367
Elections	-	-	1
Finance & procurement	4,477	4,244	3,966
Risk management	1,639	1,402	1,388
Restorative justice	149	148	150
Real estate services	359	515	614
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR administration	1,163	1,080	1,061
Corporate communications and marketing	865	815	759
Human resources	2,680	2,367	1,675
Information technology	5,085	4,682	4,404
Economic development	1,060	782	1,030
Housing services	383	1,129	510
OTHER			
Provincial emergency response	-	933	210
Transfer to other agencies	907	974	1,301
Common services	2,872	1,068	53
Less: Cost recoveries	(3,095)	(3,095)	(2,774)
	<u>23,600</u>	<u>22,497</u>	<u>19,204</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	83,325	99,902	97,616
Amortization	-	1,365	1,356
Loss on disposal of tangible capital assets	-	12	-
ANNUAL SURPLUS	<u>83,325</u>	<u>98,525</u>	<u>96,260</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(3,017)	(23,557)	(18,968)
Transfer to operating reserve	(6,270)	(9,341)	(16,938)
Transfer from operating reserve	799	3,913	4,843
Inventory and pre-paid expenses	-	(233)	105
Eliminate amortization and loss/gain	-	1,377	1,356
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 74,837</u>	<u>\$ 70,684</u>	<u>\$ 66,658</u>

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE F

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,175	\$ 1,377	\$ 1,346
Development permit application fees	175	133	209
Rezoning application fees	200	214	159
Subdivision application fees	100	128	73
Building permits	3,551	3,334	4,430
Secondary suite fees	1,254	1,395	1,378
Other licences and permits	83	70	73
Fees and charges:			
Development fees on Engineering projects	-	48	40
Other fees and charges	60	152	85
Grants	10	-	-
	6,608	6,851	7,793
EXPENSE			
Development approvals	5,101	3,383	3,516
Licence inspection	125	120	115
Building inspections	3,143	2,921	2,632
	8,369	6,424	6,263
ANNUAL SURPLUS/(DEFICIT)	(1,761)	427	1,530
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(429)	-
Transfer from operating reserve	1,126	113	67
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (635)	\$ 111	\$ 1,597

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE G

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Municipal taxation	\$ 54,221	\$ 54,221	\$ 51,775
Fees and charges:			
Salary recoveries	100	197	481
Other revenue	450	550	533
Government grants:			
Traffic fine revenue - sharing	1,950	1,950	1,950
Other government grants	239	394	240
Rent	41	45	44
	<u>57,001</u>	<u>57,357</u>	<u>55,023</u>
EXPENSE			
Finance and budgets	673	660	643
Executive administration	1,993	2,134	1,968
Operations support	5,804	4,970	5,386
Support services	6,575	6,492	6,201
Criminal investigations	9,801	8,420	9,380
Patrol	17,844	18,811	17,556
Operations control	4,795	4,853	4,793
Police building	708	524	570
Human resources	2,345	2,328	2,546
Vehicle maintenance	1,262	1,411	1,288
Common services & secondment	4,293	3,923	2,994
	<u>56,093</u>	<u>54,526</u>	<u>53,325</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	908	2,831	1,698
Amortization	-	1,022	1,028
(Gain) on disposal of tangible capital assets	-	(22)	(13)
ANNUAL SURPLUS	908	1,831	683
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(49)	(32)
Transfer from operating reserve	25	-	163
Transfer to operating reserve	-	(1,898)	(1,066)
Transfer to general capital reserve	(933)	(933)	(795)
Eliminate amortization and loss/gain	-	1,049	1,047
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE H

