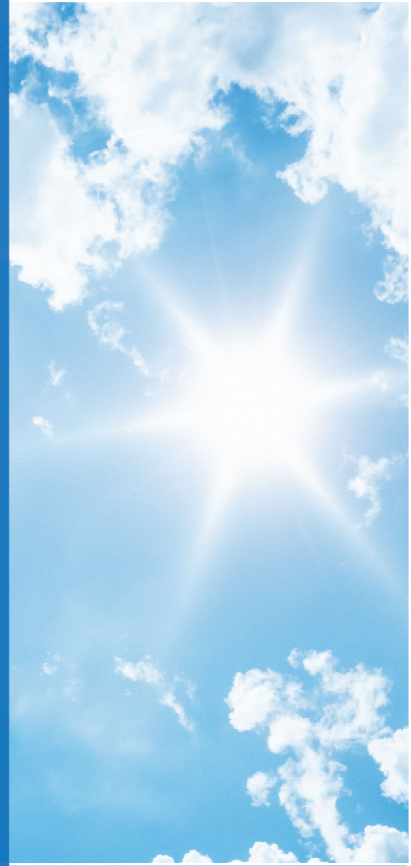


# 2019 Financial Report

City of Medicine Hat  
Medicine Hat, Alberta, Canada  
December 31, 2019



Medicine Hat  
The Gas City

**City of Medicine Hat, Alberta, Canada**

# **2019 FINANCIAL REPORT**

**For the year ended December 31, 2019**

*This Financial Report has been prepared and compiled by the  
City of Medicine Hat Finance Department in cooperation with  
all municipal and utilities departments.*



Information on the City of Medicine Hat  
is available via the internet at  
[www.medicinehat.ca](http://www.medicinehat.ca)



# TABLE OF CONTENTS

## Page

### INTRODUCTORY

City Council .....	2
2019 Organizational Structure .....	3
Treasurer's Report .....	4

### FINANCIAL STATEMENTS

Management's Responsibility for Reporting .....	15
Auditor's Report .....	16
Consolidated Statement of Financial Position .....	20
Consolidated Statement of Operations .....	21
Consolidated Statement of Change in Net Financial Debt .....	22
Consolidated Statement of Cash Flows .....	23
Consolidated Tangible Capital Assets (Schedule 1) .....	24
Consolidated Schedule of Municipal Taxes (Schedule 2) .....	25
Consolidated Government Transfers (Schedule 3) .....	26
Schedule of Segmented Disclosures (Schedule 4) .....	27
Consolidated Expenses by Object & of Other Operating Expenses (Schedule 5 & 5A).....	29
Notes to the Consolidated Financial Statements .....	30

### FINANCIAL & STATISTICAL SCHEDULES (unaudited)

Demographics and Other Information .....	56
Financial Comparison 2015 - 2019 .....	57
Financial Synopsis.....	59
Taxation and Assessment .....	60
Summary of Unrestricted Surplus and Restricted Surplus - Reserves.....	61
Long Term Debt .....	62
Consolidated Expenses by Object .....	63
Schedule of Operating Revenue & Expenses by Division, Department, & Object.....	64
Schedule of Capital Segmented Reporting .....	93
Schedules of Capital Financing & Expenses by Department .....	94



**Back row:** Brian Varga, Robert Dumanowski, Kris Samraj, Jim Turner, Julie Friesen, Darren Hirsch  
**Front row:** Phil Turnbull, Ted Clugston, Jamie McIntosh

## STANDING COMMITTEES

### Audit Committee

Councillor D. Hirsch, Chair  
 Councillor P. Turnbull, Vice Chair  
 Councillor J. McIntosh  
 D. Egert, Corporate Services Commissioner, Advisor

### Corporate Services Committee

Councillor R. Dumanowski, Chair  
 Councillor D. Hirsch, Vice Chair  
 Councillor B. Varga

### Development & Infrastructure Committee

Councillor R. Dumanowski, Chair  
 Councillor J. Turner, Vice Chair  
 Councillor J. McIntosh

### Energy & Utilities Committee

Councillor P. Turnbull, Chair  
 Councillor J. McIntosh, Vice Chair  
 Councillor J. Turner

### Public Services Committee

Councillor J. Friesen, Chair  
 Councillor J. Turner, Vice Chair  
 Councillor K. Samraj

### Heritage Resource Committee

Councillor J. McIntosh, Council Representative

### Administrative & Legislative Review Committee

Councillor D. Hirsch, Chair  
 Councillor J. Friesen, Vice Chair  
 Councillor R. Dumanowski

### Administrative Committee

T. Clugston, Mayor  
 R. Nicolay, Chief Administrative Officer, Chair  
 B. Mastel, Public Services Commissioner  
 D. Egert, Corporate Services Commissioner  
 S. Schwartzenberger, Development & Infrastructure Commissioner  
 B. Maynes, Energy & Utilities Division Commissioner  
 B. Schmitt, City Solicitor  
 A. Cruickshank, City Clerk  
 C. Graham, Corporate Communications Manager, Advisor

## SPECIAL COMMITTEES

**Canadian Badlands:** Councillors P. Turnbull & B. Varga

**Chamber of Commerce:** Councillor J. Turner

**City Centre Development Agency:** Councillor K. Samraj

**Civic Functions:** Councillor K. Samraj

**Cypress View Foundation:** Councillors J. Friesen & J. Turner

**Friends of Medalta Society:** Councillor J. McIntosh

**Highway #3 Twinning Association:** Councillor J. Turner

**Medicine Hat Community Housing Society:** Councillor K. Samraj

**Medicine Hat Exhibition & Stampede:** Councillor J. Turner

**Medicine Hat Public Library:** Councillor P. Turnbull

**Municipal Names Committee:** Councillor J. McIntosh

**Municipal Planning Commission:** Councillors B. Varga & D. Hirsch

**Palliser Economic Partnership:** Councillor J. Turner

**Police Commission:** Councillors J. Friesen & R. Dumanowski

**Regional Drainage:** Councillor K. Samraj

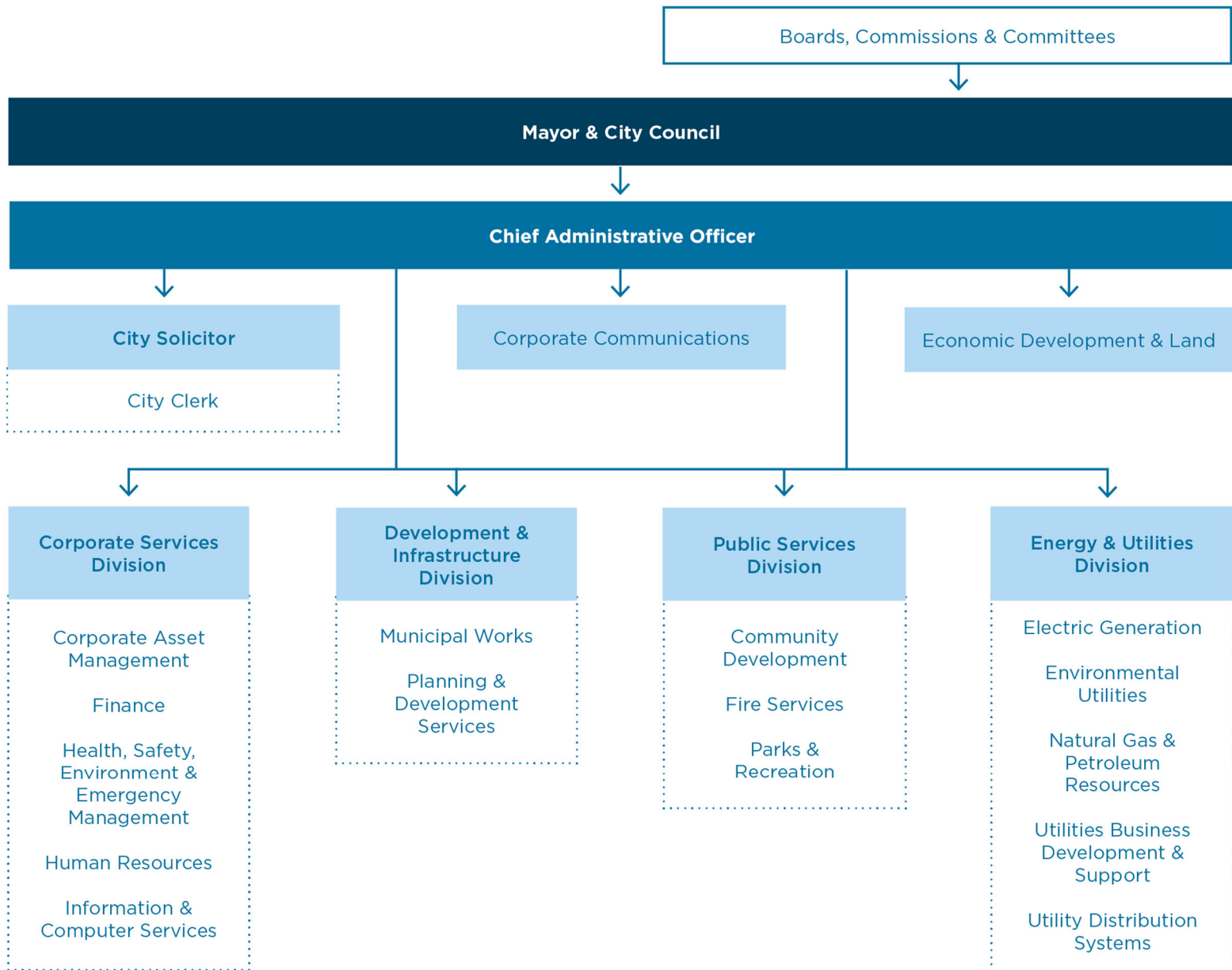
**Shortgrass Library System:** Councillor P. Turnbull

**Subdivision & Devel. Appeal Board:** Councillors J. McIntosh & J. Turner

**Tourism Medicine Hat:** Councillor B. Varga

# Organizational Structure

As at December 31, 2019



# Treasurer's Report

For the year ending December 31, 2019

## INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2019. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 20, 2020.

The City provides multiple services to its residents and surrounding area. At a municipal level it provides:

- protection to its citizens (Fire, Police and Bylaw Services, 9-1-1 Communications, Community Development),
- recreation and culture activities (Parks & Recreation and Community Development),
- road, bridge, sidewalk and trail maintenance (Municipal Works and Parks & Recreation),
- city planning and development (Planning, Building & Development),

The City also operates enterprise business units offering the following services:

- water, sewer and solid waste management (Environmental Utilities)
- land and property development and business support development,
- integrated commodity related businesses including natural gas exploration and production (NGPR) and electric generation (GENCO),
- natural gas and electric distribution services (Utility Distribution Systems),

The financial statements bring together the financial results of these activities. In doing so, the City is responsible for both accuracy of the data and completeness and fairness of the presentation, including all disclosures. This report provides users with an overview of the City of Medicine Hat's financial performance.

The purpose of the Financial Report is to present the readers with clear insight to the financial results for the City for the fiscal year ended December 31, 2019. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used against budgets and past financial performance. This report is divided into seven sections:

- **Introduction** – Provides an overview of the Treasurer's Report.
- **Canadian GFOA Award for Financial Reporting.**
- **Risk Management** - Discussion of risks and risk management strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2019. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



A stylized, handwritten signature in black ink, consisting of a large, sweeping 'D' followed by a few vertical strokes.

Dennis Egert  
Corporate Services Commissioner  
April 20, 2020

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2019**

### **CANADIAN GFOA AWARD FOR FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2018, the seventeenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

### **RISK MANAGEMENT**

This section of the report deals with the City's exposure to risk and uncertainty, to enable the reader to make informed judgments about the implications of these risks on the City's financial position.

#### **(a) Operational Risk Management**

The City's operations are insured under a conventional municipal insurance program, which includes Property, Boiler and Machinery, Liability, Automobile and Oil and Gas Multi-Energy. The insurance program includes a self-retention component for those losses within the various deductible levels.

#### **(b) Public Safety**

Medicine Hat Police Service continues to keep pace with community growth and the demand for services from residents. The use of technology, equipment and continued training and development of Police Service personnel ensures public and officer safety.

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergency, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommend changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. In 2013, Council approved the Fire Service Response Coverage Optimization Plan, which resulted in significant response coverage improvements to residents and improved safety for fire fighters.

The City operates a 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island, a regional population of approximately 75,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization and overall protocol compliance.



Government Finance Officers Association

### **Canadian Award for Financial Reporting**

Presented to

**City of Medicine Hat**

**Alberta**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2019**

### **(c) Treasury Management**

Internally managed City funds are invested in accordance with Investment Policy – Internally Managed #0110. The goal of this Policy is to ensure that the investment of City funds is made in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the City, as well as conforming to all provincial statutes and regulations governing the investment of municipal funds. Investment performance is benchmarked against the FTSE TMX Canada Universe Bond Index with an overall objective of sustaining a yield that exceeds 80 per cent of the index. The Treasury team meets to review the investment portfolio and quarterly activity. A Treasury Report, complete with performance indicators, is compiled tri-annually and distributed to the Audit Committee and City Council.

In 2015, the City was included by Municipal Affairs in the Major Cities Investment Regulation, which provides access to a broader range of investment opportunities, including public shares of companies. Prior to 2015, investments were limited to interest bearing securities. The Regulation expands the investment opportunities for the City's financial reserve funds. Further, in 2017 the City received ministerial approval to utilize the Alberta Investment Management Corporation (AIMCo.) as an external investment manager. Funds invested in assets permitted by the Major Cities Investment Regulation is governed by Investment Policy #0157.

In addition, internal control procedures are designed to ensure that the daily handling of cash is managed securely. Each member of the Treasury team must sign a disclosure statement to ensure their personal business activities do not conflict with the investment activities of the City.

### **(d) Environmental**

The Health, Safety and Environmental department provides corporate support and ensures regulatory compliance with regard to environmental matters. The Department completes the regulatory activities, including the administration of the Environmental Management Policy #0148, supports the operating departments in completing their due diligence with respect to environmental activities and provides current information on evolving and emerging environmental regulatory requirements. One of the goals is to keep City Council informed of the City's progress in striving for continual improvement in management systems and communication focusing on both compliance and proactive excellence in matters of environmental stewardship.

### **(e) Market Commodity Prices**

The City's revenues are affected by changes in market spot prices for natural gas and oil production and electric generation. The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or revenues, maintaining reliable supplies for operations/sales, and mitigating the financial risk exposure to the City.



# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019

### MANAGEMENT REPORTING AND CONTROL

The following section describes the planning, reporting and audit process.

#### (a) Strategic Planning and Budgeting

City Council developed a Strategic Plan highlighting priorities, strategies, goals and key results for the planning period 2019 - 2022. Based on the direction set out by the Strategic Plan, four-year departmental Business Plans are prepared. These Business Plans communicate each department's alignment with the Strategic Plan and identify:

- the core services/programs of the department and key performance indicators,
- departmental primary customers,
- significant risks and trends faced by the department, including mitigation plans,
- strategic objectives, rationale, indicators of success and action plans of the department.



Budget guidelines and high level financial projections are developed. Based on these guidelines and departmental Business Plans, departments develop their budget requests. City Council has approved the adoption of a four year operating budget, and a four year capital budget with a six year projection.

The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the Business Plans, the budget recommendation is presented for City Council approval.

The operating budget lays out the revenues and expenses for the planning periods that will be required to deliver City services to residents.

A ten year capital plan is developed for all departments. The capital plans identify proposed capital project expenditures and their corresponding sources of funding.

For the 2019 - 2022 budget period, the City employed a capital ranking process for the tax supported departments. This process is intended to ensure that limited capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

#### (b) Accounting

The City of Medicine Hat manages the accounting function in five core divisions: Corporate Services, Public Services, Development and Infrastructure, Energy and Utilities, and Police Services. Each division is responsible for managing the delivery of services in accordance with the resources allocated. All divisions share a common accounting and reporting system. Financial and accounting services are administered under the direction of the Commissioner of Corporate Services and delivered to each division based on requirements.

#### (c) Auditing

The *Municipal Government Act* requires municipal Councils to appoint an independent auditor. City Council approved KPMG LLP's appointment for the 2019 annual audit. In 2019, Medicine Hat City Council re-appointed KPMG LLP as auditor for 2020, with the option of renewing the engagement for an additional four years.

The role of the external auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report, and to express an opinion that the financial statements are free from any material misstatements. The auditor advises management and the Audit Committee of any control or operational matters that may have been identified during the audit.

# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019

The Audit Committee, comprised of three members of City Council, is a Standing Committee of City Council. The Audit Committee is responsible for recommending the appointment of the independent auditor, reviewing the terms of the engagement and overseeing management's responsibilities for financial reporting. The Audit Committee meets with management and the independent auditors to discuss the scope and timing of the audit, to review the auditor's findings and to ensure that management is carrying out its responsibilities.

Financial progress is reported to the Audit Committee throughout the year on a tri-annual basis. These progress updates examine financial performance relative to approved budgets and forecast updates.

## FINANCIAL HIGHLIGHTS

### Financial Trend Summary 2019

The financial data below provides an overview of key financial information over the past two years. Readers should read this report in conjunction with the accompanying Consolidated Financial Statements and Note Disclosures located on the City's website at <https://www.medicinehat.ca/what-s-new/publications-plans-and-reports>.

Due to the overall decline in gas and oil commodity prices as well as the related economic downturn, the City is experiencing lower revenues from its Gas business. As a result, there is a \$23 million annual shortfall in the energy subsidy to the City's municipal operating budget.

In 2016, Council adopted the key guiding principles of **Financially Fit for the Future**, as a response to this financial challenge. Over the next decade, this framework will facilitate discussion around fiscal management and delivery of core services, with a goal of becoming sustainable through reduced reliance on commodity based revenues for the delivery of municipal services. This initiative reduced the annual shortfall by \$7 million in the 2017 - 2019 budget periods, through a combination of cost containment measures, service level adjustments and increases to fees and taxes.

The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties. In order to better reflect the operations of the oil and gas properties and to provide more financial transparency, the City uses International Financial Reporting Standards (IFRS) to account for its oil and gas assets.

<i>In thousands of dollars</i>		
Consolidated Financial Position	2019	2018
Assets	\$ 526,888	\$ 468,736
Liabilities	738,323	670,324
Net financial debt	(211,435)	(201,588)
Non-financial assets	97,485	93,837
Net tangible capital assets	1,381,269	1,359,967
Total non-financial assets	1,478,754	1,453,804
<b>Accumulated surplus</b>	<b>\$1,267,319</b>	<b>\$1,252,216</b>

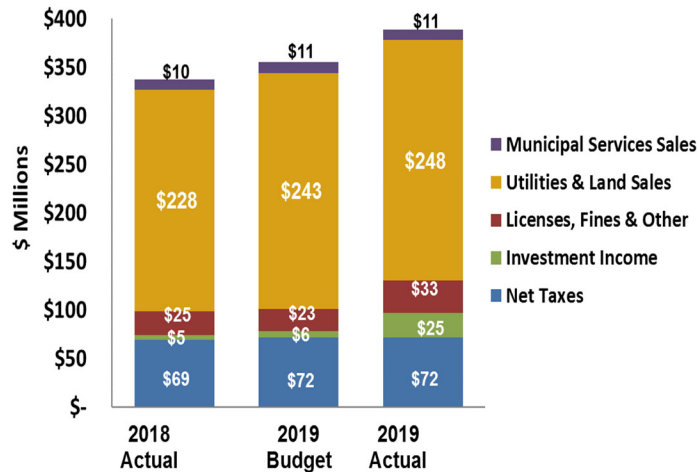
2019 Operating Results	Revenue	Expenses	Annual Surplus (Deficit)
General Fund	\$ 222,089	\$ 193,716	\$ 28,373
Utilities	328,887	363,820	(34,933)
Consolidation adjustments	(161,775)	(162,580)	805
<b>Subtotal</b>	<b>389,201</b>	<b>394,956</b>	<b>(5,755)</b>
Capital contributions and grants	20,858	-	20,858
Consolidation adjustments	-	-	-
<b>Subtotal</b>	<b>20,858</b>	<b>-</b>	<b>20,858</b>
<b>Total</b>	<b>\$ 410,059</b>	<b>\$ 394,956</b>	<b>\$ 15,103</b>

The 2019 annual surplus is mainly a result of higher Electric Utility revenues, due to higher electric commodity prices, and higher investment income from reinvested earnings. Capital contributions and grants represents funding used for various capital projects such as: Kinplex #1 Arena Ice Slab replacement, Strathcona Centre modernization, overland flood protection, northwest storm trunk, and irrigation improvements at various parks.

# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019

### Revenues



Revenue before capital contributions and grants was \$33.8 million higher than budget (\$389.2 million versus budget of \$355.4 million) mainly due to higher electric revenues and investment income. Electric revenues were \$11.7 million higher than budget due to higher than expected prices and demand. Economic Development & Land revenues were \$3.3 million lower than budget due to lower than anticipated residential lot sales.

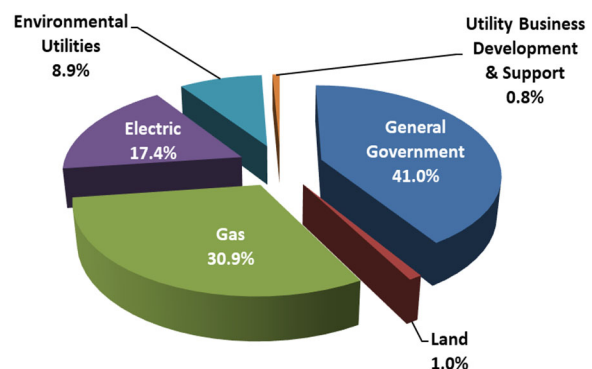
2019 revenues are higher than 2018 revenues by \$52.1 million primarily due to higher electric revenues as a result of higher commodity prices and higher investment income due to reinvested earnings.

### Expenses

Overall the City operating expenses for the year were \$13.1 million higher than budget mainly due to depreciation and impairment losses in Natural Gas and Petroleum Resources.

2019 expenses are higher than 2018 expenses by \$11.8 million due to an increase in variable expenses related to Electric Utility sales volumes and in General Government due to an increase in amortization and loss on disposal of assets.

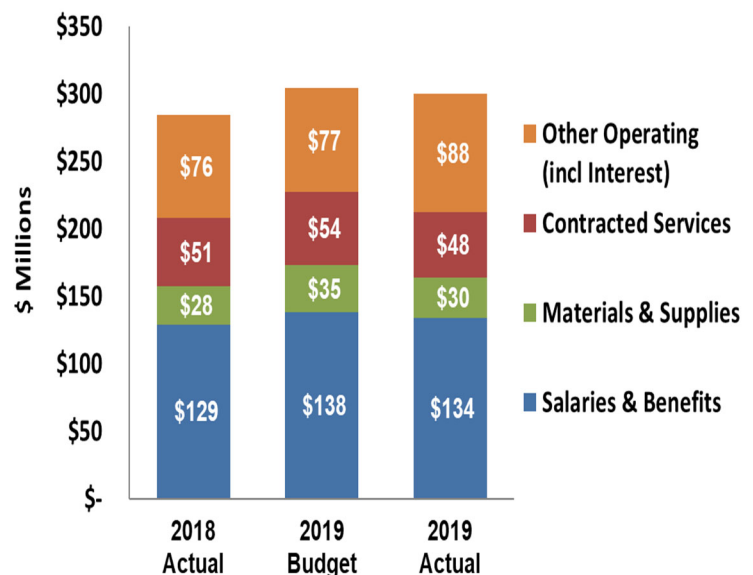
### Consolidated Operating Expenses by Division



### Expenses by Type

The Consolidated Schedule of Expenses by Object details 2019 actual (\$395.0 million) and budget (\$381.9 million) by expense type. The chart to the right excludes non-cash items such as amortization, impairments and disposal expenses of \$94.5 million (2019 budget of \$77.9 million). Variances from budget for contracted services and materials and supplies are mostly related to lower activity due to lower gas and oil commodity prices. Variances from budget for other operating expenses is largely due to an increase in purchased natural gas to cover local demand not met by produced natural gas. Variances from budget for salaries and benefits is primarily due to vacancies held throughout the organization.

The 2019 actual expenses by type are higher than 2018 due to an increase in other operating expenses related to increased natural gas purchases to cover local demand not met by produced natural gas as well as higher taxes in lieu due to increased electric sales to the Alberta Interconnected Electrical System.



