



2025

Consolidated
Financial Statements



Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Abbotsford

Opinion

We have audited the consolidated financial statements of City of Abbotsford (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the City as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s 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.

Auditor's Report

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.

Auditor's 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 auditor's 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.

- 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.

Auditor's Report

- 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 auditor's 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 auditor's 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

Chilliwack, Canada

April 28, 2026

Consolidated Statement of Financial Position

As at December 31, 2025, with comparative information as at December 31, 2024 (in thousands)

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 60,798	\$ 51,813
Accounts receivable (Note 4)	57,477	58,225
Portfolio investments (Note 5)	835,850	772,420
	<u>954,125</u>	<u>882,458</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	154,936	152,854
Restricted revenue (Note 7)	234,744	202,127
Deferred revenue (Note 8)	144,527	113,648
	<u>534,207</u>	<u>468,629</u>
Long-term debt (Note 9)	26,927	31,436
	<u>561,134</u>	<u>500,065</u>
	<u>392,991</u>	<u>382,393</u>
NET FINANCIAL ASSETS		
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	1,672,111	1,616,892
Inventories (Note 11)	2,030	1,657
Pre-paid expenses (Note 12)	6,606	6,599
	<u>1,680,747</u>	<u>1,625,148</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 2,073,738</u>	<u>\$ 2,007,541</u>



ROSS SIEMENS, MAYOR



KOMAL BASATIA, CPA
CFO



Consolidated Statement of Operations

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

	2025 Plan (Note 20)	2025 Actual	2024 Actual
REVENUE			
Municipal taxation (Note 2)	\$ 210,629	\$ 212,207	\$ 198,157
Fees and other charges	94,685	110,229	107,068
Developer charges earned	28,381	6,076	7,044
Contributed tangible capital assets	-	9,146	26,463
Grants and government transfers	155,086	39,043	47,794
Portfolio investment income	20,220	20,785	24,107
Interest and penalties	1,540	2,360	1,926
Rent	5,814	6,237	6,474
	516,355	406,083	419,033
EXPENSE			
General government	40,776	35,171	34,346
Planning & development services	12,129	10,206	9,093
Police services	75,131	83,297	81,812
Fire rescue services	29,205	32,449	31,737
Parks, recreation, culture & libraries	43,138	48,350	45,788
Transit	19,407	19,780	17,639
Engineering	53,448	58,869	83,207
Diking, drainage & irrigation	13,090	4,414	4,491
Waterworks	15,234	21,150	21,381
Sanitary sewer	14,416	17,800	15,798
Airport	6,447	8,400	7,509
	322,421	339,886	352,801
ANNUAL SURPLUS	193,934	66,197	66,232
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,941,309	2,007,541	1,941,309
ACCUMULATED SURPLUS, END OF YEAR	\$2,135,243	\$2,073,738	\$2,007,541



Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

	2025	2024
OPERATING ACTIVITIES		
Annual Surplus	\$ 66,197	\$ 66,232
Non-cash items included in annual surplus:		
Amortization expense	42,127	38,214
Contributed tangible capital assets	(9,146)	(26,463)
Gain on disposal of tangible capital assets	(183)	(842)
Recognition of restricted revenue	(6,075)	(7,075)
Accretion expense	110	87
ARO change in estimate	163	(184)
Changes in non-cash operating items:		
Accounts receivable	748	4,688
Inventories	(373)	155
Pre-paid expenses	(7)	(1,861)
Accounts payable and accrued liabilities	1,807	(4,955)
Deferred revenue	30,879	17,474
	<u>126,247</u>	<u>85,470</u>
INVESTING ACTIVITIES		
Increase in portfolio investments	(63,430)	(82,218)
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	38,692	36,078
Debt principal repaid	(4,509)	(4,348)
	<u>34,183</u>	<u>31,730</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	356	1,196
Acquisition of tangible capital assets	(88,371)	(74,206)
	<u>(88,015)</u>	<u>(73,010)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,985	(38,028)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>51,813</u>	<u>89,841</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 60,798</u>	<u>\$ 51,813</u>



See notes to Consolidated Financial Statements.

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

	2025 Plan (Note 20)	2025 Actual	2024 Actual
ANNUAL SURPLUS	\$ 193,934	\$ 66,197	\$ 66,232
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(440,574)	(88,372)	(74,206)
Contributed tangible capital assets	-	(9,147)	(26,463)
Amortization	-	42,126	38,214
Proceeds from disposal of tangible capital assets	-	356	1,196
Gain on disposal of tangible capital assets	-	(183)	(842)
	(440,574)	(55,220)	(62,101)
OTHER NON-FINANCIAL ASSETS:			
(Increase) decrease in inventories	-	(372)	155
Increase in pre-paid expenses	-	(7)	(1,861)
	-	(379)	(1,706)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(246,640)	10,598	2,425
NET FINANCIAL ASSETS, BEGINNING OF YEAR	382,393	382,393	379,968
NET FINANCIAL ASSETS, END OF YEAR	\$ 135,753	\$ 392,991	\$ 382,393



Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (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 principles 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.

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 2025 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on May 13, 2025, with the exception of adjustments detailed in Note 20 to the Consolidated Statements.

d. Financial Instruments:

Financial instruments include cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. Cash and cash

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

d. Financial Instruments: continued

equivalents include cash, high interest savings accounts and short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Investments are comprised of non-redeemable guaranteed investment certificates, term deposits, Municipal Finance Authority ("MFA") pooled funds and bonds issued by the Government of Canada and Canadian provinces, municipalities, and chartered banks.

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost unless the City has elected to carry the financial instrument at fair value. The City has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2025, and December 31, 2024. As a result, the City does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost. Sales and purchases of investments are recorded on the trade date.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

e. 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	10-100
	Machinery, Equipment, Vehicles	4-20
Infrastructure	Airport	20-125
	Water	20-75
	Sewer	20-75
	Transportation	15-75
	Storm Drainage & Detention	50-100
	Diking, Drainage and Irrigation	20-100

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

e. Non-Financial Assets: continued

Tangible Capital Assets continued

Impairment

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than the net book value.

Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

f. Accrued Liabilities:

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

g. 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.

h. Revenue Recognition:

Sources of revenue are recorded on an accrual basis and recognized when earned. Revenue unearned in the current period is reported on the statement of financial position 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. Fees and developer charges are recognized as revenue when the underlying services are provided. Investment income, interest, and rent are recognized in the period earned.

i. Expense Recognition:

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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

j. 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.

k. 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, asset retirement obligations, 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.

l. 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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED

I. Contaminated Sites: continued

e) a reasonable estimate of the liability can be made.

m. 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 year's surplus.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

2. MUNICIPAL TAXATION

Taxation revenues consist of the following:

	2025	2024
Municipal tax	\$ 200,930	\$ 187,523
Grants in lieu of taxes	4,507	4,156
Specified area taxes	2,913	2,758
Utility 1% tax	2,608	2,526
Hotel tax	1,249	1,194
Total	\$ 212,207	\$ 198,157

3. CASH AND CASH EQUIVALENTS:

	2025	2024
Cash	\$ 49,817	\$ 41,139
MFA short-term money-market investment pools	10,981	10,674
	\$ 60,798	\$ 51,813

4. ACCOUNTS RECEIVABLE:

	2025	2024
Fees and charges	\$ 28,912	\$ 34,825
Taxes	11,625	9,657
Grants	3,286	2,073
Development cost charges	11,639	9,347
Local improvement/service charges	2,015	2,323
	\$ 57,477	\$ 58,225

All accounts receivable are reported net of allowances for doubtful accounts. The City has recorded an allowance for doubtful accounts of \$3,900,000 (2024 - \$2,400,000).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

5. PORTFOLIO INVESTMENTS:

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

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

	2025		2024	
	Cost	Market	Cost	Market
	\$ 835,850	\$ 852,406	\$ 772,420	\$ 778,971
	Short-term	Long-term	Short-term	Long-term
Average holdings	148,168	627,477	218,068	503,099
Annual yield	4.39 %	4.36 %	5.49 %	4.48 %

