



CITY OF ABBOTSFORD
British Columbia

2010

CONSOLIDATED
FINANCIAL STATEMENTS

Fiscal Year Ending December 31, 2010

Prepared by Corporate Services Finance Division



CITY OF ABBOTSFORD

Consolidated Financial Statements for the Year Ended December 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the City of Abbotsford

We have audited the accompanying consolidated financial statements of the City of Abbotsford which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2010, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matters

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

KPMG LLP

Chartered Accountants

April 18, 2011

Abbotsford, British Columbia

CITY OF ABBOTSFORD

Consolidated Statement of Financial Position

As at December 31, 2010, with comparative figures as at December 31, 2009

In thousands

	2010	2009
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 50,637	\$ 84,346
Accounts receivable (Note 3)	67,359	41,170
Portfolio investments (Note 4)	92,486	87,634
	<u>210,482</u>	<u>213,150</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	77,873	60,782
Restricted revenue (Note 6)	32,231	39,765
Deferred revenue (Note 7)	14,162	9,726
	<u>124,266</u>	<u>110,273</u>
Long-term debt (Note 8)	96,598	100,802
	<u>220,864</u>	<u>211,075</u>
NET FINANCIAL ASSETS (DEBT)	<u>(10,382)</u>	<u>2,075</u>
NON-FINANCIAL ASSETS		
Net tangible capital assets (Note 10)	1,392,005	1,341,981
Inventories	1,242	1,432
Pre-paids	2,736	1,400
	<u>1,395,983</u>	<u>1,344,813</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 1,385,601</u>	<u>\$ 1,346,888</u>

George W. Peary, Mayor

Pat Soanes, CMA, General Manager

Finance & Corporate Services

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Consolidated Statement of Operations

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

	2010	2010	2009
	Plan	Actual	Actual
	(see Note 17)		
REVENUE			
Municipal taxation	\$ 110,927	\$ 111,206	\$ 104,375
Fees, charges, sales of services	69,791	71,183	64,211
Developer charges earned	43,501	16,857	20,652
Developer contributions	-	8,249	23,118
Government grants	66,755	44,671	14,560
Interest and penalties	3,380	4,654	4,969
Rent	3,400	3,422	3,284
Other	24,639	562	2,022
	<u>322,393</u>	<u>260,804</u>	<u>237,191</u>
EXPENSE			
General government	14,716	14,654	14,301
Development services	3,527	3,484	3,314
Protective services	59,013	60,834	56,409
Parks, recreation, culture & libraries	35,488	38,671	35,342
Transit	8,077	8,067	7,191
Engineering	32,105	65,418	35,498
Dyking, drainage & irrigation	3,327	3,110	3,322
Waterworks	12,538	12,198	12,084
Sanitary sewer	10,921	9,925	10,383
Airport	6,174	5,730	5,566
	<u>185,886</u>	<u>222,091</u>	<u>183,410</u>
ANNUAL SURPLUS	<u>136,507</u>	<u>38,713</u>	<u>53,781</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,346,888</u>	<u>1,346,888</u>	<u>1,293,107</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,483,395</u>	<u>\$ 1,385,601</u>	<u>\$ 1,346,888</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD
Consolidated Statement of Cash Flows

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010	2009
OPERATING ACTIVITIES		
Annual surplus	\$ 38,713	\$ 53,781
Non-cash items included in annual surplus:		
Amortization expense	36,104	32,867
Contributed tangible capital assets	(8,249)	(23,118)
Net loss on disposal of tangible capital assets	497	2,387
Recognition of restricted revenue	(18,714)	(22,878)
Change in non-cash operating items:		
(Increase) / decrease in accounts receivable	(26,189)	5,382
Decrease in inventories	190	50
Increase in pre-paids	(1,336)	(924)
Increase / (decrease) in accounts payable, deposits and accruals	17,091	(1,576)
Increase in deferred revenue	4,436	2,836
	<u>42,543</u>	<u>48,807</u>
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	1,659	816
Acquisition of tangible capital assets	(80,035)	(72,122)
	<u>(78,376)</u>	<u>(71,306)</u>
INVESTING ACTIVITY		
(Increase)/Decrease in portfolio investments	(4,852)	3,559
FINANCING ACTIVITIES		
Collection of and interest on restricted revenue	11,180	6,886
Debt principal repaid	(4,204)	(4,068)
	<u>6,976</u>	<u>2,818</u>
DECREASE IN CASH AND EQUIVALENTS	<u>(33,709)</u>	<u>(16,122)</u>
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>84,346</u>	<u>100,468</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 50,637</u>	<u>\$ 84,346</u>

See notes to consolidated financial statements.

CITY OF ABBOTSFORD

Consolidated Statement of Change in Net Financial Assets (Debt)

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010 Plan (see Note 17)	2010 Actual	2009 Actual
ANNUAL SURPLUS	\$ 136,507	\$ 38,713	\$ 53,781
TANGIBLE CAPITAL ASSETS:			
Acquisition of tangible capital assets	(233,381)	(80,035)	(72,121)
Contributed tangible capital assets	-	(8,249)	(23,118)
Amortization	36,104	36,104	32,867
Proceeds from disposal of tangible capital assets	-	1,659	816
Net loss on disposal of tangible capital assets	-	497	2,387
	<u>(197,277)</u>	<u>(50,024)</u>	<u>(59,169)</u>
OTHER NON-FINANCIAL ASSETS:			
Decrease in inventory	-	190	50
Increase in pre-pays	-	(1,336)	(924)
	<u>-</u>	<u>(1,146)</u>	<u>(874)</u>
DECREASE IN NET FINANCIAL ASSETS	<u>(60,770)</u>	<u>(12,457)</u>	<u>(6,262)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,075	2,075	8,337
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (58,695)</u>	<u>\$ (10,382)</u>	<u>\$ 2,075</u>

See notes to consolidated financial statements.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

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

1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Principles of Consolidation:

With the exception of the Cemetery Care Trust Fund, the Consolidated Financial Statements include all of the funds of the City and of Ledgeview Properties Ltd., the City's wholly-owned company. Except for water and sewer user fees, inter-fund transactions, fund balances, and activities have been eliminated on consolidation. The funds of the City include General, Water, Sewer, Airport, Operating, Capital, and Reserve Funds. The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The regional water and sewer utilities, whose ownership transferred from the Fraser Valley Regional District (FVRD) jointly to the City of Abbotsford and District of Mission on January 1, 2005, are consolidated in the City's financial statements, with the District of Mission's minority interest removed.

(b) Fund Accounting:

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

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

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

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

(c) Financial Plan:

The Community Charter requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2010 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on January 25, 2010, with the exception of adjustments detailed in Note 17 to the Consolidated Statements, and is not subject to audit.

(d) Cash and Cash Equivalents:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

(e) Portfolio Investments:

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

(f) Non-Financial Assets:

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

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

(i) Tangible Capital Assets

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

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

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

(ii) Inventories

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

(g) Accrued Liabilities:

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

(h) Financial Instruments:

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

(i) Revenue Recognition:

Sources of revenue are recorded on the accrual basis and recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue.

(j) Expense Recognition:

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

(k) Government Transfers:

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

(l) Use of Estimates:

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

2. CASH AND CASH EQUIVALENTS: (in thousands)

	2010	2009
Cash	\$33,383	\$13,419
MFA short-term investments	17,254	70,927
	\$50,637	\$84,346



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

3. ACCOUNTS RECEIVABLE: (in thousands)	2010	2009
Fees and charges	\$26,550	\$23,458
Taxes	7,486	6,716
Government grants	28,470	2,749
Development cost charges	3,504	6,991
Local improvement charges	1,349	1,256
	<u>\$67,359</u>	<u>\$41,170</u>

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

4. PORTFOLIO INVESTMENTS:

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

(in thousands)	2010		2009	
	Cost	Market	Cost	Market
Portfolio investments	\$92,486	\$94,495	\$87,634	\$90,064
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Duration	1 year or less	2-10 years	1 year or less	2-10 years
Average holdings	\$32,186	\$39,448	\$43,660	\$44,767
Annual yield	2.08%	5.31%	2.72%	5.29%

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts Payable: (in thousands)	2010	2009
Trade payables	\$37,010	\$25,484
Deposits	9,405	7,514
Tax prepayments	12,351	11,644
Salaries and wages	5,778	4,754
Due to Cemetery Care Trust Fund	695	240
Accrued liabilities:		
Retirement allowance liability	5,815	5,365
Liability claims	4,941	4,291
Vacation pay	881	809
Landfill restoration liability	997	681
	<u>\$77,873</u>	<u>\$60,782</u>

Retirement Allowance Liability:

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

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

In 2010, an independent actuarial valuation of the retirement liability was performed. The actuarial valuation for these benefits was performed to determine the City's benefit obligation as at December 31, 2010. The difference between the actuarially determined benefit obligation of \$6,923,217 and the accrued benefit liability of \$5,815,414 as at December 31, 2010, is an unamortized actuarial loss of \$1,107,803. The actuarial loss will be amortized over a period equal to the employees' average remaining service lifetime.