# TREASURER'S REPORT

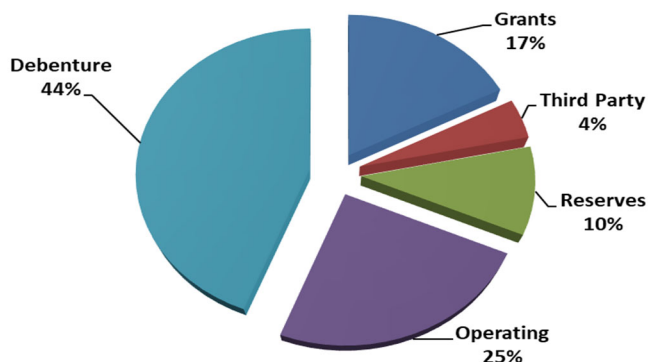
## FOR THE YEAR ENDED DECEMBER 31, 2019

### 2019 Capital Expenditures

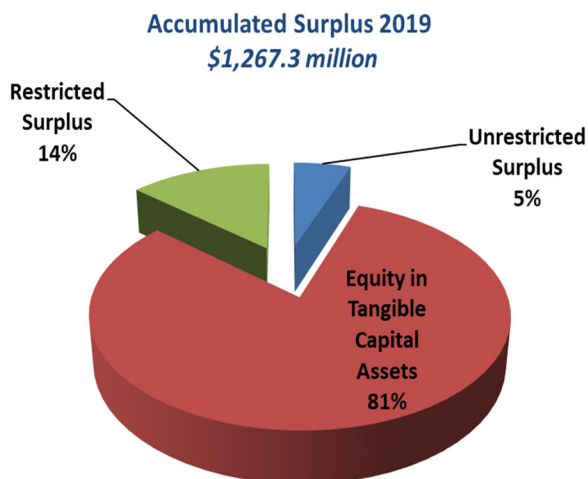
The City's approved 2019 budget for capital items was \$116.5 million. Actual capital expenditures for the year were \$115.8 million plus contributions from developers of \$0.5 million. The current year expenditures include \$83.5 million for projects carried forward from previous budget years.

The 2019 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, and third party contributions.

**Capital Funding Source**



### Accumulated Surplus



The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2019, the consolidated fund and equity balances increased by \$15.1 million to \$1,267.3 million.

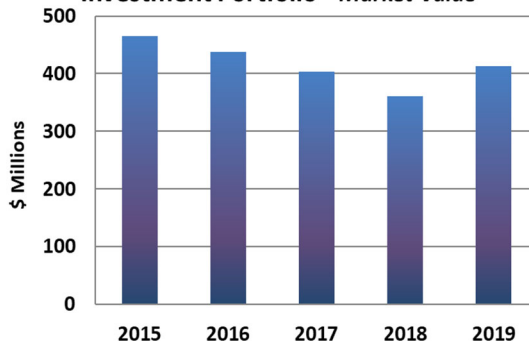
\$69.0 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City. The restricted amount is \$170.8 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets decreased by \$14.9 million to \$1,027.5 million this year as a result of an increase in amortization and long term debt.

### Investments

Investments, Loans and Advances increased \$45.1 million from 2018 to \$405.1 million largely as a result of recording 2017 – 2019 reinvested earnings on AIMCO funds, and an increase in provincial and federal capital grant funding received (Municipal Sustainability Initiative, Federal Gas Tax Fund, GreenTrip).

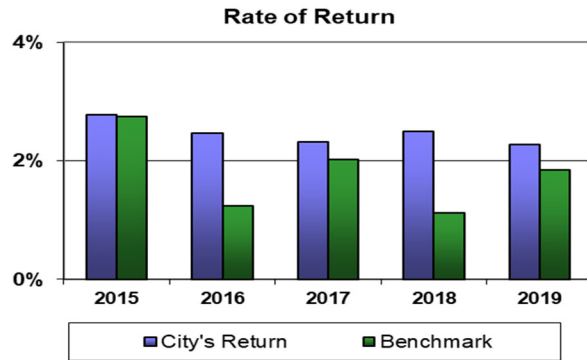
**Investment Portfolio - Market Value**





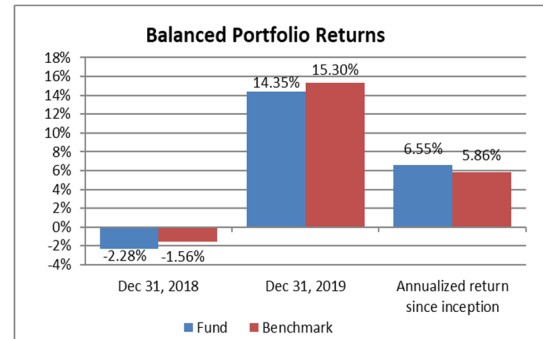
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019



The City of Medicine Hat's return on internally managed investments for the year ended December 31, 2019 averaged 2.27 per cent, higher than the customized blend of indices set to align with the portfolio composition of 1.84%. The City's average portfolio return has outperformed the stated benchmark over the last five years.

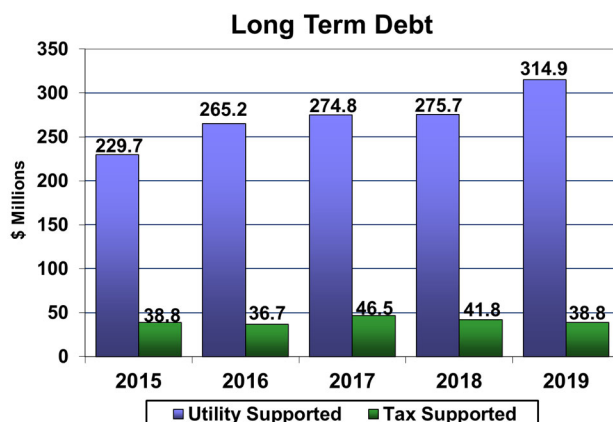
In 2019, the City continued to contribute to the externally managed investment portfolio, managed by the Alberta Investment Corporation (AIMCo). Overall, \$174.4 million has been invested with AIMCo (\$154.2 million of principle and \$20.2 million of re-invested earnings). The return for the year ended December 31, 2019 was 14.35%, 0.95% lower than the benchmark of 15.30%. Since inception (March 1, 2017 to December 31, 2019) the fund return was 6.55%, 0.69% higher than the benchmark return of 5.86%. The fund parameters are 40% money markets and fixed income and 60% equities.



### Long-Term Debt

During 2019, total Long-term Debt increased \$36.2 million to \$353.7 million with debt principal repayments of \$25.9 million being more than offset by new debt issued of \$62.1 million. New debt represents \$1.6 million for improvements to General Government assets, \$35.4 million relate to Environmental Utility assets, \$23.0 million relate to Electric Utility assets, and \$2.1 million for Gas Utility assets.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35 per cent of revenue, net of capital government transfers. For purposes of these calculations, actual total debt includes long and short-term debt as well as loan guarantees in the amount of \$1.7 million and letters of credit issued of \$47.3 million.



The City's 2019 debt limits are as follows:

	2019	
Debt Limit	\$ 778.4	
Actual Total Debt	402.7	52%
<b>Amount Under Limit</b>	<b>\$ 375.7</b>	
Debt Servicing Limit	\$ 136.2	
Actual Debt Servicing	36.9	27%
<b>Amount Under Limit</b>	<b>\$ 99.3</b>	

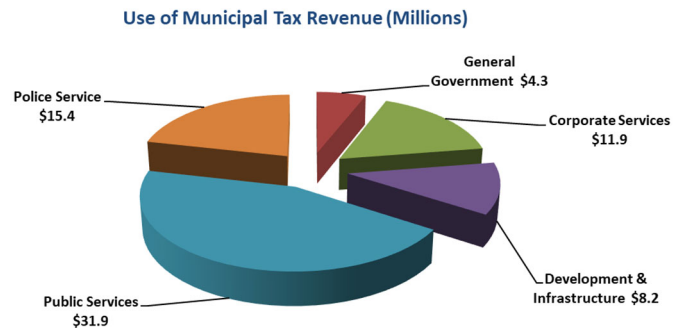
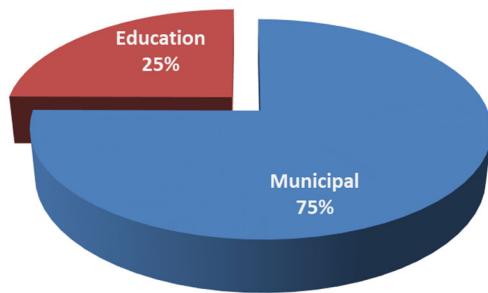
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019

### Use of Municipal Tax Revenue

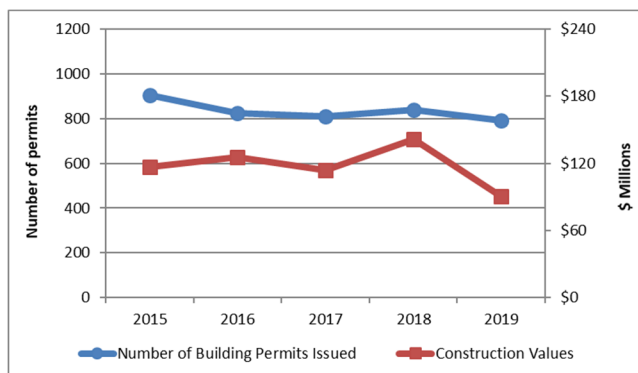
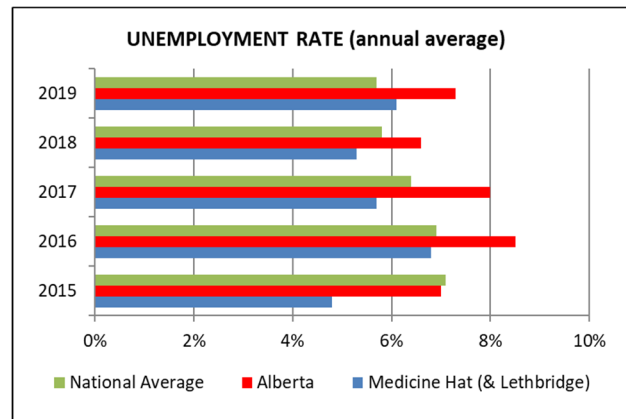
Net municipal property tax revenue of \$71.7 million (44.2%) is used to fund the consolidated General Fund operating expenses of \$162.4 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

### Where our property tax dollars went in 2019.



### Economic Indicators

The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2019 was 4.0%, while the 2019 average was 6.1%. The average Alberta unemployment rate for 2019 was 7.3% compared to 5.7% for Canada.



### Number of Building Permits Issued and related Construction Values

In 2019, the number of building permits issued decreased to 792 primarily due to a decrease in new development. The related estimated value of construction in 2019 also saw a decrease from prior year to \$91 million due to the majority of permits being issued for construction values under \$0.1 million.

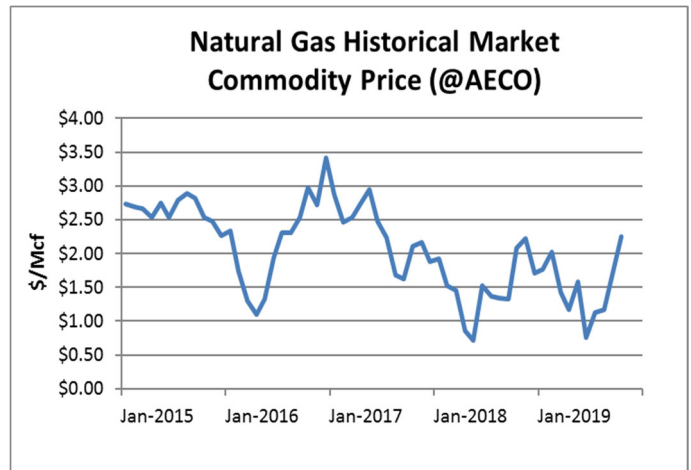
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2019

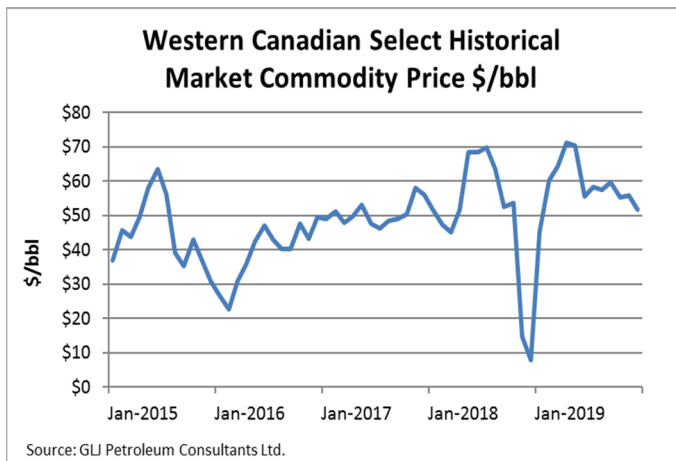
### Gas

Natural gas prices increased in early 2019 due to extreme cold weather. Prices then declined through summer, due to numerous maintenance projects on the NOVA Gas Transmission Limited (NGTL) pipeline. Natural gas prices recovered in October, when NGTL implemented a Temporary Service Protocol to encourage gas into storage and egress out of Alberta. US dry gas production continues to impact the North American price of gas where production averaged 92.1 billion cubic feet (Bcf) per day. The average AECO price for 2019 was \$1.81 per thousand cubic feet (Mcf).

2019 sales gas volume from production for the City of Medicine Hat was 8,766,923 Mcf. A \$1 per Mcf change in the commodity price would affect annual gross revenue by \$8.8 million.



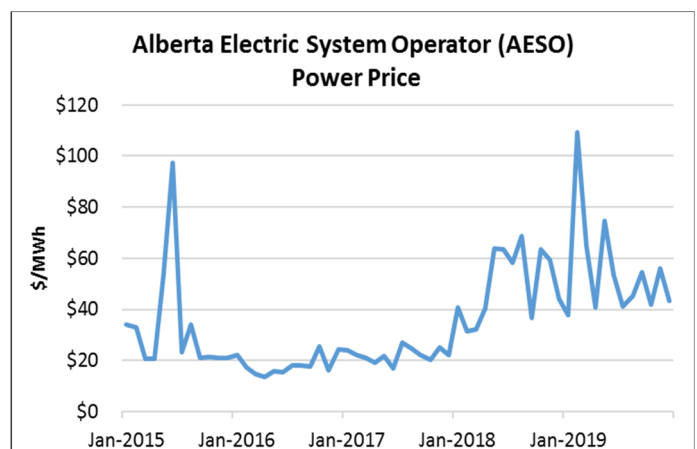
### Oil



In 2019, the Alberta Government curtailed provincial oil production to move crude built up in storage and better match demand and supply in the pricing of Canadian oil, Western Canadian Select (WCS). The curtailment and the increased oil movement on rail assisted in increasing the WCS price by approximately \$9 per barrel. The average 2019 net WCS price was \$58.75/bbl.

2019 oil production for the City of Medicine Hat was 421,766 barrels. A \$1 per barrel change in the commodity price would affect annual gross revenue by \$421,766.

Power prices and volatility remained strong in 2019, mainly due to a tight demand/supply balance. This, along with continued low gas costs, contributed to the City of Medicine Hat having a strong year in power exports.



# Financial Statements

The City of Medicine Hat has provided award winning financial reporting for the past 17 years.

The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. Its attainment represents a significant accomplishment by a municipal government and its management.



**Government Finance Officers Association  
of the United States and Canada**

*presents this*

## **CANADIAN AWARD FOR FINANCIAL REPORTING ACHIEVEMENT**

*to*

**FINANCE DEPARTMENT**

**CITY OF MEDICINE HAT, ALBERTA**

*The Canadian Award for Financial Reporting Achievement is presented by Government Finance Officers Association to those individuals who have been instrumental in their government unit's achieving a Canadian Award for Financial Reporting. A CANFR is presented to those government units whose annual financial reports are judged to adhere to program standards.*

*Executive Director*

*Christopher P. Moirrell*

*Date*

**NOVEMBER 18, 2019**



## Management's Responsibility for Reporting

For the Year Ended December 31, 2019


The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to His worship the Mayor with the members of Council of the City of Medicine Hat, outlines the scope of their examination and provides their opinion on the consolidated financial statements.



Chief Administrative Officer  
April 20, 2020



Treasurer



KPMG LLP  
#500, 400 - 4th Avenue South  
Lethbridge AB T1J 4E1  
Canada  
Tel 403-380-5700  
Fax 403-380-5760

## INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of the Council of the City of Medicine Hat

### ***Opinion***

We have audited the consolidated financial statements of City of Medicine Hat (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules 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 Entity as at December 31, 2019, and its consolidated results of operations, changes in net financial assets (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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

### ***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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



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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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 represents 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.

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

Chartered Professional Accountants

Lethbridge, Canada

April 20, 2020

**CONSOLIDATED**  
**Statement of Financial Position**  
**As at December 31, 2019 (in thousands of dollars)**

	2019	2018
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	\$ 71,119	\$ 56,375
Accounts receivable, net of allowances (Note 3)	42,716	45,955
Investments, loans and advances (Note 4)	405,053	359,996
Land and other assets held for resale	4,679	5,542
Inventories for resale (Note 5)	63	84
Deposits (Note 6)	3,258	784
<b>Total financial assets</b>	526,888	468,736
<b>Liabilities</b>		
Trade accounts payable	29,820	27,705
Accrued liabilities (Note 7)	20,467	18,377
Deferred revenue (Note 8)	52,966	44,316
Long-term debt (Note 10)	353,727	317,562
Other long-term liabilities (Note 11)	281,343	262,364
<b>Total liabilities</b>	738,323	670,324
<b>Net financial debt</b>	(211,435)	(201,588)
<b>Non-financial assets</b>		
Inventories for consumption	15,678	13,796
Prepaid assets	2,131	1,960
Land held for future development (Note 12)	18,924	16,714
Long lived assets	60,752	61,367
Tangible capital assets (Schedule 1) (Note 13)	1,381,269	1,359,967
<b>Total non-financial assets</b>	1,478,754	1,453,804
<b>Accumulated surplus (Note 14)</b>	<b>\$ 1,267,319</b>	<b>\$ 1,252,216</b>

Commitments, operating and capital (Notes 19 and 21)  
Contingent asset and liabilities (Note 22)  
Contractual rights (Note 23)  
Subsequent events (Note 25)

*The accompanying notes are an integral part of these financial statements.*

**CONSOLIDATED**  
**Statement of Operations**  
*For the year ended December 31, 2019 (in thousands of dollars)*

	2019 Budget	2019	2018
<b>Revenue</b> (Schedule 4)			
<b>Municipal taxes</b> (Schedule 2)	\$ 72,142	\$ 71,749	\$ 69,373
<b>Sale of services</b>			
General Government	11,224	10,901	10,485
Gas	55,282	53,784	55,053
Electric	128,034	139,725	116,702
Water	21,766	22,098	21,630
Sewer	19,519	19,000	17,367
Solid Waste	10,735	9,252	9,584
Economic Development & Land	7,470	4,204	6,986
<b>Other income</b>			
Investment income	5,743	25,096	5,093
Licenses, fines and penalties	6,437	6,404	6,723
Insurance recovery	123	300	1,788
Development levies	743	4,804	3,089
Government transfers for operating (Schedule 3)	7,574	6,098	6,154
Other	8,625	15,786	7,047
<b>Total revenue</b>	355,417	389,201	337,074
<b>Expenses</b> (Schedule 4 and Schedule 5)			
General Government	165,848	162,422	156,254
Gas	104,534	122,161	126,883
Electric	65,183	68,660	60,945
Water	14,716	15,072	14,097
Sewer	13,834	13,730	13,585
Solid Waste	6,735	6,520	5,953
Utilities Business Development & Support	3,676	2,845	2,032
Economic Development & Land	7,370	3,546	3,367
<b>Total expenses</b>	381,896	394,956	383,116
<b>Deficiency of revenue over expenses</b>			
- before other revenue	(26,479)	(5,755)	(46,042)
<b>Other revenue</b> (Schedule 4)			
Contributed tangible capital assets	-	538	105
Government transfers for capital (Schedule 3) (Note 8)	13,494	20,320	29,495
<b>Total other revenue</b>	13,494	20,858	29,600
<b>Annual surplus (deficit)</b>	(12,985)	15,103	(16,442)
<b>Accumulated surplus, beginning of year</b>	1,252,216	1,252,216	1,268,658
<b>Accumulated surplus, end of year</b>	<b>\$ 1,239,231</b>	<b>\$ 1,267,319</b>	<b>\$ 1,252,216</b>

*The accompanying notes are an integral part of these financial statements.*

# CONSOLIDATED

## Statement of Change in Net Financial Debt For the year ended December 31, 2019 (in thousands of dollars)

	2019 Budget	2019	2018
<b>Annual surplus (deficit)</b>	\$ (12,985)	\$ 15,103	\$ (16,442)
Amortization of tangible capital assets	77,860	79,325	72,931
Impairments	-	14,550	25,033
Loss on disposal of tangible capital assets	-	1,227	746
Developers contribution of tangible capital assets	-	(538)	(105)
Acquisition of tangible capital assets	(116,502)	(115,763)	(132,461)
Proceeds from sale of tangible capital assets	-	1,030	1,886
Decrease (increase) in long lived assets	6,676	(518)	4,575
	(44,951)	(5,584)	(43,837)
Acquisition of inventories and supplies	(1,602)	(7,915)	(8,434)
Net acquisition of land held for future development	(2,382)	(2,210)	(1,220)
Acquisition of prepaid assets	(10,983)	(10,991)	(15,587)
Consumption of inventories and supplies	1,630	6,033	7,324
Use of prepaid assets	10,820	10,820	15,872
	(2,517)	(4,263)	(2,045)
<b>Increase in net financial debt</b>	(47,468)	(9,847)	(45,882)
<b>Net financial debt, beginning of year</b>	(201,588)	(201,588)	(155,706)
<b>Net financial debt, end of year</b>	<b>\$ (249,056)</b>	<b>\$ (211,435)</b>	<b>\$ (201,588)</b>

*The accompanying notes are an integral part of these financial statements.*



# CONSOLIDATED

## Statement of Cash Flows

*For the year ended December 31, 2019 (in thousands of dollars)*

	2019	2018
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Annual surplus (deficit)	\$ 15,103	\$ (16,442)
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	79,325	72,931
Impairments	14,550	25,033
Loss on disposal of tangible capital assets	1,227	746
Developers contribution of tangible capital assets	(538)	(105)
Non-cash items relating to capital and investing activities:		
Increase (decrease) in long lived assets	(518)	4,575
Non-cash changes to operations (net change):		
Decrease in accounts receivable	3,239	4,933
Decrease in land held for resale	863	778
Decrease (increase) in inventories for resale	21	(23)
Increase in deposits	(2,474)	(187)
Increase (decrease) in trade accounts payable	2,115	(4,869)
Increase in accrued liabilities	2,090	2,243
Increase in deferred revenue	8,650	6,147
Increase in other long-term liabilities	18,979	20,586
Increase in inventories for consumption	(1,882)	(1,110)
Decrease (increase) in prepaid assets	(171)	285
Increase in land held for future development	(2,210)	(1,178)
<b>Cash provided by operating transactions</b>	<b>138,369</b>	<b>114,343</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(115,763)	(132,461)
Proceeds from sale of tangible capital assets	1,030	1,886
<b>Cash applied to capital transactions</b>	<b>(114,733)</b>	<b>(130,575)</b>
<b>Investing</b>		
Decrease (increase) in restricted cash and temporary investments	(3,735)	372
Decrease (increase) in investments, loans and advances	(45,057)	33,698
<b>Cash applied to investing transactions</b>	<b>(48,792)</b>	<b>34,070</b>
<b>Financing</b>		
Long-term debt issued and assumed	62,097	21,545
Long-term debt repaid	(25,932)	(25,290)
<b>Cash provided by financing transactions</b>	<b>36,165</b>	<b>(3,745)</b>
<b>Change in cash and equivalents during the year</b>	<b>11,009</b>	<b>14,093</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>25,034</b>	<b>10,941</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 36,043</b>	<b>\$ 25,034</b>
<b>Cash and cash equivalents consist of the following:</b>		
Cash	\$ 71,119	\$ 56,375
Less: restricted portion of cash and temporary investments	(35,076)	(31,341)
<b>Total</b>	<b>\$ 36,043</b>	<b>\$ 25,034</b>

*The accompanying notes are an integral part of these financial statements.*

**CONSOLIDATED**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
*As at December 31, 2019 (in thousands of dollars)*