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2025	2024
Accounts payable:		
Trade payables	\$ 32,277	\$ 30,802
Deposits	68,729	68,496
Tax prepayments	19,341	17,523
Salaries and wages	8,332	9,744
Due to Cemetery Care Trust Fund	246	198
Accrued liabilities:		
Retirement allowance liability	14,342	13,373
Liability claims	2,984	4,843
Vacation pay	4,180	3,609
Asset retirement obligations - liability	4,505	4,266
	<u>\$ 154,936</u>	<u>\$ 152,854</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 2025, 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, 2025. The difference between the actuarially determined benefit obligation of \$14,094,000 and the accrued benefit liability of \$14,342,000 as at December 31, 2025, was an unamortized actuarial gain of \$248,000, (2024 loss - \$652,000) 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, 2026.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

a. Retirement Allowance Liability: continued

	<u>2025</u>	<u>2024</u>
Actuarial benefit obligation	\$ 14,094	\$ 14,025
Unamortized actuarial gain/(loss)	248	(652)
Accrued benefit liability	<u>\$ 14,342</u>	<u>\$ 13,373</u>

Accrued benefit liability:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 13,373	\$ 13,008
Current service cost	1,095	889
Interest cost	621	534
Benefits paid	(645)	(1,084)
Amortization of net actuarial (gain)loss	(102)	26
Balance, end of year	<u>\$ 14,342</u>	<u>\$ 13,373</u>

Actuarial Assumptions used to determine the benefit obligation:

	<u>2025</u>	<u>2024</u>
Discount rate	4.5 %	4.3 %
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 %

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED

b. Asset Retirement Obligations:

The City owns and operates several assets that are known to have asbestos, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. The City infrastructure also includes water wells and the City has a legal obligation to decommission the wells at the end of their use. Additionally, the City has two landfills that are in various stages of closure which include legal obligations around site remediation. Lastly, the City has aggregate mining permits on four properties that require reclamation activities once aggregate mining is complete.

The City recognizes an obligation relating to the removal of the hazardous materials in these assets and decommissioning of wells with an accompanying increase to the related assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets. If the asset is no longer in use, the change in the liability is immediately expensed.

Estimated costs totaling \$7,242,000 have been discounted using a present value calculation with a discount rate of 4.5% (2024 - 4.3%). The timing of these expenditures is estimated to occur between 2026 and 2103 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2025	2024
Opening asset retirement obligation	\$ 4,266	\$ 4,162
Initial recognition of expected discounted cash flows	53	-
Increase due to accretion	110	87
Remediation costs incurred	(88)	(60)
Change in estimate	164	77
Asset retirement obligations, end of year	<u>\$ 4,505</u>	<u>\$ 4,266</u>

c. Liability for Contaminated Sites:

The City has determined that as of December 31, 2025, no contamination in excess of an environmental standard exists related to sites not in productive use for which the City is responsible.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

7. RESTRICTED REVENUE:

	Development Cost Charges	Development Fees	Affordable Housing	General Amenities	Airport Fees	2025 Total	2024 Total
Balance, beginning of year	\$ 149,432	\$ 47,939	\$ 1,742	\$ 3	\$ 3,011	\$ 202,127	\$ 173,124
Add:							
Current year contributions	24,010	3,535	249	439	-	28,234	25,407
Interest	7,645	2,534	98	25	156	10,459	10,671
	181,087	54,008	2,089	467	3,167	240,820	209,202
Less: Amounts recognized as revenue							
Developer charges earned - capital expenditures	4,689	1,385	-	-	-	6,076	7,044
Airport fees - eligible airport expenditures	-	-	-	-	-	-	31
	4,689	1,385	-	-	-	6,076	7,075
Balance, end of year	\$ 176,398	\$ 52,623	\$ 2,089	\$ 467	\$ 3,167	\$ 234,744	\$ 202,127

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, 2025, the amount of DCCs due over the next two years is \$11,638,556 (2024 - \$9,347,236).

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, 2025 (Tabular amounts are in thousands of dollars)

7. RESTRICTED REVENUE: CONTINUED

a. Development Cost Charges (DCC): continued

	2025	2024
Storm drainage	\$ 14,115	\$ 13,684
Parks - city wide	12,661	9,596
Parks - neighbourhood	29,752	24,884
Waterworks - supply	39,610	35,084
Waterworks - distribution	5,174	4,154
Sanitary sewer - collection	10,592	8,953
Sanitary sewer - treatment plant	23,275	18,278
Roads	41,219	34,799
	\$ 176,398	\$ 149,432

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.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

8. DEFERRED REVENUE:

	Balance, Beginning of Year	Externally restricted inflows	Revenue earned	Balance, December 31, 2025
Fees and charges	\$ 4,700	\$ 12,751	\$ (11,723)	\$ 5,728
Grants	108,948	84,182	(54,331)	138,799
	<u>\$ 113,648</u>	<u>\$ 96,933</u>	<u>\$ (66,054)</u>	<u>\$ 144,527</u>

9. 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
2026	\$ 4,633
2027	4,806
2028	3,898
2029	2,943
2030	3,053
2031 and thereafter	7,594
	<u>\$ 26,927</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 \$2,200,100 in 2025 (2024 - \$2,361,000).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS:

Tangible Capital Assets consist of the following:

	2025	2024
General		
Land	\$ 489,313	\$ 465,964
Land improvements	4,608	4,935
Park improvements	16,461	13,744
Buildings	134,537	121,440
Machinery & equipment	16,760	11,636
Vehicles	22,715	21,091
Infrastructure		
Airport	17,946	18,953
Waterworks	233,999	230,980
Sanitary sewer	150,231	150,021
Transportation	227,280	214,242
Storm drainage and detention	196,266	195,941
Diking, drainage & irrigation	16,156	15,631
Assets under construction	145,839	152,314
	\$ 1,672,111	\$ 1,616,892

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

The value of contributed capital assets received and recognized in the year 2025 from developers, for various infrastructure works and related land and parks is \$9,146,000 (2024 – \$26,463,000).

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.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

11. 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:

	2025	2024
Stock	\$ 997	\$ 937
Inventory - fuel	81	89
Inventory - gravel	952	631
	<u>\$ 2,030</u>	<u>\$ 1,657</u>

12. 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.

	2025	2024
General	\$ 6,606	\$ 6,599

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

13. ACCUMULATED SURPLUS:

	2025	2024
Unappropriated Surplus		
General operations	\$ 19,627	\$ 19,627
Waterworks operations	4,263	4,263
Sanitary sewer operations	5,799	5,799
Airport operations	1,176	1,176
	<u>30,865</u>	<u>30,865</u>
Appropriated Surplus		
General operations reserve	64,494	65,099
Statutory capital reserves	326,613	319,753
	<u>391,107</u>	<u>384,852</u>
Investment in tangible capital assets	1,643,130	1,583,568
Investment in other non-financial assets	8,636	8,256
	<u>1,651,766</u>	<u>1,591,824</u>
Total Accumulated Surplus	<u>\$ 2,073,738</u>	<u>\$2,007,541</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 capital works for which they have been appropriated.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

14. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	2025	2024
Interest paid	\$ 2,447	\$ 2,673
Interest received	\$ 27,298	\$ 19,946

15. SUPPLEMENTAL GRANT REVENUE INFORMATION:

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

	2025	2024
Federal transfers	\$ 21,784	\$ 18,504
Provincial transfers	17,259	29,290
	\$ 39,043	\$ 47,794

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

15. SUPPLEMENTAL GRANT REVENUE INFORMATION: CONTINUED

In March 2023, the Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities to help local governments build community infrastructure and amenities to meet the demands of population growth.

The City of Abbotsford received \$27,420,000 of GCF funding in March 2023.

	2025	2024
Growing Communities Fund Balance, beginning of year	\$ 27,409	\$ 27,462
Eligible costs:		
BC Transit Exchange - Montrose	-	(1,693)
Synthetic Turf Field Replacement Program	(922)	-
Abbotsford Police Department Headquarters Expansion	(13,473)	-
Abbotsford Recreation Centre Heat Recovery and Optimization	(1,295)	-
Interest earned	1,283	1,640
Total	\$ 13,002	\$ 27,409

In February 2024, the Province of British Columbia distributed conditional Local Government Housing grants (LGHI, previously Small Scale, Multi-Unit Housing) to support the development of diverse and affordable housing options within established single-family neighborhoods. This initiative includes various housing forms such as secondary suites, detached accessory dwelling units (ADUs), triplexes, townhomes, and house-plexes.

The City of Abbotsford received \$911,000 of LGHI funding in February 2024.