(in thousands)	2010	2009
Actuarial benefit obligation	\$ 6,923	\$ 5,365
Unamortized actuarial (loss)	(1,108)	-
Accrued benefit liability	\$ 5,815	\$ 5,365
Accrued benefit liability (in thousands)	2010	2009
Balance, beginning of year	\$5,365	\$5,133
Current service cost	599	650
Interest cost	244	231
Benefits paid	(393)	(649)
Balance, end of year	\$5,815	\$5,365
Actuarial Assumptions used to determine the benefit obligation:		
	2010	2009
Discount rate	4.3%	4.5%
Expected wage and salary increase– Fire & Police	3.5%	3.5%
Expected wage and salary increase – all departments	3.0%	3.0%

Landfill Restoration Liability:

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

The Valley Road and Trethewey Street Landfill sites are expected to require care up to, and including, the year 2023, with further care dependent on the conditions at that time. Future closure implementation costs will be determined by independent closure plans.

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

A liability of \$997,000, at December 31, 2010 (2009 - \$681,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2010 was 4.5% (2009 – 4.5%) and the inflation rate used in 2010 was 2% (2009 - 2.5%). Landfill restoration costs in 2010 were \$199,961 (2009 - \$34,480). There are no assets designated for settling the post-closure care liability.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

	2010	2009
Restoration liability, beginning of year	\$ 681	\$ 564
Adjust liability	316	117
Restoration liability, end of year	\$ 997	\$ 681

6. RESTRICTED REVENUE LIABILITY:

(in thousands)	Development Cost Charges	Development Fees	Airport Fees	2010 Total	2009 Total
Balance December 31, 2009	\$26,019	\$13,204	\$ 542	\$39,765	\$55,758
Add:					
Current year contributions	7,261	1,051	2,242	10,554	5,912
Interest	343	270	13	626	973
	<u>33,623</u>	<u>14,525</u>	<u>2,797</u>	<u>50,945</u>	<u>62,643</u>
Deduct amounts recognized as revenue in current year					
Contributions from developers:					
- Capital expenditures	16,157	483	-	16,640	20,602
Airport fees:					
- Eligible airport expenditures	-	-	2,074	2,074	2,276
	<u>16,157</u>	<u>483</u>	<u>2,074</u>	<u>18,714</u>	<u>22,878</u>
Balance, December 31, 2010	<u>\$ 17,466</u>	<u>\$14,042</u>	<u>\$ 723</u>	<u>\$32,231</u>	<u>\$39,765</u>

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

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

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City of Abbotsford for the remaining amount of DCCs owing. As at December 31, 2010, the amount of DCCs due over the next two years is \$3,504,098 (2009 - \$6,991,000).

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

Development Cost Charge Liability: (in thousands)	2010	2009
Roads	\$ -	\$ 6,285
Storm sewer	10,960	10,720
Parks	620	579
Waterworks	-	312
Joint Abbotsford/Mission waterworks (Abbotsford portion)	1,904	3,190
Sanitary sewer	2,372	3,028
Joint Abbotsford/Mission sanitary sewer (Abbotsford)	1,610	1,905
	<u>\$17,466</u>	<u>\$26,019</u>

7. DEFERRED REVENUE: (in thousands)

	2010	2009
Fees and charges	\$ 4,240	\$1,375
Provincial government grants	9,922	8,351
	<u>\$14,162</u>	<u>\$9,726</u>

8. LONG-TERM DEBT:

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

(in thousands)	General	Water	Joint Water	Joint Sewer	TOTAL
2011	\$ 3,047	\$ 70	\$ 725	\$ 524	\$ 4,366
2012	3,173	57	759	549	4,538
2013	3,305	-	795	575	4,675
2014	2,889	-	631	602	4,122
2015	3,005	-	662	630	4,297
2016 and thereafter	64,945	-	6,345	3,310	74,600
	<u>\$80,364</u>	<u>\$ 127</u>	<u>\$9,917</u>	<u>\$6,190</u>	<u>\$96,598</u>

Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Supplementary Information, Exhibit 5). The City's interest expense on long-term debt totaled \$5,155,167 in 2010 (2009 - \$5,484,834).

9. INTERNAL BORROWING

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

In 2010, internal borrowing was provided for two road interchange projects which will subsequently be funded through the Roads DCC Program and one project through the Water DCC Program. The internal borrowing enabled the City to take advantage of significant Federal and Provincial Stimulus Grant funds.



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements For the Year Ended December 31, 2010

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

(in thousands)

	2010	2009
Road DCC projects	\$14,874	\$ -
Water DCC project	465	-
Airport land acquisition	5,000	-
	\$20,339	\$ -

10. TANGIBLE CAPITAL ASSETS:

(in thousands)

Tangible Capital Assets consist of the following:

	2010	2009
General		
Land	\$ 369,256	\$ 354,281
Land Improvements	7,818	7,846
Park Improvements	20,582	19,094
Buildings	134,292	135,738
Machinery & Equipment	15,308	15,403
Vehicles	12,276	13,797
Infrastructure		
Airport	5,897	6,191
Water	190,882	180,000
Sewer	142,466	143,633
Transportation	228,296	230,554
Storm Sewer and Detention	181,623	183,814
Dyking, Drainage & Irrigation	23,152	23,752
Assets Under Construction	60,157	27,878
	\$1,392,005	\$1,341,981

See Exhibit 3 for continuity of Tangible Capital Assets.

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements is \$8,249,000 (2009 – \$23,118,000).

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

During the year, the City determined that certain tangible capital assets had been omitted from its 2009 asset registers.

The consolidated statement of financial position for the 2009 comparative period has been recasted for these items. The effects of the recast on the consolidated statement of financial position are summarized below:



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

(in thousands)	2009
Accumulated surplus at December 31, 2009	
Accumulated surplus as previously reported	\$ 1,344,735
Net book value of tangible capital assets not previously reported	2,153
Accumulated surplus, as recasted	\$ 1,346,888
Tangible capital assets at December 31, 2009	
Tangible capital assets as previously reported	\$ 1,339,828
Net book value of tangible capital assets not previously reported	2,153
Tangible capital assets, as recasted	\$ 1,341,981

11. ACCUMULATED SURPLUS

(in thousands)	2010	2009
Unappropriated Balance		
General operations	\$ 8,280	\$ 8,048
Waterworks operations	940	1,095
Sanitary sewer operations	4,601	4,252
Airport operations	1,176	1,176
	14,997	14,571
Appropriated Surplus		
General operations reserve	9,210	8,622
Statutory capital reserves	82,348	79,684
	91,558	88,306
Investment in Tangible Capital Assets	1,275,068	1,241,179
Investment in Other Non-Financial Assets	3,978	2,832
Total Accumulated Surplus	\$1,385,601	\$1,346,888

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

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

12. SUPPLEMENTAL CASH FLOW INFORMATION:

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

(in thousands)	2010	2009
Interest paid	\$5,255	\$5,647
Interest received	\$3,643	\$3,695

13. EXPENSE BY OBJECT:

(in thousands)	2010	2009
Salaries and benefits	\$ 82,886	\$ 78,191
Operating goods and services	51,287	46,074
Minor capital projects	9,033	7,687
Infrastructure projects	26,304	835
Amortization expense	36,104	32,867
Net loss on sale of tangible capital assets	497	2,387
Transfer payments to other governments and agencies	10,824	9,884
Debt interest payments	5,156	5,485
Total Expense by Object	\$222,091	\$183,410

14. CONTINGENT LIABILITIES:

(a) Fraser Valley Regional District (FVRD):

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

(b) Third party claims:

The City is involved in certain legal actions. Although the actual outcome of these claims is currently indeterminable, in 2010 the City reports a liability of \$4,941,000 (2009 – \$4,291,000) which, at this time, is management’s best estimate of expected future settlements.

(c) Municipal Pension Plan:

The City of Abbotsford and its employees contribute to the Municipal Pension Plan (the “Plan”), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Abbotsford paid \$6,361,583 (2009 - \$6,066,604) for employer contributions while employees contributed \$4,960,462 (2009 - \$4,757,833) to the plan in fiscal 2010.

(d) Municipal Finance Authority:

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

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

The City has a cash receivable with the Authority, from the one percent paid to the Debt Reserve Fund, totaling \$1,510,282 (2009 - \$1,462,764). The balance of the City's portion of the Debt Reserve Fund totals \$3,570,489 (2009 - \$3,570,489), for which the City has also executed demand notes in connection with each debenture totaling \$3,570,489 (2009 - \$3,570,489), whereby the City may be required to loan extra amounts to the Authority.