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2019	2018
<b>Cost:</b>									
Balance, beginning of year	\$ 48,449	\$ 127,265	\$ 358,139	\$ 1,358,612	\$ 716,091	\$ 118,093	\$ 51,446	\$ 2,778,095	\$ 2,693,007
Acquisition of tangible capital assets	199	7,635	5,549	70,444	12,055	12,137	3,396	111,415	154,887
Construction-in-progress	-	765	4,087	73	(2,890)	(2,265)	5,116	4,886	(22,321)
Disposal of tangible capital assets	(250)	(43)	(2,780)	(8,300)	-	(3,748)	(3,949)	(19,070)	(28,669)
Write down of tangible capital assets	-	-	-	-	(13,417)	-	-	(13,417)	(18,809)
Balance, end of year	48,398	135,622	364,995	1,420,829	711,839	124,217	56,009	2,861,909	2,778,095
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	50,296	96,369	563,621	631,464	49,451	26,927	1,418,128	1,371,234
Annual amortization	-	6,097	8,982	41,876	10,011	8,296	4,063	79,325	72,931
Accumulated amortization on disposals	-	(43)	(2,066)	(7,805)	-	(3,619)	(3,280)	(16,813)	(26,037)
Balance, end of year	-	56,350	103,285	597,692	641,475	54,128	27,710	1,480,640	1,418,128
<b>Net book value of tangible capital assets</b>	<b>\$ 48,398</b>	<b>\$ 79,272</b>	<b>\$ 261,710</b>	<b>\$ 823,137</b>	<b>\$ 70,364</b>	<b>\$ 70,089</b>	<b>\$ 28,299</b>	<b>\$ 1,381,269</b>	<b>\$ 1,359,967</b>
<b>2018 net book value of tangible capital assets (Note 13)</b>	<b>\$ 48,449</b>	<b>\$ 76,969</b>	<b>\$ 261,770</b>	<b>\$ 794,991</b>	<b>\$ 84,627</b>	<b>\$ 68,642</b>	<b>\$ 24,519</b>		<b>\$ 1,359,967</b>

*The accompanying notes are an integral part of these financial statements.*

**CONSOLIDATED****Schedule 2**

**Schedule of Municipal Taxes**  
**For the year ended December 31, 2019**  
*(in thousands of dollars)*

	<b>2019 Budget</b>	<b>2019</b>	<b>2018</b>
<b>Taxation</b>			
Real property taxes	\$ 95,854	\$ 94,749	\$ 91,843
Linear property taxes	1,074	1,074	1,074
Special assessments and local improvement taxes	349	355	344
	<hr/> 97,277	<hr/> 96,178	<hr/> 93,261
<b>Requisitions</b>			
Alberta School Foundation	20,314	19,717	19,249
Catholic Board of Education	3,870	3,757	3,725
Cypress View Foundation	924	926	902
Designated Industrial Property	27	29	12
	<hr/> 25,135	<hr/> 24,429	<hr/> 23,888
<b>Municipal taxes</b>	<hr/> <b>\$ 72,142</b>	<hr/> <b>\$ 71,749</b>	<hr/> <b>\$ 69,373</b>

*The accompanying notes are an integral part of these financial statements.*

**CONSOLIDATED**  
**Schedule of Government Transfers**  
**For the year ending December 31, 2019**  
(In thousands of dollars)

Schedule 3

	2019			2018
	Provincial	Federal	Total	
<b>Unconditional operating transfers</b>				
Payment in Place of Taxes	\$ 951	\$ 69	\$ 1,020	\$ 1,048
<b>Conditional operating</b>				
Affordable Housing Grant	77	-	77	-
Alberta Community Partnership (ACP)	59	-	59	-
Alberta Community Resilience Grant	-	-	-	121
Alberta Disaster Recovery Program (DRP)	-	-	-	281
Alberta Employment Programs	29	-	29	33
Alberta Foundation of the Arts Travelling Exhibition Program	234	-	234	160
Alberta Historic Resources Foundation	3	-	3	4
Alberta Museums Association	25	-	25	12
Alberta Seniors & Housing	8	-	8	-
Alberta Traffic Safety Fund	3	-	3	17
Alberta Transportation - Highway 3 Shuttle	192	-	192	-
Alberta Labour Market Partnership Program (LMPP)	38	-	38	-
All Hazards Incident Management Team (AHIMT)	44	-	44	11
Archives Society of Alberta	-	-	-	13
Canada Council for the Arts	-	30	30	30
Canadian Heritage Grant	-	48	48	48
Canadian Museums Association	-	4	4	-
Child and Family Services Alberta (CFSA)	124	-	124	114
Emergency Management Preparedness Program	5	-	5	4
Family and Community Support Services (FCSS)	1,538	-	1,538	1,599
Municipal Cannabis Transition Program	73	-	73	-
Municipal Policing Assistance	1,012	-	1,012	1,012
Municipal Sustainability Initiative Operating (MSIO)	458	-	458	532
Natural Resources Canada	-	32	32	197
Police Officer Grant	400	-	400	400
Victims of Crime Fund Grant	274	-	274	150
911 Mobility Grant	368	-	368	368
	<b>5,915</b>	<b>183</b>	<b>6,098</b>	<b>6,154</b>
<b>Conditional capital</b>				
Airport Capital Assistance Program (ACAP)	-	-	-	5,567
Alberta Community Resilience Grant	(3,465)	-	(3,465)	3,465
Basic Municipal Transportation Grant (BMTG)	-	-	-	624
Canadian Cultural Spaces Fund (CCSF)	-	286	286	-
Community Facility Enhancement Program	-	-	-	402
Gas Tax Fund (GTF)	4,642	-	4,642	1,567
Federal Small Communities Fund (SCF)	-	2,113	2,113	-
GreenTrip	4,625	-	4,625	589
Municipal Sustainability Initiative (MSI)	12,119	-	12,119	17,256
New Horizons for Seniors Program	-	-	-	25
	<b>17,921</b>	<b>2,399</b>	<b>20,320</b>	<b>29,495</b>
<b>Total government transfers</b>	<b>\$ 23,836</b>	<b>\$ 2,582</b>	<b>\$ 26,418</b>	<b>\$ 35,649</b>

The accompanying notes are an integral part of these financial statements.

# Schedule of Segment Disclosures (Note 26)

# Schedule 4

For the year ended December 31, 2019 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Economic Development & Land	Consolidation Adjustments	2019 Consolidated
<b>Revenue</b>										
Municipal taxes	\$ 76,027	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (4,504)	\$ 71,749
Sales of services	11,112	81,738	145,240	-	22,319	19,147	9,473	4,204	(34,269)	258,964
Investment income	3,514	20,658	898	26	-	-	-	-	-	25,096
Licenses, fines and penalties	6,408	-	-	-	-	-	-	(4)	-	6,404
Insurance recovery	294	-	-	-	-	-	-	6	-	300
Development levies	1,287	532	2,719	-	-	-	-	266	-	4,804
Government transfers for operating	6,028	-	-	32	-	-	-	38	-	6,098
Other	5,215	(120)	2,517	-	3,976	353	1,280	754	1,811	15,786
Internal recoveries	41,933	132	2,284	3,149	1,075	-	2,370	3,599	(54,542)	-
Transfer from Utilities and Land	70,271	-	-	-	-	-	-	-	(70,271)	-
	222,089	102,940	153,658	3,207	27,483	19,613	13,123	8,863	(161,775)	389,201
<b>Expenses</b>										
Salaries, wages and benefits	88,154	14,649	14,677	2,101	5,576	4,725	3,139	790	425	134,236
Contracted and general services	23,388	10,920	8,383	706	649	830	2,235	1,180	-	48,291
Materials, goods and utilities	7,581	4,272	13,186	29	1,505	1,762	159	2,994	(1,759)	29,729
Provisions for allowances	706	94	111	-	38	32	17	-	-	998
Bank charges and short term interest	200	118	1	-	-	-	-	15	-	334
Interest on long term debt	1,332	522	3,673	-	2,865	2,493	78	-	-	10,963
Total grants and other transfers	3,538	-	-	-	-	-	-	279	-	3,817
Other operating expenses	120	64,916	6,777	-	11	19	270	4	-	72,117
Amortization of tangible capital assets	36,047	12,700	21,731	1	4,358	3,835	610	43	-	79,325
Impairment	-	14,550	-	-	-	-	-	-	-	14,550
Loss on disposal of tangible capital assets	1,066	6	81	-	58	15	1	-	-	1,227
Gain on disposal of long lived assets	-	(631)	-	-	-	-	-	-	-	(631)
Internal charges and transfers	31,584	9,374	102,744	116	5,011	4,643	5,083	2,691	(161,246)	-
	193,716	131,490	171,364	2,953	20,071	18,354	11,592	7,996	(162,580)	394,956
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 28,373</b>	<b>\$ (28,550)</b>	<b>\$ (17,706)</b>	<b>\$ 254</b>	<b>\$ 7,412</b>	<b>\$ 1,259</b>	<b>\$ 1,531</b>	<b>\$ 867</b>	<b>\$ 805</b>	<b>\$ (5,755)</b>
<b>Other</b>										
Contributed assets	\$ 538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538
Government transfers for capital	20,320	-	-	-	-	-	-	-	-	20,320
<b>Total other</b>	<b>20,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,858</b>
<b>Annual surplus (deficit)</b>	<b>\$ 49,231</b>	<b>\$ (28,550)</b>	<b>\$ (17,706)</b>	<b>\$ 254</b>	<b>\$ 7,412</b>	<b>\$ 1,259</b>	<b>\$ 1,531</b>	<b>\$ 867</b>	<b>\$ 805</b>	<b>\$ 15,103</b>

The accompanying notes are an integral part of these financial statements.



**Schedule of Segment Disclosures (Note 26)**  
For the year ended December 31, 2018 (in thousands of dollars)

Schedule 4

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Economic Development & Land	Consolidation Adjustments	2018 Consolidated
<b>Revenue</b>										
Municipal taxes	\$ 73,554	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (4,407)	\$ 69,373
Sales of services	10,485	74,700	122,039	-	21,843	17,509	9,797	6,986	(25,552)	237,807
Investment income	2,793	1,411	898	18	-	-	-	-	(27)	5,093
Licenses, fines and penalties	6,717	-	-	-	-	-	-	6	-	6,723
Insurance recovery	860	-	928	-	-	-	-	-	-	1,788
Development levies	2,369	388	332	-	-	-	-	-	-	3,089
Government transfers for operating	5,671	46	176	197	11	53	-	-	-	6,154
Other	5,675	2,034	1,091	-	1,291	610	194	1,317	(5,165)	7,047
Internal recoveries	40,340	13	1,317	2,273	742	-	2,105	1,497	(48,287)	-
Transfer from Utilities and Land	47,302	-	-	-	-	-	-	-	(47,302)	-
	195,766	78,592	126,781	2,488	24,000	18,285	12,096	9,806	(130,740)	337,074
<b>Expenses</b>										
Salaries, wages and benefits	85,763	15,423	13,216	1,392	4,760	5,028	3,180	791	(226)	129,327
Contracted and general services	25,925	12,892	6,709	606	724	867	2,147	1,282	-	51,152
Materials, goods and utilities	6,551	4,566	12,429	36	1,326	1,592	192	4,789	(3,783)	27,698
Provisions for allowances	29	122	119	-	37	31	38	-	-	376
Bank charges and short term interest	241	67	23	-	-	-	-	12	-	343
Interest on long term debt	1,462	543	3,768	-	2,813	2,389	97	-	-	11,072
Total grants and other transfers	3,380	-	-	-	-	-	-	190	-	3,570
Other operating expenses	(405)	56,345	5,119	-	-	-	(191)	-	-	60,868
Amortization of tangible capital assets	33,659	11,834	19,255	1	4,045	3,658	435	44	-	72,931
Impairment	-	24,991	-	-	-	-	-	42	-	25,033
Loss on disposal of tangible capital assets	(198)	127	328	-	398	30	61	-	-	746
Gain on disposal of long lived assets	-	-	-	-	-	-	-	-	-	-
Internal charges and transfers	33,428	9,504	68,000	75	4,650	4,309	5,183	5,349	(130,498)	-
	189,835	136,414	128,966	2,110	18,753	17,904	11,142	12,499	(134,507)	383,116
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 5,931</b>	<b>\$ (57,822)</b>	<b>\$ (2,185)</b>	<b>\$ 378</b>	<b>\$ 5,247</b>	<b>\$ 381</b>	<b>\$ 954</b>	<b>\$ (2,693)</b>	<b>\$ 3,767</b>	<b>\$ (46,042)</b>
<b>Other</b>										
Contributed assets	\$ 203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (98)	\$ 105
Government transfers for capital	29,495	-	-	-	-	-	-	-	-	29,495
<b>Total other</b>	<b>29,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(98)</b>	<b>29,600</b>
<b>Annual surplus (deficit)</b>	<b>\$ 35,629</b>	<b>\$ (57,822)</b>	<b>\$ (2,185)</b>	<b>\$ 378</b>	<b>\$ 5,247</b>	<b>\$ 381</b>	<b>\$ 954</b>	<b>\$ (2,693)</b>	<b>\$ 3,669</b>	<b>\$ (16,442)</b>

The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED****Schedule 5**

**Schedule of Expenses By Object**  
**For the year ended December 31, 2019**  
*(in thousands of dollars)*

	<b>2019 Budget</b>	<b>2019</b>	<b>2018</b>
<b>Expenses</b>			
Salaries, wages and benefits	\$ 137,613	\$ 134,236	\$ 129,327
Contracted and general services	53,620	48,291	51,152
Materials, goods and utilities	35,074	29,729	27,698
Provisions for allowances	317	998	376
Bank charges and short term interest	291	334	343
Interest on long term debt	11,485	10,963	11,072
Total grants and other transfers	3,803	3,817	3,570
Other operating expenses (Schedule 5A)	61,833	72,117	60,868
Amortization of tangible capital assets	77,860	79,325	72,931
Impairments	-	14,550	25,033
Loss on disposal of tangible capital assets	-	1,227	746
Gain on disposal of long lived assets	-	(631)	-
<b>Total expenses</b>	<b>\$ 381,896</b>	<b>\$ 394,956</b>	<b>\$ 383,116</b>

**CONSOLIDATED****Schedule 5A**

**Schedule of Other Operating Expenses**  
**For the year ended December 31, 2019**  
*(in thousands of dollars)*

	<b>2019 Budget</b>	<b>2019</b>	<b>2018</b>
<b>Other Operating Expenses</b>			
Natural Gas & Oil asset retirement obligation depreciation & accretion	\$ 16,716	\$ 20,901	\$ 21,424
Natural Gas purchases	19,919	25,763	16,101
Natural Gas & Oil surface and mineral leases	10,936	11,141	10,880
Natural Gas & Oil royalties	5,352	4,795	5,852
Taxes or taxes in lieu	5,587	6,903	5,191
Natural Gas & Oil transportation	1,822	1,737	1,971
Other	1,501	877	(551)
<b>Total Other Operating Expenses</b>	<b>\$ 61,833</b>	<b>\$ 72,117</b>	<b>\$ 60,868</b>

*The accompanying notes are an integral part of these financial statements.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the City of Medicine Hat (the "City") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the City of Medicine Hat are as follows:

### (A) BASIS OF CONSOLIDATION

The Consolidated Financial Statements reflect the assets, liabilities, revenues and expenses and changes in net financial debt of the reporting entity. This entity includes all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to City Council for the administration of their financial affairs and resources. They include the following:

#### 1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Corporate Services (Finance, Human Resources, Information & Computer Services, Health Safety & Environment, and Corporate Asset Management), Public Services (Fire Services, Community Development, Parks & Recreation), Development & Infrastructure (Municipal Works, Planning, Building & Development and Economic Development & Land) and Police Service (Police Service and Bylaw Enforcement).

#### 2. Energy/Utility Services

Self-supporting activities, which provide Electricity (Generation, Distribution and Retail), Natural Gas (Production, Distribution, and Marketing), Environmental Utilities (Water, Sewer and Solid Waste) and Utilities Business Development and Support (alternative and renewable energy and environmental education and outreach).

Interdepartmental and organizational transactions and balances are eliminated.

School administration is completely independent of City Council and is subject to control by the Provincial Government pursuant to the provisions of the *School Act*. The only relationship between the School Boards and the City is that the City is obligated to collect and remit funds raised by taxes as determined by the Province.

Cypress View Foundation is completely independent of City Council and is subject to control by the Provincial Government pursuant to the provisions of the *Municipal Government Act* and the *Alberta Housing Act*. The relationship between the Cypress View Foundation and the City is that the City is obligated to collect and remit funds raised by taxes deemed necessary by the Province.

Designated industrial property includes linear property, railway, and specific major plants. Assessment of these property types is carried out separately by the province. The provincial assessor's assessment reflects the specifications and characteristics for these regulated properties and the valuation standard, as outlined in the *Municipal Government Act* regulations.

The Schedule of Municipal Taxes levied includes operating requisitions for the Alberta School Foundation, Catholic Board of Education, and Cypress View Foundation. Amounts collected for the City Centre Development Agency that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. A schedule of these trust assets is included in Note 15.

### (B) BASIS OF ACCOUNTING

The Consolidated Financial Statements are prepared using the accrual basis of accounting.

#### 1. Revenues

The accrual basis of accounting records revenue as it is earned and measurable. Sales and user fees are accounted for in the period in which the events occurred that gave rise to the revenues.

Revenue from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the intended purpose.

Government transfers from senior levels of government are recognized in the financial statements in the period that gives rise to the transfer occurring, providing the transfers are authorized, the City has met any eligible criteria and a reasonable estimate of the amounts can be made.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

## **2. Tax Revenues**

Tax revenues are recognized once City Council passes the bylaw approving the current year tax assessment and tax rate. Tax rate categories include: real property taxes (residential and non-residential), linear property taxes and local improvement taxes. Requisitions operating as flow through arrangements are excluded from revenue.

Taxes receivable are measured once the tax rate bylaw is passed. The property owner's share of the improvement is recognized as revenue, and recorded as receivable, in the period that the project expenditures are completed. Taxes receivable are measured at their net realizable value. Net realizable value excludes individually identified taxes in arrears considered uncollectable through the tax recovery process. Taxes received in advance of the next tax year are recorded as a customer credit and liability until the bylaw is passed.

## **3. Expenses**

Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay with the exception of pension expenses as disclosed in Note 1F.

## **(C) INVESTMENTS, LOANS AND ADVANCES**

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policies #0110 and #0157. Included in investments are internally managed portfolios consisting of investments in money market instruments and bonds. The City also has external investment portfolios managed by Alberta Investment Management Corporation (AIMCo) consisting of short and long term investments including money market securities, bonds, and other fixed income securities, Canadian and foreign equities and alternative investments. Investments are recorded at the lower of original cost net of amortized discounts and premiums and market value on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Loans and advances result from the City providing financing to other entities that provide services which benefit the citizens of the City of Medicine Hat. These loans and advances are recorded at amortized costs less any allowances for doubtful accounts using the effective interest rate. Allowances for doubtful accounts are recognized when collection is in doubt and measured at the lower of cost and net recoverable value. Loans and advances are reviewed on an annual basis by management.

## **(D) INVENTORIES FOR RESALE**

Inventories for resale and gas in storage are valued at the lower of cost or net realizable value with cost determined by the average cost method.

## **(E) LAND AND OTHER ASSETS HELD FOR RESALE**

Land held for resale is recorded at the lower of cost or net realizable value. The cost of land held for resale includes costs related to land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water, sewer, gas, electric, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function. The cost of land held for resale is determined on a specific item basis.

## **(F) PENSION EXPENSES**

The City participates in multi-employer defined benefit pension plans, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due. These plans are accounted for as defined contribution plans.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## (G) JOINT VENTURE ACCOUNTING

Some of the City's production activities related to oil and gas are contracted jointly with third parties. These statements reflect only the City's proportionate interest in such activities.

## (H) OVER-LEVIES AND UNDER-LEVIES

Over-levies and under-levies arise from the difference between the actual tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

## (I) DECOMMISSIONING OBLIGATION

The City's oil and gas production activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas the increase/decrease due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

## (J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

## (K) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

### 1. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of an asset.

Government contributions for the acquisition of capital assets are recorded as revenue in the Consolidated Statement of Operations and do not reduce the related capital assets costs.

Tangible capital assets at cost less residual value, in Municipal Services, the Electric Utility, Environmental Utilities, Land, and non-resource plant, property and equipment in the Gas Utility are amortized on a straight line basis over their estimated useful lives as follows:

Land Improvements	4 to 25 years
Buildings	15 to 50 years
Engineered Structures	7 to 75 years
Machinery, Equipment & Furnishings	5 to 25 years
Vehicles	3 to 20 years



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

Carrying costs directly attributable to the acquisition, construction, development/betterment, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is available for use. Interest charges are not capitalized. No assets have been recognized at nominal value.

Donated and Contributed tangible capital assets are recorded at estimated fair market value at the date of contribution and are recorded as revenue.

The City has works of art, museum collections, archives and various cultural and historic treasures that have aesthetic and historic value that are worth preserving perpetually. These items are not recognized in the tangible capital asset records, because a reasonable estimate of the future economic benefit associated with these items cannot be made.

## **2. Oil & Gas Exploration and Evaluation (E&E) Assets and Property, Plant and Equipment (PP&E)**

As the Public Sector Accounting Standards (PS) is silent on the treatment of resource properties, to better reflect the operations of the oil and gas properties and to provide more financial transparency, the City has elected to adopt the guidance provided under International Financial Reporting Standards (IFRS).

### **(i) Exploration and Evaluation (E&E) Assets**

Costs incurred prior to acquiring the legal right to explore an area are charged directly to net income.

Costs incurred after the legal right to explore is obtained but before technical feasibility and commercial viability of the area has been established are capitalized as E&E assets. These costs generally include unproved property acquisition costs, geological and geophysical costs, sampling and appraisals, related drilling and completion costs and directly attributable internal costs.

Once an area is determined to be technically feasible and commercially viable the accumulated costs are tested for impairment. The carrying value, net of any impairment, is then reclassified to PP&E as a Developed and Producing (D&P) asset. If an area is determined not to be technically feasible and commercially viable, or the City discontinues its exploration and evaluation activity, any unrecoverable costs are charged to net income.

### **(ii) Property, Plant and Equipment (PP&E) Assets**

Property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and impairment losses. The cost of D&P assets includes transfers from exploration and evaluation assets, the cost to complete and tie-in the wells, facility costs, the cost of recognizing provisions for future restoration and decommissioning geological and geophysical costs, and directly attributable overheads.

D&P assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 10 CGUs. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the statement of operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

**(iii) Subsequent Costs**

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in net earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in operating expenses as incurred.

**(iv) Depletion and Depreciation**

The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related total proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved and probable reserves are reviewed a minimum of every three years (or sooner if there is a major acquisition or some other significant event) by independent qualified reserve evaluators and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

**(v) Impairment**

**E&E Assets:**

E&E assets are tested for impairment when indicators of impairment exist or when technical feasibility and commercial viability are established and the assets are reclassified to PP&E. The impairment test compares the E&E assets' carrying value to their recoverable amount plus any excess recoverable amounts on D&P assets. E&E assets that are determined not to be technically feasible and commercially viable are charged to net income.

**PP&E:**

The carrying amounts of the City's oil & gas related non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped into cash generating units (CGU), the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The recoverable amount of an asset or a CGU is the greater of its value in use or its fair value less cost to sell.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the City's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proven and unproven volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Reversals of impairments are recognized when factors or circumstances that triggered the original impairment have changed. Impairments can only be reversed in future periods up to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment losses been previously recognized. Goodwill impairments are not reversed.

## **(L) USE OF ESTIMATES AND JUDGEMENT**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies and prior year tangible capital asset historical costs and related amortization.

The City uses significant estimates with regards to the accounting for its operations. Significant estimates related to those operations are outlined below.

### **1. Gas Utility**

Amounts recorded for depletion and depreciation and amounts used for impairment calculations are based on estimates of oil and natural gas reserves and future prices and costs required to develop those reserves. The estimates of reserves are subject to measurement uncertainty including estimates of future prices, costs, discount rates and related cash flows. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Other provisions are recognized in the period when it becomes probable that there will be a future cash outflow.

IFRS requires that the City's oil and gas assets be aggregated into cash generating units, based on their ability to generate largely independent cash flows, which are used to assess the assets for impairment. The determination of the City's cash generating units is subject to management's judgment.

Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

## **2. Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Net costs to remediate include, but are not limited to: assessment costs, maintenance and monitoring costs, and internal and external direct operating and/or capital costs relating to remediation and/or reclamation.

Amounts recorded for remediation efforts on contaminated sites are based on estimates of costs required to assess and risk manage or remediate. The cost, prediction, and timing of future outflow estimates are based on a combination of in house expertise, judgment and assumptions, past experience, and external quotes and are subject to measurement uncertainty. The recognition of the liability assumes the City is responsible or accepts responsibility for the contamination and that it will incur future costs to remediate. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Liabilities for contaminated sites are included in other long term liabilities in the Consolidated Statement of Financial Position (Note 11C).