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges	\$ 210	\$ 119	\$ 181
Licences and permits	10	4	4
Grants	-	24	-
Emergency services recovery	52	58	53
	272	205	238
EXPENSE			
ABBOTSFORD FIRE RESCUE SERVICES			
Administration	681	559	695
Fire prevention and inspection	868	809	765
Emergency response	18,392	17,886	15,912
Fire halls and ground maintenance	530	521	488
EMERGENCY SERVICES			
Search and rescue	74	87	74
City emergency response	187	112	187
	20,732	19,974	18,121
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(20,460)	(19,769)	(17,883)
Amortization	-	979	1,006
(Gain) on disposal of tangible capital assets	-	(117)	(10)
ANNUAL (DEFICIT)	(20,460)	(20,631)	(18,879)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(154)	(20)
Transfer from operating reserve	729	729	-
Transfer to operating reserve	-	-	(729)
Transfer to general capital reserve	(533)	(533)	(533)
Eliminate amortization and loss/gain	-	1,017	1,016
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (20,264)	\$ (19,572)	\$ (19,145)

See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE I

	2020	2020				2020	2019
	Plan	General	Parks	Recreation	Culture	Actual	Actual
REVENUE							
Fees and charges	\$ 7,342	\$ 56	\$ 1,482	\$ 1,727	\$ -	\$ 3,265	\$ 7,362
Rent	57	-	7	59	-	66	69
	<u>7,399</u>	<u>56</u>	<u>1,489</u>	<u>1,786</u>	<u>-</u>	<u>3,331</u>	<u>7,431</u>
EXPENSE							
Operations	22,839	1,021	9,357	8,410	1,157	19,945	21,972
Long-term debt interest	926	-	-	601	300	901	964
	<u>23,765</u>	<u>1,021</u>	<u>9,357</u>	<u>9,011</u>	<u>1,457</u>	<u>20,846</u>	<u>22,936</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(16,366)	(965)	(7,868)	(7,225)	(1,457)	(17,515)	(15,505)
Amortization	-	-	1,872	844	139	2,855	2,963
Loss on disposal of tangible capital assets	-	-	21,508	1	-	21,509	-
ANNUAL (DEFICIT)	<u>(16,366)</u>	<u>(965)</u>	<u>(31,248)</u>	<u>(8,070)</u>	<u>(1,596)</u>	<u>(41,879)</u>	<u>(18,468)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS							
Debt principal repayments	(1,582)	-	-	(1,065)	(533)	(1,598)	(1,536)
Transfer to general capital reserve	(1,519)	(107)	(794)	(545)	(73)	(1,519)	(1,519)
Transfer to cemetery capital reserve	(160)	-	(19)	-	-	(19)	(155)
Transfer to operating reserve	-	(97)	-	-	-	(97)	-
Transfer to general capital reserve (asset sales)	-	-	(450)	-	-	(450)	-
Eliminate amortization and loss/gain	-	-	23,830	844	139	24,813	2,963
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (19,627)</u>	<u>\$ (1,169)</u>	<u>\$ (8,681)</u>	<u>\$ (8,836)</u>	<u>\$ (2,063)</u>	<u>\$ (20,749)</u>	<u>\$ (18,715)</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE J

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges	\$ 5,490	\$ 2,362	\$ 7,326
Investment income	-	39	26
	<u>5,490</u>	<u>2,401</u>	<u>7,352</u>
EXPENSE			
Operations	6,488	3,487	8,132
Long-term debt interest	1,997	1,965	2,047
	<u>8,485</u>	<u>5,452</u>	<u>10,179</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(2,995)</u>	<u>(3,051)</u>	<u>(2,827)</u>
Amortization	-	884	1,252
ANNUAL (DEFICIT)	<u>(2,995)</u>	<u>(3,935)</u>	<u>(4,079)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(2,074)	(2,273)	(1,994)
Eliminate amortization and loss/gain	-	884	1,252
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (5,069)</u>	<u>\$ (5,324)</u>	<u>\$ (4,821)</u>

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE K

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Municipal tax	\$ 5,065	\$ 5,065	\$ 4,916
EXPENSE			
Transfer to Fraser Valley Regional Library	4,367	4,367	4,250
Operating costs	398	256	285
	<u>4,765</u>	<u>4,623</u>	<u>4,535</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	300	442	381
Amortization	-	227	188
ANNUAL SURPLUS	300	215	193
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(300)	(300)	(300)
Transfer to operating reserve	-	(142)	(81)
Eliminate amortization and loss/gain	-	227	188
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for (2019 in thousands)