(e) Reciprocal insurance exchange agreement:

The City is a member of the Municipal Insurance Association (MIA), which operates under a reciprocal insurance exchange agreement. The main purposes of the exchange agreement are: (1) to pool the risk of third party liability claims against member municipalities (approximately 150) in order to allow for stable financial planning related to those liability claims; and (2) to engage in broad risk management strategies to reduce accidents or occurrences that may result in liability claims against the City. The City is assessed an annual premium by MIA based on factors such as population, administrative costs, premium tax, and re-insurance costs. MIA is subject to financial oversight by the Provincial Government.

(f) Abbotsford International Airport:

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

the City ceases to operate the airport, the property and equipment will transfer back to Transport Canada for proceeds of ten dollars.

(g) Abbotsford Heat:

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

(h) Agricultural Land Commission:

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

15. WATER AND SEWER FUNDS:

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

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

16. CONTRACTUAL OBLIGATIONS:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

(in thousands) <u>Nature</u>	<u>Extent of Contracts</u>	<u>Estimated Remaining Expenditure</u>
Airport construction	\$25,095	\$ 2,440
Road construction	\$44,896	\$12,430
Sewer construction	\$ 4,927	\$ 1,741
Storm Drainage construction	\$ 1,719	\$ 833
Water construction	\$18,550	\$ 9,383

17. 2010 PLAN:

The planned (budget) amounts presented throughout these financial statements are based upon the Five-Year Financial Plan adopted by Council on January 25, 2010, except in regard to budget amounts for amortization, and referred to as the “tangible capital asset-related budgets”.

The City has adopted the accrual method of accounting for tangible capital assets. At the time of budget preparation, the tangible capital asset-related budgets could not reasonably be budgeted, as the City was in the process of completing its tangible capital asset inventory and valuation.

The budget amortization amounts presented throughout these Financial Statements for the tangible capital asset-related budgets are the actual values determined for the year ended December 31, 2010.

The table below shows the adjustments to the January 25, 2010 Financial Plan adopted by Council after adjusting the financial plan values by the actual amortization that were not included in the approved 2010 Financial Plan.

	2010 Financial Plan, Council Adopted	Tangible Capital Asset-Related Adjustments	2010 Financial Plan Restated as shown in the Financial Statements
Statement of Operations			
Revenues	\$ 322,393	\$ -	\$ 322,393
Expenses	(149,782)	(36,104)	(185,886)
Surplus	\$ 172,611	\$ (36,104)	\$ 136,507
Statement of Changes in Net Financial Assets			
Surplus	\$ 172,611	\$ (36,104)	\$ 136,507
TCA Acquired	(233,381)	-	(233,381)
Amortization	-	36,104	36,104
	(60,770)	-	(60,770)
Opening Surplus	2,075	-	2,075
Closing Deficit	\$ (58,695)	\$ -	\$ (58,695)



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

In addition, due to departmental re-organization within the City, certain comparative figures have been reclassified in 2010 to conform to the new financial presentation.

18. CEMETERY CARE TRUST FUND:

The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The City administers the Cemetery Care Trust Fund for the perpetual care and maintenance of City-owned cemeteries. As at December 31, 2010, the trust fund balance is \$3,073,000 (2009 - \$2,955,000).

19. CITY SERVICES FINANCIAL INFORMATION:

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

General Government Services

Includes:

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

Police Protection

Includes:

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

Fire Rescue Service & Other

Includes:

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

Parks, Recreation & Culture

Includes:

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



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

Engineering

Includes:

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

Solid Waste

Includes:

- Collection and disposal
- Composting and recycling
- Environmental education

Dyking & Irrigation

Includes:

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

Sewer

Includes:

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

Economic Development/Development Services

Includes:

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

Transit

Includes:

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

Drainage

Includes:

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

Water

Includes:

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

Airport

Includes:

- National and international flights
- Passenger and cargo services



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

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

(in thousands)	2010 Plan	2010 Actual	2009 Actual
REVENUE			
GENERAL OPERATING FUND			
General Government	\$ 73,256	\$ 75,208	\$ 73,151
Development Services	1,844	1,932	1,372
Police	40,634	42,540	40,491
Fire	178	174	185
Other Protective Services	3,630	3,837	3,312
Parks, Recreation and Culture	5,590	6,505	6,018
Entertainment & Sports Centre	2,440	2,465	2,843
Library	3,726	3,713	3,266
Transit	5,694	5,694	5,118
Engineering	2,168	3,047	1,846
Solid waste	5,574	7,922	4,822
Storm Drainage	3,347	3,344	3,099
Dyking & Irrigation	1,927	1,905	1,916
	150,008	158,286	147,439
WATER OPERATING FUND	17,228	14,896	15,853
SEWER OPERATING FUND	12,457	13,258	11,300
AIRPORT OPERATING FUND	5,474	5,508	5,469
CAPITAL FUNDS	135,265	66,701	54,832
RESERVE FUNDS	1,961	2,155	2,388
	322,393	260,804	237,281
CONSOLIDATION ADJUSTMENTS	-	-	(90)
	322,393	260,804	237,191



CITY OF ABBOTSFORD

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

(in thousands)

	2010 Plan	2010 Actual	2009 Actual
EXPENSE			
GENERAL OPERATING FUND			
General Government	14,716	14,646	13,595
Development Services	3,527	3,484	3,318
Police	41,177	42,365	38,781
Fire	14,250	14,403	13,405
Other Protective Services	3,586	3,575	3,712
Parks, Recreation and Culture	22,389	23,629	21,638
Entertainment & Sports Centre	9,744	11,293	9,716
Library	3,355	3,345	3,301
Transit	8,077	8,067	7,191
Engineering	22,246	20,340	21,111
Solid waste	5,588	7,066	4,657
Storm Drainage	4,371	4,812	4,865
Dyking & Irrigation	3,327	3,110	3,322
	156,353	160,135	148,612
WATER OPERATING FUND	12,538	11,804	11,470
SEWER OPERATING FUND	10,921	9,248	9,458
AIRPORT OPERATING FUND	6,174	5,567	5,438
CAPITAL FUNDS	-	35,337	8,522
	185,986	222,091	183,500
CONSOLIDATION ADJUSTMENTS	-	-	(90)
			183,410
SURPLUS	\$136,507	\$ 38,713	\$ 53,781



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the City of Abbotsford

We have audited the accompanying financial statements of the City of Abbotsford Cemetery Care Trust Fund which comprise the statement of financial position as at December 31, 2010 for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cemetery Care Trust Fund as at December 31, 2010 in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

April 18, 2011

Abbotsford, British Columbia

CITY OF ABBOTSFORD
Cemetery Care Trust Fund
Statement of Financial Position

As at December 31, 2010, with comparative figures as at December 31, 2009

In thousands

	2010	2009
FINANCIAL ASSETS		
Portfolio investments	\$ 2,378	\$ 2,715
Accounts receivable	695	240
NET FINANCIAL ASSETS	3,073	2,955
ACCUMULATED SURPLUS		
Balance, beginning of year	2,955	2,839
Contributions	118	116
Investment earnings	98	125
Transfer to General Operating Fund	(98)	(125)
Balance, end of year	\$ 3,073	\$ 2,955

George W. Peary, Mayor

Pat Soanes, CMA, General Manager
Finance & Corporate Services

See notes to Cemetery Care Trust Fund.



1. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) **Basis of accounting:**

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

(b) **Portfolio Investments:**

Portfolio investments are carried at cost.

(c) **Financial Instruments:**

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

2. ACCOUNTS RECEIVABLE/PAYABLE:

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

3. INVESTMENTS:

Investments for 2010 are comprised of corporate and government investments.

(in thousands)	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Portfolio investments	\$ 2,378	\$ 2,450	\$ 2,715	\$ 2,758
	<u>Long-term</u>		<u>Long-term</u>	
Duration	2-10 years		2-10 years	
Average holdings	\$ 2,366		\$ 1,706	
Annual yield	3.75%		5.23%	

4. STATEMENT OF FINANCIAL ACTIVITIES:

In 2002, the Cemetery Care Trust Fund began expending funds on the perpetual care and maintenance of the City's cemeteries. In 2010, \$98,000 (2009 - \$125,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2010, are recorded directly to equity. A Statement of Financial Activities has not been prepared, as it would not provide further information since the changes to equity are reported in the Statement of Financial Position.

