

City of Medicine Hat

2017 Financial Report

December 31, 2017

Medicine Hat, Alberta, Canada



Medicine Hat
The Gas City

City of Medicine Hat, Alberta, Canada

2017 FINANCIAL REPORT

For the year ended December 31, 2017

*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

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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

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
 M. Heggelund, Chief Administrative Officer
 K. Charlton, Public Services Commissioner
 B. Mastel, Corporate Services Commissioner
 S. Schwartzenberger, Development & Infrastructure Commissioner
 C. Lenz, Utilities Division Commissioner
 B. Schmitt, City Solicitor
 A. Cruickshank, City Clerk
 L. Prestayko, Corporate Communications Manager

SPECIAL COMMITTEES

Canadian Badlands: Councillors P. Turnbull & B. Varga

Chamber of Commerce: Councillor J. Turner

City Centre Development Agency: Councillor K. Samraj

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

Friends of Medalta Society: Councillor K. Samraj

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

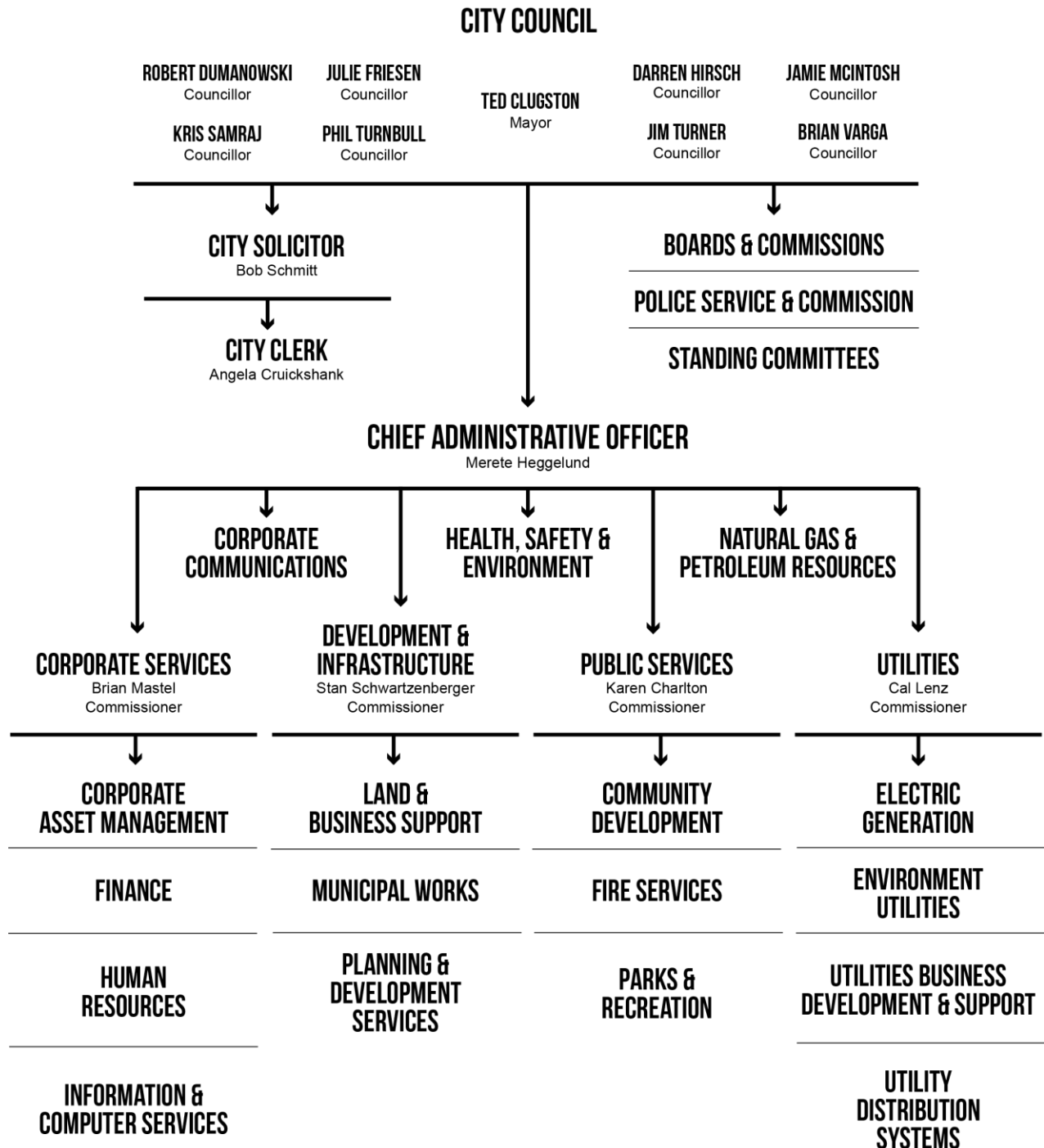
Shortgrass Library System: Councillor P. Turnbull