SCHEDULE L

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Grants and government transfers	\$ 6,598	\$ 6,206	\$ 5,447
Fares	2,939	1,395	2,330
BC bus pass program	589	702	626
Advertising and other	189	195	208
	10,315	8,498	8,611
EXPENSE			
Transfer to BC Transit	15,315	11,491	12,450
Other	165	165	127
	15,480	11,656	12,577
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(5,165)	(3,158)	(3,966)
Amortization	-	12	19
ANNUAL (DEFICIT)	(5,165)	(3,170)	(3,985)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Eliminate amortization and loss/gain	-	12	19
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,165)	\$ (3,158)	\$ (3,966)

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE M

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ -	\$ 655	\$ 513
Recoveries	228	220	252
Parking lot tickets	-	15	70
Other	919	244	250
Licenses and permits:			
Soil removal fees	2,545	3,249	3,235
Other	3	5	2
Grants	180	286	367
Developer contributions	-	40	-
Rent	207	242	240
	<u>4,082</u>	<u>4,956</u>	<u>4,929</u>
EXPENSE			
ADMINISTRATION	2,059	1,974	1,804
ENGINEERING	4,153	3,500	3,209
TRANSPORTATION			
Services	3,757	3,159	2,998
Operations - roads	5,568	6,078	6,044
EQUIPMENT FLEET			
Operations	4,763	4,727	4,520
Internal recoveries	(6,320)	(6,533)	(6,239)
MUNICIPAL BUILDINGS	2,564	2,078	2,179
LESS: COST RECOVERIES	(403)	(403)	(383)
	<u>16,141</u>	<u>14,580</u>	<u>14,132</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(12,059)	(9,624)	(9,203)
Amortization	-	12,537	12,781
(Gain) on disposal of tangible capital assets	-	(61)	(698)
ANNUAL (DEFICIT)	<u>(12,059)</u>	<u>(22,100)</u>	<u>(21,286)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(418)	(850)
Transfer to general capital reserve	(11,560)	(11,810)	(11,706)
Transfer to operating reserve	(170)	(442)	(372)
Transfer from operating reserve	202	209	17
Eliminate amortization and loss/gain	-	12,900	12,935
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (23,587)</u>	<u>\$ (21,661)</u>	<u>\$ (21,262)</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2018 (in thousands)

SCHEDULE N

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 6,039	\$ 5,922	\$ 5,899
Garbage stickers	35	40	33
Recycling, compost and yard waste fees	800	744	776
Recoveries & other	1,219	1,688	1,359
Grants	-	539	-
	8,093	8,933	8,067
EXPENSE			
Planning, design and management	992	869	780
Collection	3,223	3,762	3,150
Disposal	4,709	5,213	4,742
	8,924	9,844	8,672
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(831)	(911)	(605)
Amortization	-	27	36
Loss/(gain) on disposal of tangible capital assets	-	67	(18)
ANNUAL (DEFICIT)	(831)	(1,005)	(623)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	-	(31)
Transfer from operating reserve	831	911	605
Eliminate amortization and loss/gain	-	94	49
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ -	\$ -

See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE O

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Storm drainage user fees	\$ 3,722	\$ 3,724	\$ 3,724
Other	3	18	28
	<u>3,725</u>	<u>3,742</u>	<u>3,752</u>
EXPENSE			
Storm sewers and detention	2,700	1,959	2,028
Urban watercourses	159	170	112
Rural drainage	487	332	332
	<u>3,346</u>	<u>2,461</u>	<u>2,472</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	379	1,281	1,280
Amortization	-	3,715	3,661
Loss on disposal of tangible capital assets	-	185	24
ANNUAL SURPLUS/(DEFICIT)	379	(2,619)	(2,405)
Matsqui Prairie (Schedule P)	(508)	(600)	(553)
Sumas Prairie (Schedule P)	(503)	(875)	(837)
TOTAL ANNUAL (DEFICIT)	<u>(632)</u>	<u>(4,094)</u>	<u>(3,795)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	(877)	(743)	(627)
Transfer from operating reserve	20	8	8
Transfer to general capital reserve	(9)	(9)	(133)
Reconcile to contribution from storm drainage-Matsqui Prairie	508	133	74
Reconcile to contribution from storm drainage-Sumas Prairie	503	472	446
Eliminate amortization and loss/gain	-	3,901	3,685
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (487)</u>	<u>\$ (332)</u>	<u>\$ (342)</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE P