CITY OF ABBOTSFORD

Exhibit 1

Statement of Financial Position - By Fund*As at December 31, 2010, with comparative figures as at December 31, 2009**In thousands*

	Operating Funds			
	General	Water	Sewer	Airport
FINANCIAL ASSETS				
Cash and cash equivalents	\$ 50,637	\$ -	\$ -	\$ -
Due from other funds	21,234	-	9,211	1,548
Internal borrowing	20,339	-	-	-
Accounts receivable	40,279	13,325	1,082	549
Portfolio investments	92,486	-	-	-
	<u>224,975</u>	<u>13,325</u>	<u>10,293</u>	<u>2,097</u>
FINANCIAL LIABILITIES				
Accounts payable and accrued liabilities	77,590	112	16	155
Due to other funds	111,052	10,285	-	-
Restricted revenue	23,844	1,988	5,676	723
Deferred revenue	4,209	-	-	43
	<u>216,695</u>	<u>12,385</u>	<u>5,692</u>	<u>921</u>
Long-term debt (external)	-	-	-	-
Internal borrowing	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>216,695</u>	<u>12,385</u>	<u>5,692</u>	<u>921</u>
NET FINANCIAL ASSETS	<u>8,280</u>	<u>940</u>	<u>4,601</u>	<u>1,176</u>
NON-FINANCIAL ASSETS				
Tangible capital assets	-	-	-	-
Inventories	1,242	-	-	-
Pre-paids	2,736	-	-	-
	<u>3,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 12,258</u>	<u>\$ 940</u>	<u>\$ 4,601</u>	<u>\$ 1,176</u>

CITY OF ABBOTSFORD

Exhibit 1

Statement of Financial Position - By Fund

... Continued

As at December 31, 2010, with comparative figures as at December 31, 2009

In thousands

Reserve Funds	Capital Funds				Consolidation Adjustments	Total 2010	Total 2009
	General	Water	Sewer	Airport			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,637	\$ 84,346
91,558	8,735	-	-	-	(132,286)	-	-
-	-	-	-	-	(20,339)	-	-
-	1,175	2,123	957	7,869	-	67,359	41,170
-	-	-	-	-	-	92,486	87,634
91,558	9,910	2,123	957	7,869	(152,625)	210,482	213,150
-	-	-	-	-	-	77,873	60,782
-	-	2,123	957	7,869	(132,286)	-	-
-	-	-	-	-	-	32,231	39,765
-	9,910	-	-	-	-	14,162	9,726
-	9,910	2,123	957	7,869	(132,286)	124,266	110,273
-	80,364	10,045	6,189	-	-	96,598	100,802
-	14,874	465	-	5,000	(20,339)	-	-
-	95,238	10,510	6,189	5,000	(20,339)	96,598	100,802
-	105,148	12,633	7,146	12,869	(152,625)	220,864	211,075
91,558	(95,238)	(10,510)	(6,189)	(5,000)	-	(10,382)	2,075
-	957,798	205,995	156,088	72,124	-	1,392,005	1,341,981
-	-	-	-	-	-	1,242	1,432
-	-	-	-	-	-	2,736	1,400
-	957,798	205,995	156,088	72,124	-	1,395,983	1,344,813
\$ 91,558	\$ 862,560	\$ 195,485	\$ 149,899	\$ 67,124	\$ -	\$ 1,385,601	\$ 1,346,888

CITY OF ABBOTSFORD

Exhibit 2

Statement of Financial Activities - By Fund

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	OPERATING FUNDS			
	General Schedule A	Water Schedule B	Sewer Schedule C	Airport Schedule D
REVENUE				
Municipal taxation	\$ 111,043	\$ -	\$ 5	\$ -
Fees and charges	37,078	14,783	13,156	3,575
Developer charges earned	-	-	-	-
Developer contributions	-	-	-	-
Government grants	5,941	-	-	-
Interest and penalties	2,708	105	97	35
Rent	1,516	8	-	1,898
Other	-	-	-	-
Contributions other funds	-	-	-	-
	158,286	14,896	13,258	5,508
EXPENSE				
General government	14,646	-	-	-
Development services	3,484	-	-	-
Protective services	60,343	-	-	-
Parks, recreation, culture, libraries	38,267	-	-	-
Transit	8,067	-	-	-
Engineering services	32,218	-	-	-
Dyking services	3,110	-	-	-
Water services	-	11,804	-	-
Sewer services	-	-	9,248	-
Airport services	-	-	-	5,567
Adjustment	-	-	-	-
	160,135	11,804	9,248	5,567
ANNUAL SURPLUS/(DEFICIT)	(1,849)	3,092	4,010	(59)
INTERFUND TRANSACTIONS				
Operating Reserve	(368)	-	-	(120)
General Capital Reserve	(19,370)	-	-	-
Affordable Housing Reserve	(80)	-	-	-
Storm Sewer Reserve	(1,521)	-	-	-
Waterworks Capital Reserve	-	(7,477)	-	-
Sewer Capital Reserve	-	-	(7,254)	-
Airport Capital Reserve	-	-	-	(1,487)
Capital Fund	-	-	-	-
Tangible capital assets	27,503	4,994	4,096	1,666
Internal borrowing	-	-	-	-
	6,164	(2,483)	(3,158)	59
Debt principal repayment	(2,937)	(764)	(503)	-
CHANGE IN UNAPPROPRIATED SURPLUS	19	(155)	349	-
CHANGE IN APPROPRIATED SURPLUS				
CHANGE IN CAPITAL EQUITY				
CHANGE IN INVENTORY/PRE-PAID	1,359			
ANNUAL SURPLUS (DEFICIT)				
SURPLUS, BEGINNING OF YEAR	10,880	1,095	4,252	1,176
SURPLUS, END OF YEAR	\$ 12,258	\$ 940	\$ 4,601	\$ 1,176

RESERVE FUNDS		CAPITAL FUNDS					2010	2009
Schedule S	General Schedule R	Water Schedule R	Sewer Schedule R	Airport Schedule R		Actual	Total	
\$ -	\$ 26	\$ 129	\$ 3	\$ -	\$ -	\$ 111,206	\$ 104,375	
-	462	12	43	2,074	-	71,183	64,211	
-	11,272	3,434	2,151	-	-	16,857	20,652	
-	7,195	546	508	-	-	8,249	23,118	
-	20,143	2,791	28	15,768	-	44,671	14,560	
1,709	-	-	-	-	-	4,654	4,969	
-	-	-	-	-	-	3,422	3,284	
446	115	1	-	-	-	562	2,022	
-	434	83	101	(618)	-	-	-	
2,155	39,647	6,996	2,834	17,224		260,804	237,191	
-	8	-	-	-	-	14,654	14,301	
-	-	-	-	-	-	3,484	3,314	
-	491	-	-	-	-	60,834	56,409	
-	404	-	-	-	-	38,671	35,342	
-	-	-	-	-	-	8,067	7,191	
-	33,200	-	-	-	-	65,418	35,498	
-	-	-	-	-	-	3,110	3,322	
-	-	394	-	-	-	12,198	12,084	
-	-	-	677	-	-	9,925	10,383	
-	-	-	-	163	-	5,730	5,566	
-	-	-	-	-	-	-	-	
-	34,103	394	677	163		222,091	183,410	
2,155	5,544	6,602	2,157	17,061		38,713	53,781	
488	-	-	-	-	-	-	-	
3,473	15,897	-	-	-	-	-	-	
80	-	-	-	-	-	-	-	
802	719	-	-	-	-	-	-	
(2,059)	-	9,536	-	-	-	-	-	
3,177	-	-	4,077	-	-	-	-	
(4,864)	-	-	-	6,351	-	-	-	
-	(213)	-	213	-	-	-	-	
-	(42,377)	(4,994)	(4,096)	(6,666)	(19,874)	(19,874)	-	
-	14,874	-	-	5,000	19,874	-	-	
1,097	(11,100)	4,542	194	4,685		-	-	
-	2,937	764	503	-	-	-	-	
3,252								
	(2,619)	11,908	2,854	21,746				
						\$ 38,713	\$ 53,781	
88,306	865,179	183,577	147,045	45,378		1,346,888		
\$ 91,558	\$ 862,560	\$ 195,485	\$ 149,899	\$ 67,124		\$ 1,385,601		

CITY OF ABBOTSFORD
Schedule of Tangible Capital Assets

Exhibit 3

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

	General					
	Land	Land Improvements	Park Improvements	Buildings	Machinery & Equipment	Vehicles
COST						
Opening Balance	\$ 354,281	\$ 14,085	\$ 46,655	\$ 204,672	\$ 27,454	\$ 25,684
Add: Additions	15,467	294	1,598	4,133	1,629	466
Add: Transfer from asset class	36	122	1,681	904	423	332
Less: Disposals	(528)	(49)	(203)	(472)	(237)	(1,577)
Less: Transfer to asset class	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-
Closing Balance	369,256	14,452	49,731	209,237	29,269	24,905
ACCUMULATED AMORTIZATION						
Opening Balance	-	6,239	27,561	68,934	12,051	11,887
Add: Amortization	-	428	1,766	6,392	2,138	2,104
Less: Acc. Amortization on Disposals	-	(33)	(178)	(381)	(228)	(1,362)
Closing Balance	-	6,634	29,149	74,945	13,961	12,629
Net Book Value for year ended December 31, 2010	\$ 369,256	\$ 7,818	\$ 20,582	\$ 134,292	\$ 15,308	\$ 12,276
Net Book Value for year ended December 31, 2009	\$ 354,281	\$ 7,846	\$ 19,094	\$ 135,738	\$ 15,403	\$ 13,797