## **(M) FUTURE ACCOUNTING CHANGES**

### **1. Financial Instruments, Foreign Currency Translation and Financial Statement Presentation**

PS 1201 comes into effect for fiscal years beginning on or after April 1, 2021. This includes adoption of PS 3450 Financial Instruments, PS 2601, Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. While early adoption is permitted, all four of the sections must be adopted in the same year.

PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The section requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the City. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for de-recognition of financial liabilities.

PS 2601 Foreign Currency Translation establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency. The City has not yet adopted these sections or determined the effect on the Financial Statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## 2. Portfolio Investments

PS 3041 comes into effect for fiscal years beginning on or after April 1, 2021. Early adoption is permitted, however this section must be adopted at the same time as PS Section 2601 and PS Section 3450. This section is to be adopted prospectively. This section replaces the existing PS Section 3040 Portfolio Investments. The new sections provide for the removal of the distinction between temporary and portfolio investments, with the implication that when temporary investments are not cash equivalents they are accounted for as portfolio investments. This section was amended to conform to Financial Instruments (PS 3450) and now includes pooled investments. This entails an examination of the rights associated with units within a pooled investment fund, rather than the funds underlying the investment. The City has not yet adopted these sections or determined the effect on the Financial Statements.

## 3. Revenue

PS approved PS 3400, which comes into effect for fiscal years beginning on or after April 1, 2022. PS 3400 provides guidance on when to recognize revenue arising from exchange transactions and from unilateral transactions. This section is to be adopted retroactively or prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

## 4. Asset Retirement Obligations

PS approved PS 3280, which comes into effect for fiscal years beginning on or after April 1, 2021. PS 3280 provides guidance on when to recognize, how to calculate, and what to disclose for all asset retirement obligations. Asset retirement obligations occur, if an entity chooses to discontinue use of its tangible capital asset and must incur a cash outlay to do so. This section is to be adopted prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

## (N) ADOPTION OF NEW ACCOUNTING STANDARDS

The City has prospectively adopted the following sections effective April 1, 2018:

### 1. Restructuring Transactions (PS 3430)

Restructuring Transactions establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor. Restructuring transactions are defined as an amalgamation, shared service arrangement, annexations, or realignment of programs or operations, where there is a transfer of individual assets and/or liabilities.

As of December 31, 2019, there are no material transactions for disclosure.

## NOTE 2: CASH AND RESTRICTED TEMPORARY INVESTMENTS

	2019	2018
Cash	\$ 36,043	\$ 25,034
Restricted Temporary Investments	35,076	31,341
<b>TOTAL</b>	<b>\$ 71,119</b>	<b>\$ 56,375</b>

Temporary investments represent restricted amounts aggregating \$34,733 (2018 - \$31,006) for programs including the Municipal Sustainability Initiative Capital Fund Program, Federal Gas Tax Fund, Alberta Community Resilience Program for overland flooding, which are held exclusively for eligible capital projects, Municipal Sustainability Initiative Operating Grant Program for operating activities, and restricted amounts aggregating \$343 (2018 - \$335) for Alberta Disaster Recovery program funding for the 2014 flood damages and related mitigation measures.

These investments have an average yield of 2.27 (2018 - 2.46) per cent and an average term of 267 (2018 - 95) days to maturity.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 3: ACCOUNTS RECEIVABLE, net of allowances

### (A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2019	2018
Current Taxes Receivable	\$ 4,995	\$ 3,979
City Centre Development Agency	22	15
Less: Allowance for Tax Adjustments	(3)	(3)
<b>SUB-TOTAL</b>	<b>\$ 5,014</b>	<b>\$ 3,991</b>

### (B) ACCOUNTS RECEIVABLE

	2019	2018
Trade Accounts Receivable	\$ 39,164	\$ 43,038
Less: Allowance for Doubtful Accounts	(1,462)	(1,074)
<b>SUB-TOTAL</b>	<b>\$ 37,702</b>	<b>\$ 41,964</b>
<b>TOTAL</b>	<b>\$ 42,716</b>	<b>\$ 45,955</b>

Each year an analysis of the accounts receivable accounts are undertaken to identify accounts that are considered uncollectible. An account is deemed uncollectible when all collection avenues have been exhausted or a customer is in receivership or bankruptcy. In some cases, a judgement through Small Claims has been rewarded with no ability to collect. Every effort is made to collect monies and procedures are reviewed to streamline the billing and collection options.

The accounts receivable written off was \$267 (2018 - \$298); the tax receivable written off was \$3 (2018 - \$6).

## NOTE 4: INVESTMENTS, LOANS AND ADVANCES

	2019		2018	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 13,764	\$ 19,299	\$ 14,369	\$ 19,299
Provincial Government and Agencies	10,000	10,000	-	-
Managed Portfolio Funds	174,407	176,123	135,259	136,853
Canadian Banks	205,760	205,833	152,058	152,456
Others	1,122	1,122	58,310	58,310
<b>TOTAL</b>	<b>\$ 405,053</b>	<b>\$ 412,377</b>	<b>\$ 359,996</b>	<b>\$ 366,918</b>

These investments include both internally and externally managed funds. The internally managed funds are invested in high interest savings accounts, fixed income, and bond investments recorded at cost with interest rates from 1.86 per cent to 8.00 per cent (2018 - 1.65 per cent to 9.98 per cent) and mature in periods 2020 through 2031 (2018 - 2019 through 2108). The investments have an average expected yield of 2.22 (2018 - 2.67) per cent and an average term of 0.74 (2018 - 1.88) years to maturity. The managed portfolio funds are externally managed by Alberta Investment Management Corporation (AIMCo). These investments are recorded at cost and are in a balanced portfolio of 40 per cent fixed income and 60 per cent equity securities (2018 - 40 per cent fixed income and 60 per cent equity securities).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

The amounts categorized as others in investments, loans and advances includes \$662 (2018 - \$659) of prepayment security from Rainbow Energy Marketing Corporation, which forms part of a 2017 energy purchase agreement between the City of Medicine Hat and Rainbow Energy Marketing Corporation as well as loans receivables of \$460 (2018 - \$505). No allowance for doubtful accounts has been recognized on the loans receivables. These loans are forgiven once the amount is repaid. The following table provides details of the loans receivable.

	2019			2018			Original Loan	Term (Years)	Year Loaned	Interest Rate
	Balance	Valuation Allowance <sup>1</sup>	Principal Payments	Balance	Valuation Allowance <sup>1</sup>	Principal Payments				
SALTA Gymnastics Club	\$ 25	\$ 5	\$ 7	\$ 31	\$ 6	\$ 8	\$ 150	20	2003	4.27%
Medicine Hat YMCA	245	55	30	259	71	25	500	20	2003	6.00%
Medicine Hat Public Library	-	-	-	-	-	5	41	18	2009	4.00%
City Centre Development Authority	74	6	20	91	9	-	200	11	2011	5.50%
Medicine Hat Curling Club	116	-	8	124	-	8	140	15	2016	2.25%
<b>SUB-TOTAL</b>	<b>\$ 460</b>	<b>\$ 66</b>	<b>\$ 65</b>	<b>\$ 505</b>	<b>\$ 86</b>	<b>\$ 46</b>				

<sup>1</sup> Valuation Allowances related to interest free loans

## NOTE 5: INVENTORIES FOR RESALE

	2019	2018
Gas Inventory	\$ -	\$ 1
Concessions	63	83
<b>TOTAL</b>	<b>\$ 63</b>	<b>\$ 84</b>

## NOTE 6: DEPOSITS

	2019	2018
Postage	\$ 31	\$ 29
Refundable Containers	28	32
Operating Deposits	3,192	699
Gas Royalty Deposits	7	24
<b>TOTAL</b>	<b>\$ 3,258</b>	<b>\$ 784</b>

## NOTE 7: ACCRUED LIABILITIES

	2019	2018
Wages and Salaries	\$ 3,118	\$ 4,125
Vacation Pay	6,433	6,359
Interest on Long-Term Debt	1,910	1,898
Deferred Charges	1,003	138
Royalties	84	81
Other Liabilities	7,919	5,776
<b>TOTAL</b>	<b>\$ 20,467</b>	<b>\$ 18,377</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 8: DEFERRED REVENUE & GOVERNMENT TRANSFERS

### (A) DEFERRED REVENUE

	Balance 2018	Additions 2019	Reductions 2019	Balance 2019
Deposits	\$ 9,612	\$ 5,105	\$ 143	\$ 14,574
Deferred Revenue	3,352	6,241	6,291	3,302
Affordable Housing Grant	75	2	77	-
Alberta Community Partnership	203	2	59	146
Alberta Community Resilience Grant	648	37	(3,465)	4,150
Alberta Transportation – Safety Fund	13	-	3	10
Alberta Transportation – Highway 3 Shuttle	-	354	193	161
All Hazards Incident Management Team (AHIMT) Grant	41	51	44	48
Bell West	9	1	-	10
Community Warmth Deposits	-	28	26	2
Federal Gas Tax Fund	3,455	10,780	4,642	9,593
Green TRIP	3,711	102	2,783	1,030
Local Flood Mitigation	335	8	-	343
Municipal Sustainability Initiative - Capital	22,406	9,303	12,119	19,590
Municipal Sustainability Initiative - Operating	454	9	458	5
Pitch Trust	2	-	-	2
<b>TOTAL</b>	<b>\$ 44,316</b>	<b>\$ 32,023</b>	<b>\$ 23,373</b>	<b>\$ 52,966</b>

Funds from Alberta Housing Grant, Alberta Cities Transportation Program, Alberta Community Partnership, Alberta Community Resilience Grant, Federal Gas Tax Fund, Green Transit Incentives Program (GreenTRIP), and Municipal Sustainability Initiative are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments (note 2) of \$34,733 (2018 - \$31,006) held exclusively for these projects. An additional \$343 (2018 - \$335) is held for funding flood damages and mitigation measures.

### (B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Municipal Sustainability Initiative Capital Grant (used primarily for rehabilitation of road and storm sewer infrastructure, and rehabilitation of various administrative buildings and public facilities), Municipal Sustainability Initiative Operating Grant (used primarily for sidewalk maintenance and bridge maintenance), Family and Community Support Services (used for not for profit organizations providing social services), Municipal Policing Assistance and Police Officer grant (used to support police services), Federal Gas Tax Grant (used primarily for bridge infrastructure upgrades and recreation infrastructure), GreenTRIP (used for Transit buses), and Federal Small Communities Fund (used for flood protection). Unexpended funds from the Alberta Community Resilience Grant (used for Overland Flow Protection) was returned to the granting agency.

## NOTE 9: SHORT-TERM DEBT

A combined Municipal Operating Loan Facility (Revolving) and Letter of Credit Facility are available to the City up to a maximum of \$50 million, by way of prime rate based loans and/or Letters of Credit (in Canadian dollars). This facility is secured by Bylaw No. 4230.

At December 31, 2019, there were Letters of Credit issued in the amount of \$47,310 (2018 - \$40,413) and a Municipal Operating Loan Facility of \$2,690 (2018 - \$9,587).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 10: LONG-TERM DEBT

(A)

	2019	2018
Tax Supported	\$ 38,791	\$ 41,817
Utilities Rate Supported		
- Electric	130,724	118,549
- Gas	16,657	15,406
- Water	86,118	74,085
- Sewer	79,710	65,565
- Solid Waste	1,727	2,140
Total Utilities	314,936	275,745
<b>TOTAL DEBT</b>	<b>\$ 353,727</b>	<b>\$ 317,562</b>
Comprised of:		
- Alberta Capital Finance Authority	\$ 353,727	\$ 317,562
<b>TOTAL DEBT</b>	<b>\$ 353,727</b>	<b>\$ 317,562</b>

(B) Expected future principal and interest payments are as follows:

	Principal	Interest
2020	25,900	11,413
2021	25,891	10,490
2022	26,427	9,552
2023	24,675	8,602
2024	22,149	7,734
2025-2049	228,685	52,576
<b>TOTAL</b>	<b>\$ 353,727</b>	<b>\$ 100,367</b>

The debentures have interest payable at rates ranging from 1.088 per cent to 6.75 per cent (2018 - 1.088 per cent to 6.75 per cent) per annum before Provincial Subsidy, and mature in periods 2020 through 2049 (2018 - 2019 through 2048). The average annual interest rate for 2019 is 3.95 (2018 - 4.06) per cent. For qualifying debentures, the Province of Alberta rebates 60 per cent of interest in excess of 8 per cent, 9 per cent and 11 per cent to a maximum annual rate of 12.5 per cent depending on the date borrowed. Debenture debt is issued on the credit and security of the City of Medicine Hat.

Interest on long-term debt paid in 2019 was \$10,963 (2018 - \$11,072).

(C) **DEBT PER CAPITA**  
(not in thousands of dollars)

	2019	2018
Tax Supported Debentures	\$ 613	\$ 661
Rate Supported Debentures	4,978	4,359
<b>TOTAL</b>	<b>\$ 5,591</b>	<b>\$ 5,020</b>

Debt per capita is based on the official census of 63,260 for 2019 (63,260 for 2018) for the City of Medicine Hat.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

- (D) The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is calculated based upon 2.0 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees and Letters of Credit issued.

	2019	2018
Debt Limit	\$ 778,402	\$ 674,148
Total Debt (Note 10 A)	353,727	317,562
Loan Guarantees (Note 10 E)	1,740	2,240
Letters of Credit Issued (Note 9)	47,310	40,413
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 375,625</b>	<b>\$ 313,933</b>
Debt Servicing Limit	\$ 136,220	\$ 117,976
Debt Servicing (Long and Short-Term Debt)	36,862	36,410
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 99,358</b>	<b>\$ 81,566</b>

## (E) LOAN GUARANTEES

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations to a maximum of \$1,740 (2018 - \$2,240). Bylaw 3790 authorizing a \$500 loan guarantee to Medicine Hat Musical Theatre and the Medicine Hat Firehall Theatre Society was discharged by the Royal Bank of Canada in 2019.

Bylaw Number	Bylaw Passed by City Council	Guarantee	2019 Maximum Loan Amount	2019 Balance	2018 Balance
Bylaw 4187	September 3, 2013	Connaught Golf & Country Club	965	767	801
Bylaw 4138	November 6, 2012	Medicine Hat Golf & Country Club	675	518	546
Bylaw 4436	June 20, 2017	Medicine Hat Golf & Country Club	100	83	92
<b>TOTAL</b>			<b>\$ 1,740</b>	<b>\$ 1,368</b>	<b>\$ 1,439</b>

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years (2018 – 20 years). All loans are in good standing at December 31, 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 11: OTHER LONG-TERM LIABILITIES

(A)

	2019	2018
Offsite Contributions	\$ 13,140	\$ 12,105
Asset Retirement Obligation - Gas and Oil Properties	253,874	236,588
Contaminated Sites - Abandonment & Restoration	1,439	1,438
Sanitary Landfill - Site Abandonment and Restoration	4,891	4,621
Deferred Charges	1,890	1,777
Employee Retirement Benefits Liability (Note 18)	6,109	5,835
<b>TOTAL</b>	<b>\$ 281,343</b>	<b>\$ 262,364</b>

(B) At December 31, 2019, the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$316,303 (2018 - \$319,128), calculated using an inflation rate of 1.65 (2018 - 1.47) per cent per annum. The estimated fair value of this liability was \$253,874 (2018 - \$236,588) after discounting the estimated cash flows at a rate of 4.79 (2018 - 5.21) per cent. At December 31, 2019, the expected timing of payment for settlement of the obligations ranges from 1 to 60 years (2018 - 1 to 61 years). The City has not designated assets for settling decommissioning obligations.

(C) At December 31, 2019 the estimated undiscounted cash flows required to settle the contaminated sites were \$1,998 (2018 - \$2,040), calculated using an inflation rate of 1.65 (2018 - 1.47) per cent per annum. The estimated fair value of this liability was \$1,439 (2018 - \$1,438) after discounting the estimated cash flows at a rate of 1.76 (2018 - 2.18) per cent. The amount of anticipated recoveries included in this estimate is \$0. The City has not designated assets for settling decommissioning obligations.

The sources of the contamination for which the liability has been recorded include: a site where underground storage tanks have leaked, soil contamination (benzene) has been identified; polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines; and where trichloroethylene (TCE) was observed in soil samples and in the groundwater. At December 31, 2019, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years (2018 - 1 to 10 years).

Operational sites which are still being used productively (Water Treatment Plant, Power Plant, Airport, fuelling stations) will be revaluated annually to determine if a decommissioning obligation is required. Factors which would require a decommissioning liability include, but are not limited to: a communicated plan to decommission, technological improvements, legislation changes and the ability to sell or rent the operations to a third party.

Additional sites where liabilities have not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations include: three snow dump sites; a site where hydrocarbon values exceed Alberta Tier 1 guideline; a site where the soil lead impacts exceed current guidelines; a former electric transformer repair building, where old tanks and barrels/drums could potentially contain polychlorinated biphenyl (PCBs); a compost facility near the Landfill and a former shooting range, where there is potential soil and groundwater contamination. A new site was added in 2019 where hydrocarbon and metals contamination exceeds guidelines. This site had been leased to a third party prior to 2019, it is now vacant and not being utilized for a productive purpose. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs.

(D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 2.71 (2018 - 3.37) per cent assuming inflation of 1.65 (2018 - 1.47) per cent.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

- (E) The following summarizes the total net present value for the estimated costs of Sanitary Landfill closure and post closure care:

	2019	2018
Estimated Site Capacity m <sup>3</sup> (000's)	4,635	4,525
Estimated Capacity used m <sup>3</sup> (000's)	2,920	2,848
<b>Estimated Capacity remaining m<sup>3</sup> (000's)</b>	<b>1,715 37.0%</b>	<b>1,677 37.1%</b>
Estimated Closure Costs	\$ 9,360	\$ 9,360
Estimated Post Closure Costs	3,543	3,685
<b>Estimated Total Costs</b>	<b>12,903</b>	<b>13,045</b>
Portion of Total Liability remaining to be recognized	8,012	8,424
<b>ACCRUED LIABILITY PORTION</b>	<b>\$ 4,891 37.9%</b>	<b>\$ 4,621 35.4%</b>

The total capacity of the site is estimated at 4,635,000 cubic meters. The estimated remaining capacity of the landfill site is 1,714,668 (2018 – 1,676,613) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2055 (35 years). The City has not designated assets for settling closure or post closure liabilities.

## NOTE 12: LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of costs relating to the acquisition and development of land the City plans to subdivide and sell in future years. Land included in this category is still in the planning and development stage and is not expected to be sold in the short-term.

## NOTE 13: TANGIBLE CAPITAL ASSETS

	2019 Net Book Value	2018 Net Book Value
Land	\$ 48,398	\$ 48,449
Land Improvements	79,272	76,969
Buildings	261,710	261,770
Engineering Structures	823,137	794,991
Gas and Oil Properties	70,364	84,627
Machinery, Equipment and Furnishings	70,089	68,642
Vehicles	28,299	24,519
<b>TOTAL</b>	<b>\$ 1,381,269</b>	<b>\$ 1,359,967</b>

The net book value of capital assets currently under construction and not being amortized increased by \$4,886 (2018 – decreased by \$22,321). Contributed capital assets received and recognized in the year from developers for various infrastructure works and related land and parks, and recorded on the consolidated financial statements is \$538 (2018 - \$105). 2019 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, curbs and sidewalks.

In 2019, the City did not capitalize any interest. The City did recognize an impairment of \$14,550 (2018 - \$25,033), which primarily relates to the oil and gas assets as a result of the continually declining current and forward market commodity price for natural gas and oil.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 14: ACCUMULATED SURPLUS

Accumulated surplus consist of unrestricted and restricted amounts and equity in tangible capital assets as follows:

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2019	Total 2018
Balance, beginning of year	\$ 63,019	\$ 146,792	\$ 1,042,405	\$ 1,252,216	\$ 1,268,658
Annual (deficit) surplus	15,103	-	-	15,103	(16,442)
Unrestricted funds designated for future use	(26,971)	26,971	-	-	-
Restricted funds used for operations	2,937	(2,937)	-	-	-
Funded tangible capital assets	(54,799)	-	54,799	-	-
Contributed tangible capital assets	(538)	-	538	-	-
Disposal of tangible capital assets	2,257	-	(2,257)	-	-
Impairment	14,550	-	(14,550)	-	-
Annual amortization expense	79,325	-	(79,325)	-	-
Long term debt repaid	(25,932)	-	25,932	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 68,951</b>	<b>\$ 170,826</b>	<b>\$ 1,027,542</b>	<b>\$ 1,267,319</b>	<b>\$ 1,252,216</b>

### 1. Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

The General Fund Policy directs that special one-time grants and any surplus not required in order to maintain the unrestricted target balance of seven per cent of prior year's budgeted gross expenses be designated a restricted amount. In 2019, \$1,932 was designated as restricted (2018 - \$0).

The Electric Operating Fund policy directs that surplus in excess of seven per cent of prior year's budgeted gross expenses will be designated a restricted amount. In 2019, the Electric Utility reported an excess surplus of \$1,752 (2018 - \$7,444), which was designated as a restricted amount.

With respect to the Gas Utility, policy directs that surplus in excess of seven per cent of prior year's budgeted gross expenses be designated a restricted amount at the end of the current year. In 2019, there were no excess surplus funds designated as restricted (2018 - \$0).

UNRESTRICTED SURPLUS (DEFICIT)	2019	2018
General Government	\$ 12,633	\$ 12,667
Utilities Business Development & Support	323	288
Gas	8,109	10,499
Electric	6,044	5,507
Water	14,938	8,995
Sewer	(2,484)	(1,555)
Solid Waste	9,503	7,706
Economic Development & Land	19,885	18,912
<b>TOTAL</b>	<b>\$ 68,951</b>	<b>\$ 63,019</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## 2. Restricted Surplus

The total Restricted Surplus is the combination of the Capital and Reserves:

	2019	2018
Restricted Surplus - Capital	\$ 24,013	\$ 2,958
Restricted Surplus - Reserves	146,813	143,834
<b>TOTAL</b>	<b>\$ 170,826</b>	<b>\$ 146,792</b>

### Restricted Surplus - Capital

This restricted surplus is specifically held for financial activities related to capital assets.

RESTRICTED SURPLUS (DEFICIT) - CAPITAL	2019	2018
General Government	\$ 8,092	\$ 6,342
Gas	3,870	3,940
Electric	8,507	924
Water	(630)	(5,880)
Sewer	1,303	(6,277)
Solid Waste	729	3,115
Economic Development & Land	2,142	794
<b>TOTAL</b>	<b>\$ 24,013</b>	<b>\$ 2,958</b>

### Restricted Surplus - Reserves

These amounts are used to report on and manage monies that have a specific restriction regarding their intended uses.

RESTRICTED SURPLUS - RESERVES	Balance 2018	2019 Additions	2019 Reductions	Balance 2019
Employee Development	\$ 1,743	\$ -	\$ 255	\$ 1,488
Victim Assistance	20	-	-	20
Second Street Properties	84	-	-	84
Fleet Replacement	8,950	5,859	9,942	4,867
Art Acquisitions	139	24	23	140
Infrastructure	15,893	11,173	8,243	18,823
Employee Benefits	5,921	86	511	5,496
Community Capital	21,433	2,123	4,371	19,185
Tax Rate Stabilization	22,137	36,595	15,600	43,132
Heritage Savings	22,216	22,091	-	44,307
Nature's Best	1,080	219	-	1,299
Electric Facility and Equipment	32,960	7,342	32,330	7,972
Gas Depletion	11,258	-	11,258	-
<b>TOTAL</b>	<b>\$ 143,834</b>	<b>\$ 85,512</b>	<b>\$ 82,533</b>	<b>\$ 146,813</b>

## 3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2019	2018
Tangible capital assets (Schedule 1)	\$ 2,861,909	\$ 2,778,095
Accumulated amortization (Schedule 1)	(1,480,640)	(1,418,128)
Long-term debt (Note 10)	(353,727)	(317,562)
<b>TOTAL</b>	<b>\$ 1,027,542</b>	<b>\$ 1,042,405</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 15: TRUST FUNDS

Funds held in trust are monies received and held on behalf of third parties. These monies are maintained, invested and accounted for in accordance with the terms of the trust arrangements. Trust investments are held in temporary investments in money market instruments such as term deposits, treasury bills, and commercial paper. Investments are recorded at the lower of original cost or market value. The cost of these investments at December 31, 2019 are \$1,869 (2018 - \$2,073). Trust investments and liabilities are not included in the City's financial statements.