	2020	2020	2019	2020	2020	2019
	Plan	Actual	Actual	Plan	Actual	Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
General tax levy	\$ 701	\$ 702	\$ 706	\$ 1,252	\$ 1,253	\$ 1,253
Other revenue	16	4	52	171	185	152
	717	706	758	1,423	1,438	1,405
EXPENSE						
Dyking	59	53	41	73	75	72
Drainage	691	612	550	790	658	685
Storm	188	189	215	-	-	-
Irrigation	137	98	116	149	145	153
Administration	143	150	128	208	200	179
Pump stations	-	-	-	698	721	614
Recoverable work	8	-	52	8	-	15
	1,226	1,102	1,102	1,926	1,799	1,718
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(509)	(396)	(344)	(503)	(361)	(313)
Amortization	-	204	209	-	514	524
ANNUAL (DEFICIT)	(509)	(600)	(553)	(503)	(875)	(837)
RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE						
Transfer to general capital reserve	35	-	-	100	(24)	(24)
Transfer to operating reserve	474	(71)	(135)	403	(18)	(54)
Eliminate amortization and loss/gain	-	204	209	-	514	524
CONTRIBUTION FROM STORM DRAINAGE	\$ -	\$ (467)	\$ (479)	\$ -	\$ (403)	\$ (391)

See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE Q

	2020		Sanitary			2020	2019
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
REVENUE							
Fees and charges	\$ 7,699	\$ 696	\$ (15)	\$ 64	\$ 17	\$ 762	\$ 267
Airport improvement fees	800	-	-	-	5	5	-
Developer charges earned	12,509	1,853	295	632	-	2,780	3,867
Contributed tangible capital assets	-	21,009	2,301	1,835	-	25,145	19,372
Grants and government transfers	41,234	1,520	378	364	2,681	4,943	4,246
Contributions (to)/from other funds	-	(169)	688	(399)	(120)	-	-
	<u>62,242</u>	<u>24,909</u>	<u>3,647</u>	<u>2,496</u>	<u>2,583</u>	<u>33,635</u>	<u>27,752</u>
EXPENSE							
Minor capital projects							
General government	1,383	850	-	-	-	850	460
Police services	871	977	-	-	-	977	36
Fire services	9	2	-	-	-	2	56
Park services	439	510	-	-	-	510	526
Recreation services	161	155	-	-	-	155	65
Transportation services	7,793	4,269	-	-	-	4,269	5,451
Equipment fleet services	230	194	-	-	-	194	207
Solid waste services	29	21	-	-	-	21	11
Storm drainage services	1,023	303	-	-	-	303	483
Dyking, drainage & irrigation	10,738	828	-	-	-	828	177
Waterworks	1,289	-	626	-	-	626	648
Sanitary sewer	1,791	-	-	290	-	290	490
Airport	50	-	-	-	58	58	-
	<u>25,806</u>	<u>8,109</u>	<u>626</u>	<u>290</u>	<u>58</u>	<u>9,083</u>	<u>8,610</u>
ANNUAL SURPLUS	<u>36,436</u>	<u>16,800</u>	<u>3,021</u>	<u>2,206</u>	<u>2,525</u>	<u>24,552</u>	<u>19,142</u>
RECONCILE TO CHANGE IN CAPITAL EQUITY							
Assets sale	-	(337)	152	185	-	-	-
General capital reserve	58,160	23,863	-	-	-	23,863	28,114
Storm drainage reserve	6,835	547	-	-	-	547	1,378
Waterworks capital reserve	23,028	-	3,115	-	-	3,115	1,841
Sanitary sewer capital reserve	15,291	-	-	2,378	-	2,378	2,909
Airport capital reserve	11,722	-	-	-	1,713	1,713	2,561
Tangible capital assets	-	(46,992)	(6,517)	(5,291)	(1,871)	(60,671)	(38,532)
Debt principal repayment	3,656	3,870	-	-	-	3,870	3,530
CHANGE IN CAPITAL EQUITY	<u>\$155,128</u>	<u>\$ (2,249)</u>	<u>\$ (229)</u>	<u>\$ (522)</u>	<u>\$ 2,367</u>	<u>\$ (633)</u>	<u>\$ 20,943</u>

 See notes to Consolidated Financial Statements.