Infrastructure							Assets Under Construction	2010 Actual	2009 Actual
Airport	Water	Sewer	Transportation	Storm Drainage	Dyking, Drainage, Irrigation				
\$ 12,277	\$ 247,293	\$ 210,409	\$ 471,090	\$ 238,703	\$ 49,869	\$ 27,878	\$ 1,930,350	\$ 1,845,196	
-	4,779	1,423	4,955	1,610	50	51,879	88,283	93,359	
-	10,694	1,278	4,000	130	-	-	19,600	12	
-	(1,093)	(363)	(1,402)	(1,114)	(93)	-	(7,131)	(8,205)	
-	-	-	-	-	-	(19,600)	(19,600)	(12)	
-	-	-	-	-	-	-	-	-	
12,277	261,673	212,747	478,643	239,329	49,826	60,157	2,011,502	1,930,350	
6,086	67,293	66,776	240,536	54,889	26,117	-	588,369	560,503	
294	4,341	3,869	10,803	3,319	650	-	36,104	32,867	
-	(843)	(364)	(992)	(502)	(93)	-	(4,976)	(5,001)	
6,380	70,791	70,281	250,347	57,706	26,674	-	619,497	588,369	
\$ 5,897	\$ 190,882	\$ 142,466	\$ 228,296	\$ 181,623	\$ 23,152	\$ 60,157	\$ 1,392,005		
\$ 6,191	\$ 180,000	\$ 143,633	\$ 230,554	\$ 183,814	\$ 23,752	\$ 27,878		\$ 1,341,981	

CITY OF ABBOTSFORD
Appropriated Surplus (Reserves) Continuity Schedule

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

Exhibit 4

	Balance December 31 2009	Transfer from Operating Fund	Transfer to Other Funds	Other Contributions	Interest Earned	Balance December 31 2010
STATUTORY CAPITAL RESERVES						
General	\$ 8,113	\$ 19,370	\$ (15,897)	\$ 298	\$ 195	\$ 12,079
Affordable Housing	-	80	-	148	2	230
Storm Drainage	10,888	1,521	(719)	-	226	11,916
Waterworks	28,895	7,477	(9,536)	-	557	27,393
Sanitary Sewer	23,854	7,254	(4,077)	-	494	27,525
Airport	7,934	1,487	(6,351)	-	135	3,205
	79,684	37,189	(36,580)	446	1,609	82,348
GENERAL OPERATING RESERVE						
Planned Transfers						
Debt retirement	2,548	-	(1,296)	-	37	1,289
New facility operations	1,274	140	-	-	25	1,439
Insurance	689	50	-	-	8	747
Election	122	120	-	-	4	246
Library expansion	507	500	-	-	15	1,022
Sister city	20	-	-	-	1	21
Special projects	-	818	(800)	-	-	18
Solid Waste recycling facility	91	94	-	-	3	188
Tradex operating reserve	301	95	-	-	7	403
Recycling agreement reserve	-	968	-	-	-	968
	5,552	2,785	(2,096)	-	100	6,341
Operating Surplus Transfers						
Police	1,366	438	(650)	-	-	1,154
Solid Waste	106	-	(50)	-	-	56
Winter operations	-	664	-	-	-	664
Storm Drainage	-	199	-	-	-	199
Matsqui Prairie DDI	-	67	-	-	-	67
Sumas Prairie DDI	-	81	-	-	-	81
	1,472	1,449	(700)	-	-	2,221
Other Transfers						
Airport	-	120	-	-	-	120
Climate action	-	92	-	-	-	92
Crime reduction	-	80	-	-	-	80
Economic Dev Commission startup	-	39	-	-	-	39
Infrastructure master plan	-	200	-	-	-	200
Traffic fine revenue	1,412	-	(1,412)	-	-	-
External audit	57	57	(57)	-	-	57
Parks & Recreation	129	60	(129)	-	-	60
	1,598	648	(1,598)	-	-	648
	8,622	4,882	(4,394)	-	100	9,210
TOTAL	\$ 88,306	\$ 42,071	\$ (40,974)	\$ 446	\$ 1,709	\$ 91,558

CITY OF ABBOTSFORD

Debt Outstanding and Debt Servicing by Fund and Function

Exhibit 5

*For the Year ended December 31, 2010, with comparative figures for 2009
In thousands*

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt	2010 Debt Servicing			Debt
					Outstanding December 31 2009	Principal	Interest	Total	Outstanding December 31 2010
GENERAL FUND									
Parks, recreation and culture									
Abbotsford Recreation Centre	2432	55	2013	8.500	\$ 1,839	\$ 467	\$ 325	\$ 792	\$ 1,372
Entertainment & Sports Centre	1586	102/103	2032	5.000	52,993	1,401	2,649	4,050	51,592
Cultural Centre	1587	102/103	2027	5.000	9,490	357	474	831	9,133
Community Centre	1588	102/103	2027	5.000	18,979	712	948	1,660	18,267
					<u>83,301</u>	<u>2,937</u>	<u>4,396</u>	<u>7,333</u>	<u>80,364</u>
SEWER FUND									
Abbotsford-Mission sewer									
	558-533	63	2016	4.000	595	77	15	92	518
	326-125	71	2019	3.150	418	34	10	44	384
	326-164	71	2019	3.150	2,004	164	46	210	1,840
	326-533	71	2019	3.150	1,378	112	31	143	1,266
	455	75	2021	5.690	629	40	37	77	589
	655-325	85	2024	4.900	1,669	77	83	160	1,592
					<u>6,693</u>	<u>504</u>	<u>222</u>	<u>726</u>	<u>6,189</u>
WATER FUND									
Abbotsford-Mission water									
	454	75	2021	5.690	1,962	123	117	240	1,839
	586	80	2023	4.900	6,151	313	286	599	5,838
	567	83	2013	3.710	736	174	28	202	562
	655-393	85	2024	4.900	1,761	82	87	169	1,679
					<u>10,610</u>	<u>692</u>	<u>518</u>	<u>1,210</u>	<u>9,918</u>
West waterworks	3529	53	2012	6.100	198	71	20	91	127
					<u>10,808</u>	<u>763</u>	<u>538</u>	<u>1,301</u>	<u>10,045</u>
TOTAL					<u>\$ 100,802</u>	<u>\$ 4,204</u>	<u>\$ 5,156</u>	<u>\$ 9,360</u>	<u>\$ 96,598</u>

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

Schedule A

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Municipal taxation:			
General	\$ 65,052	\$ 65,207	\$ 62,075
Police	36,122	36,257	33,492
Library	3,723	3,708	3,263
Dyking, drainage & irrigation	1,781	1,778	1,738
Utility tax	1,749	1,749	1,660
Business improvement assessment	200	208	198
Hotel tax	250	244	234
Grants in lieu of taxes:			
Federal government	1,098	1,048	1,042
Provincial governments and agencies	727	844	673
Fees and charges:			
Transit	2,142	2,200	1,957
Police	3,399	5,165	4,858
Solid waste	5,574	7,922	4,822
Storm drainage	3,347	3,344	3,099
Parks, recreation and culture	5,567	6,380	5,919
Entertainment & Sports Centre	2,440	2,465	2,843
Other	2,708	2,768	2,668
Licences and permits:			
Building permits	1,794	1,856	1,369
Soil removal fees	1,430	2,223	1,236
Business licences	925	869	811
Dog licences	255	306	252
Municipal licence plates	45	37	33
Secondary suite fees	1,155	1,163	1,130
Other licences and permits	272	380	313
Rental:			
Police	32	30	30
Other	1,424	1,486	1,425
Interest and tax penalties	1,169	2,670	2,418
Municipal Finance Authority refunds	50	38	67
Government grants:			
Transit	3,552	3,494	3,161
Police	1,081	1,088	2,111
Other	945	1,359	2,542
TOTAL REVENUES	150,008	158,286	147,439