	2025	2024
LGHI Balance, beginning of year	\$ 694	\$ 911
Eligible costs:		
Development & Amenity Cost Charges Bylaw Project	(27)	(93)
Official Community Plan Update	(29)	(85)
Development Engineering Bylaw	-	(39)
Development Application Process Review Implementation	(36)	-
Density Bonusing Program Update	(18)	-
Total	\$ 584	\$ 694

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

16. EXPENSE BY OBJECT:

	2025	2024
Salaries and benefits	\$ 165,276	\$ 154,386
Operating goods and services	92,688	90,500
Minor capital projects	12,842	45,134
Amortization and accretion	42,237	38,301
Gain on disposal of tangible capital assets	(183)	(842)
Transfer payments to other governments and agencies	24,826	22,961
Long-term debt interest	2,200	2,361
Total expense by object	<u>\$ 339,886</u>	<u>\$ 352,801</u>

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

17. 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 claims. Although the actual outcome of these claims is currently indeterminable, in 2025 the City reports a liability of \$2,983,728 (2024 – \$4,842,500) which, at this time, is management's best estimate of expected future settlements. The change in the reported amount reflects an update to the City's estimation methodology for assessing contingent liabilities.

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 270,000 active members and approximately 133,000 retired members. Active members include approximately 1,131 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.

The most recent actuarial valuation as at December 31, 2024, indicated a \$2,675,000,000 funding surplus for basic pension benefits on a going concern basis. In 2025, the City paid \$13,283,497 (2024 - \$12,868,081) for employer contributions while employees contributed \$11,025,185 (2024 - \$10,635,579) to the plan.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

17. CONTINGENT LIABILITIES: CONTINUED

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 \$1,414,357 (2024 - \$1,373,236). The balance of the City's portion of the Debt Reserve Fund totals \$2,442,730 (2024 - \$2,442,730), for which the City has also executed demand notes in connection with each debenture totaling \$2,442,730 (2024 - \$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.

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 Agriologist. 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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

17. CONTINGENT LIABILITIES: CONTINUED

g. Clayburn Village Project continued

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.

h. Fishtrap Creek Project

In 2024, the City was required to provide a letter of credit in the amount of \$27,500 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 the Fishtrap Creek area in Abbotsford. The DFO Referral File No. is #24-HPAC-00198 to support the Request for Authorization for the onsite and offsite work for this project dated August 21, 2024.

i. Fraser River Bank Stabilization Project

In 2025, the City was required to provide a letter of credit in the amount of \$1,491,000 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 at the confluence of the Vedder and Sumas River. The DFO Referral File No. is #24-HPAC-01106 to support the Request for Authorization for the habitat offsetting, bank stabilization and post construction monitoring plan at the confluence of the Vedder and Sumas River, Abbotsford, BC dated October 31, 2025.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

18. CONTRACTUAL OBLIGATIONS:

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

	Extent of Contracts	Estimated Remaining Expenditure
Operational services	\$ 124,122	\$ 58,499
Road construction	71,806	9,402
Waterworks construction	16,117	4,326
Sanitary sewer construction	14,665	8,634
Vehicles & equipment	7,207	4,572
Flood repairs & mitigation	4,224	673
	\$ 238,141	\$ 86,106

19. 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
2026	\$ 41,455
2027	24,147
2028	4,153
2029	3,275
2030	2,938
2031 and thereafter	25,115
	\$ 101,083

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

20. 2025 BUDGET FIGURES:

The budget figures included in the financial statements reflect the amended planned budget adopted through Bylaw No. 3647-2025 on May 13, 2025. The City of Abbotsford has elected to present the amended budget, which was adopted prior to the tax rates bylaw, as it reflects the City's comprehensive budget figures and includes ongoing prior years' commitments related to capital expenditures and relevant government grants.

Revenues	Annual Budget	Amended Budget	Change
Municipal assessment taxes	\$ 210,629	\$ 210,629	\$ -
Fees and charges	92,694	99,290	6,596
Developer charges earned	8,564	28,381	19,817
Contributions from other governments	6,869	15,614	8,745
Government grants	21,784	155,086	133,302
Rent	5,423	5,723	300
Portfolio investment income	20,220	20,220	-
Other sources	265	416	151
	<u>\$ 366,448</u>	<u>\$ 535,358</u>	<u>\$ 168,910</u>
Expenses			
Capital expenditures	83,808	440,574	356,766
Police services	75,130	75,130	-
Fire rescue services	29,063	29,205	142
Parks, recreation and cultural services	39,589	39,977	388
Engineering services	35,517	40,299	4,782
General government	36,506	42,485	5,979
Water services	14,700	14,947	247
Sewer services	12,984	13,167	183
Transit services	19,407	19,407	-
Airport services	6,447	6,447	-
Development services	9,281	9,281	-
Diking services	3,890	3,890	-
Debt interest	2,130	2,130	-
Debt principal repayment	4,448	4,448	-
	<u>\$ 372,901</u>	<u>\$ 741,387</u>	<u>\$ 368,487</u>
Net Revenue (Expenses)	(6,453)	(206,029)	(199,576)
Transfers from operating reserves	(7,591)	(37,814)	(30,223)
Transfers (to) from capital reserves	1,138	(168,215)	(169,353)
	<u>(6,453)</u>	<u>(206,029)</u>	<u>(199,576)</u>
Net Budgeted Surplus	\$ -	\$ -	\$ -

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

20. 2025 BUDGET FIGURES: CONTINUED

Reconcile to Consolidated Statement of Operations	
Net Revenue (Expenses) per Bylaw 3647-2025	\$ (206,029)
Add:	
Capital expenditures	440,574
Debt principal repayment	4,448
Cemetery fund reserve revenue	87
Less:	
Minor capital expenses	(29,426)
Collections for other governments	(15,719)
Annual surplus per Statement of Operations	<u>\$ 193,934</u>

21. 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, 2025, the trust fund balance is \$4,965,443 (2024 - \$4,812,515).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. 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. The City operates within the constraints of the legislated investment requirements in the Community Charter.

b. Liquidity Risk

Liquidity Risk arises when the City is not able to meet its financial obligations as they fall due. The City manages liquidity risk by monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far out as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the City's reputation. The City maintains strong liquidity from high levels of cash, cash equivalents and investments. The City holds liquid and easily marketable securities in its investment portfolio.

c. Credit Risk

Credit Risk is the risk that there is potential for the City to incur financial losses if a third party fails to fulfill its contractual obligations.

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

For cash, cash equivalents, and portfolio investments, the City manages this risk by dealing solely with reputable financial institutions, and through an investment policy that limits investments to high credit quality as well as maintains asset allocation and portfolio diversification. For accounts receivable, the City reviews balances and aging information to determine if a valuation allowance is necessary, and initiates collection actions.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (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
- 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

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (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
Rogers Forum
Library services

Solid Waste Services

Collection & disposal
Composting & recycling
Environmental education

Diking & Irrigation Services

Diking infrastructure
Water management of City diking & 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, 2025 (Tabular amounts are in thousands of dollars)

24. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 150,569	\$ 156,587	\$ 147,922
Planning & development services	7,684	7,341	6,694
Police services	75,849	77,759	71,937
Fire rescue services	215	346	331
Parks, recreation & culture services	8,145	9,422	8,988
Rogers Forum	50	12	11
Library services	6,050	6,063	5,686
Transit services	12,864	13,593	12,019
Engineering services	7,732	5,743	6,916
Solid waste services	11,919	12,794	10,510
Storm drainage services	4,357	4,828	4,084
Diking, drainage and irrigation services	2,509	2,449	2,491
	287,943	296,937	277,589
WATERWORKS OPERATING FUND	22,933	23,523	22,314
SANITARY SEWER OPERATING FUND	18,385	19,629	18,327
AIRPORT OPERATING FUND	10,087	9,272	9,149
CAPITAL FUNDS	158,903	37,948	69,838
RESERVE FUNDS	18,104	18,774	21,816
	516,355	406,083	419,033

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

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

	2025 Plan	2025 Actual	2024 Actual
EXPENSES			
GENERAL OPERATING FUND			
General government services	39,637	33,837	34,236
Planning & development services	12,129	10,206	9,093
Police services	75,131	77,724	72,870
Fire rescue services	29,205	32,410	31,722
Parks, recreation & culture services	33,314	37,666	35,401
Rogers Forum	3,043	3,684	3,911
Library services	5,750	5,887	5,711
Transit services	19,407	19,780	17,639
Engineering services	24,335	35,873	31,807
Solid waste services	11,293	11,706	10,051
Storm drainage services	4,256	7,824	7,166
Diking, drainage and irrigation services	3,890	4,204	4,419
	261,390	280,801	264,026
WATERWORKS OPERATING FUND	13,448	20,778	19,778
SANITARY SEWER OPERATING FUND	11,710	17,065	16,425
AIRPORT OPERATING FUND	6,447	8,400	7,438
CAPITAL FUNDS	29,426	12,842	45,134
	322,421	339,886	352,801
ANNUAL SURPLUS	\$ 193,934	\$ 66,197	\$ 66,232

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:

For the 2025 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.