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

Tourism Medicine Hat: Councillor B. Varga

Organizational Structure

As at December 31, 2017



Treasurer's Report

For the year ending December 31, 2017

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2017. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 16, 2018.

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 and Culture),
- 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,
- natural gas exploration and production (NGPR),
- natural gas distribution services (Gas Distribution Utility),
- electric generation (GENCO)
- electric distribution services (Electric Distribution Utility).

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 of the financial results for the City for the fiscal year ended December 31, 2017. 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, 2017. 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 handwritten signature in black ink, appearing to read 'Brian Mastel'.

Brian Mastel
Corporate Services Commissioner

April 17, 2018

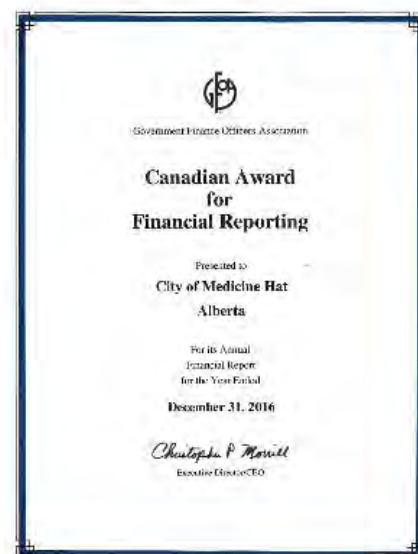
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2016, the fifteenth 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 emergencies, 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 will result in significant response coverage improvements to residents and improved safety for fire fighters. As part of this plan, existing Fire Stations #1 and #2 are being relocated to new locations. The relocation of Fire Station #2 was completed in February 2017 and the construction of the new Fire Station #1 is expected to be completed in May 2018.

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, Cypress County, County of Forty Mile, Foremost and Bow Island - a regional population of approximately 83,000 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.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

(c) Treasury Management

Internally managed City funds are invested in accordance with Investment Policy #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 quarterly and distributed to the Audit Committee and City Council.

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

In addition, internal control procedures are designed to ensure that the daily handling of cash is managed securely. Finally, 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, 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 stabilizing 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, 2017

MANAGEMENT REPORTING AND CONTROL

The following section deals with the planning, reporting and audit process.

(a) Strategic Planning and Budgeting

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

- the core activities of the department and the aim of each activity,
- departmental primary customers,
- opportunities, trends and challenges faced by the department,
- goals and objectives to be achieved by 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 two year operating budget together with a two year projection, and a two year capital budget with an eight 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 2017/18 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 six core divisions: Corporate Services, Public Services, Development and Infrastructure, Utilities, Natural Gas and Petroleum Resources, 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. In 2015, Medicine Hat City Council appointed KPMG LLP as its external auditor, with the option of renewing for an additional four years. City Council approved KPMG LLP's appointment for the 2017 audit.

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, 2017

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 throughout the year is reported to the Audit Committee tri-annually. These progress updates examine financial performance relative to approved budgets and forecast updates.