Schedule A
...Continued

	2010 Plan	2010 Actual	2009 Actual
EXPENSE			
General government services (Schedule E)	14,716	14,646	13,595
Development services (Schedule F)	3,527	3,484	3,318
Police services (Schedule G)	41,177	42,365	38,781
Fire & other protective services			
Fire rescue services (Schedule H)	14,250	14,403	13,405
Other protective services (Schedule I)	3,586	3,575	3,712
Parks, recreation & culture services (Schedule J)	22,389	23,629	21,638
Entertainment & Sports Centre (Schedule K)	9,744	11,293	9,716
Library services (Schedule L)	3,355	3,345	3,301
Transit services (Schedule M)	8,077	8,067	7,191
Engineering services			
Transportation services (Schedule N)	22,146	20,340	21,111
Solid Waste services (Schedule O)	5,588	7,066	4,657
Storm Drainage services (Schedule P)	4,371	4,812	4,865
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,322	1,202	1,272
Sumas Prairie (Schedule Q)	2,005	1,908	2,050
	<u>156,253</u>	<u>160,135</u>	<u>148,612</u>
ANNUAL SURPLUS/(DEFICIT)	(6,245)	(1,849)	(1,173)
INTERFUND TRANSACTIONS			
Transfer to Storm Sewer Capital Reserve	(1,520)	(1,521)	(1,384)
Transfer to General Capital Reserve	(17,683)	(19,193)	(17,600)
Transfer to Affordable Housing Reserve	-	(80)	-
Transfer to Operating Reserve	(1,716)	(4,764)	(3,497)
Transfer from Operating Reserve	3,906	4,396	1,428
Debt principal repayments	(2,926)	(2,937)	(2,820)
Transfer to General Capital Reserve (asset sales)	-	(177)	(505)
Inventory and pre-pays	-	(1,359)	(874)
Tangible capital assets	26,184	27,503	26,292
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ (133)</u>

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****Water Operating Fund****Schedule B***For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Fees and charges:			
User rates	\$ 16,636	\$ 14,239	\$ 14,989
Other	492	544	835
Rental	-	8	12
Interest	100	99	-
Municipal Finance Authority refunds	-	6	17
	<u>17,228</u>	<u>14,896</u>	<u>15,853</u>
EXPENSE			
Abbotsford-Mission supply and transmission	2,799	2,125	2,065
Administration	2,315	2,254	2,201
Local supply and distribution	1,751	1,578	1,446
Meters	464	624	525
Hydrants	262	211	277
Maintenance	-	119	91
Long-term debt (external interest)	544	537	572
Internal borrowing interest	-	2	-
Amortization	4,403	4,403	3,983
Loss/(gain) on sale of tangible capital assets	-	(49)	310
	<u>12,538</u>	<u>11,804</u>	<u>11,470</u>
ANNUAL SURPLUS/(DEFICIT)	<u>4,690</u>	<u>3,092</u>	<u>4,383</u>
INTERFUND TRANSACTIONS			
Transfer to Waterworks Capital Reserve (asset sales)	-	(640)	-
Transfer to Waterworks Capital Reserve	(8,331)	(6,837)	(8,387)
Debt principal repayments	(762)	(764)	(729)
Tangible capital assets	4,403	4,994	4,293
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ (155)</u>	<u>\$ (440)</u>

CITY OF ABBOTSFORD

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

Schedule C

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Municipal taxation	\$ -	\$ 5	\$ -
Fees and charges:			
User rates	10,026	9,096	8,684
Industrial surcharges	874	912	719
Other	1,157	3,148	1,818
Interest	400	92	63
Municipal Finance Authority refunds	-	5	16
	12,457	13,258	11,300
EXPENSE			
Joint Abbotsford-Mission Environmental System (JAMES) Plant	4,043	3,513	3,379
Administration	1,740	1,444	1,162
Maintenance	846	776	648
Long-term debt (external interest)	389	222	398
Amortization	3,903	3,903	3,666
Loss/(gain) on sale of tangible capital assets	-	(610)	205
	10,921	9,248	9,458
ANNUAL SURPLUS/(DEFICIT)	1,536	4,010	1,842
INTERFUND TRANSACTIONS			
Transfer to Sanitary Sewer Capital Reserve (asset sales)	-	(804)	-
Transfer to Sanitary Sewer Capital Reserve	(4,945)	(6,450)	(5,036)
Debt principal repayments	(494)	(503)	(519)
Tangible capital assets	3,903	4,096	3,871
CHANGE IN UNAPPROPRIATED SURPLUS	\$ -	\$ 349	\$ 158

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****Airport Operating Fund****Schedule D***For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Fees and charges:			
Aeronautical fees	\$ 1,330	\$ 1,334	\$ 1,290
Public parking fees	1,187	1,197	1,203
Concessions	870	795	867
Other	-	249	263
Rental	1,944	1,898	1,817
Interest and penalties	143	35	29
	<u>5,474</u>	<u>5,508</u>	<u>5,469</u>
EXPENSE			
Administration	1,601	1,411	1,320
Air-side/ground-side services/parking	1,920	1,465	1,678
Terminal complex and mobile equipment	1,039	1,040	1,138
Internal borrowing interest	-	23	-
Amortization	1,614	1,614	1,524
Loss/(gain) on sale of tangible capital assets	-	14	(222)
	<u>6,174</u>	<u>5,567</u>	<u>5,438</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(700)</u>	<u>(59)</u>	<u>31</u>
INTERFUND TRANSACTIONS			
Transfer to Airport Capital Reserve (asset sales)	-	(38)	(311)
Transfer to Airport Capital Reserve	(914)	(1,449)	(1,333)
Transfer to Operating Reserve	-	(120)	-
Tangible capital assets	1,614	1,666	1,613
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ABBOTSFORD

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

Schedule E

For the Year ended December 31, 2010, with comparative figures for 2009
In thousands

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Municipal taxation	\$ 69,076	\$ 69,300	\$ 65,882
Fees and charges	682	753	848
Licenses and permits - municipal licence plates	45	37	33
Rental	1,424	1,486	1,425
Interest and penalties	1,129	2,633	2,378
Government grants	850	961	2,362
Municipal Finance Authority	50	38	67
	<u>73,256</u>	<u>75,208</u>	<u>72,995</u>
EXPENSE			
LEGISLATIVE SERVICES	841	556	675
CITY MANAGER'S OFFICE			
City manager	421	593	475
Corporate communications and marketing	578	539	524
Human resources	1,496	1,508	1,099
STRATEGIC PLANNING & BUSINESS IMPROVEMENT	311	324	483
FINANCE & CORPORATE SERVICES			
City clerk	901	849	796
Corporate administration	285	278	326
Finance	2,075	1,775	1,797
Purchasing	702	709	671
Risk management	1,636	2,034	856
Information services	3,128	2,615	2,587
OTHER			
General municipal buildings	2,298	2,545	2,366
Transfers to other agencies	520	529	500
Common services	362	915	439
AMORTIZATION	884	884	794
NET (GAIN)/LOSS ON SALE OF TANGIBLE CAPITAL ASSETS	-	5	482
LESS: VACANCY GAPPING	290	-	
LESS: COST RECOVERIES	(2,012)	(2,012)	(1,275)
	<u>14,716</u>	<u>14,646</u>	<u>13,595</u>
ANNUAL SURPLUS/(DEFICIT)	<u>58,540</u>	<u>60,562</u>	<u>59,400</u>
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	-	(270)
Transfer to General Capital Reserve	(1,997)	(1,904)	(1,952)
Transfer to Affordable Housing Reserve	-	(80)	-
Transfer to Operating Reserve	(1,027)	(1,386)	(1,993)
Transfer from Operating Reserve	1,253	1,212	852
Inventory and pre-pays	-	(1,359)	(874)
Tangible capital assets	884	889	1,545
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 57,653</u>	<u>\$ 57,934</u>	<u>\$ 56,708</u>

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

Schedule F

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Licenses and permits:			
Business licenses	\$ 925	\$ 869	\$ 811
Development permit application fees	100	115	112
Rezoning application fees	90	131	98
Subdivision application fees	40	56	54
Other licenses and permits	27	51	34
Fees and charges:			
Development fees on Engineering projects	440	311	130
Other fees and charges	162	178	192
Interest and penalties	30	29	31
Grants	30	192	66
	<u>1,844</u>	<u>1,932</u>	<u>1,528</u>
EXPENSE			
Development approvals	2,533	2,577	2,423
Economic development	828	804	769
License inspection	166	103	126
	<u>3,527</u>	<u>3,484</u>	<u>3,318</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(1,683)</u>	<u>(1,552)</u>	<u>(1,790)</u>
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(95)	(226)	-
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (1,778)</u>	<u>\$ (1,778)</u>	<u>\$ (1,790)</u>

CITY OF ABBOTSFORD

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

Schedule G

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Municipal taxation	\$ 36,122	\$ 36,257	\$ 33,492
Fees and charges:			
Salary recoveries	2,489	4,131	3,925
Other revenue	910	1,034	933
Government grants:			
Traffic fine revenue-sharing	947	947	2,000
Other government grants	134	141	111
Rental	32	30	30
	<u>40,634</u>	<u>42,540</u>	<u>40,491</u>
EXPENSE			
Criminal investigation	7,676	7,684	7,071
Executive and police board	798	759	548
Finance and budget	388	428	343
Human resources	512	461	504
Operations support	4,729	4,520	4,719
Patrol	14,825	13,490	13,037
Police building	516	542	420
Police common services	4,075	7,297	6,121
Recruiting	402	337	322
Support services	4,297	4,189	3,425
Training and qualifications	860	705	724
Vehicle repair	1,229	1,063	926
Amortization	870	870	614
Loss/(gain) on sale of tangible capital assets	-	20	7
	<u>41,177</u>	<u>42,365</u>	<u>38,781</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(543)</u>	<u>175</u>	<u>1,710</u>
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(21)	(17)
Transfer from Operating Reserve	1,353	1,703	-
Transfer to Operating Reserve	-	(438)	(651)
Transfer to General Capital Reserve	(1,680)	(2,330)	(1,680)
Tangible capital assets	870	911	638
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Schedule H