	2025 Plan	2025 Actual (less Amortization)	2024 Actual (less Amortization)
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 150,569	\$ 156,587	\$ 147,922
Planning & development services	7,684	7,341	6,694
Police services	75,849	77,759	71,937
Fire rescue services	215	346	331
Parks, recreation & culture services	8,145	9,422	8,988
Rogers Forum	50	12	11
Library services	6,050	6,063	5,686
Transit services	12,864	13,593	12,019
Engineering services	7,732	5,743	6,916
Solid waste services	11,919	12,794	10,510
Storm drainage services	4,357	4,828	4,084
Diking, drainage and irrigation services	2,509	2,449	2,491
	<u>287,943</u>	<u>296,937</u>	<u>277,589</u>
WATERWORKS OPERATING FUND	22,933	23,523	22,314
SANITARY SEWER OPERATING FUND	18,385	19,629	18,327
AIRPORT OPERATING FUND	10,087	9,272	9,149
CAPITAL FUNDS	158,903	37,948	69,838
RESERVE FUNDS	18,104	18,774	21,816
	<u>516,355</u>	<u>406,083</u>	<u>419,033</u>

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2025 (Tabular amounts are in thousands of dollars)

25. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: CONTINUED

	2025 Plan	2025 Actual (less Amortization)	2024 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	39,637	32,569	33,027
Planning & development services	12,129	10,206	9,093
Police services	75,131	76,892	72,118
Fire rescue services	29,205	31,247	30,714
Parks, recreation & culture services	33,314	34,757	32,259
Rogers Forum	3,043	2,890	3,093
Library services	5,750	5,722	5,566
Transit services	19,407	19,768	17,627
Engineering services	24,335	21,058	19,816
Solid waste services	11,293	11,064	9,664
Storm drainage services	4,256	3,701	3,226
Diking, drainage and irrigation services	3,890	3,508	3,716
	<u>261,390</u>	<u>253,382</u>	<u>239,919</u>
WATERWORKS OPERATING FUND	13,448	14,005	13,489
SANITARY SEWER OPERATING FUND	11,710	11,608	11,086
AIRPORT OPERATING FUND	6,447	5,997	5,714
CAPITAL FUNDS	29,426	12,842	45,134
AMORTIZATION & ACCRETION	-	42,235	38,301
GAIN ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	(183)	(842)
	<u>322,421</u>	<u>339,886</u>	<u>352,801</u>
ANNUAL SURPLUS	<u>\$ 193,934</u>	<u>\$ 66,197</u>	<u>\$ 66,232</u>

Statement of Financial Position - By Fund

As at December 31, 2025, with comparative information as at December 31, 2024 (In thousands)

EXHIBIT 1

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary		
			Sewer	Airport	
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 60,798	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,519	42,952	34,812	3,708	391,107
Accounts receivable	40,115	6,511	6,681	885	-
Portfolio investments	835,850	-	-	-	-
	<u>938,282</u>	<u>49,463</u>	<u>41,493</u>	<u>4,593</u>	<u>391,107</u>
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	152,491	131	42	218	-
Due to other funds	609,283	-	-	-	-
Restricted revenue	150,858	45,067	35,652	3,167	-
Deferred revenue	6,024	-	-	32	-
	<u>918,656</u>	<u>45,198</u>	<u>35,694</u>	<u>3,417</u>	<u>-</u>
Long-term debt	-	-	-	-	-
	<u>918,656</u>	<u>45,198</u>	<u>35,694</u>	<u>3,417</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>19,626</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>391,107</u>
NON-FINANCIAL ASSETS					
Tangible capital assets	-	-	-	-	-
Inventories	2,030	-	-	-	-
Pre-paid expenses	6,606	-	-	-	-
	<u>8,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 28,262</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$391,107</u>



See notes to Consolidated Financial Statements.

Statement of Financial Position - By Fund

As at December 31, 2025, with comparative information as at December 31, 2024 (In thousands)

EXHIBIT 1 - CONTINUED

Capital Funds							Total	Total
General	Waterworks	Sanitary Sewer	Airport	Consolidation Adjustments	Total 2025	Total 2024		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,798	\$ 51,813		
62,149	72,638	-	-	(608,885)	-	-		
3,044	-	241	-	-	57,477	58,225		
-	-	-	-	-	835,850	772,420		
65,193	72,638	241	-	(608,885)	954,125	882,458		
1,611	142	83	218	-	154,936	152,854		
-	-	241	(639)	(608,885)	-	-		
-	-	-	-	-	234,744	202,127		
65,194	72,638	-	639	-	144,527	113,648		
66,805	72,780	324	218	(608,885)	534,207	468,629		
26,927	-	-	-	-	26,927	31,436		
93,732	72,780	324	218	(608,885)	561,134	500,065		
(28,539)	(142)	(83)	(218)	-	392,991	382,393		
1,185,535	246,527	167,211	72,838	-	1,672,111	1,616,892		
-	-	-	-	-	2,030	1,657		
-	-	-	-	-	6,606	6,599		
1,185,535	246,527	167,211	72,838	-	1,680,747	1,625,148		
\$ 1,156,996	\$ 246,385	\$ 167,128	\$ 72,620	\$ -	\$ 2,073,738	\$ 2,007,541		



See notes to Consolidated Financial Statements.

Statement of Financial Activities - By Fund

For the year ended December 31, 2025, with comparative information for 2024 (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	\$ 212,207	\$ -	\$ -	\$ -	-
Fees and other charges	55,203	23,476	19,534	7,289	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants and government transfers	23,404	-	-	-	-
Portfolio investment income	1,885	-	95	31	18,774
Rent	4,237	47	-	1,952	-
	<u>296,936</u>	<u>23,523</u>	<u>19,629</u>	<u>9,272</u>	<u>18,774</u>
EXPENSE					
General government services	32,569	-	-	-	-
Planning & development services	10,206	-	-	-	-
Police services	76,890	-	-	-	-
Fire rescue services	31,247	-	-	-	-
Parks, recreation, culture & libraries	43,211	-	-	-	-
Transit services	19,767	-	-	-	-
Engineering services	35,823	-	-	-	-
Diking, drainage and irrigation services	3,507	-	-	-	-
Waterworks services	-	14,005	-	-	-
Sanitary sewer services	-	-	11,607	-	-
Airport services	-	-	-	5,996	-
Amortization and accretion	27,765	6,772	5,458	2,404	-
Loss/(gain) on disposal of TCA	(184)	1	-	-	-
	<u>280,801</u>	<u>20,778</u>	<u>17,065</u>	<u>8,400</u>	<u>-</u>
ANNUAL SURPLUS/(DEFICIT)	<u>16,135</u>	<u>2,745</u>	<u>2,564</u>	<u>872</u>	<u>18,774</u>
RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)					
Operating reserve	2,290	-	-	-	(2,290)
General capital reserve	(39,282)	-	-	-	(4,028)
Storm drainage capital reserve	(730)	-	-	-	(1,805)
Waterworks capital reserve	(1,630)	(9,518)	-	-	3,425
Sanitary sewer capital reserve	(48)	-	(8,022)	-	2,632
Airport capital reserve	-	-	-	(3,276)	708
Property acquisition reserve	-	-	-	-	(10,781)
Eliminate amortization and loss/gain	27,774	6,773	5,458	2,404	-
Change in inventory/pre-paid expenses	380	-	-	-	(380)
Debt principal repayments	(4,509)	-	-	-	-
ANNUAL SURPLUS/(DEFICIT)	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,255</u>
SURPLUS, BEGINNING OF YEAR	<u>27,882</u>	<u>4,265</u>	<u>5,799</u>	<u>1,176</u>	<u>384,852</u>
SURPLUS, END OF YEAR	<u>\$ 28,262</u>	<u>\$ 4,265</u>	<u>\$ 5,799</u>	<u>\$ 1,176</u>	<u>\$ 391,107</u>



See notes to Consolidated Financial Statements.