A summary of Trust fund activities by the City of Medicine Hat are as follows:

	Balance 2018	Additions	Interest Earned	Funds Released	Balance 2019
Cemetery - Perpetual Care	\$ 2,016	\$ -	\$ 74	\$ 221	\$ 1,869
Seniors Foundation	57	-	1	58	-
<b>TOTAL TRUST FUNDS</b>	<b>\$ 2,073</b>	<b>\$ -</b>	<b>\$ 75</b>	<b>\$ 279</b>	<b>\$ 1,869</b>

## NOTE 16: SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer (CAO), and designated officers as required by provincial regulation 313/2000 is as follows:

	2019 Salary <sup>1</sup>	2019 Benefits & Allowances <sup>2</sup>	Total 2019	2018 Salary <sup>1</sup>	2018 Restated Benefits & Allowances <sup>2</sup>	Total 2018 Restated
Mayor Ted Clugston	\$ 130	\$ 25	\$ 155	\$ 69	\$ 54	\$ 123
Councillor:						
Dumanowski, R	43	12	55	23	20	43
Friesen, J	43	11	54	23	23	46
Hirsch, D	43	10	53	23	23	46
Mcintosh, J	43	11	54	23	20	43
Samraj, K	43	10	53	23	19	42
Turnbull, P	43	11	54	23	16	39
Turner, J	43	6	49	23	22	45
Varga, B	43	14	57	23	28	51
Chief Administrative Officer (CAO)	338	33	371	370	59	429
Designated Officers (7)	1,333	217	1,550	1,311	246	1,557

<sup>1</sup> Salary includes regular base pay and vacation pay-outs.

In 2019 non-accountable allowance amounts are now being reported as salaries as a result of the 2017 Federal budget changes requiring non-accountable allowances paid to officials be included in income.

The CAO salary and benefits were higher in 2018 due to the overlap of the transition from the previous CAO to the new CAO.

<sup>2</sup> Benefits and Allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees (where applicable) including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, expense allowances, car allowances, per diem payments, gross honoraria, travel allowances and professional memberships and tuitions.

Prior year Benefits & Allowances have been restated to include all costs related to travel, including: conference registration or course fees, method of travel, meals, and accommodation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 17: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves about 265,813 members in 2018 (2017 - 259,714) and 421 employers in 2018 (2017 - 420). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 7,375 members in 2018 (2017 - 7,285) and 7 employers (2017 - 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2019, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 9.39 per cent (2018 - 10.39 per cent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84 per cent (2018 - 14.84 per cent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 per cent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2019 were \$11,083 (2018 - \$11,391). Total current service contributions by the employees for 2019 were \$10,111 (2018 - \$10,461).

At December 31, 2018 LAPP disclosed an actuarial surplus of \$3.47 billion (2017 - \$4.84 billion).

At December 31, 2018 SFPP disclosed an actuarial deficit of \$191.2 million (2017 - surplus \$71.1 million).

## NOTE 18: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2018, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2018 with a projection for 2019. Information about the plan is as follows:

	2019	2018
<b>Accrued Benefit Obligation</b>		
Balance, Beginning of Year	\$ 5,835	\$ 5,814
Current Service Cost	170	171
Interest Cost	234	233
Benefits Paid	(130)	(129)
Unrecognized Actuarial Gains	-	(254)
<b>BALANCE, END OF YEAR</b>	<b>\$ 6,109</b>	<b>\$ 5,835</b>

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2019	2018
Discount Rate	4.00%	4.00%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	8.84 years	7.56 years

## NOTE 19: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2019 was \$201 (Gas) and \$9,318 (Electric) (2018 - \$142 and \$9,166 respectively).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

## NOTE 20: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2019 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 21 provides the approved capital budget for 2019.

	2019 Budget
<b>Revenue</b>	
Approved operating budgets	\$ 446,116
Adjustments	(90,699)
	<u>355,417</u>
<b>Expense</b>	
Approved operating expenses	500,722
Adjustments	(118,826)
	<u>381,896</u>
<b>Other revenue</b>	
Contributed capital assets	-
Government transfers for capital	13,494
	<u>13,494</u>
<b>ANNUAL DEFICIT</b>	<b>\$ (12,985)</b>

## NOTE 21: CAPITAL COMMITMENTS

### (A) 2019 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2019 approved Capital Budget. The actual expenditures of \$116,301 (2018 - \$132,566) includes amounts carried forward from previous budget years, as well as costs related to the 2019 Budget and developer contributions of tangible capital assets.

### (B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2019 a number of capital projects were in progress and will be completed in 2020 or subsequent years. The unexpended appropriation related to these projects is \$194,882 (2018 - \$260,139). Significant projects are:

- **Gas Utility**  
Oil and Gas Facilities (\$1,042), Facility & Pipeline Repair & Abandonment (\$2,927), Well Repair and Abandonments (\$4,037), Projects Operated by Third Parties (\$20,029) and Pipeline and Wells (\$2,700).
- **Electric Utility**  
LM 6000 Engine (\$4,096), 69 kV Breaker Replacement (\$1,571), Waste Heat Recovery Unit (\$1,499), Blackstart Improvements (\$1,100), 13 kV Distribution Systems (\$862), Distribution Substations (\$14,715) and Electric Building Renovations (\$1,712).
- **Municipal Works**  
Infrastructure Rehabilitation Program (\$2,306), Storm Water Infrastructure Upgrade and Rehab Program (\$2,133), Storm Trunk Design and Construction (\$3,677); South Railway Street Upgrade (\$1,648), and Flood Mitigation Projects (\$7,789).
- **Parks**  
Parks Infrastructure Rehabilitation Program (\$2,297).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(in thousands of dollars)

- **Corporate Asset Management**

Moose Rec Centre – Ice Slab Replacement (\$1,200), City Hall Replace Parkade Roofing (\$755), Infrastructure Rehabilitation program (\$1,240), Marshall Avenue Storage Facility (\$964), and Fleet Services 2017 to 2019 Mobile Equipment Replacement Programs (\$8,821).

- **Information and Computer Services (ICS)**

Cityworks (\$1,595).

- **Water Utility**

Water Main Replacements (\$8,065), Water Treatment Plant Projects (\$1,532), Water Treatment Plant Electrical System Upgrade (\$1,161) and Water Treatment Plant Solids Handling Facility (\$2,455).

- **Sewer Utility**

Sewer Main Replacements and Lift Stations (\$8,826), Lift Stations (\$2,777), Brier Park Bypass (\$4,668), Sanitary Trunk Sewer Rehabilitation (\$1,128), Waste Water Treatment Plant Projects (\$2,562) and Waste Water Treatment Plant Motor Control Replacements (\$1,628).

- **Solid Waste Utility**

Landfill Enhancements and Improvements (\$797).

- **Economic Development & Land**

Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$11,460), Southlands (\$4,139), Saamis Heights 7 (\$2,450), Riverwalk (\$3,299), Airport (\$3,587), Brier Run (\$9,488), Arena Servicing and Subdividing (\$1,441), and NW Industrial Park (\$13,786).

## (C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2019 Capital Improvement Plans with projections for 2020 – 2025 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Economic Development & Land:

2019	\$ 116,502
2020 Projection	86,367
2021 - 2025 Projection	617,108
<b>TOTAL</b>	<b>\$ 819,977</b>

Financing sources identified:

	2019	2020
Government Grants	\$ 12,050	\$ 12,965
Current Revenues	40,959	12,410
Debentures		
Tax Supported	2,060	5,100
Utilities Rate Supported	24,371	31,345
Reserves	29,959	19,387
Direct Charges and Other	7,103	5,160
<b>TOTAL</b>	<b>\$ 116,502</b>	<b>\$ 86,367</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

## **NOTE 22: CONTINGENT ASSETS AND LIABILITIES**

### **(A) Contingent Assets**

Contingent assets are disclosed, when a future event is likely to confirm the existence of the asset. These possible assets arise from conditions existing as at the financial statement date or situations involving current uncertainty.

The City has not disclosed an asset for certain future events as the dates of reimbursement and the extent of the settlements cannot be reasonably determined at this time.

### **(B) Contingent Liabilities**

Various claims have been made against the City as at December 31, 2019. If proven, it is possible that these claims may have a materially adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

The City has not recognized a liability for certain legal obligations, primarily environmental and other liabilities related to facilities, equipment and land. The liabilities are not recognized as the dates of the remediation and estimated costs are unknown and as such the fair value of these liabilities cannot be reasonably determined.

Contaminated sites are not accrued as liabilities in the Consolidated Statement of Financial Position, if there is uncertainty about one or more of the following: the contamination exceeding a standard, expected future costs, or the party responsible for the contamination. Continued efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites or changes in the assessments of existing sites. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

### **Southridge Recreation and Wellness Centre:**

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1,800, together with an additional contribution at opening of \$24. However if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1,200 contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

The above contingent liabilities for The Southridge Recreation and Wellness Centre are not accrued as liabilities in the Consolidated Statement of Financial Position as there is uncertainty of whether the agreement will terminate prior to 2044.

## **NOTE 23: CONTRACTUAL RIGHTS**

The City has entered into the following agreements:

- a) Property development agreements, which require the developers to contribute various infrastructure assets to the City. The timing and extent of these future contributions will vary depending on development activity and fair value of the assets received at time of contribution and therefore cannot be reasonably determined at this time.
- b) Utility agreements to sell natural gas, crude oil, and electricity production to third parties. The timing and extent of future revenues will vary due to uncertain commodity market prices and volumes and therefore cannot be reasonably determined at this time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

## **NOTE 24: FINANCIAL INSTRUMENTS**

The City, as part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or stabilizing revenues, maintaining reliable supplies for operations/sales, and mitigating the financial risk exposure to the City.

## **NOTE 25: SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the entity has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Experienced temporary declines in the fair value of investments and investment income
- Experienced temporary declines in gas and electric utility commodity prices
- Working from home for those required to do so
- Closure of various community facilities from March 15, 2020 to the date of the auditors' report based on public health recommendations
- Temporary and/or permanent termination of employees

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

## **NOTE 26: SEGMENT DISCLOSURES**

Segment disclosures (Schedule 4) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
  - General Government is comprised of Corporate Administration, Mayoral and Aldermanic services, City Clerk and Legal, and Corporate Communications.
  - Corporate Services is comprised of Finance, Information and Computer Services, Corporate Asset Management (Building Services and Fleet Services), Health Safety & Environment, and Human Resources.
  - Development & Infrastructure is comprised of Planning, Building and Development, and Municipal Works (municipal operations and airport).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

- Public Services is comprised of Fire Services, Community Development (social development, senior services, transit, cultural development, and 9-1-1 communications), and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
  - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Utility Business and Development Support provides corporate and community focus on energy conservation and renewable energy education, incentives and leadership through a variety of utility related initiatives.
- e) Water Utility treats and distributes potable water to City of Medicine Hat water customers. The Water department ensures all treated water meets the rigid safety, quality, monitoring, recording and reporting parameters of Federal, Provincial, water industry and local standards. The Water Utility is operated on a self-sustaining basis.
- f) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated waste water meets the rigid safety, environmental, monitoring, recording and reporting parameters of Federal, Provincial, waste water industry and local standards. The Sewer Utility is operated on a self-sustaining basis.
- g) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.
- h) Economic Development & Land is comprised of land development and municipal use property activities. Land development includes the City's role as a land developer in the areas of acquisition, development and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land department is operated on a self-sustaining basis and Business Support department is supported by property taxes. Subsequent to year end, the Economic Development & Land business unit was re-organized and re-named to Invest Medicine Hat.

The segmented reports display revenue and expenses sorted by accounts. The City's object codes are defined as follows:

## **A) REVENUE**

- **Municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.
- **Investment income** includes all investment revenue earned on account of short term and long term deposits and investments.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019**

*(in thousands of dollars)*

- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Transfers from Utilities and Land** include contributions from Utilities and Land to tax supported operations.

## **B) EXPENSES**

- **Salaries wages and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, supplies and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long term debt** includes interest charge on the principal portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time, and must eventually be replaced. Depreciation shows the cost of the "use of the asset" each year over the life of the asset.
- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company's balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Gain on disposal of long lived assets** reflects the reduction in the decommissioning liabilities associated with the disposal of the Gas properties.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

## **NOTE 27: APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.



# Financial and Statistical Schedules

## (unaudited)

By the end of December 2019, 38% of City of Medicine Hat utility billing customers were signed up for eBilling, resulting in savings of \$280,320 per year. By signing up for eBilling and automatic withdrawal to make payments, you can help cut down on paper and mailing costs while reducing the carbon footprint on the environment.



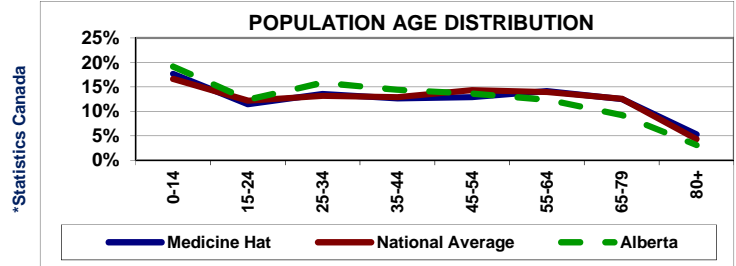
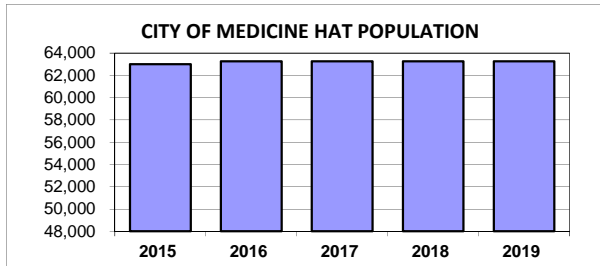


# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

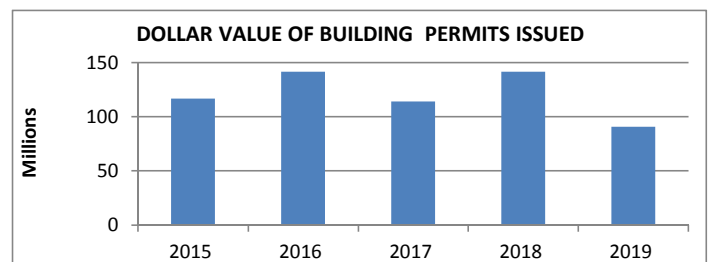
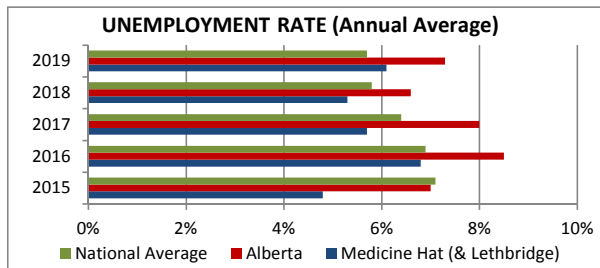
FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

## DEMOGRAPHICS & OTHER INFORMATION

2015-2019 Medicine Hat Census



\*Statistics Canada



### OTHER

Area, square kilometers  
Km of wastewater mains  
Km of water mains  
Km of storm drainage mains

	2015	2016	2017	2018	2019
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	400	402	404	404	407
Km of water mains	429	429	429	429	433
Km of storm drainage mains	248	252	255	275	259

### LARGEST CORPORATE TAX PAYERS IN MEDICINE HAT

Primaris Management Inc. (Mall & Dunmore Rd Properties)  
Meadowlands Development Corporation  
Boulevard Real Estate Equities Ltd.  
South Country Co-op Limited  
Wal-Mart Canada Corporation

Royop (Southlands) Development Ltd.  
Canadian Tire Properties Inc.  
Boulevard Real Estate Equities Ltd.  
Mayfield Investments Ltd.  
Cancarb Limited

### LARGEST EMPLOYERS IN MEDICINE HAT

#### Public

Medicine Hat Regional Hospital  
City of Medicine Hat  
Medicine Hat School District  
Medicine Hat College  
Province of Alberta

#### Private

South Country Co-op (all locations)  
The Real Canadian Superstore  
Canadian Pacific Railway  
Wal-Mart  
Goodyear

### CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2015 - 2019

	2015	2016	2017	2018	2019
General Government <sup>1</sup>	39	43	43	41	28
Corporate Services <sup>2</sup>	170	173	172	178	191
Public Services	268	274	275	275	275
Police	152	150	150	151	150
Development & Infrastructure	88	89	89	89	89
<b>Total Tax Supported Permanent Positions</b>	<b>717</b>	<b>729</b>	<b>729</b>	<b>734</b>	<b>733</b>
Gas Utility <sup>3</sup>	144	134	-	-	-
Electric Utility <sup>4</sup>	102	107	-	-	-
Utility Distribution Systems <sup>5</sup>	-	-	93	89	92
Natural Gas and Petroleum Resources	-	-	97	97	82
Electric Generation	-	-	46	45	45
Utility Business Development & Support	-	-	11	15	20
Environmental Utilities	105	105	107	106	106
Economic Development and Land	6	6	6	6	9
<b>Total Utility Permanent Positions</b>	<b>357</b>	<b>352</b>	<b>360</b>	<b>358</b>	<b>354</b>
<b>Total Permanent Positions</b>	<b>1,074</b>	<b>1,081</b>	<b>1,089</b>	<b>1,092</b>	<b>1,087</b>

2017 - 2019 information has been represented to reflect the change as a result of an organizational restructuring

Note 1: 2015 - 2018 included Health, Safety, Environment & Emergency Management

Note 2: 2019 includes Health, Safety, Environment & Emergency Management

Note 3: 2015 - 2016 included Gas Distribution and Natural Gas and Petroleum Resources

Note 4: 2015 - 2016 included Electric Distribution, Electric Generation, and Utility Business Development and Support

Note 5: 2017 - 2019 includes Gas Distribution and Electric Distribution

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2015 - 2019

(In thousands of dollars)

### STATEMENT OF FINANCIAL POSITION

	2019	2018	2017	2016	2015
<b>Financial assets</b>					
Cash and temporary investments	\$ 71,119	\$ 56,375	\$ 42,654	\$ 45,394	\$ 40,366
Accounts receivable (net of allowances)	42,716	45,955	50,888	40,855	49,696
Investments, loans & advances	405,053	359,996	393,694	433,579	457,392
Land and other assets held for resale	4,679	5,542	6,362	5,924	6,544
Inventories for resale	63	84	61	75	66
Deposits	3,258	784	597	689	941
<b>Total financial assets</b>	<b>\$ 526,888</b>	<b>\$ 468,736</b>	<b>\$ 494,256</b>	<b>\$ 527,217</b>	<b>\$ 555,005</b>
<b>Liabilities</b>					
Trade accounts payable	\$ 29,820	\$ 27,705	\$ 32,574	\$ 27,748	\$ 34,826
Accrued liabilities	20,467	18,377	16,134	17,791	13,892
Deferred revenues	52,966	44,316	38,169	42,715	39,161
Long-term debt	353,727	317,562	321,307	301,881	268,460
Other long-term liabilities	281,343	262,364	241,778	279,245	263,856
<b>Total liabilities</b>	<b>738,323</b>	<b>670,324</b>	<b>649,962</b>	<b>669,380</b>	<b>620,195</b>
<b>Net financial (debt) assets</b>	<b>(211,435)</b>	<b>(201,588)</b>	<b>(155,706)</b>	<b>(142,163)</b>	<b>(65,190)</b>
<b>Non-financial assets</b>					
Inventories for consumption	15,678	13,796	12,686	11,749	11,489
Prepaid assets	2,131	1,960	2,245	2,689	2,181
Land held for future development	18,924	16,714	15,536	15,359	13,349
Long lived asset	60,752	61,367	72,124	103,325	108,080
Tangible capital assets	1,381,269	1,359,967	1,321,773	1,285,951	1,236,755
<b>Total non-financial assets</b>	<b>1,478,754</b>	<b>1,453,804</b>	<b>1,424,364</b>	<b>1,419,073</b>	<b>1,371,854</b>
<b>Accumulated Surplus</b>	<b>\$ 1,267,319</b>	<b>\$ 1,252,216</b>	<b>\$ 1,268,658</b>	<b>\$ 1,276,910</b>	<b>\$ 1,306,664</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2015 - 2019

(In thousands of dollars)

### STATEMENT OF OPERATIONS

	2019	2018	2017	2016	2015
<b>REVENUE FROM:</b>					
Taxes	\$ 96,178	\$ 93,261	\$ 89,664	\$ 86,109	\$ 81,637
Less - requisitions	(24,429)	(23,888)	(23,808)	(22,985)	(22,010)
	71,749	69,373	65,856	63,124	59,627
<b>Sale of services</b>					
General Government	10,901	10,485	11,459	10,800	8,618
Gas	53,784	55,053	60,902	87,565	87,728
Electric	139,725	116,702	67,673	59,630	72,610
Water	22,098	21,630	21,246	18,227	19,123
Sewer	19,000	17,367	16,029	15,189	14,997
Solid Waste	9,252	9,584	9,348	8,757	8,207
Land and Business Support	4,204	6,986	8,600	3,321	6,751
<b>Other income</b>					
Investment income	25,096	5,093	8,103	9,469	12,130
Investment in subsidiary	-	-	-	-	5,119
Licenses, fines and penalties	6,404	6,723	6,560	6,703	6,317
Insurance recovery (clawback)	300	1,788	245	234	(925)
Development levies	4,804	3,089	1,609	2,162	3,453
Government transfers for operating	6,098	6,154	5,717	5,759	7,503
Other	15,786	7,047	13,454	13,268	18,133
<b>Total revenue</b>	<b>\$ 389,201</b>	<b>\$ 337,074</b>	<b>\$ 296,801</b>	<b>\$ 304,208</b>	<b>\$ 329,391</b>
<b>EXPENSES:</b>					
General Government	\$ 162,422	\$ 156,254	\$ 155,783	\$ 149,834	\$ 143,113
Gas	122,161	126,883	103,229	123,972	175,640
Electric	68,660	60,945	49,976	48,928	52,224
Water	15,072	14,097	13,736	12,164	11,881
Sewer	13,730	13,585	13,007	12,152	11,558
Solid Waste	6,520	5,953	5,745	5,821	6,479
Utilities Business Development & Support	2,845	2,032	1,583	968	434
Economic Development & Land	3,546	3,367	3,178	3,061	1,870
<b>Total expenses</b>	<b>\$ 394,956</b>	<b>\$ 383,116</b>	<b>\$ 346,237</b>	<b>\$ 356,900</b>	<b>\$ 403,199</b>
<b>(Deficiency) Excess of revenue over expenses</b>					
- before other revenue	\$ (5,755)	\$ (46,042)	\$ (49,436)	\$ (52,692)	\$ (73,808)
<b>Other</b>					
Contributed tangible capital assets	538	105	690	2,456	371
Government transfers for capital	20,320	29,495	40,494	20,482	39,267
<b>Total other</b>	20,858	29,600	41,184	22,938	39,638
<b>Annual (deficit) surplus</b>	<b>\$ 15,103</b>	<b>\$ (16,442)</b>	<b>\$ (8,252)</b>	<b>\$ (29,754)</b>	<b>\$ (34,170)</b>

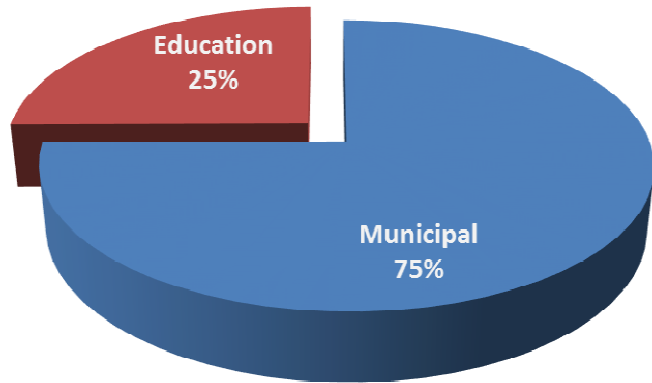
#### Trends:

Revenues and expenses have decreased from 2015 to 2017 mainly due to lower revenues in Gas & Electric due to continued pressure on commodity prices and the divestiture of a portion of gas producing assets in 2017. In 2018 and 2019, revenues have increased mainly due to higher Electric revenues as a result of higher commodity prices and an increase in investment revenue in 2019. Expenses increased in General Government in 2019 due to higher amortization related to full year amortization on 2018 asset acquisitions and loss on disposal of assets related to the disposal of the old Veiner Center, Heald Pool and replacement of road/storm infrastructure before fully amortized. Expenses also increased due to increased activity in Electric resulting in higher taxes in lieu and fuel consumption, as well as higher amortization due to a decrease to the useful life of turbine engine hot sections.