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 163	\$ 145	\$ 172
Licenses and permits	15	23	13
Grants	-	6	-
	<u>178</u>	<u>174</u>	<u>185</u>
EXPENSE			
Administration	524	358	405
Fire life and safety education	192	149	147
Fire prevention and inspection	741	727	718
Emergency response	11,460	11,876	10,947
Fire halls and ground maintenance	461	469	419
Fire flows and hydrants	224	173	217
Amortization	648	648	552
Loss/(gain) on sale of tangible capital assets	-	3	-
	<u>14,250</u>	<u>14,403</u>	<u>13,405</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(14,072)</u>	<u>(14,229)</u>	<u>(13,220)</u>
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(4)	(22)
Transfer to General Capital Reserve	(797)	(797)	(772)
Tangible capital assets	648	655	574
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (14,221)</u>	<u>\$ (14,375)</u>	<u>\$ (13,440)</u>

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

Schedule I

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Licenses and permits:			
Building permits	\$ 1,794	\$ 1,856	\$ 1,369
Secondary suite fees	1,155	1,163	1,130
Dog licenses	255	306	252
Fees and charges	416	497	537
Interest and penalties	10	8	9
Government grants	-	7	15
	<u>3,630</u>	<u>3,837</u>	<u>3,312</u>
EXPENSE			
Animal control	411	427	398
Restorative Justice	127	126	125
Crime reduction strategy	187	105	96
Emergency services	352	352	408
Building inspections	1,803	1,722	1,759
Bylaw enforcement	512	592	570
Public safety inspection	194	251	355
Amortization	-	-	1
	<u>3,586</u>	<u>3,575</u>	<u>3,712</u>
ANNUAL SURPLUS/(DEFICIT)	<u>44</u>	<u>262</u>	<u>(400)</u>
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	-	(80)	-
Tangible capital assets	-	-	1
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 44</u>	<u>\$ 182</u>	<u>\$ (399)</u>

CITY OF ABBOTSFORD

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

Schedule J

*For the Year ended December 31, 2010, with comparative figures for 2009
In thousands*

	2010 Plan	2010 Actual				2010 Actual	2009 Actual
		General	Parks	Recreation	Culture		
REVENUE							
Fees and charges	\$ 5,567	\$ 108	\$ 921	\$ 5,351	\$ -	\$ 6,380	\$ 5,919
Government grants	23	43	16	66	-	125	99
	5,590	151	937	5,417	-	6,505	6,018
EXPENSE							
Operations	16,070	859	6,818	8,851	788	17,316	15,456
Long-term debt (external interest)	1,779	-	-	1,274	474	1,748	1,812
Amortization	4,540	8	2,070	2,012	450	4,540	4,364
Loss/(gain) on sale of tangible capital assets	-	-	25	-	-	25	6
	22,389	867	8,913	12,137	1,712	23,629	21,638
ANNUAL SURPLUS/(DEFICIT)	(16,799)	(716)	(7,976)	(6,720)	(1,712)	(17,124)	(15,620)
INTERFUND TRANSACTIONS							
Debt principal repayments	(1,525)	-	-	(1,180)	(356)	(1,536)	(1,473)
Transfer to General Capital Reserve	(1,541)	(107)	(794)	(640)	-	(1,541)	(985)
Transfer to Cemetery Capital Reserve	(150)	-	(150)	-	-	(150)	(183)
Transfer to Operating Reserve	-	(60)	-	-	-	(60)	(92)
Transfer from Operating Reserve	-	-	92	39	-	131	52
Tangible capital assets	4,540	8	2,095	2,012	450	4,565	4,370
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (15,475)	\$ (875)	\$ (6,733)	\$ (6,489)	\$ (1,618)	\$ (15,715)	\$ (13,931)

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****General Operating Fund - Entertainment and Sports Centre**

Schedule K

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Fees and charges	\$ 2,440	\$ 2,465	\$ 2,843
	<u>2,440</u>	<u>2,465</u>	<u>2,843</u>
EXPENSE			
Operations	4,307	5,878	5,451
Long-term debt (external interest)	2,670	2,648	2,703
Amortization	2,767	2,767	1,562
	<u>9,744</u>	<u>11,293</u>	<u>9,716</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(7,304)</u>	<u>(8,828)</u>	<u>(6,873)</u>
INTERFUND TRANSACTIONS			
Transfer from Operating Reserve	1,300	1,300	460
Debt principal repayment	(1,401)	(1,401)	(1,347)
Tangible capital assets	2,767	2,767	1,562
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (4,638)</u>	<u>\$ (6,162)</u>	<u>\$ (6,198)</u>

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

Schedule L

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Municipal tax for regional library	\$ 3,723	\$ 3,708	\$ 3,263
Fees and charges	3	2	3
Grants	-	3	-
	<u>3,726</u>	<u>3,713</u>	<u>3,266</u>
EXPENSE			
Transfer to Fraser Valley Regional Library	2,878	2,856	2,766
Library operating costs	345	357	357
Amortization	132	132	178
	<u>3,355</u>	<u>3,345</u>	<u>3,301</u>
ANNUAL SURPLUS/(DEFICIT)	<u>371</u>	<u>368</u>	<u>(35)</u>
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(500)	(500)	(500)
Tangible capital assets	132	132	178
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (357)</u>

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

Schedule M

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Provincial government grant	\$ 3,552	\$ 3,494	\$ 3,161
Fares	1,543	1,649	1,406
BC Bus Pass program	426	402	382
Advertising and other	173	149	169
	<u>5,694</u>	<u>5,694</u>	<u>5,118</u>
EXPENSE			
Transfer to BC Transit	7,945	7,968	7,118
Other	98	65	28
Amortization	34	34	45
	<u>8,077</u>	<u>8,067</u>	<u>7,191</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(2,383)</u>	<u>(2,373)</u>	<u>(2,073)</u>
INTERFUND TRANSACTIONS			
Tangible capital assets	34	34	45
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ (2,349)</u>	<u>\$ (2,339)</u>	<u>\$ (2,028)</u>

CITY OF ABBOTSFORD

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

Schedule N

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010 Plan	2010 Actual	2009 Actual
REVENUE			
Fees and charges:			
Engineering capital recoveries	\$ 300	\$ 206	\$ 89
Gravel sales	120	250	250
Recoveries	199	190	173
Map sales	13	16	12
Parking lot tickets	-	28	-
Other	64	65	84
Licenses and permits:			
Soil removal - temporary permits	130	165	130
Soil removal - monthly fees	1,300	2,058	1,106
Other	-	4	2
Government grants	42	65	-
	2,168	3,047	1,846
EXPENSE			
ADMINISTRATION	2,316	2,081	2,581
ENGINEERING	2,516	2,280	2,405
TRANSPORTATION			
Services	2,494	2,447	2,192
Operations - roads	4,526	3,516	4,404
EQUIPMENT FLEET			
Operations	3,242	3,252	2,992
Internal recoveries	(4,660)	(5,416)	(5,063)
INTERNAL BORROWING	-	98	-
AMORTIZATION	12,233	12,233	11,724
NET (GAIN)/LOSS ON SALE TANGIBLE CAPITAL ASSETS	-	370	1,051
LESS: COST RECOVERIES	(521)	(521)	(1,175)
	22,146	20,340	21,111
ANNUAL SURPLUS/(DEFICIT)	(19,978)	(17,293)	(19,265)
INTERFUND TRANSACTIONS			
Transfer to General Capital Reserve (asset sales)	-	(152)	(196)
Transfer to Operating Reserve	-	(665)	-
Transfer to General Capital Reserve	(11,494)	(12,193)	(12,004)
Tangible capital assets	12,233	12,755	12,971
CHANGE IN UNAPPROPRIATED SURPLUS	\$ (19,239)	\$ (17,548)	\$ (18,494)