Statement of Financial Activities - By Fund

For the year ended December 31, 2025, with comparative information for 2024 (in thousands)

EXHIBIT 2 - CONTINUED

Capital Funds					
General Schedule Q	Waterworks Schedule Q	San Sewer Schedule Q	Airport Schedule Q	Total 2025	Total 2024
\$ -	\$ -	\$ -	\$ -	212,207	\$ 198,157
7,137	-	(49)	-	112,590	108,994
5,644	304	128	-	6,076	7,044
8,305	616	225	-	9,146	26,463
15,241	3	354	41	39,043	47,794
-	-	-	-	20,785	24,107
-	-	-	-	6,236	6,474
36,327	923	658	41	406,083	419,033
1,335	-	-	-	33,904	33,138
-	-	-	-	10,206	9,094
5,570	-	-	-	82,460	81,059
39	-	-	-	31,286	30,730
1,114	-	-	-	44,325	41,867
-	-	-	-	19,767	17,627
3,466	-	-	-	39,289	66,889
210	-	-	-	3,717	3,787
-	373	-	-	14,378	15,091
-	-	735	-	12,342	10,459
-	-	-	-	5,996	5,785
-	-	-	-	42,399	38,117
-	-	-	-	(183)	(842)
11,734	373	735	-	339,886	352,801
24,593	550	(77)	41	66,197	66,232
-	-	-	-	-	-
44,181	(871)	-	-	-	-
2,535	-	-	-	-	-
-	7,723	-	-	-	-
-	-	5,438	-	-	-
-	-	-	2,568	-	-
10,781	-	-	-	-	-
(27,775)	(6,773)	(5,458)	(2,403)	-	-
-	-	-	-	-	-
4,509	-	-	-	-	-
58,824	629	(97)	206	66,197	66,232
1,098,173	245,756	167,225	72,414	2,007,541	1,941,309
\$ 1,156,997	\$ 246,385	\$ 167,128	\$ 72,620	\$ 2,073,738	\$ 2,007,541



See notes to Consolidated Financial Statements.

Schedule of Tangible Capital Assets

As at December 31, 2025, with comparative information as at December 31, 2024 (In thousands)

EXHIBIT 3

	Cost					Closing Balance
	Opening Balance*	Add		Less		
		Additions	Transfer from asset class	Disposals	Transfer to asset class	
General						
Land	\$ 465,964	\$ 18,601	\$ 4,748	\$ -	\$ -	\$ 489,313
Land improvements	17,223	-	-	-	-	17,223
Park improvements	64,569	-	4,214	-	-	68,783
Buildings	266,804	4,218	13,789	(218)	-	284,593
Machinery & equipment	48,401	1,440	5,298	(1,141)	-	53,998
Vehicles	46,246	2,734	2,204	(1,448)	-	49,736
Infrastructure						
Airport	37,270	-	-	-	-	37,270
Waterworks	378,855	4,004	5,749	(2,279)	-	386,329
Sanitary sewer	286,160	312	5,354	-	-	291,826
Transportation	638,677	2,932	22,726	(66)	-	664,269
Storm drainage	303,935	1,495	2,945	-	-	308,375
Diking, drainage and irrigation	51,969	-	1,228	-	-	53,197
Assets Under Construction	152,314	61,780	-	-	(68,255)	145,839
	\$2,758,387	\$ 97,516	\$ 68,255	\$ (5,152)	\$ (68,255)	\$2,850,751

*Asset costs include \$1,932,000 related to asset retirement obligations. These assets are included in buildings, land and waterworks infrastructure ending balances in the amounts of \$1,530,000, \$261,000 and \$141,000, respectively.



Schedule of Tangible Capital Assets

As at December 31, 2025, with comparative information as at December 31, 2024 (In thousands)

EXHIBIT 3 - CONTINUED

Opening Balance	Accumulated Amortization		Closing Balance	Net Book Value Dec 31, 2025	Net Book Value Dec 31, 2024
	Add Amortization	Less Accumulated Amortization on Disposals			
\$ -	\$ -	\$ -	\$ -	489,313	\$ 465,964
12,288	327	-	12,615	4,608	4,935
50,825	1,497	-	52,322	16,461	13,744
145,364	4,890	(198)	150,056	134,537	121,440
36,765	1,602	(1,129)	37,238	16,760	11,636
25,155	3,176	(1,310)	27,021	22,715	21,091
18,317	1,007	-	19,324	17,946	18,953
147,875	6,734	(2,279)	152,330	233,999	230,980
136,139	5,456	-	141,595	150,231	150,021
424,435	12,620	(66)	436,989	227,280	214,242
107,994	4,115	-	112,109	196,266	195,941
36,338	703	-	37,041	16,156	15,631
-	-	-	-	145,839	152,314
\$ 1,141,495	\$ 42,127	\$ (4,982)	\$ 1,178,640	\$ 1,672,111	\$ 1,616,892



Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2025, with comparative information as at 2024 (in thousands)

EXHIBIT 4

	Balance, Beginning of Year	(To)/From Operating Fund	(To)/From Other Funds	Other Contributions	Interest Earned	Balance, December 31, 2025
STATUTORY CAPITAL RESERVES						
General	\$ 71,470	\$ 39,282	\$ (26,898)	\$ -	\$ 3,476	\$ 87,330
Storm drainage	13,599	729	(2,535)	-	676	12,469
Waterworks	74,530	11,149	(7,723)	-	3,942	81,898
Sanitary sewer	85,195	8,244	(5,612)	-	4,506	92,333
Airport	35,529	3,276	(2,568)	-	1,851	38,088
Affordable housing	1,420	-	-	-	73	1,493
Property acquisition	10,601	-	(10,780)	-	179	-
Growing Communities	27,409	-	(15,690)	-	1,283	13,002
	<u>319,753</u>	<u>62,680</u>	<u>(71,806)</u>	<u>-</u>	<u>15,986</u>	<u>326,613</u>
GENERAL OPERATING RESERVE						
Planned Transfers						
Climate action	4,379	(1,496)	-	-	192	3,075
Community Works Fund	29,327	(1,275)	-	-	1,344	29,396
Election	269	125	-	-	17	411
Insurance	676	-	-	-	39	715
IT systems upgrades	1,215	46	-	-	65	1,326
	<u>35,866</u>	<u>(2,600)</u>	<u>-</u>	<u>-</u>	<u>1,657</u>	<u>34,923</u>
Operating Surplus Transfers						
Police	435	(150)	-	-	18	303
Winter operations	2,086	-	-	-	107	2,193
Storm drainage	1,307	-	-	-	114	1,421
Sumas Prairie diking, drainage and irrigation	(462)	(91)	-	-	(11)	(564)
Matsqui Prairie diking, drainage and irrigation	406	(16)	-	-	28	418
Solid waste	(1,532)	1,568	-	-	66	102
	<u>2,240</u>	<u>1,311</u>	<u>-</u>	<u>-</u>	<u>322</u>	<u>3,873</u>
Other Transfers						
New facility operations	1,342	-	-	-	69	1,411
Water source contingency	1,002	-	-	-	52	1,054
Infrastructure maintenance	5,575	-	-	-	287	5,862
Transit provision	5,043	(260)	-	-	258	5,041
Debt provision	2,758	-	-	-	142	2,900
Flood Event 2021	6,284	(1,536)	-	-	-	4,748
Operating project carryforwards	4,989	(375)	-	68	-	4,682
	<u>26,993</u>	<u>(2,171)</u>	<u>-</u>	<u>68</u>	<u>808</u>	<u>25,698</u>
	<u>65,099</u>	<u>(3,460)</u>	<u>-</u>	<u>68</u>	<u>2,787</u>	<u>64,494</u>
Total Reserves	\$ 384,852	\$ 59,220	\$ (71,806)	\$ 68	\$ 18,773	\$ 391,107



See notes to Consolidated Financial Statements.

Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2025, with comparative information as at 2024 (in thousands)

EXHIBIT 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding, Beginning of Year	2025 Debt Servicing			Debt Outstanding December 31, 2025
						Principal	Interest	Total	
GENERAL FUND									
Parks, Recreation and Culture									
Rogers Forum	1586	102/103	2032	5.00	\$ 24,601	\$ 2,565	\$ 1,586	\$ 4,151	\$ 22,036
Cultural Centre	1587	102/103	2027	5.00	2,278	648	204	852	1,630
Community Centre	1588	102/103	2027	5.00	4,556	1,295	410	1,705	3,261
Total Long-term Debt					\$ 31,435	\$ 4,508	\$ 2,200	\$ 6,708	\$ 26,927



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE A

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Municipal taxation	\$ 210,630	\$ 212,207	\$ 198,157
Fees and charges	34,050	44,141	38,145
Licenses and permits	9,858	11,061	10,959
Rent	3,863	4,237	4,468
Portfolio investment income	1,980	1,884	2,115
Grants and government transfers	27,564	23,404	23,746
	<u>287,945</u>	<u>296,934</u>	<u>277,590</u>
EXPENSE			
General government services (Schedule E)	39,637	32,569	33,028
Planning & development services (Schedule F)	12,129	10,206	9,093
Police services (Schedule G)	75,131	76,889	72,119
Fire rescue services (Schedule H)	29,205	31,247	30,714
Parks, recreation & culture services (Schedule I)	33,314	34,599	32,443
Rogers Forum (Schedule J)	3,043	2,890	3,093
Library services (Schedule K)	5,750	5,721	5,566
Transit services (Schedule L)	19,407	19,767	17,627
Engineering services (Schedule M)	24,335	21,058	19,817
Solid waste services (Schedule N)	11,293	11,064	9,664
Storm drainage services (Schedule O)	4,256	3,701	3,226
Diking, drainage and irrigation services - Matsqui Prairie (Schedule P)	1,454	1,346	1,337
Diking, drainage and irrigation services - Sumas Prairie (Schedule P)	2,436	2,161	2,378
	<u>261,390</u>	<u>253,218</u>	<u>240,105</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>26,555</u>	<u>43,716</u>	<u>37,485</u>
Amortization and accretion (Schedules E - P)	-	27,765	24,759
Loss/(gain) on disposal of tangible capital assets (Schedules E - P)	-	(184)	(836)
ANNUAL SURPLUS	<u>26,555</u>	<u>16,135</u>	<u>13,562</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(354)	(1,194)
Transfer to general capital reserve	(21,813)	(42,059)	(47,083)
Transfer to operating reserve	(8,995)	(10,228)	(11,226)
Transfer from operating reserve	7,933	13,241	25,098
Debt principal repayments	(4,448)	(4,509)	(4,348)
Inventory and pre-paid expenses	-	380	1,706
Eliminate amortization and loss/gain	-	27,774	25,188
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (768)</u>	<u>\$ 380</u>	<u>\$ 1,703</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE B

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges:			
User rates	\$ 22,458	\$ 22,283	\$ 20,686
Other fees and charges	436	1,193	1,580
Rent	39	47	48
	<u>22,933</u>	<u>23,523</u>	<u>22,314</u>
EXPENSE			
Abbotsford-Mission supply and transmission	5,614	5,418	5,066
Administration	3,833	3,709	3,470
Local supply and distribution	2,697	3,236	3,159
Meters	716	712	707
Hydrants	461	497	374
Maintenance	127	433	713
	<u>13,448</u>	<u>14,005</u>	<u>13,489</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>9,485</u>	<u>9,518</u>	<u>8,825</u>
Amortization and accretion	-	6,772	6,289
Loss on disposal of tangible capital assets	-	1	-
ANNUAL SURPLUS	<u>9,485</u>	<u>2,745</u>	<u>2,536</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	247	-	-
Transfer to waterworks capital reserve	(9,732)	(9,518)	(8,825)
Eliminate amortization and loss/gain	-	6,773	6,289
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE C

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges:			
User rates	\$ 16,164	\$ 16,333	\$ 14,843
Industrial surcharges	1,142	1,581	1,389
Other fees and charges	991	1,620	1,957
Investment income	88	95	137
	<u>18,385</u>	<u>19,629</u>	<u>18,326</u>
EXPENSE			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	6,621	6,481	6,041
Administration	3,153	3,533	3,266
Maintenance	1,936	1,593	1,779
	<u>11,710</u>	<u>11,607</u>	<u>11,086</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>6,675</u>	<u>8,022</u>	<u>7,240</u>
Amortization and accretion	-	5,458	5,339
ANNUAL SURPLUS	<u>6,675</u>	<u>2,564</u>	<u>1,901</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	183	-	-
Transfer to sanitary sewer capital reserve	(6,858)	(8,022)	(7,240)
Eliminate amortization and loss/gain	-	5,458	5,339
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE D

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 2,349	\$ 2,145	\$ 1,970
Public parking fees	3,392	2,763	2,784
Concessions	1,905	2,062	2,044
Other fees and charges	480	319	353
Rent	1,913	1,952	1,958
Investment income	48	31	39
	<u>10,087</u>	<u>9,272</u>	<u>9,148</u>
EXPENSE			
Administration	2,340	2,090	2,108
Marketing	81	26	28
Terminal building	1,198	1,194	996
Airside	2,340	2,228	2,218
Mobile equipment	281	303	205
Parking	206	155	159
	<u>6,446</u>	<u>5,996</u>	<u>5,714</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>3,641</u>	<u>3,276</u>	<u>3,434</u>
Amortization and accretion	-	2,404	1,730
Loss on disposal of tangible capital assets	-	-	(6)
ANNUAL SURPLUS/(DEFICIT)	<u>3,641</u>	<u>872</u>	<u>1,710</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to airport capital reserve (asset sales)	-	-	(6)
Transfer to airport capital reserve	(3,641)	(3,276)	(3,434)
Eliminate amortization and loss/gain	-	2,404	1,730
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE E

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Municipal taxation	\$ 129,807	\$ 131,359	\$ 123,489
Fees and charges	2,874	6,723	5,512
Licenses and permits	1,555	1,580	1,535
Rent	3,822	4,174	4,423
Investment income	1,980	1,884	2,115
Grants and government transfers	10,532	10,867	10,848
	<u>150,570</u>	<u>156,587</u>	<u>147,922</u>
EXPENSE			
MAYOR & COUNCIL	1,015	903	904
CITY MANAGER'S OFFICE	1,048	524	554
FINANCE & PROCUREMENT			
Corporate administration	483	485	484
Finance	3,941	3,741	3,756
Procurement	1,270	1,345	1,275
LEGAL & LEGISLATIVE SERVICES			
City clerk	1,931	2,229	2,026
Bylaw enforcement	2,256	3,858	2,883
Risk management	2,886	1,490	4,218
Real estate services	898	1,267	1,112
INNOVATION, STRATEGY & INTERGOVERNMENTAL RELATIONS			
ISIR administration	1,010	1,000	991
Corporate communications and marketing	1,543	1,566	1,531
Economic development	839	745	1,257
Human resources	3,136	3,015	2,875
Information technology	8,903	7,693	7,047
Housing services	603	428	387
OTHER			
Provincial emergency response	-	1,311	1,169
Restorative Justice	155	156	150
One-time projects	4,019	2,859	2,548
Transfer to other agencies	1,850	1,898	1,789
Common services	6,127	330	46
Less: Cost recoveries	(4,276)	(4,274)	(3,974)
	<u>39,637</u>	<u>32,569</u>	<u>33,028</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	110,933	124,018	114,894
Amortization and accretion	-	1,268	1,209
ANNUAL SURPLUS	110,933	122,750	113,685
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(19,246)	(37,226)	(34,964)
Transfer to operating reserve	(6,094)	(7,942)	(8,238)
Transfer from operating reserve	4,179	11,267	13,491
Inventory and pre-paid expenses	-	380	1,706
Eliminate amortization and loss/gain	-	1,268	1,209
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 89,772</u>	<u>\$ 90,497</u>	<u>\$ 86,889</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE F

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Licences and permits:			
Business licences	\$ 1,325	\$ 1,725	\$ 1,547
Development permit application fees	180	140	172
Rezoning application fees	245	171	328
Subdivision application fees	115	109	182
Building permits	3,256	4,239	3,885
Other licences and permits	70	64	75
Fees and charges:			
Development fees on engineering projects	27	3	31
Other fees and charges	66	117	99
Grants	2,400	773	375
	<u>7,684</u>	<u>7,341</u>	<u>6,694</u>
EXPENSE			
Development approvals	4,950	4,837	4,515
Licence inspection	120	188	154
Building inspections	4,212	4,218	3,985
One-time projects	2,848	962	439
	<u>12,130</u>	<u>10,205</u>	<u>9,093</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(4,446)</u>	<u>(2,864)</u>	<u>(2,399)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	448	238	292
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (3,998)</u>	<u>\$ (2,626)</u>	<u>\$ (2,107)</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE G