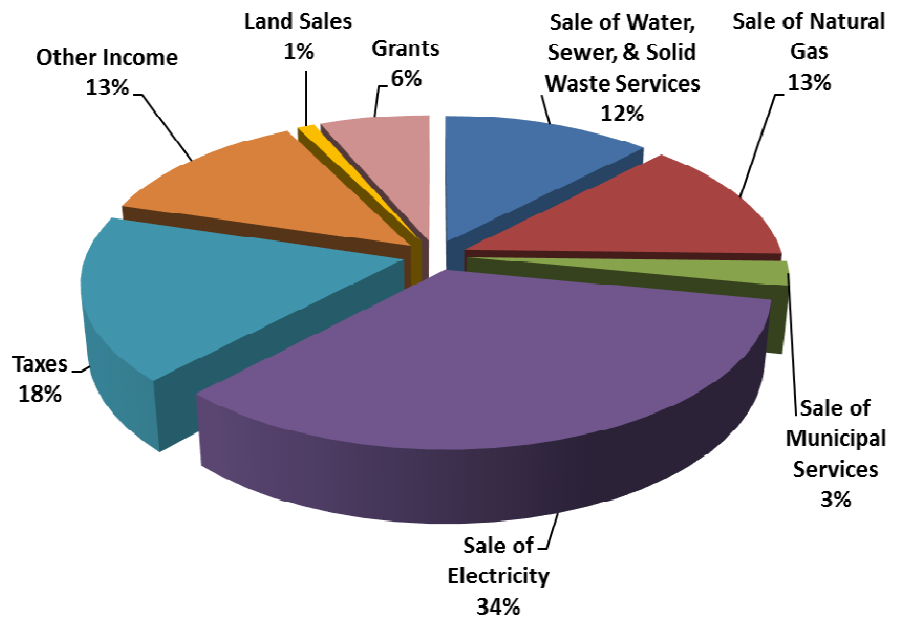
# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## Financial Synopsis: 2019 Operating Activities

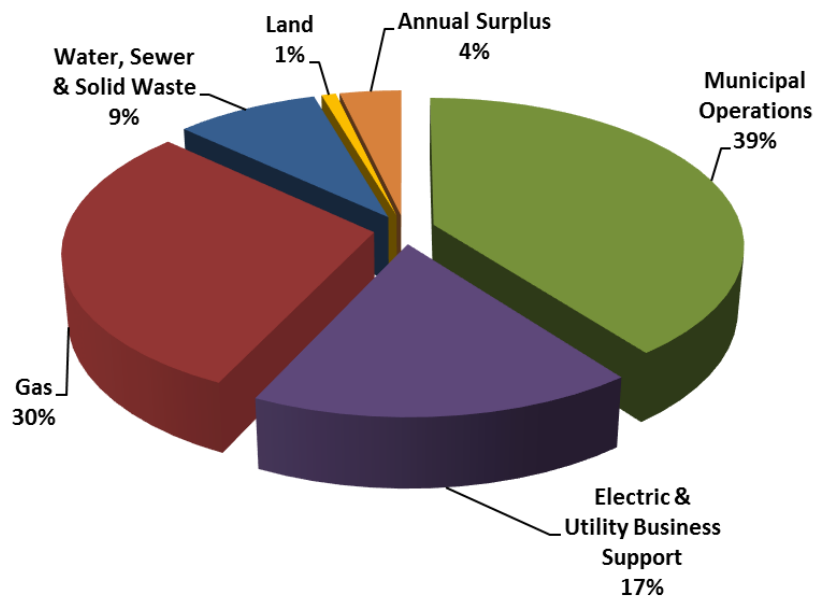
Where our tax dollars went in 2019  
Education / Municipal  
Property Tax



Where the money comes  
from \$410 Million



Where the money goes  
\$410 Million



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

## TAXATION & ASSESSMENT

### MILL RATES

	2019	2018	2017	2016	2015
<b>MUNICIPAL</b>					
Single family	6.7302	6.6563	6.4139	6.1569	6.0257
Apartments	8.7125	8.4588	7.9800	7.4770	7.1917
Farmland	33.2291	32.2613	30.6477	28.8641	27.7597
Commercial and industrial	15.1159	15.3104	15.0271	14.4213	13.5598
<b>EDUCATION</b>					
Single family	2.5883	2.5249	2.4789	2.3924	2.3602
Apartments	2.5883	2.5249	2.4789	2.3924	2.3602
Farmland	2.5883	2.5249	2.4789	2.3924	2.3602
Commercial and industrial	3.5949	3.4146	3.8474	3.7349	3.4391
<b>OTHER</b>					
Single family	1.040	0.1038	0.0999	0.0975	0.0957
Apartments	1.040	0.1038	0.0999	0.0975	0.0957
Farmland	1.040	0.1038	0.0999	0.0975	0.0957
Commercial and industrial	1.040	0.1038	0.0999	0.0975	0.0957

### PROPERTY TAXES LEVIED

(In thousands of dollars)

PROPERTY TAX LEVY	2019	2018	2017	2016	2015
Municipal	\$ 70,320	\$ 67,954	\$ 64,447	\$ 61,649	\$ 58,210
Education	23,474	22,974	22,948	22,158	21,214
Other	955	914	860	827	796
<b>TOTAL REAL PROPERTY</b>	<b>\$ 94,749</b>	<b>\$ 91,842</b>	<b>\$ 88,255</b>	<b>\$ 84,634</b>	<b>\$ 80,220</b>
Current taxes collected	90,828	88,937	86,003	83,139	78,979
% of current taxes collected	94.79%	95.72%	96.30%	96.95%	97.16%
<b>OTHER MAJOR TAXES LEVIED</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Linear property taxes	\$ 1,074	\$ 1,074	\$ 1,057	\$ 1,124	\$ 1,067
Local improvements	355	344	352	348	350
<b>TOTAL MAJOR TAX LEVIED</b>	<b>\$ 1,429</b>	<b>\$ 1,418</b>	<b>\$ 1,409</b>	<b>\$ 1,472</b>	<b>\$ 1,417</b>

### ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2019	2018	2017	2016	2015
Residential	\$ 6,748,338,079	\$ 6,623,705,015	\$ 6,589,676,450	\$ 6,528,357,231	\$ 6,327,792,004
Multi-family	285,797,772	283,264,172	282,360,100	269,857,171	252,347,841
Farmland	1,232,900	2,079,900	2,582,900	5,900,334	7,428,524
Commercial and industrial	1,957,893,244	1,802,923,977	1,735,553,696	1,773,582,591	1,776,602,802
<b>TOTAL TAXABLE ASSESSMENT</b>	<b>\$ 8,993,261,995</b>	<b>\$ 8,711,973,064</b>	<b>\$ 8,610,173,146</b>	<b>\$ 8,577,697,327</b>	<b>\$ 8,364,171,171</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2019	2018	2017	2016	2015
General	\$ 12,633	\$ 12,667	\$ 11,688	\$ 11,298	\$ 10,656
Utilities Business Development & Support	323	288	122	(24)	54
Gas	8,109	10,499	9,092	7,643	8,820
Electric	6,044	5,507	5,726	5,480	6,135
Water	14,938	8,995	5,242	2,576	4,623
Sewer	(2,484)	(1,555)	(877)	369	2,778
Solid Waste	9,503	7,706	5,834	5,810	5,170
Economic Development & Land	19,885	18,912	18,148	12,444	10,611
<b>TOTAL UNRESTRICTED SURPLUS</b>	<b>68,951</b>	<b>63,019</b>	<b>54,975</b>	<b>45,596</b>	<b>48,847</b>
<b>RESTRICTED SURPLUS - RESERVES</b>					
Employee development	1,488	1,743	1,763	1,644	1,490
Victim assistance	20	20	19	17	19
Second street properties	84	84	84	84	84
Fleet replacement	4,867	8,950	10,326	1,840	1,338
Art acquisitions	140	139	109	99	86
Infrastructure	18,823	15,892	16,309	21,372	23,176
Employee benefits	5,496	5,921	5,695	6,440	6,532
Community capital	19,185	21,433	23,622	26,346	30,572
Event Centre	-	-	-	-	74
Tax Rate Stabilization Reserve	43,132	22,137	19,059	-	21,730
Heritage Savings	44,307	22,217	3,259	-	-
Natures Best Reserve	1,299	1,080	866	870	993
Electric facilities and equipment	7,972	32,960	29,197	68,935	78,651
Gas depletion	-	11,258	59,563	61,631	72,489
<b>TOTAL RESTRICTED SURPLUS - RESERVES</b>	<b>146,813</b>	<b>143,834</b>	<b>169,871</b>	<b>189,278</b>	<b>237,234</b>
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>\$ 215,764</b>	<b>\$ 206,853</b>	<b>\$ 224,846</b>	<b>\$ 234,874</b>	<b>\$ 286,081</b>



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## LONG TERM DEBT

	2019	2018	2017	2016	2015
<b>LONG TERM DEBT</b>					
Debt supported by taxes	\$ 38,791	\$ 41,817	\$ 46,484	\$ 36,662	\$ 38,805
Debt supported by utilities	314,936	275,745	274,823	265,219	229,655
<b>TOTAL TAX SUPPORTED AND UTILITIES DEBT</b>	<b>\$ 353,727</b>	<b>\$ 317,562</b>	<b>\$ 321,307</b>	<b>\$ 301,881</b>	<b>\$ 268,460</b>

## DEBT PER CAPITA

(not in thousands of dollars)

	2019	2018	2017	2016	2015
Tax supported	\$ 613	\$ 661	\$ 738	\$ 582	\$ 616
Utility supported	4,978	4,359	4,362	4,209	3,644
<b>TOTAL DEBT PER CAPITA</b>	<b>\$ 5,591</b>	<b>\$ 5,020</b>	<b>\$ 5,100</b>	<b>\$ 4,791</b>	<b>\$ 4,260</b>

## LONG & SHORT-TERM DEBT CHARGES AS A % OF TOTAL EXPENSES

	2019	2018	2017	2016	2015
Actual debt servicing (long and short term)	\$ 36,862	\$ 36,410	\$ 36,190	\$ 33,211	\$ 33,047
Total operating expenses	394,956	383,116	346,237	356,900	403,199
<b>PERCENTAGE</b>	<b>9.33%</b>	<b>9.50%</b>	<b>10.45%</b>	<b>9.31%</b>	<b>8.20%</b>

## LEGAL DEBT LIMIT

	2019	2018	2017	2016	2015
Debt limit	\$ 778,402	\$ 674,148	\$ 593,602	\$ 608,416	\$ 671,261
Total debt	353,727	317,562	321,307	301,881	268,460
Loan guarantees	1,740	2,240	2,240	2,140	2,640
Letters of credit issued	47,310	40,413	17,523	38,816	38,816
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 375,625</b>	<b>\$ 313,933</b>	<b>\$ 252,532</b>	<b>\$ 265,579</b>	<b>\$ 361,345</b>
Percentage used	51.74%	53.43%	57.46%	56.35%	46.17%

## DEBT SERVICING LIMIT

	2019	2018	2017	2016	2015
Debt servicing limit	\$ 136,220	\$ 117,976	\$ 103,880	\$ 106,473	\$ 117,471
Actual debt servicing (short and long term)	36,892	36,410	36,190	33,211	33,047
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 99,328</b>	<b>\$ 81,566</b>	<b>\$ 67,690</b>	<b>\$ 73,262</b>	<b>\$ 84,424</b>
Percentage used	27.08%	30.86%	34.84%	31.19%	28.13%

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## CONSOLIDATED EXPENSES BY OBJECT

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Salaries, wages and benefits	\$ 137,613	\$ 134,236	\$ 129,327	\$ 129,487	\$ 129,360	\$ 125,450
Contracted and general services	53,620	48,291	51,152	46,097	51,262	52,547
Materials, goods and utilities	35,074	29,729	27,698	29,336	42,337	42,510
Provisions for allowances	317	998	376	333	289	670
Bank charges and short-term interest	291	334	343	130	1,684	205
Interest on long-term debt	11,485	10,963	11,072	10,547	9,970	9,648
Grants and other transfers	3,803	3,817	3,570	3,941	3,940	3,391
Other operating expenses	61,833	72,117	60,868	55,889	40,639	46,358
Amortization of tangible capital assets	77,860	79,325	72,931	68,435	63,035	66,530
Impairment	-	14,550	25,033	28,416	13,610	55,388
Loss (gain) on disposal of tangible capital assets	-	1,227	746	16,852	774	502
Gain on disposal of long lived liabilities	-	(631)	-	(43,226)	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 381,896</b>	<b>\$ 394,956</b>	<b>\$ 383,116</b>	<b>\$ 346,237</b>	<b>\$ 356,900</b>	<b>\$ 403,199</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DIVISION

### GENERAL FUND

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
General Government	\$ 101,793	\$ 163,536	\$ 135,181	\$ 128,256	\$ 79,284	\$ 75,961
Corporate Services	36,541	35,610	37,001	34,716	29,233	27,911
Development & Infrastructure	5,481	5,379	6,473	7,383	7,698	10,817
Public Services	14,225	13,666	13,422	13,204	12,563	14,055
Police Services	3,548	3,898	3,689	3,711	7,407	7,567
<b>TOTAL REVENUE</b>	161,591	222,089	195,766	187,270	136,185	136,311
<b>EXPENSES</b>						
General Government	16,979	16,754	17,177	10,994	7,641	5,973
Corporate Services	55,554	52,496	50,449	48,438	42,770	39,303
Development & Infrastructure	33,470	32,461	32,131	34,276	32,093	33,781
Public Services	68,021	66,822	65,627	65,228	63,184	59,084
Police Services	24,818	25,183	24,451	23,828	24,717	24,756
<b>TOTAL EXPENSES</b>	198,842	193,716	189,835	182,764	170,405	162,897
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (37,251)</b>	<b>\$ 28,373</b>	<b>\$ 5,931</b>	<b>\$ 4,506</b>	<b>\$ (34,220)</b>	<b>\$ (26,586)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### GENERAL GOVERNMENT

CAO & Commissioners, City Solicitor & City Clerk; Corporate Communications; General Municipal Revenues; Mayor & Councillors

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
CAO & Commissioners	\$ 6,626	\$ 6,383	\$ 4,588	\$ 4,523	\$ 974	\$ 412
City Solicitor & City Clerk	920	932	902	886	1,154	1,201
Corporate Communications	365	365	360	353	349	359
General Municipal Revenues	93,882	155,856	129,331	122,494	76,807	73,989
<b>TOTAL REVENUE</b>	101,793	163,536	135,181	128,256	79,284	75,961
<b>EXPENSES</b>						
CAO & Commissioners	7,879	7,739	5,744	5,603	2,330	1,732
City Solicitor & City Clerk	1,645	1,510	1,633	1,735	1,679	1,722
Corporate Communications	627	591	609	614	614	555
General Municipal Revenues	6,178	6,153	8,495	2,379	2,368	1,321
Mayor and Councillors	650	761	696	663	650	643
<b>TOTAL EXPENSES</b>	16,979	16,754	17,177	10,994	7,641	5,973
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 84,814</b>	<b>\$ 146,782</b>	<b>\$ 118,004</b>	<b>\$ 117,262</b>	<b>\$ 71,643</b>	<b>\$ 69,988</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CAO & COMMISSIONERS

General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 6,626	\$ 6,383	\$ 4,588	\$ 4,523	\$ 973	\$ 412
Other revenue	-	-	-	-	1	-
<b>TOTAL REVENUE</b>	6,626	6,383	4,588	4,523	974	412
<b>EXPENSES</b>						
Salaries, wages and benefits	2,013	2,117	1,958	1,909	2,045	1,496
Contracted and general services	151	147	64	70	50	35
Materials and supplies	48	23	19	18	31	26
Internal charges	5,667	5,452	3,703	3,606	204	175
<b>TOTAL EXPENSES</b>	7,879	7,739	5,744	5,603	2,330	1,732
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,254)</b>	<b>\$ (1,356)</b>	<b>\$ (1,156)</b>	<b>\$ (1,080)</b>	<b>\$ (1,356)</b>	<b>\$ (1,320)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CITY SOLICITOR & CITY CLERK

#### General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 915	\$ 915	\$ 892	\$ 872	\$ 1,149	\$ 1,194
Other revenue	5	6	10	10	5	7
<b>Government transfers</b>						
Government transfers for operating	-	11	-	4	-	-
<b>TOTAL REVENUE</b>	920	932	902	886	1,154	1,201
<b>EXPENSES</b>						
Salaries, wages and benefits	1,346	1,255	1,282	1,262	1,308	1,340
Contracted and general services	146	109	163	288	213	288
Materials and supplies	40	35	34	44	38	38
Interest on long-term debt - infrastructure		-	-	-	-	8
Amortization	18	18	18	10	21	41
Internal charges	95	93	136	131	99	7
<b>TOTAL EXPENSES</b>	1,645	1,510	1,633	1,735	1,679	1,722
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (725)</b>	<b>\$ (578)</b>	<b>\$ (731)</b>	<b>\$ (849)</b>	<b>\$ (525)</b>	<b>\$ (521)</b>

The above represents actual transactions before consolidation eliminations



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE COMMUNICATIONS

General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 365	\$ 365	\$ 360	\$ 352	\$ 348	\$ 358
Other revenue	-	-	-	1	1	1
<b>TOTAL REVENUE</b>	365	365	360	353	349	359
<b>EXPENSES</b>						
Salaries, wages and benefits	499	481	490	489	496	432
Contracted and general services	77	56	66	62	79	78
Materials and supplies	8	5	3	11	7	11
Internal charges	43	49	50	52	32	34
<b>TOTAL EXPENSES</b>	627	591	609	614	614	555
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (262)</b>	<b>\$ (226)</b>	<b>\$ (249)</b>	<b>\$ (261)</b>	<b>\$ (265)</b>	<b>\$ (196)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GENERAL MUNICIPAL REVENUES

#### General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Net taxes	\$ 77,422	75,896	\$ 73,434	\$ 69,269	\$ 66,518	\$62,980
Sale of services	1,269	1,090	-	-	105	-
Other income						
Investment income	4,043	3,514	2,793	3,175	2,657	4,235
Licences, fines and penalties	3,748	4,004	3,569	4,023	533	262
Internal recovery	445	59	57	381	357	68
Other revenue	444	1	1,128	240	404	648
Contributions from utilities	5,172	70,271	47,302	44,252	4,809	4,988
Government transfers						
Government transfers for operating	1,340	1,021	1,048	1,154	1,424	808
<b>TOTAL REVENUE</b>	<b>93,882</b>	<b>155,856</b>	<b>129,331</b>	<b>122,494</b>	<b>76,807</b>	<b>73,989</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	(136)	-	-	-	143	246
Contracted and general services	1,626	-	-	214	197	307
Materials and supplies	1,129	2,471	991	696	410	122
Provision for allowances	-	679	2	2	-	-
Other expenses	300	(2)	22	-	2	246
Bank charges and short term interest	-	21	-	-	-	-
Internal charges	3,259	2,984	7,480	1,467	1,616	400
<b>TOTAL EXPENSES</b>	<b>6,178</b>	<b>6,153</b>	<b>8,495</b>	<b>2,379</b>	<b>2,368</b>	<b>1,321</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 87,704</b>	<b>\$ 149,703</b>	<b>\$ 120,836</b>	<b>\$ 120,115</b>	<b>\$ 74,439</b>	<b>\$ 72,668</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MAYOR & COUNCILLORS

General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Other Income</b>						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	630	717	628	591	587	604
Contracted and general services	-	22	36	44	39	20
Materials and supplies	-	2	7	4	8	6
Internal charges	19	20	25	24	16	13
<b>TOTAL EXPENSES</b>	650	761	696	663	650	643
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (650)</b>	<b>\$ (761)</b>	<b>\$ (696)</b>	<b>\$ (663)</b>	<b>\$ (650)</b>	<b>\$ (643)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### CORPORATE SERVICES

*Health, Safety & Environment; Finance; Information & Computer Services; Corporate Asset Management; Human Resources*

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Health, Safety & Environment	\$ 1,372	\$ 1,311	\$ 1,140	\$ 1,106	\$ 1,099	\$ 1,096
Finance	8,531	8,120	8,478	8,621	6,251	6,478
Information & Computer Services	5,901	5,891	6,785	7,031	5,521	5,062
Corporate Asset Management	18,491	18,323	18,572	15,983	14,385	13,477
Human Resources	2,246	1,965	2,026	1,975	1,977	1,798
<b>TOTAL REVENUE</b>	36,541	35,610	37,001	34,716	29,233	27,911
<b>EXPENSES</b>						
Health, Safety & Environment	2,233	2,379	2,107	1,909	2,013	1,936
Finance	12,914	12,303	12,517	13,299	11,833	8,630
Information & Computer Services	7,324	6,760	6,768	7,786	6,515	5,675
Corporate Asset Management	28,715	27,593	24,868	22,073	19,078	19,705
Human Resources	4,367	3,461	4,189	3,371	3,331	3,357
<b>TOTAL EXPENSES</b>	55,554	52,496	50,449	48,438	42,770	39,303
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (19,013)</b>	<b>\$ (16,886)</b>	<b>\$ (13,448)</b>	<b>\$ (13,722)</b>	<b>\$ (13,537)</b>	<b>\$ (11,392)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HEALTH, SAFETY & ENVIRONMENT

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ 31	\$ 32	\$ 31	\$ 31	\$ 31	\$ -
<b>Other Income</b>						
Internal recovery	1,339	1,223	1,094	1,072	1,048	967
Other revenue	-	7	-	1	1	31
<b>Government transfers</b>						
Government transfers for operating	3	49	15	2	19	93
Flood Assistance	-	-	-	-	-	5
<b>TOTAL REVENUE</b>	<b>1,372</b>	<b>1,311</b>	<b>1,140</b>	<b>1,106</b>	<b>1,099</b>	<b>1,096</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	1,710	1,880	1,588	1,424	1,547	1,505
Contracted and general services	213	216	230	202	212	150
Materials and supplies	26	10	12	35	20	34
Amortization of tangible capital assets	140	142	141	140	140	139
Internal charges	143	131	136	108	94	108
<b>TOTAL EXPENSES</b>	<b>2,233</b>	<b>2,379</b>	<b>2,107</b>	<b>1,909</b>	<b>2,013</b>	<b>1,936</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (861)</b>	<b>\$ (1,068)</b>	<b>\$ (967)</b>	<b>\$ (803)</b>	<b>\$ (914)</b>	<b>\$ (840)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FINANCE

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ 631	\$ 603	\$ 660	\$ 562	\$ 495	\$ -
<b>Other income</b>						
Internal recovery	7,561	7,303	7,628	7,867	5,537	5,730
Insurance recovery	-	-	-	-	1	-
Other revenue	209	214	186	204	206	708
<b>Government transfers</b>						
Grants - federal and provincial	-	-	-	-	-	20
Government transfers for operating	130	-	4	(12)	12	20
<b>TOTAL REVENUE</b>	<b>8,531</b>	<b>8,120</b>	<b>8,478</b>	<b>8,621</b>	<b>6,251</b>	<b>6,478</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	8,175	7,781	7,896	8,058	7,784	7,732
Contracted and general services	3,083	2,948	3,221	487	764	402
Materials and supplies	244	217	817	755	332	252
Provision for allowances	27	27	27	27	27	27
Bank charges	72	63	66	(38)	1,510	(1,482)
Interest on long-term debt - infrastructure	-	-	-	-	26	52
Other operating expenses	26	77	(561)	(12)	46	340
Amortization of tangible capital assets	43	24	28	40	47	46
Loss on disposal of tangible capital assets	-	-	-	29	-	-
Internal charges	1,244	1,166	1,023	3,953	1,297	1,261
<b>TOTAL EXPENSES</b>	<b>12,914</b>	<b>12,303</b>	<b>12,517</b>	<b>13,299</b>	<b>11,833</b>	<b>8,630</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (4,383)</b>	<b>\$ (4,183)</b>	<b>\$ (4,039)</b>	<b>\$ (4,678)</b>	<b>\$ (5,582)</b>	<b>\$ (2,152)</b>

The above represents actual transactions before consolidation eliminations



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 5,901	\$ 5,891	\$ 6,785	\$ 7,029	\$ 5,475	\$ 5,054
Insurance recovery	-	-	-	-	-	(1)
Other revenue	-	-	-	2	38	9
<b>Government transfers</b>						
Government transfers for operating	-	-	-	-	8	-
<b>TOTAL REVENUE</b>	5,901	5,891	6,785	7,031	5,521	5,062
<b>EXPENSES</b>						
Salaries, wages and benefits	3,243	3,082	3,110	3,581	3,754	3,386
Contracted and general services	2,253	1,996	2,137	1,977	1,548	1,370
Materials and supplies	63	59	82	315	376	365
Interest on long-term debt - infrastructure	22	52	9	79	38	15
Other operating expenses	-	4	8	22	-	5
Amortization of tangible capital assets	1,567	1,413	1,145	858	528	289
Loss on disposal of tangible capital assets	-	16	38	768	-	-
Internal charges	176	138	239	186	271	245
<b>TOTAL EXPENSES</b>	7,324	6,760	6,768	7,786	6,515	5,675
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,424)</b>	<b>\$ (869)</b>	<b>\$ 17</b>	<b>\$ (755)</b>	<b>\$ (994)</b>	<b>\$ (613)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE ASSET MANAGEMENT