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

Schedule O

*For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Fees and charges:			
Solid waste user fees	\$ 5,270	\$ 5,285	\$ 4,526
Garbage stickers	34	37	34
Recycling, compost and yard waste fees	150	1,735	159
Recoveries & other	120	865	103
	<u>5,574</u>	<u>7,922</u>	<u>4,822</u>
EXPENSE			
Planning, design and management	681	606	469
Operations and maintenance - Collection	2,037	1,972	1,745
Operations and maintenance - Disposal	2,762	4,273	2,412
Amortization	108	108	31
Loss/(gain) on sale of tangible capital assets	-	107	-
	<u>5,588</u>	<u>7,066</u>	<u>4,657</u>
ANNUAL SURPLUS/(DEFICIT)	(14)	856	165
INTERFUND TRANSACTIONS			
Transfer to Operating Reserve	(94)	(1,062)	(196)
Transfer from Operating Reserve	-	50	-
Transfer to General Capital Reserve	-	(204)	-
Tangible capital assets	108	215	31
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ (145)</u>	<u>\$ -</u>

CITY OF ABBOTSFORD

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

Schedule P

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Fees and charges:			
Storm drainage user fees	\$ 3,337	\$ 3,336	\$ 3,067
Other	10	8	32
	<u>3,347</u>	<u>3,344</u>	<u>3,099</u>
EXPENSE			
Storm sewers and detention	933	722	723
Urban watercourses	120	125	191
Rural drainage		35	224
Amortization	3,318	3,318	3,179
Loss/(gain) on sale of tangible capital assets	-	612	548
	<u>4,371</u>	<u>4,812</u>	<u>4,865</u>
ANNUAL SURPLUS/(DEFICIT)	<u>(1,024)</u>	<u>(1,468)</u>	<u>(1,766)</u>
Matsqui Prairie Dyking, Drainage & Irrigation (Schedule Q)	(641)	(527)	(583)
Sumas Prairie Dyking, Drainage & Irrigation (Schedule Q)	(759)	(678)	(823)
TOTAL ANNUAL SURPLUS/(DEFICIT)	<u>(2,424)</u>	<u>(2,673)</u>	<u>(3,172)</u>
INTERFUND TRANSACTIONS			
Transfer to Storm Sewer Capital Reserve	(1,520)	(1,521)	(1,384)
Transfer to Operating Reserve	-	(199)	-
Matsqui Prairie	219	102	154
Sumas Prairie	407	326	471
Tangible capital assets	3,318	3,930	3,727
CHANGE IN UNAPPROPRIATED SURPLUS	<u>\$ -</u>	<u>\$ (35)</u>	<u>\$ (204)</u>

CITY OF ABBOTSFORD

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

Schedule Q

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	MATSQUI PRAIRIE			SUMAS PRAIRIE		
	2010 Plan	2010 Actual	2009 Actual	2010 Plan	2010 Actual	2009 Actual
REVENUE						
General tax levy	\$ 663	\$ 661	\$ 653	\$ 1,118	\$ 1,117	\$ 1,085
Government grants	-	-	-	-	-	-
Other revenue	18	14	36	128	113	142
	681	675	689	1,246	1,230	1,227
EXPENSE						
Dyking	156	50	66	72	58	72
Drainage	513	473	562	699	683	704
Storm	194	220	189	-	-	-
Irrigation	120	123	121	98	93	88
Administration	120	113	115	154	154	151
Pump stations	-	-	-	551	489	604
Recoverable work	-	4	-	-	-	-
Amortization	219	219	219	431	431	431
Loss/(gain) on sale of tangible capital assets	-	-	-	-	-	-
	1,322	1,202	1,272	2,005	1,908	2,050
ANNUAL SURPLUS/(DEFICIT)	(641)	(527)	(583)	(759)	(678)	(823)
INTERFUND TRANSACTIONS						
Transfer to Operating Reserve	-	(67)	(65)	-	(81)	-
Transfer from Operating Reserve	-	-	-	-	-	64
Transfer to General Capital Reserve	-	(50)	-	(24)	(24)	(24)
Tangible capital assets	219	219	219	431	431	431
CONTRIBUTION FROM STORM DRAINAGE	\$ (422)	\$ (425)	\$ (429)	\$ (352)	\$ (352)	\$ (352)

CITY OF ABBOTSFORD

Segment Information - Revenues by Type & Expenses by Function

Capital Fund

Schedule R

For the Year ended December 31, 2010, with comparative figures for 2009

In thousands

	2010 Plan	2010 Actual				2010 Actual	2009 Actual
		General	Water	Sewer	Airport		
REVENUE							
Municipal Taxation	\$ 225	\$ 26	\$ 129	\$ 3	\$ -	\$ 158	\$ -
Fees and charges	-	462	12	43	-	517	207
Airport improvement fees	6,166	-	-	-	2,074	2,074	2,116
Developer charges earned	43,501	11,270	3,434	2,153	-	16,857	20,652
Developer contributions	-	7,195	546	508	-	8,249	23,118
Government grants	61,177	20,143	2,791	28	15,768	38,730	6,746
Other sources	24,196	115	1	-	-	116	1,993
Contributions other funds	-	434	83	101	(618)	-	-
	135,265	39,645	6,996	2,836	17,224	66,701	54,832
EXPENSE							
Minor capital projects							
General government	-	8	-	-	-	8	706
Police services	-	266	-	-	-	266	352
Fire services	-	225	-	-	-	225	231
Parks services	-	369	-	-	-	369	202
Recreation services	-	35	-	-	-	35	496
Culture services	-	-	-	-	-	-	3
Transportation services	-	6,486	-	-	-	6,486	3,628
Equipment Fleet services	-	5	-	-	-	5	41
Storm drainage services	-	405	-	-	-	405	361
Waterworks	-	-	394	-	-	394	614
Sanitary sewer	-	-	-	677	-	677	925
Airport	-	-	-	-	163	163	128
	-	7,799	394	677	163	9,033	7,687
Interchange projects (Provincial assets)	-	26,304	-	-	-	26,304	835
ANNUAL SURPLUS/(DEFICIT)	135,265	5,542	6,602	2,159	17,061	31,364	46,310
INTERFUND TRANSACTIONS							
Transfer assets to other funds	-	(213)	-	213	-	-	-
General Capital Reserve	24,789	15,897	-	-	-	15,897	34,353
Storm Sewer Reserve	3,005	719	-	-	-	719	724
Waterworks Capital Reserve	27,444	-	9,536	-	-	9,536	1,178
Sanitary Sewer Capital Reserve	11,775	-	-	4,077	-	4,077	7,117
Airport Capital Reserve	4,960	-	-	-	6,351	6,351	3,465
Tangible capital assets	-	(42,377)	(5,459)	(4,096)	(6,666)	(58,598)	(36,068)
Debt principal repayment	4,182	2,937	764	503	-	4,204	4,068
Internal Borrowing (General Revenue Fund)	-	14,874	465	-	5,000	20,339	-
CHANGE IN CAPITAL EQUITY	\$ 211,420	\$ (2,621)	\$ 11,908	\$ 2,856	\$ 21,746	\$ 33,889	\$ 61,147

CITY OF ABBOTSFORD**Segment Information - Revenues by Type & Expenses by Function****Reserve Fund****Schedule S***For the Year ended December 31, 2010, with comparative figures for 2009**In thousands*

	2010	2010	2009
	Plan	Actual	Actual
REVENUE			
Interest	\$ 1,661	\$ 1,709	\$ 2,359
Other Contributions	300	446	29
	<u>1,961</u>	<u>2,155</u>	<u>2,388</u>
ANNUAL SURPLUS/(DEFICIT)	<u>1,961</u>	<u>2,155</u>	<u>2,388</u>
INTERFUND TRANSACTIONS			
Operating Reserve	(2,190)	488	2,069
General Capital Reserve	(7,106)	3,473	(16,248)
Affordable Housing Reserve	-	80	-
Storm Sewer Reserve	(1,485)	802	659
Waterworks Capital Reserve	(19,113)	(2,059)	1,270
Sanitary Sewer Capital Reserve	(6,830)	3,177	1,572
Airport Capital Reserve	(4,046)	(4,864)	465
CHANGE IN APPROPRIATED SURPLUS	<u>\$ (38,809)</u>	<u>\$ 3,252</u>	<u>\$ (7,825)</u>

CITY OF ABBOTSFORD
Ledgeview Properties Ltd.
Statement of Financial Position

As at December 31, 2010, with comparative figures as at December 31, 2009
In thousands

Schedule T

	2010	2009
FINANCIAL ASSETS		
Lease agreement receivable	\$ 64	\$ 70
FINANCIAL LIABILITIES		
Due to City of Abbotsford	\$ 64	\$ 70
NET FINANCIAL ASSETS	<u>-</u>	<u>-</u>
NON-FINANCIAL ASSETS		
Land	2,845	2,845
Land Improvements	15	16
Buildings	60	67
	<u>2,920</u>	<u>2,928</u>
ACCUMULATED SURPLUS		
BALANCE, BEGINNING OF YEAR	2,928	2,936
Lease revenue	64	70
Amortization	(8)	(8)
Transfers to City of Abbotsford	(64)	(70)
BALANCE, END OF YEAR	<u>\$ 2,920</u>	<u>\$ 2,928</u>