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Municipal taxation	\$ 72,522	\$ 72,522	\$ 66,842
Fees and charges:			
Salary recoveries	270	1,981	1,438
Other revenue	396	527	537
Government grants:			
Traffic fine revenue sharing	2,000	2,000	2,000
Other government grants	620	666	1,077
Rent	41	63	45
	<u>75,849</u>	<u>77,759</u>	<u>71,939</u>
EXPENSE			
EXECUTIVE ADMINISTRATION	1,935	1,933	1,777
ADMINISTRATION DIVISION			
Strategic services	2,223	2,535	2,475
Finance and budgets	868	856	788
Human resources	4,017	4,502	3,949
Support services	13,380	13,460	12,253
Vehicle maintenance	1,476	1,407	1,448
Police building	1,002	1,365	992
OPERATIONS DIVISION			
Criminal investigations	9,140	10,757	11,329
Patrol	23,904	23,146	22,366
Investigations support	7,659	7,209	5,138
Operations support	6,727	6,460	6,616
COMMON SERVICES & SECONDMENT	2,799	3,261	2,987
	<u>75,130</u>	<u>76,891</u>	<u>72,118</u>
ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION	719	868	(179)
Amortization and accretion	-	874	742
(Gain)/loss on disposal of tangible capital assets	-	(41)	9
ANNUAL SURPLUS/(DEFICIT)	<u>719</u>	<u>35</u>	<u>(930)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(77)	(222)
Transfer from operating reserve	301	301	1,188
Transfer to operating reserve	-	(151)	-
Transfer to general capital reserve	(1,020)	(1,020)	(1,010)
Eliminate amortization and loss/gain	-	912	974
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, 2025, with comparative information for 2024 (in thousands)

SCHEDULE H

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges	\$ 153	\$ 214	\$ 212
Licences and permits	10	13	13
Grants	-	-	19
Emergency services recovery	52	119	87
	<u>215</u>	<u>346</u>	<u>331</u>
EXPENSE			
ABBOTSFORD FIRE RESCUE SERVICES			
Administration	2,203	2,368	2,759
Fire prevention and inspection	1,201	997	1,205
Emergency response	24,487	26,672	25,559
Fire halls and ground maintenance	887	977	883
EMERGENCY SERVICES			
Search and rescue	82	65	92
City emergency response	171	167	215
One-time projects	175	-	-
	<u>29,206</u>	<u>31,246</u>	<u>30,713</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(28,991)</u>	<u>(30,900)</u>	<u>(30,382)</u>
Amortization and accretion	-	1,168	1,019
(Gain) on disposal of tangible capital assets	-	(5)	(12)
ANNUAL (DEFICIT)	<u>(28,991)</u>	<u>(32,063)</u>	<u>(31,389)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(25)	(12)
Transfer from operating reserve	159	17	-
Transfer to operating reserve	-	(50)	-
Eliminate amortization and loss/gain	-	1,189	1,019
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (28,832)</u>	<u>\$ (30,932)</u>	<u>\$ (30,382)</u>



Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Parks, Recreation & Culture Services

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE I

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
FEES AND CHARGES			
Recreation	\$ 5,707	\$ 6,417	\$ 6,220
Parks	902	1,055	1,030
Cemeteries	626	871	851
Recoveries and other	870	977	822
GRANTS AND GOVERNMENT TRANSFERS	41	101	64
	<u>8,146</u>	<u>9,421</u>	<u>8,987</u>
EXPENSE			
ADMINISTRATION	2,827	2,956	1,876
PARKS			
Park operations	11,696	12,952	12,357
Parks planning	734	666	642
RECREATION			
Recreation services	7,932	8,789	8,524
Facility maintenance	6,603	5,945	5,904
CULTURE	1,729	1,639	1,523
CEMETERIES	773	874	830
ONE-TIME PROJECTS	438	164	103
LONG-TERM DEBT INTEREST	583	613	683
	<u>33,315</u>	<u>34,598</u>	<u>32,442</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	<u>(25,169)</u>	<u>(25,177)</u>	<u>(23,455)</u>
Amortization and accretion	-	3,068	2,959
Loss on disposal of tangible capital assets	-	(1)	-
ANNUAL (DEFICIT)	<u>(25,169)</u>	<u>(28,244)</u>	<u>(26,414)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(1,925)	(1,944)	(1,874)
Transfer to cemetery capital reserve	(160)	-	(27)
Transfer to operating reserve	-	(8)	(50)
Transfer from operating reserve	588	319	138
Eliminate amortization and loss/gain	-	3,068	2,959
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (26,666)</u>	<u>\$ (26,809)</u>	<u>\$ (25,268)</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE J

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges	\$ 50	\$ 12	\$ 11
	50	12	11
EXPENSE			
Operations	1,496	1,304	1,415
Long-term debt interest	1,548	1,586	1,678
	3,044	2,890	3,093
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(2,994)	(2,878)	(3,082)
Amortization and accretion	-	793	818
ANNUAL (DEFICIT)	(2,994)	(3,671)	(3,900)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Debt principal repayments	(2,523)	(2,565)	(2,473)
Eliminate amortization and loss/gain	-	793	818
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,517)	\$ (5,443)	\$ (5,555)



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE K

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Municipal tax	\$ 6,050	\$ 6,050	\$ 5,686
Fees and charges	-	13	-
	<u>6,050</u>	<u>6,063</u>	<u>5,686</u>
EXPENSE			
Transfer to Fraser Valley Regional Library	5,307	5,306	5,103
Operating costs	443	416	463
	<u>5,750</u>	<u>5,722</u>	<u>5,566</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	300	341	120
Amortization and accretion	-	147	145
Loss on disposal of tangible capital assets	-	17	-
ANNUAL SURPLUS	<u>300</u>	<u>177</u>	<u>(25)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve	(300)	(341)	(120)
Eliminate amortization and loss/gain	-	164	145
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE L

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Grants and government transfers	\$ 8,643	\$ 8,378	\$ 7,853
Fares	3,330	2,978	2,833
BC bus pass program	650	775	737
Advertising and other	241	1,462	596
	12,864	13,593	12,019
EXPENSE			
Transfer to BC Transit	19,211	18,461	17,154
Other	196	1,307	473
	19,407	19,768	17,627
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(6,543)	(6,175)	(5,608)
Amortization and accretion	-	12	12
ANNUAL (DEFICIT)	(6,543)	(6,187)	(5,620)
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer from operating reserve	628	260	150
Eliminate amortization and loss/gain	-	12	12
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (5,915)	\$ (5,915)	\$ (5,458)



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE M

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges:			
Recoveries	\$ 222	\$ 895	\$ 626
Parking lot tickets	-	100	27
Other	1,079	1,609	1,530
Licenses and permits:			
Soil removal fees	3,100	3,015	3,213
Other	3	6	11
Grants	3,328	118	1,509
	<u>7,732</u>	<u>5,743</u>	<u>6,916</u>
EXPENSE			
ADMINISTRATION	3,384	3,528	3,342
ENGINEERING	4,754	4,175	3,717
TRANSPORTATION			
Services	4,266	3,690	3,815
Operations - roads	7,660	9,740	9,097
EQUIPMENT FLEET			
Operations	5,374	5,504	5,225
Internal recoveries	(7,526)	(8,546)	(8,247)
ONE-TIME PROJECTS	3,322	181	118
MUNICIPAL BUILDINGS	3,602	3,289	3,116
LESS: COST RECOVERIES	(502)	(502)	(366)
	<u>24,334</u>	<u>21,059</u>	<u>19,817</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(16,602)	(15,316)	(12,901)
Amortization and accretion	-	14,971	12,824
(Gain) on disposal of tangible capital assets	-	(156)	(833)
ANNUAL (DEFICIT)	<u>(16,602)</u>	<u>(30,131)</u>	<u>(24,892)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to general capital reserve (asset sales)	-	(252)	(956)
Transfer to general capital reserve	(2,152)	(3,096)	(3,022)
Transfer to operating reserve	-	(187)	(1,696)
Transfer from operating reserve	801	607	1,614
Eliminate amortization and loss/gain	-	15,067	12,947
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (17,953)</u>	<u>\$ (17,992)</u>	<u>\$ (16,005)</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE N

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 10,785	\$ 11,196	\$ 9,355
Recycling, compost and yard waste fees	1,104	1,421	1,118
Recoveries & other	30	177	37
	<u>11,919</u>	<u>12,794</u>	<u>10,510</u>
EXPENSE			
Planning, design and management	1,416	1,519	1,419
Collection	4,942	4,690	3,859
Disposal	4,935	4,855	4,386
	<u>11,293</u>	<u>11,064</u>	<u>9,664</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	<u>626</u>	<u>1,730</u>	<u>846</u>
Amortization and accretion	-	642	387
ANNUAL SURPLUS	<u>626</u>	<u>1,088</u>	<u>459</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	(626)	(1,568)	(920)
Eliminate amortization and loss/gain	-	480	461
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE O