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 140	\$ 239	\$ 391	\$ 223	\$ 251	\$ 208
<b>Other income</b>						
Internal recovery	18,351	17,713	16,595	15,127	13,433	12,764
Developer Levies	-	327	801	470	-	-
Insurance recovery	-	25	696	151	101	(44)
Other revenue	-	19	28	12	600	95
<b>Government transfers</b>						
Grants - federal and provincial	-	-	-	-	-	454
Government transfers for operating	-	-	61	-	-	-
<b>TOTAL REVENUE</b>	18,491	18,323	18,572	15,983	14,385	13,477
<b>EXPENSES</b>						
Salaries, wages and benefits	5,522	5,178	4,545	4,547	4,396	4,386
Contracted and general services	4,039	7,109	7,100	4,593	3,839	4,509
Materials and supplies	4,059	1,130	1,134	1,297	727	1,244
Interest on long-term debt - ACFA	307	396	492	290	273	276
Other operating expenses	-	52	106	140	65	(69)
Amortization of tangible capital assets	12,061	10,604	9,359	8,540	8,542	8,284
Loss (gain) on disposal of tangible capital assets	-	480	(277)	1,098	(52)	(221)
Internal charges	2,727	2,644	2,409	1,568	1,288	1,296
<b>TOTAL EXPENSES</b>	28,715	27,593	24,868	22,073	19,078	19,705
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (10,224)</b>	<b>\$ (9,270)</b>	<b>\$ (6,296)</b>	<b>\$ (6,090)</b>	<b>\$ (4,693)</b>	<b>\$ (6,228)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HUMAN RESOURCES

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ -	\$ 1	\$ -	\$ 92	\$ -	\$ -
Other income						
Internal recovery	2,051	1,738	1,824	1,734	1,837	1,781
Other revenue	195	186	195	149	133	17
Government transfers						
Government transfers for operating	-	40	7	-	7	-
<b>TOTAL REVENUE</b>	<b>2,246</b>	<b>1,965</b>	<b>2,026</b>	<b>1,975</b>	<b>1,977</b>	<b>1,798</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	2,908	2,718	2,747	2,349	2,348	2,478
Contracted and general services	1,126	456	970	525	511	399
Materials and supplies	94	57	75	60	68	80
Interest on long-term debt - infrastructure			-	-	-	12
Amortization of tangible capital assets	9	8	5	74	141	150
Internal charges	231	222	392	363	263	238
<b>TOTAL EXPENSES</b>	<b>4,367</b>	<b>3,461</b>	<b>4,189</b>	<b>3,371</b>	<b>3,331</b>	<b>3,357</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,121)</b>	<b>\$ (1,496)</b>	<b>\$ (2,163)</b>	<b>\$ (1,396)</b>	<b>\$ (1,354)</b>	<b>\$ (1,559)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### DEVELOPMENT & INFRASTRUCTURE

*Planning, Building & Development; Municipal Works*

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Planning, Building & Development	\$ 2,569	\$ 2,511	\$ 3,092	\$ 2,460	\$ 2,525	\$ 2,406
Municipal Works	2,912	2,868	3,381	4,923	5,173	8,411
<b>TOTAL REVENUE</b>	5,481	5,379	6,473	7,383	7,698	10,817
<b>EXPENSES</b>						
Planning, Building & Development	4,869	4,649	4,511	4,440	4,583	4,473
Municipal Works	28,601	27,812	27,620	29,836	27,510	29,308
<b>TOTAL EXPENSES</b>	33,470	32,461	32,131	34,276	32,093	33,781
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (27,989)</b>	<b>\$ (27,082)</b>	<b>\$ (25,658)</b>	<b>\$ (26,893)</b>	<b>\$ (24,395)</b>	<b>\$ (22,964)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PLANNING, BUILDING & DEVELOPMENT

#### Development & Infrastructure

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of Services</b>	\$ 6	\$ 20	\$ 25	\$ 17	\$ 9	\$ -
<b>Other income</b>						
Licences, fines and penalties	2,563	2,301	3,040	2,409	2,440	2,013
Internal recovery	-	30	10	17	40	50
Insurance recovery	-	-	-	-	-	2
Developer levies	-	40	-	-	-	-
Other revenue	-	15	17	17	12	297
<b>Government transfers</b>						
Government transfers for operating	-	105	-	-	24	44
<b>TOTAL REVENUE</b>	2,569	2,511	3,092	2,460	2,525	2,406
<b>EXPENSES</b>						
Salaries, wages and benefits	4,190	3,840	3,840	3,810	3,987	3,786
Contracted and general services	78	356	169	171	197	270
Materials and supplies	109	43	56	59	59	79
Other expenses	-	-	1	-	-	-
Bank charges & short term interest	1	1	-	-	-	-
Interest on long-term debt - ACFA	-	-	-	1	1	-
Amortization of tangible capital assets	42	7	8	10	10	11
Internal charges	450	402	437	389	329	327
<b>TOTAL EXPENSES</b>	4,869	4,649	4,511	4,440	4,583	4,473
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,300)</b>	<b>\$ (2,138)</b>	<b>\$ (1,419)</b>	<b>\$ (1,980)</b>	<b>\$ (2,058)</b>	<b>\$ (2,067)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MUNICIPAL WORKS

#### Development & Infrastructure

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 1,059	\$ 1,170	\$ 939	\$ 855	\$ 1,040	\$ 464
<b>Taxes</b>	122	131	119	129	158	131
<b>Other income</b>						
Internal recovery	-	12	25	3,168	2,597	4,974
Insurance recovery	-	16	90	1	27	112
Developer levies	-	818	1,344	302	1,182	1,410
Other revenue	272	376	270	70	198	674
<b>Government transfers</b>						
Government transfers for operating	1,459	345	594	398	(29)	646
<b>TOTAL REVENUE</b>	2,912	2,868	3,381	4,923	5,173	8,411
<b>EXPENSES</b>						
Salaries, wages and benefits	5,659	5,489	5,583	5,729	5,534	5,101
Contracted and general services	2,052	1,711	2,352	3,860	3,084	3,635
Materials and supplies	398	281	256	1,827	1,719	2,190
Interest on long-term debt - ACFA	481	477	526	537	520	594
Bank charges & short term interest	4	5	-	-	-	-
Other operating expenses	-	(18)	38	1	9	68
Amortization of tangible capital assets	15,439	15,304	14,644	13,456	12,867	12,066
Loss (gain) on disposal of tangible capital assets	-	315	40	791	368	190
Internal charges	4,568	4,248	4,181	3,635	3,409	5,399
<b>TOTAL EXPENSES</b>	28,601	27,812	27,620	29,836	27,510	29,308
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (25,689)</b>	<b>\$ (24,944)</b>	<b>\$ (24,239)</b>	<b>\$ (24,913)</b>	<b>\$ (22,337)</b>	<b>\$ (20,897)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### PUBLIC SERVICES

Community Development; Parks & Recreation; Fire Services; Public Organizations

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Community Development	\$ 6,703	\$ 6,506	\$ 6,631	\$ 6,739	\$ 6,418	\$ 6,622
Parks & Recreation	7,036	6,642	6,524	5,978	5,704	7,008
Fire Services	486	518	267	487	441	425
Public Organizations	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	14,225	13,666	13,422	13,204	12,563	14,055
<b>EXPENSES</b>						
Community Development	20,363	19,639	19,368	19,333	19,336	18,649
Parks & Recreation	29,354	29,364	28,851	28,677	26,352	24,001
Fire Services	15,437	14,963	14,442	14,275	14,334	13,709
Public Organizations	2,867	2,856	2,966	2,943	3,162	2,725
<b>TOTAL EXPENSES</b>	68,021	66,822	65,627	65,228	63,184	59,084
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (53,796)</b>	<b>\$ (53,156)</b>	<b>\$ (52,205)</b>	<b>\$ (52,024)</b>	<b>\$ (50,621)</b>	<b>\$ (45,029)</b>

*The above represents actual transactions before consolidation eliminations*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### COMMUNITY DEVELOPMENT

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 3,761	\$ 3,336	\$ 3,786	\$ 3,922	\$ 3,766	\$ 3,638
<b>Other income</b>						
Internal recovery	129	56	139	154	146	142
Insurance recovery	-	13	6	1	23	28
Developer levies	-	-	1	6	-	-
Other revenue	403	446	349	49	143	554
<b>Government transfers</b>						
Government transfers for operating	2,410	2,655	2,350	2,607	2,340	2,260
<b>TOTAL REVENUE</b>	6,703	6,506	6,631	6,739	6,418	6,622
<b>EXPENSES</b>						
Salaries, wages and benefits	10,418	10,298	10,282	10,090	10,643	10,106
Contracted and general services	2,661	2,293	2,933	2,818	2,638	2,950
Materials and supplies	657	633	628	1,427	2,095	2,148
Other expenses	-	1	5	-	22	129
Bank charges	100	51	107	93	62	58
Interest on long-term debt - infrastructure	-	-	-	-	-	12
Grants and other transfers	474	437	219	693	489	173
Amortization of tangible capital assets	574	508	480	478	476	369
Loss on disposal of tangible capital assets	-	250	-	88	-	-
Internal charges	5,479	5,168	4,714	3,646	2,911	2,704
<b>TOTAL EXPENSES</b>	20,363	19,639	19,368	19,333	19,336	18,649
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (13,660)</b>	<b>\$ (13,133)</b>	<b>\$ (12,737)</b>	<b>\$ (12,594)</b>	<b>\$ (12,918)</b>	<b>\$ (12,027)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PARKS & RECREATION

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 4,016	\$ 4,129	\$ 4,379	\$ 5,271	\$ 4,702	\$ 3,886
<b>Other income</b>						
Internal recovery	143	149	152	155	173	1,120
Insurance recovery	43	6	7	56	38	(628)
Developer levies	445	102	222	316	-	-
Other revenue	1,944	2,168	1,758	180	646	1,730
<b>Government transfers</b>						
Government transfers for operating	445	88	6	-	145	900
<b>TOTAL REVENUE</b>	<b>7,036</b>	<b>6,642</b>	<b>6,524</b>	<b>5,978</b>	<b>5,704</b>	<b>7,008</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	10,564	10,529	10,252	10,168	9,737	8,942
Contracted and general services	3,888	3,732	3,710	3,665	3,089	3,042
Materials and supplies	1,376	1,497	1,508	1,700	1,939	1,856
Bank charges	32	59	65	52	38	35
Other expenses	17	7	(1)	51	53	204
Interest on long-term debt - ACFA	379	372	394	420	443	224
Interest on long-term debt - infrastructure	-	-	-	-	-	27
Grants and other transfers	299	281	214	211	179	-
Amortization of tangible capital assets	7,691	7,700	7,532	7,346	6,600	4,147
Loss on disposal of tangible capital assets	-	7	-	-	102	32
Internal charges	5,108	5,180	5,177	5,064	4,172	5,492
<b>TOTAL EXPENSES</b>	<b>29,354</b>	<b>29,364</b>	<b>28,851</b>	<b>28,677</b>	<b>26,352</b>	<b>24,001</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (22,318)</b>	<b>\$ (22,722)</b>	<b>\$ (22,327)</b>	<b>\$ (22,699)</b>	<b>\$ (20,648)</b>	<b>\$ (16,993)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FIRE SERVICES

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ 310	\$ 376	\$ 259	\$ 478	\$ 386	\$ 392
Other income						
Internal recovery	-	21	8	-	5	5
Insurance recovery	80	63	-	-	-	3
Other revenue	21	30	-	9	7	25
Government transfers						
Government transfers for operating	75	28	-	-	43	-
<b>TOTAL REVENUE</b>	<b>486</b>	<b>518</b>	<b>267</b>	<b>487</b>	<b>441</b>	<b>425</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	12,821	12,674	12,131	12,043	12,385	11,948
Contracted and general services	357	274	277	289	288	123
Materials and supplies	209	195	177	270	356	337
Interest on long-term debt - ACFA	-	-	-	-	2	4
Amortization of tangible capital assets	160	165	157	154	137	144
Loss (gain) on disposal of tangible capital assets	-	(11)	-	66	27	-
Internal charges	1,890	1,666	1,700	1,453	1,139	1,153
<b>TOTAL EXPENSES</b>	<b>15,437</b>	<b>14,963</b>	<b>14,442</b>	<b>14,275</b>	<b>14,334</b>	<b>13,709</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (14,951)</b>	<b>\$ (14,445)</b>	<b>\$ (14,175)</b>	<b>\$ (13,788)</b>	<b>\$ (13,893)</b>	<b>\$ (13,284)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PUBLIC ORGANIZATIONS

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	1,943	1,970	1,942	1,965	1,994	1,892
Contracted and general services	-	-	47	24	33	39
Materials and supplies	-	1	2	108	113	-
Interest on long-term debt - ACFA	36	36	39	44	47	50
Grants and other transfers	669	636	719	626	810	578
Internal charges	219	213	217	176	165	166
<b>TOTAL EXPENSES</b>	2,867	2,856	2,966	2,943	3,162	2,725
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,867)</b>	<b>\$ (2,856)</b>	<b>\$ (2,966)</b>	<b>\$ (2,943)</b>	<b>\$ (3,162)</b>	<b>\$ (2,725)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### POLICE SERVICE

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of Services</b>	\$ -	\$ 1	\$ 17	\$ 8	\$ 15	\$ -
<b>Other income</b>						
Licences, fines and penalties	123	102	108	115	3,729	4,015
Internal recovery	191	189	181	184	176	183
Insurance recovery	-	171	61	36	42	58
Other revenue	1,523	1,748	1,735	1,804	1,872	1,784
<b>Government transfers</b>						
Government transfers for operating	1,712	1,687	1,587	1,564	1,573	1,527
<b>TOTAL REVENUE</b>	3,548	3,898	3,689	3,711	7,407	7,567
<b>EXPENSES</b>						
Salaries, wages and benefits	19,646	20,115	19,432	19,593	20,105	19,835
Contracted and general services	2,174	1,964	2,494	1,986	1,938	2,399
Materials and supplies	945	923	754	859	1,044	914
Other expenses	-	-	1	1	5	13
Interest on long-term debt - infrastructure	-	-	-	1	1	2
Amortization of tangible capital assets	158	153	142	118	108	97
Loss (gain) on disposal of tangible capital assets	-	8	-	-	-	-
Internal charges	1,896	2,020	1,628	1,270	1,516	1,496
<b>TOTAL EXPENSES</b>	24,818	25,183	24,451	23,828	24,717	24,756
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (21,270)</b>	<b>\$ (21,285)</b>	<b>\$ (20,762)</b>	<b>\$ (20,117)</b>	<b>\$ (17,310)</b>	<b>\$ (17,189)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GAS

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 78,595	\$ 81,738	\$ 74,700	\$ 77,962	\$ 102,568	\$ 106,184
Investment in subsidiary	-	-	-	-	-	5,119
<b>Other income</b>						
Investment income	1,700	20,658	1,411	4,334	5,148	5,806
Internal recoveries	-	132	13	99	144	32,455
Development levies	298	532	388	425	(71)	365
Other revenue	448	(120)	2,034	1,052	1,516	1,563
Government transfers for operating	-	-	46	-	-	(3)
<b>TOTAL REVENUE</b>	81,041	102,940	78,592	83,872	109,305	151,489
<b>EXPENSES</b>						
Salaries, wages and benefits	16,758	14,649	15,423	15,800	15,969	16,382
Contracted and general services	14,818	10,920	12,892	13,383	20,681	21,131
Materials, goods and utilities	5,554	4,272	4,566	5,563	17,377	17,780
Provisions for allowances	93	94	122	118	73	482
Bank charges and short term interest	80	118	67	19	70	55
Interest on long term debt	559	522	543	523	548	523
Other operating expenses	54,890	64,916	56,345	55,047	44,551	45,966
Amortization of tangible capital assets	11,782	12,700	11,834	13,918	13,501	19,482
Impairment	-	14,550	24,991	28,329	13,432	55,376
Loss on disposal of tangible capital assets	-	6	127	13,661	105	88
Gain on disposal of long lived assets	-	(631)	-	(43,226)	-	-
Internal charges and transfers	7,916	7,809	8,085	7,129	5,966	38,651
<b>TOTAL EXPENSES</b>	112,450	129,925	134,995	110,264	132,273	215,916
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	(31,409)	(26,985)	(56,403)	(26,392)	(22,968)	(64,427)
Contribution to General	1,533	1,565	1,419	1,330	1,278	1,251
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ (32,942)</b>	<b>\$ (28,550)</b>	<b>\$ (57,822)</b>	<b>\$ (27,722)</b>	<b>\$ (24,246)</b>	<b>\$ (65,678)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### ELECTRIC

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 128,034	\$ 145,240	\$ 122,039	\$ 71,524	\$ 63,558	\$ 77,126
<b>Other income</b>						
Investment income	-	898	898	932	1,934	2,288
Internal recoveries	2,456	2,284	1,317	2,911	2,561	2,960
Development levies	-	2,719	332	90	506	923
Insurance Recovery	-	-	928	-	-	-
Government transfers for operating	-	-	176	-	3	231
Other revenue	393	2,517	1,091	3,026	2,496	5,867
<b>TOTAL REVENUE</b>	<b>130,883</b>	<b>153,658</b>	<b>126,781</b>	<b>78,483</b>	<b>71,058</b>	<b>89,395</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	15,695	14,677	13,216	13,434	13,672	13,764
Contracted and general services	8,741	8,383	6,709	6,108	6,602	7,218
Materials, goods and utilities	12,428	13,186	12,429	9,665	11,297	10,001
Provisions for allowances	110	111	119	101	102	104
Bank charges and short term interest	1	1	23	-	-	-
Interest on long term debt	3,827	3,673	3,768	3,553	2,951	2,959
Other operating expenses	5,500	6,777	5,119	925	684	2,827
Amortization of tangible capital assets	18,881	21,731	19,255	15,995	13,385	15,133
Loss on disposal of tangible capital assets	-	81	328	137	250	420
Internal charges and transfers	35,836	38,192	28,910	25,468	22,207	24,998
<b>TOTAL EXPENSES</b>	<b>101,019</b>	<b>106,812</b>	<b>89,876</b>	<b>75,386</b>	<b>71,150</b>	<b>77,424</b>
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	<b>29,864</b>	<b>46,846</b>	<b>36,905</b>	<b>3,097</b>	<b>(92)</b>	<b>11,971</b>
Contribution to General	24,287	64,552	39,090	40,828	912	1,552
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 5,577</b>	<b>\$ (17,706)</b>	<b>\$ (2,185)</b>	<b>\$ (37,731)</b>	<b>\$ (1,004)</b>	<b>\$ 10,419</b>

The above represents actual transactions before consolidation eliminations



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### UTILITIES BUSINESS DEVELOPMENT & SUPPORT

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Investment income	\$ -	\$ 26	\$ 18	\$ 14	\$ 14	\$ 16
Internal recoveries	3,791	3,149	2,273	1,737	1,024	486
Government transfers for operating	-	32	197	-	-	-
<b>TOTAL REVENUE</b>	3,791	3,207	2,488	1,751	1,038	502
<b>EXPENSES</b>						
Salaries, wages and benefits	2,094	2,101	1,392	997	541	121
Contracted and general services	1,536	706	606	567	80	43
Materials, goods and utilities	45	29	36	10	8	1
Other operating expenses	-	-	-	-	335	268
Amortization of tangible capital assets	1	1	1	1	1	1
Internal charges and transfers	115	116	75	35	276	108
<b>TOTAL EXPENSES</b>	3,791	2,953	2,110	1,610	1,241	542
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ 254</b>	<b>\$ 378</b>	<b>\$ 141</b>	<b>\$ (203)</b>	<b>\$ (40)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### WATER

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 114	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
<b>Sale of services</b>	21,766	22,319	21,843	21,400	18,384	19,304
<b>Other income</b>						
Internal recovery	954	1,075	742	1,236	859	1,246
Other revenue	72	3,976	1,291	213	383	(15)
Developer levies	-	-	-	-	265	429
<b>Government transfers</b>						
Government transfers for operating	-	-	11	-	(7)	297
<b>TOTAL REVENUE</b>	22,906	27,483	24,000	22,962	19,997	21,374
<b>EXPENSES</b>						
Salaries, wages & benefits	4,933	5,576	4,760	4,588	4,477	4,208
Contracted and general services	936	649	724	907	1,129	1,360
Materials and supplies	1,430	1,505	1,325	1,606	1,478	1,622
Provisions for allowances	38	38	37	37	37	34
Interest on long-term debt	2,931	2,865	2,813	2,871	2,929	2,872
Other expenses	-	11	-	(35)	13	(4)
Amortization of tangible capital assets	4,448	4,358	4,046	3,726	3,413	3,132
Loss on disposal of tangible capital assets	-	58	398	43	19	41
Internal charges and transfers	3,931	3,967	3,626	3,365	3,382	3,577
<b>TOTAL EXPENSES</b>	18,647	19,027	17,729	17,108	16,877	16,842
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	4,259	8,456	6,271	5,854	3,120	4,532
Contribution to General	1,044	1,044	1,024	994	994	920
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 3,215</b>	<b>\$ 7,412</b>	<b>\$ 5,247</b>	<b>\$ 4,860</b>	<b>\$ 2,126</b>	<b>\$ 3,612</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SEWER

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
<b>Sale of services</b>	19,519	19,147	17,509	16,131	15,294	15,117
<b>Other income</b>						
Internal recovery	-	-	-	-	3	(18)
Other revenue	43	353	610	20	64	30
Developer levies	-	-	-	-	282	326
<b>Government transfers</b>						
Government transfers for operating	-	-	53	-	-	34
<b>TOTAL REVENUE</b>	19,675	19,613	18,285	16,264	15,756	15,602
<b>EXPENSES</b>						
Salaries, wages & benefits	4,951	4,725	5,028	4,717	4,349	3,914
Contracted and general services	571	830	867	1,025	769	892
Materials and supplies	1,276	1,762	1,592	1,399	1,583	1,511
Provisions for allowances	32	32	31	31	31	29
Interest on long-term debt	2,861	2,493	2,389	2,465	2,342	2,051
Other expenses	5	19	-	2	-	15
Amortization of tangible capital assets	4,138	3,835	3,658	3,177	2,647	2,615
Loss on disposal of tangible capital assets	-	15	30	166	1	-
Internal charges and transfers	4,136	3,839	3,521	2,942	2,782	2,622
<b>TOTAL EXPENSES</b>	17,970	17,550	17,116	15,924	14,504	13,649
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	1,705	2,063	1,169	340	1,252	1,953
Contribution to General	804	804	788	765	765	722
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	\$ 901	\$ 1,259	\$ 381	\$ (425)	\$ 487	\$ 1,231

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SOLID WASTE

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
Sale of services	\$ 10,735	\$ 9,473	\$ 9,797	\$ 9,502	\$ 8,914	\$ 8,388
Other income						
Internal recovery	2,122	2,370	2,105	1,598	862	874
Other revenue	1,953	1,280	194	47	34	25
Government transfers						
Government transfers for operating	-	-	-	-	(13)	(1)
<b>TOTAL REVENUE</b>	<b>14,810</b>	<b>13,123</b>	<b>12,096</b>	<b>11,147</b>	<b>9,797</b>	<b>9,286</b>
<b>EXPENSES</b>						
Salaries, wages & benefits	3,109	3,139	3,180	2,850	2,775	2,800
Other Personnel Costs						
Contracted and general services	2,557	2,235	2,147	1,799	1,798	1,703
Materials and supplies	128	159	192	548	581	839
Provisions for allowances	17	17	38	17	17	(14)
Interest on long-term debt	81	78	97	116	134	132
Other expenses	200	270	(191)	58	(431)	204
Amortization of tangible capital assets	643	610	435	356	334	337
Loss on disposal of tangible capital assets	-	1	61	3	2	3
Internal charges and transfers	4,940	4,670	4,778	3,799	2,392	2,087
<b>TOTAL EXPENSES</b>	<b>11,675</b>	<b>11,179</b>	<b>10,737</b>	<b>9,546</b>	<b>7,602</b>	<b>8,091</b>
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	<b>3,135</b>	<b>1,944</b>	<b>1,359</b>	<b>1,601</b>	<b>2,195</b>	<b>1,195</b>
Contribution to General	413	413	405	393	393	393
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 2,722</b>	<b>\$ 1,531</b>	<b>\$ 954</b>	<b>\$ 1,208</b>	<b>\$ 1,802</b>	<b>\$ 802</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### ECONOMIC DEVELOPMENT & LAND