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

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

SCHEDULE R

	2020 Plan	2020 Actual	2019 Actual
REVENUE			
Investment income	\$ 5,982	\$ 5,925	\$ 6,604
Other sources	-	2	7
	<u>5,982</u>	<u>5,927</u>	<u>6,611</u>
ANNUAL SURPLUS	5,982	5,927	6,611
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	6,441	7,409	14,302
General capital reserve	(41,005)	13,796	4,336
Affordable housing reserve	-	500	500
Storm drainage reserve	(6,826)	(538)	(1,248)
Waterworks capital reserve	(13,791)	7,250	7,701
Sanitary sewer capital reserve	(10,086)	4,531	4,255
Airport capital reserve	(6,861)	(814)	2,470
Property acquisition reserve	-	617	1,889
CHANGE IN APPROPRIATED SURPLUS	<u>\$ (66,146)</u>	<u>\$ 38,678</u>	<u>\$ 40,816</u>

 See notes to Consolidated Financial Statements.

2020 CONSOLIDATED FINANCIAL STATEMENTS

CEMETERY CARE TRUST FUND



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

Opinion

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

- the statement of financial position as at end of December 31, 2020
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Abbotsford Cemetery Care Trust Fund as at December 31, 2020 is in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

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

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

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

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

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

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements'

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

2020 CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT PAGE 3

Cemetery Care Trust Fund.
Page 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Abbotsford, Canada

May 11, 2021

CEMETERY CARE TRUST FUND – STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2020 with comparative information for 2019 (in thousands)

	2020	2019
	Actual	Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 1,054	\$ 2,057
Accounts receivable	3,171	2,037
NET FINANCIAL ASSETS	4,225	4,094
ACCUMULATED SURPLUS		
Balance, beginning of year	4,094	4,094
Contributions	131	119
Investment earnings	105	106
Transfer to general operating fund	(105)	(106)
Balance, end of year	\$ 4,225	\$ 4,213

 See notes to Consolidated Financial Statements

2020 CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Basis of accounting:

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

(b) Portfolio Investments:

Portfolio investments are carried at cost.

(c) Financial Instruments:

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

2. ACCOUNTS RECEIVABLE/PAYABLE:

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

NOTES TO THE CEMETERY CARE TRUST FUND

For the year ended December 31, 2020 (Tabular amounts are in thousands of dollars)

3. INVESTMENTS:

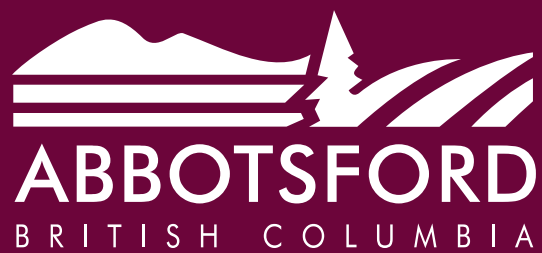
Investments for 2020 are comprised of corporate and government investments.

(in thousands)	2020		2019	
	Cost	Market	Cost	Market
Portfolio investments	\$1,054	\$1,058	\$2,057	\$2,063
	Long-term		Long-term	
Duration	2 – 15 Years		2 – 15 Years	
Average holdings	\$1,887		\$2,927	
Annual yield	3.28%		3.12%	

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 2020, \$105,000 (2019 - \$106,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2020, 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.

 See notes to Consolidated Financial Statements



CITY OF ABBOTSFORD

32315 South Fraser Way | Abbotsford, BC V2T 1W7 | 604 853 2281 | abbotsford.ca
[f /CityofAbbotsford](#) [@City_Abbotsford](#) | [@Mayorhenrybraun](#) | [@AbbotsfordEcDev](#)