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Urban storm drainage user fees	\$ 4,325	\$ 4,326	\$ 4,083
Other	32	1	1
Grants	-	500	-
	<u>4,357</u>	<u>4,827</u>	<u>4,084</u>
EXPENSE			
Urban storm sewers and detention	3,116	3,135	2,667
Urban watercourses	173	168	152
Urban one-time projects	492	-	-
Rural drainage	474	398	408
	<u>4,255</u>	<u>3,701</u>	<u>3,227</u>
ANNUAL SURPLUS BEFORE AMORTIZATION	102	1,126	857
Amortization and accretion	-	4,123	3,941
ANNUAL SURPLUS/(DEFICIT)	<u>102</u>	<u>(2,997)</u>	<u>(3,084)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS			
Transfer to operating reserve	-	(283)	(354)
Transfer from operating reserve	514	463	211
Transfer to general capital reserve	-	(730)	(79)
Transfer for contribution from urban storm drainage-Matsqui Prairie	(616)	(501)	(592)
Transfer for contribution from urban storm drainage-Sumas Prairie	(474)	(474)	(451)
Eliminate amortization and loss/gain	-	4,123	3,941
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (474)</u>	<u>\$ (399)</u>	<u>\$ (408)</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE P

	2025 Plan	2025 Actual	2024 Actual	2025 Plan	2025 Actual	2024 Actual
	Matsqui Prairie			Sumas Prairie		
REVENUE						
General tax levy	\$ 807	\$ 829	\$ 758	\$ 1,444	\$ 1,447	\$ 1,382
Other revenue	16	-	-	243	173	351
	<u>823</u>	<u>829</u>	<u>758</u>	<u>1,687</u>	<u>1,620</u>	<u>1,733</u>
EXPENSE						
Diking	73	50	57	97	97	86
Drainage	763	699	643	817	862	925
Storm	255	258	312	-	-	-
Irrigation	148	141	146	165	157	150
Administration	208	199	179	296	279	250
Pump stations	-	-	-	1,053	750	967
Recoverable work	8	-	-	8	16	-
	<u>1,455</u>	<u>1,347</u>	<u>1,337</u>	<u>2,436</u>	<u>2,161</u>	<u>2,378</u>
ANNUAL (DEFICIT) BEFORE AMORTIZATION	(632)	(518)	(579)	(749)	(541)	(645)
Amortization and accretion	-	187	193	-	510	510
ANNUAL (DEFICIT)	<u>(632)</u>	<u>(705)</u>	<u>(772)</u>	<u>(749)</u>	<u>(1,051)</u>	<u>(1,155)</u>
RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS						
General capital reserve	-	-	-	(24)	(24)	(24)
Transfer to operating reserve	-	-	(13)	-	(40)	-
Transfer from operating reserve	16	17	-	299	131	218
Eliminate amortization and loss/gain	-	187	193	-	510	510
Contribution from urban storm drainage	616	501	592	474	474	451
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE Q

	2025		Sanitary			2025	2024
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
REVENUE							
Fees and charges	\$ 3,000	\$ 7,137	\$ -	\$ (49)	\$ -	\$ 7,088	\$ 12,284
Developer charges earned	28,381	5,644	304	128	-	6,076	7,044
Contributed Tangible Capital Assets	-	8,305	616	225	-	9,146	26,463
Grants and government transfers	127,522	15,241	3	354	41	15,639	24,048
	<u>158,903</u>	<u>36,327</u>	<u>923</u>	<u>658</u>	<u>41</u>	<u>37,949</u>	<u>69,839</u>
EXPENSE							
Minor capital projects							
General government	1,139	1,334	-	-	-	1,334	109
Fire services	-	38	-	-	-	38	16
Park services	1,031	910	-	-	-	910	712
Recreation services	-	204	-	-	-	204	53
Transportation services	5,825	2,753	-	-	-	2,753	33,273
Flood event	7,487	5,570	-	-	-	5,570	8,942
Equipment fleet services	11	(16)	-	-	-	(16)	74
Solid waste services	84	4	-	-	-	4	3
Storm drainage services	158	726	-	-	-	726	832
Diking, drainage & irrigation	9,200	211	-	-	-	211	72
Waterworks	1,785	-	373	-	-	373	1,602
Sanitary sewer	2,706	-	-	735	-	735	(627)
Airport	-	-	-	-	-	-	71
	<u>29,426</u>	<u>11,734</u>	<u>373</u>	<u>735</u>	<u>-</u>	<u>12,842</u>	<u>45,132</u>
ANNUAL SURPLUS	<u>129,477</u>	<u>24,593</u>	<u>550</u>	<u>(77)</u>	<u>41</u>	<u>25,107</u>	<u>24,707</u>
RECONCILE TO CHANGE IN CAPITAL EQUITY							
General capital reserve	23,445	54,961	(871)	-	-	54,090	56,850
Storm drainage reserve	2,319	2,535	-	-	-	2,535	1,233
Waterworks capital reserve	12,336	-	7,723	-	-	7,723	13,088
Sanitary sewer capital reserve	12,390	-	-	5,438	-	5,438	3,130
Airport capital reserve	6,717	-	-	-	2,568	2,568	1,403
Tangible capital assets	-	(27,774)	(6,773)	(5,458)	(2,403)	(42,408)	(38,546)
Debt principal repayment	4,448	4,509	-	-	-	4,509	4,348
CHANGE IN CAPITAL EQUITY	<u>\$ 191,132</u>	<u>\$ 58,824</u>	<u>\$ 629</u>	<u>\$ (97)</u>	<u>\$ 206</u>	<u>\$ 59,562</u>	<u>\$ 66,213</u>



See notes to Consolidated Financial Statements.

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

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

SCHEDULE R

	2025 Plan	2025 Actual	2024 Actual
REVENUE			
Investment income	\$ 18,104	\$ 18,774	\$ 21,816
	<u>18,104</u>	<u>18,774</u>	<u>21,816</u>
ANNUAL SURPLUS	18,104	18,774	21,816
RECONCILE TO CHANGE IN APPROPRIATED SURPLUS			
Operating reserve	(41,602)	(2,290)	(13,872)
General capital reserve	(81,640)	(4,028)	(18,592)
Storm drainage reserve	(19,251)	(1,805)	8,346
Waterworks capital reserve	(25,255)	3,425	(3,861)
Sanitary sewer capital reserve	(36,467)	2,632	4,110
Airport capital reserve	(19,918)	708	2,075
Property acquisition reserve	-	(10,781)	-
Change in inventory/pre-paid expenses	-	(380)	(1,706)
CHANGE IN APPROPRIATED SURPLUS	<u>\$ (206,029)</u>	<u>\$ 6,255</u>	<u>\$ (1,684)</u>



Cemetery Care Trust Fund



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Abbotsford

Opinion

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

- the statement of financial position as at December 31, 2025
- 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 Fund as at December 31, 2025, and its results of 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 for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Fund 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.

Cemetery Care Trust Fund

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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.

- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Cemetery Care Trust Fund

- 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Fund 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.

Handwritten signature of KPMG LLP in black ink, with a horizontal line underneath.

Chartered Professional Accountants

Chilliwack, Canada

April 28, 2026

Cemetery Care Trust Fund - Statement of Financial Position

For the Year Ended December 31, 2025, with comparative information for 2024 (in thousands)

	2025	2024
	Actual	Actual
FINANCIAL ASSETS		
Portfolio investments	\$ 4,720	\$ 4,614
Accounts receivable	246	199
NET FINANCIAL ASSETS	<u>4,966</u>	<u>4,813</u>
ACCUMULATED SURPLUS		
Balance, beginning of year	4,813	4,682
Contributions	152	131
Investment earnings	215	245
Transfer to general operating fund	(214)	(245)
Balance, end of year	<u>\$ 4,966</u>	<u>\$ 4,813</u>



Cemetery Care Trust Fund - Notes to the Financial Statements

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.

3. Investments:

Investments for 2025 are comprised of corporate and government investments.

(in thousands)	2025		2024	
	Cost	Market	Cost	Market
Portfolio Investments	\$4,720	\$4,891	\$4,614	4,682
	Short-Term		Long-Term	
Duration	0 – 2 Years		2 - 15 Years	
Average Holdings	\$2,841		\$1,698	
Annual Yield	4.30%		2.70%	

Cemetery Care Trust Fund - Notes to the Financial Statements

4. Statement of Financial Activities:

5. In 2002, the Cemetery Care Trust Fund began expending funds on the perpetual care and maintenance of the City's cemeteries. In 2025, \$214,118 (2024 - \$245,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2025, 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.