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 7,470	\$ 4,204	\$ 6,986	\$ 8,600	\$ 3,321	\$ 6,751
<b>Other income</b>						
Interest, penalties and extensions	3	(4)	6	13	1	26
Other revenue	700	754	1,317	1,362	2,432	1,172
Internal Recovery	-	6	-	-	-	-
Developers Levies	-	266	-	-	-	-
Internal recovery	3,246	3,599	1,497	1,511	1,386	-
<b>Government transfers</b>						
Government transfers for operating	-	38	-	-	7	7
<b>TOTAL REVENUE</b>	<b>11,419</b>	<b>8,863</b>	<b>9,806</b>	<b>11,486</b>	<b>7,147</b>	<b>7,956</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	864	790	791	716	687	590
Contracted and general services	1,432	1,180	1,282	1,216	1,274	1,261
Materials and supplies	4,809	2,994	4,789	6,417	2,320	3,971
Other expenses	-	4	-	-	-	1
Bank charges & short term interest	-	15	12	2	2	-
Grants & other transfers	200	279	190	137	141	20
Amortization of tangible capital assets	65	43	44	40	135	48
Impairment	-	-	42	87	178	12
Gain \ loss on sale of assets	-	-	-	-	(45)	(51)
Internal charges and transfers	876	948	923	895	1,283	881
<b>TOTAL EXPENSES</b>	<b>8,246</b>	<b>6,253</b>	<b>8,073</b>	<b>9,510</b>	<b>5,975</b>	<b>6,733</b>
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	<b>3,173</b>	<b>2,610</b>	<b>1,733</b>	<b>1,976</b>	<b>1,172</b>	<b>1,223</b>
Contribution to General	-	1,743	4,426	-	-	-
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 3,173</b>	<b>\$ 867</b>	<b>\$ (2,693)</b>	<b>\$ 1,976</b>	<b>\$ 1,172</b>	<b>\$ 1,223</b>

The above represents actual transactions before consolidation eliminations

**SCHEDULE OF CAPITAL SEGMENTED REPORTING**  
**FOR THE YEAR ENDED DECEMBER 31, 2019 (In thousands of dollars)**

	<b>Total Tax Supported</b>	<b>Gas Utility</b>	<b>Electric Utility</b>	<b>Utilities Business Development &amp; Support</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Economic Development &amp; Land</b>	<b>2019 Consolidated</b>
<b>Financing</b>									
Contributed assets - private	\$ 538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538
Debt - ACFA	1,600	2,134	12,146	-	16,903	18,494	-	-	51,277
Debt - infrastructure reserve	7,243	-	-	-	-	174	-	9	7,426
Developer levies	1,246	533	2,719	-	-	-	-	-	4,498
Government transfers for capital	20,217	-	-	-	-	-	-	-	20,217
Operations	1,682	4,055	18,509	-	1,028	1,713	(88)	-	26,899
Other	263	-	-	-	-	-	-	-	263
Reserves	11,792	5,753	7,330	-	-	-	-	1,441	26,316
	<b>44,581</b>	<b>12,475</b>	<b>40,704</b>	<b>-</b>	<b>17,931</b>	<b>20,381</b>	<b>(88)</b>	<b>1,450</b>	<b>137,434</b>
<b>Expenses</b>									
Engineered structures	13,320	11,698	29,552	-	12,863	12,482	(164)	16	79,767
Buildings	10,768	509	1,408	-	-	-	130	9	12,824
Machinery and equipment	7,317	338	2,161	-	(182)	146	46	-	9,826
Land Improvements	2,862	-	-	-	-	-	2,286	-	5,148
Land	46	-	-	-	-	173	-	-	219
Mobile equipment	8,517	-	-	-	-	-	-	-	8,517
	<b>42,830</b>	<b>12,545</b>	<b>33,121</b>	<b>-</b>	<b>12,681</b>	<b>12,801</b>	<b>2,298</b>	<b>25</b>	<b>116,301</b>
<b>Change in Capital Fund</b>	<b>1,751</b>	<b>(70)</b>	<b>7,583</b>	<b>-</b>	<b>5,250</b>	<b>7,580</b>	<b>(2,386)</b>	<b>1,425</b>	<b>21,133</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GENERAL FUND

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
General Government	\$ -	\$ -	\$ -	\$ 24	\$ 55	\$ 368
Corporate Services	15,406	25,724	19,744	34,313	18,873	21,169
Development & Infrastructure	9,500	13,661	20,627	27,126	13,757	27,150
Public Services	6,395	5,031	5,358	5,421	11,886	53,590
Police Services	188	165	466	116	62	287
<b>TOTAL FINANCING</b>	31,489	44,581	46,195	67,000	44,633	102,564
<b>EXPENSES</b>						
General Government	-	-	-	24	55	368
Corporate Services	15,406	24,293	28,825	24,917	22,622	20,450
Development & Infrastructure	9,500	13,730	25,494	23,341	15,016	32,664
Public Services	6,395	4,642	5,386	5,421	11,785	51,717
Police Services	188	165	466	131	87	248
<b>TOTAL EXPENSES</b>	31,489	42,830	60,171	53,834	49,565	105,447
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 1,751</b>	<b>\$ (13,976)</b>	<b>\$ 13,166</b>	<b>\$ (4,932)</b>	<b>\$ (2,883)</b>

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GENERAL GOVERNMENT DIVISION

General Municipal Revenues; CAO & Commissioners, City Solicitor & City Clerk; Corporate Communications; Mayor & Councillors

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 24	\$ 55	\$ 368
<b>TOTAL FINANCING</b>	-	-	-	24	55	368
<b>EXPENSES</b>						
Machinery and equipment	-	-	-	24	55	368
<b>TOTAL EXPENSES</b>	-	-	-	24	55	368
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### GENERAL MUNICIPAL REVENUES

General Government

No Capital

### CAO & COMMISSIONERS

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### CITY SOLICITOR & CITY CLERK

General Government

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 24	\$ 55	\$ 368
<b>TOTAL FINANCING</b>	-	-	-	24	55	368
<b>EXPENSES</b>						
Machinery and equipment	-	-	-	24	55	368
<b>TOTAL EXPENSES</b>	-	-	-	24	55	368
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### CORPORATE COMMUNICATIONS

General Government

No Capital

### MAYOR & COUNCILLORS

General Government

No Capital

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### CORPORATE SERVICES DIVISION

*Health, Safety & Environment; Corporate Asset Management; Finance; Human Resources; & Information & Computer Services*

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>FINANCING</b>						
Developers levies	\$ -	\$ 327	\$ 801	\$ -	\$ -	\$ -
Debt - ACFA	460	1,600	-	9,804	(325)	6,450
Debt - internal	3,998	3,363	482	3,391	2,733	1,367
Government transfers	3,750	9,563	7,875	16,168	10,096	6,032
Operations	667	667	1,734	1,231	1,675	1,078
Other	-	280	595	867	608	-
Reserves	6,531	9,924	8,257	2,852	4,086	6,242
<b>TOTAL FINANCING</b>	<b>15,406</b>	<b>25,724</b>	<b>19,744</b>	<b>34,313</b>	<b>18,873</b>	<b>21,169</b>
<b>EXPENSES</b>						
Engineered structures	-	6	284	-	-	-
Buildings	5,400	9,169	15,408	20,000	12,362	7,879
Machinery and equipment	6,380	6,235	5,030	2,714	4,447	4,076
Land improvements	-	366	221	321	-	-
Mobile equipment	3,626	8,517	7,882	1,882	5,813	8,495
<b>TOTAL EXPENSES</b>	<b>15,406</b>	<b>24,293</b>	<b>28,825</b>	<b>24,917</b>	<b>22,622</b>	<b>20,450</b>
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 1,431</b>	<b>\$ (9,081)</b>	<b>\$ 9,396</b>	<b>\$ (3,749)</b>	<b>\$ 719</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### HEALTH, SAFETY & ENVIRONMENT

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	108
Government transfers	-	-	-	-	-	26
Reserves	-	-	(92)	-	-	-
<b>TOTAL FINANCING</b>	-	-	(92)	-	-	134
<b>EXPENSES</b>						
Buildings	-	-	-	-	-	26
Machinery and equipment	-	-	-	16	-	-
<b>TOTAL EXPENSES</b>	-	-	-	16	-	26
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (92)</b>	<b>\$ (16)</b>	<b>\$ -</b>	<b>\$ 108</b>

### CORPORATE ASSET MANAGEMENT

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Developers levies	\$ -	\$ 327	\$ 801	\$ -	\$ -	-
Debt - ACFA	460	1,600	-	5,638	(325)	2,450
Debt - internal	1,900	2,126	257	2,770	1,320	1,105
Government transfers	3,750	9,137	7,320	15,870	10,096	6,006
Other	-	280	595	867	608	-
Operations	-	-	1,718	1,156	35	895
Reserves	6,531	10,116	8,264	2,483	4,089	6,239
<b>TOTAL FINANCING</b>	12,641	23,586	18,955	28,784	15,823	16,695
<b>EXPENSES</b>						
Engineered structures	-	6	284	-	-	-
Buildings	5,400	9,169	15,408	20,000	12,362	7,853
Machinery and equipment	3,615	3,764	2,249	617	-	-
Land improvements	-	366	221	321	-	-
Mobile equipment	3,626	8,517	7,882	1,882	5,813	8,495
<b>TOTAL EXPENSES</b>	12,641	21,822	26,044	22,820	18,175	16,348
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 1,764</b>	<b>\$ (7,089)</b>	<b>\$ 5,964</b>	<b>\$ (2,352)</b>	<b>\$ 347</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### FINANCE

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ -	\$ (458)	\$ -	\$ 2,000
Debt - internal	-	-	-	-	483	39
Operations	50	50	-	-	1,550	-
Reserves	-	(187)	-	-	-	-
<b>TOTAL FINANCING</b>	50	(137)	-	(458)	2,033	2,039
<b>EXPENSES</b>						
Machinery and equipment	50	63	-	-	1,833	1,831
<b>TOTAL EXPENSES</b>	50	63	-	-	1,833	1,831
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (200)</b>	<b>\$ -</b>	<b>\$ (458)</b>	<b>\$ 200</b>	<b>\$ 208</b>

### HUMAN RESOURCES

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Operations	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ -
Reserves	-	(5)	85	-	-	-
<b>TOTAL FINANCING</b>	-	(5)	85	-	14	-
<b>EXPENSES</b>						
Machinery and equipment	-	72	-	-	14	-
<b>TOTAL EXPENSES</b>	-	72	-	-	14	-
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (77)</b>	<b>\$ 85</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ -	\$ 4,624	\$ -	\$ 2,000
Debt - internal	2,098	1,237	225	621	930	223
Government transfers	-	426	555	298	-	-
Reserves	-	-	-	369	(3)	3
Operations	617	617	16	75	76	75
<b>TOTAL FINANCING</b>	2,715	2,280	796	5,987	1,003	2,301
<b>EXPENSES</b>						
Machinery and equipment	2,715	2,336	2,781	2,081	2,600	2,245
<b>TOTAL EXPENSES</b>	2,715	2,336	2,781	2,081	2,600	2,245
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (56)</b>	<b>\$ (1,985)</b>	<b>\$ 3,906</b>	<b>\$ (1,597)</b>	<b>\$ 56</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### DEVELOPMENT & INFRASTRUCTURE DIVISION

Planning, Building & Development; & Municipal Works

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 481	\$ 1,574	\$ 269
Debt - ACFA	-	-	-	3,516	1,835	-
Debt - internal	1,200	2,902	45	108	450	1,729
Developers levies	-	817	1,344	-	1,080	-
Government transfers	8,300	8,128	18,401	22,143	4,491	19,675
Land sales	-	-	6	184	319	2,400
Operations	-	-	1,250	2,050	1,651	1,650
Other	-	-	-	186	-	1,410
Reserves	-	1,814	(419)	(1,542)	2,357	17
<b>TOTAL FINANCING</b>	9,500	13,661	20,627	27,126	13,757	27,150
<b>EXPENSES</b>						
Engineered structures	9,500	13,666	18,883	15,823	14,849	32,109
Machinery and equipment	-	4	55	94	167	555
Land improvements	-	60	6,556	7,424	-	-
<b>TOTAL EXPENSES</b>	9,500	13,730	25,494	23,341	15,016	32,664
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (69)	\$ (4,867)	\$ 3,785	\$ (1,259)	\$ (5,514)

### BUSINESS SUPPORT

Development & Infrastructure

No Capital

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PLANNING, BUILDING & DEVELOPMENT

#### Development & Infrastructure

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ 45	\$ 108	\$ 122	\$ -
Reserves	-	-	-	200	-	-
<b>TOTAL FINANCING</b>	-	-	45	308	122	-
<b>EXPENSES</b>						
Machinery and equipment	-	4	55	94	167	180
<b>TOTAL EXPENSES</b>	-	4	55	94	167	180
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (4)	\$ (10)	\$ 214	\$ (45)	\$ (180)

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### MUNICIPAL WORKS

#### Development & Infrastructure

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 481	\$ 1,574	\$ 269
Debt - ACFA	-	-	-	3,516	1,835	-
Debt - internal	1,200	2,902	-	-	328	1,729
Developers levies	-	817	1,344	-	1,080	-
Government transfers	8,300	8,128	18,401	22,143	4,491	19,675
Land sales	-	-	6	184	319	2,400
Operations	-	-	1,250	2,050	1,651	1,650
Other	-	-	-	186	-	1,410
Reserves	-	1,814	(419)	(1,742)	2,357	17
<b>TOTAL FINANCING</b>	9,500	13,661	20,582	26,818	13,635	27,150
<b>EXPENSES</b>						
Engineered structures	9,500	13,666	18,883	15,823	14,849	32,109
Machinery and equipment	-	-	-	-	-	375
Land improvements	-	60	6,556	7,424	-	-
<b>TOTAL EXPENSES</b>	9,500	13,726	25,439	23,247	14,849	32,484
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (65)</b>	<b>\$ (4,857)</b>	<b>\$ 3,571</b>	<b>\$ (1,214)</b>	<b>\$ (5,334)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PUBLIC SERVICES DIVISION

Community Development; Parks & Recreation; and Fire Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ 345	\$ 478	\$ 105	\$ 209	\$ 106	\$ 102
Debt - ACFA	1,600	-	-	-	-	10,000
Debt - internal	1,560	978	401	557	936	531
Developers levies	-	102	185	-	-	-
Government transfers	-	2,526	3,122	2,156	5,895	12,721
Land sales	-	-	92	163	607	3,646
Operations	2,445	827	817	576	1,431	1,240
Other	-	43	-	14	461	1,012
Third party contribution	-	-	-	-	7	1
Reserves	445	77	636	1,746	2,443	24,337
<b>TOTAL FINANCING</b>	6,395	5,031	5,358	5,421	11,886	53,590
<b>EXPENSES</b>						
Engineered structures	800	(352)	1,383	442	-	-
Buildings	450	1,599	671	2,318	6,853	37,380
Machinery and equipment	640	913	399	474	1,349	5,006
Land	-	46	-	-	3,551	650
Land improvements	4,505	2,436	2,933	2,186	32	8,681
<b>TOTAL EXPENSES</b>	6,395	4,642	5,386	5,421	11,785	51,717
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 389</b>	<b>\$ (28)</b>	<b>\$ -</b>	<b>\$ 101</b>	<b>\$ 1,873</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### COMMUNITY DEVELOPMENT

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ 60	\$ 25	\$ 88	\$ 112
Government transfers	-	745	304	73	333	443
Operations	40	142	52	11	215	320
Third party contribution	-	-	-	-	7	1
Reserves	-	(94)	(38)	10	(297)	297
<b>TOTAL FINANCING</b>	40	793	378	119	346	1,173
<b>EXPENSES</b>						
Engineered structures	-	-	-	38	-	-
Buildings	-	175	6	5	13	800
Machinery and equipment	40	602	361	76	256	126
Land improvements	-	-	55	-	-	-
<b>TOTAL EXPENSES</b>	40	777	422	119	269	926
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 16</b>	<b>\$ (44)</b>	<b>\$ -</b>	<b>\$ 77</b>	<b>\$ 247</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PARKS & RECREATION

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ 345	\$ 478	\$ 105	\$ 209	\$ 106	\$ 102
Debt - ACFA	1,600	-	-	-	-	10,000
Debt - internal	1,560	978	341	473	243	419
Developers levies	-	102	185	-	-	-
Government transfers	-	1,781	2,818	2,083	5,562	12,278
Land sales	-	-	92	163	607	3,646
Operations	2,155	389	765	565	1,204	920
Other	-	43	-	14	461	1,012
Reserves	445	223	518	1,717	2,740	24,040
<b>TOTAL FINANCING</b>	6,105	3,994	4,824	5,224	10,923	52,417
<b>EXPENSES</b>						
Engineered structures	800	(352)	1,383	404	-	-
Buildings	450	1,424	665	2,313	6,840	36,580
Machinery and equipment	350	302	(58)	320	476	4,880
Land	-	46	-	-	3,551	650
Land improvements	4,505	2,436	2,878	2,186	32	8,681
<b>TOTAL EXPENSES</b>	6,105	3,856	4,868	5,224	10,899	50,791
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 138</b>	<b>\$ (44)</b>	<b>\$ -</b>	<b>\$ 24</b>	<b>\$ 1,626</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### FIRE SERVICES

#### Public Services

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 59	\$ 605	\$ -
Operations	250	296	-	-	12	-
Reserves	-	(52)	156	19	-	-
<b>TOTAL FINANCING</b>	250	244	156	78	617	-
<b>EXPENSES</b>						
Machinery and equipment	250	9	96	78	617	-
<b>TOTAL EXPENSES</b>	250	9	96	78	617	-
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 235</b>	<b>\$ 60</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### POLICE SERVICE

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ 292	\$ 72	\$ 9	\$ 185
Operations	188	165	34	45	53	57
Third party contribution	-	-	-	-	-	45
Reserves	-	-	140	(1)	-	-
<b>TOTAL FINANCING</b>	188	165	466	116	62	287
<b>EXPENSES</b>						
Buildings	-	-	-	-	-	83
Machinery and equipment	188	165	466	131	87	165
<b>TOTAL EXPENSES</b>	188	165	466	131	87	248
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15)</b>	<b>\$ (25)</b>	<b>\$ 39</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GAS

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 1,278	\$ 2,134	\$ 500	\$ 1,500	\$ -	\$ 2,000
Developers levies	-	533	388	425	(71)	390
Operations	8,170	4,055	1,597	1,185	2,464	1,410
Other	-	-	-	-	-	(564)
Reserves	14,917	5,753	17,034	14,491	9,461	6,066
<b>TOTAL FINANCING</b>	24,365	12,475	19,519	17,601	11,854	9,302
<b>EXPENSES</b>						
Engineered structures	23,073	11,698	18,724	18,462	9,807	8,783
Buildings	500	509	-	-	-	-
Machinery and equipment	792	338	575	831	415	1,771
<b>TOTAL EXPENSES</b>	24,365	12,545	19,299	19,293	10,222	10,554
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (70)	\$ 220	\$ (1,692)	\$ 1,632	\$ (1,252)

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### ELECTRIC

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 12,243	\$ 12,146	\$ 4,887	\$ 10,225	\$ 28,236	\$ 6,950
Developers levies	-	2,719	332	90	531	923
Government transfers	-	-	-	27	-	31
Land Sales	-	-	-	-	-	125
Operations	7,914	18,509	9,621	17,803	10,566	13,771
Other	-	-	-	-	-	(788)
Reserves	5,566	7,330	3,900	-	11,931	11,030
<b>TOTAL FINANCING</b>	25,723	40,704	18,740	28,145	51,264	32,042
<b>EXPENSES</b>						
Engineered structures	25,673	29,552	16,526	39,644	45,296	32,961
Buildings	-	1,408	3,002	1,227	921	997
Machinery and equipment	50	2,161	229	447	382	1,442
Land improvements	-	-	153	108	23	221
Land	-	-	-	212	-	-
<b>TOTAL EXPENSES</b>	25,723	33,121	19,910	41,638	46,622	35,621
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 7,583</b>	<b>\$ (1,170)</b>	<b>\$ (13,493)</b>	<b>\$ 4,642</b>	<b>\$ (3,579)</b>

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### UTILITIES BUSINESS DEVELOPMENT & SUPPORT

No Capital

### WATER

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 6,350	\$ 16,903	\$ 2,900	\$ 5,000	\$ 4,950	\$ 8,751
Developers levies	-	-	-	-	223	429
Government transfers	-	-	-	-	-	(51)
Land sales	-	-	-	-	-	460
Operations	2,375	1,028	1,037	1,355	3,327	1,921
Other	-	-	-	-	-	(429)
<b>TOTAL FINANCING</b>	8,725	17,931	3,937	6,355	8,500	11,081
<b>EXPENSES</b>						
Engineered structures	-	12,863	11,703	7,326	7,001	3,339
Buildings	-	-	150	-	-	-
Machinery and equipment	-	(182)	3,001	478	607	610
Land improvements	-	-	(1)	-	(27)	1,123
Land	-	-	-	-	-	20
<b>TOTAL EXPENSES</b>	-	12,681	14,853	7,804	7,581	5,092
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ 8,725</b>	<b>\$ 5,250</b>	<b>\$ (10,916)</b>	<b>\$ (1,449)</b>	<b>\$ 919</b>	<b>\$ 5,989</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### SEWER

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 4,500	\$ 18,494	\$ 2,900	\$ 2,500	\$ 11,200	\$ 15,100
Debt - Infrastructure	-	174	19	-	-	-
Developers levies	-	-	-	-	528	326
Government transfers	-	-	-	-	-	858
Land sales	-	-	-	-	1	485
Operations	1,700	1,713	549	339	2,144	2,270
Other	-	-	(45)	-	-	(224)
<b>TOTAL FINANCING</b>	6,200	20,381	3,423	2,839	13,873	18,815
<b>EXPENSES</b>						
Engineered structures	6,000	12,482	16,005	14,505	10,663	4,160
Buildings	-	-	36	-	-	-
Machinery and equipment	200	146	37	-	119	53
Land Improvements	-	-	(44)	311	145	1,527
Land	-	173	19	-	-	-
<b>TOTAL EXPENSES</b>	6,200	12,801	16,053	14,816	10,927	5,740
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 7,580	\$ (12,630)	\$ (11,977)	\$ 2,946	\$ 13,075

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### SOLID WASTE

#### Environmental Utilities

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,050
Debt - infrastructure	-	-	-	-	-	104
Operations	350	(88)	121	1,054	1,028	2,065
<b>TOTAL FINANCING</b>	350	(88)	121	1,054	1,028	3,219
<b>EXPENSES</b>						
Engineered structures	-	(164)	25	139	6	(6)
Buildings	-	130	172	67	(105)	126
Machinery and equipment	-	46	1,886	79	64	46
Land improvement	350	2,286	(32)	89	82	19
<b>TOTAL EXPENSES</b>	350	2,298	2,051	374	47	185
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (2,386)</b>	<b>\$ (1,930)</b>	<b>\$ 680</b>	<b>\$ 981</b>	<b>\$ 3,034</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2015 - 2019

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### ECONOMIC DEVELOPMENT & LAND

	2019 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ 9	\$ 217	\$ 68	\$ -	\$ -
Operations	-	-	3	-	30	(262)
Reserves	1,500	1,441	-	40	-	-
<b>TOTAL FINANCING</b>	1,500	1,450	220	108	30	(262)
<b>EXPENSES</b>						
Engineered structures	-	16	8	512	-	944
Buildings	-	9	217	68	-	89
Machinery and equipment	-	-	4	-	26	82
Land improvements	1,500	-	-	27	4	517
Land	-	-	-	(489)	510	(1,559)
<b>TOTAL EXPENSES</b>	1,500	25	229	118	540	73
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 1,425</b>	<b>\$ (9)</b>	<b>\$ (10)</b>	<b>\$ (510)</b>	<b>\$ (335)</b>

*The above represents actual transactions before consolidation eliminations.*

---

## **OUR VISION**

---

To make Medicine Hat a “community of choice.”

---

## **OUR MISSION**

---

To deliver value through exceptional public service.

---

## **OUR VALUES**

---

We are committed to the following core values, which we believe enable us to achieve our vision:

- Respect
- Integrity
- Accountability
- Courage
- Caring

---

## **MEDICINE HAT COUNCIL’S STRATEGIC PLAN 2019 - 2022**

---

Six strategic priorities:

- Fiscal Responsibility
- Economic Vitality
- Infrastructure Renewal
- Community Safety and Vibrancy
- Sunshine Hospitality
- City Government