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2017

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 <http://www.medicinehat.ca/reports>.

Due to the decline in gas and oil commodity prices as well as the related economic downturn, the City is experiencing lower revenues from its Gas and Electric business. As a result, there is a \$23 million annual shortfall in the energy subsidy to the City's municipal operating budget. This shortfall was reduced by \$7 million in the 2017/18 budget period through a combination of cost containment measures, service level adjustments and increases to fees and taxes.

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.

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	2017	2016
Assets	\$ 494,256	\$ 527,217
Liabilities	649,962	669,380
Net financial (debt)	(155,706)	(142,163)
Non-financial assets	102,591	133,122
Net tangible capital assets	1,321,773	1,285,951
Total non-financial assets	1,424,364	1,419,073
Accumulated surplus	\$1,268,658	\$1,276,910

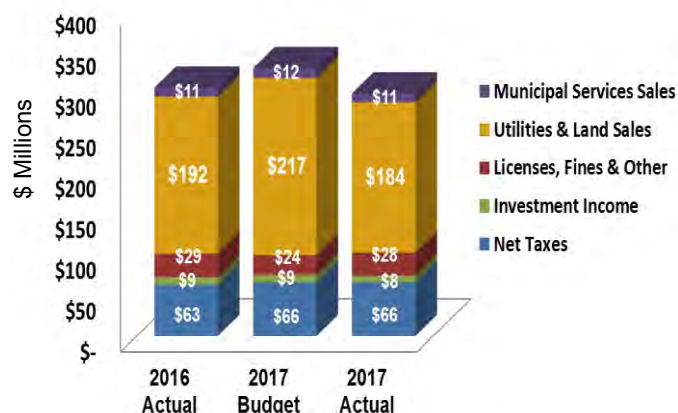
2017 Operating Results	Revenue	Expenses	Annual Deficit
General Fund	\$ 187,270	\$ 182,764	\$ 4,506
Utilities	225,965	283,658	(57,693)
Consolidation adjustments	(116,434)	(120,185)	3,751
Subtotal	296,801	346,237	(49,436)
Capital contributions and grants	41,530	-	41,530
Consolidation adjustments	(346)	-	(346)
Subtotal	41,184	-	41,184
Total	\$ 337,985	\$ 346,237	\$ (8,252)

The 2017 annual deficit is mainly a result of lower Utilities revenues due to divestiture of gas producing assets and lower commodity prices.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Revenues



Revenue before capital contributions and grants was \$296.8 million versus budget of \$327.7 million. Sale of services was \$32.7 million lower than budget mainly due to divestiture of gas producing assets and continued pressure on commodity prices for gas and electric. Gas revenues were \$31.0 million lower than budget primarily due to gas prices at \$2.04 per gigajoule versus budget at \$2.73 per gigajoule and 26% lower volumes related to the divestitures. Electric revenues were \$5.2 million lower than budget due to prices at \$39.29 per megawatt hour versus budget at \$41.24 per megawatt hour.

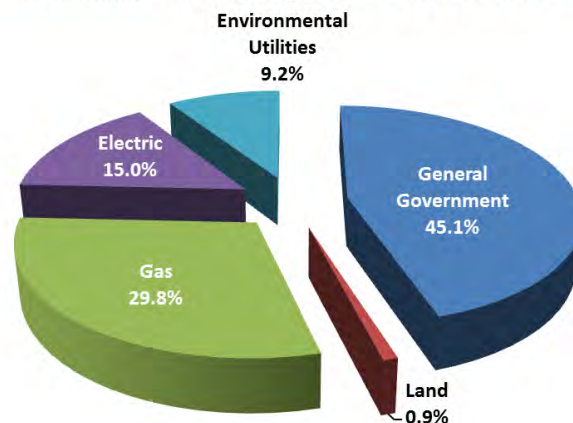
2017 actual revenues were lower than 2016 due primarily to lower gas revenues as a result of the divestiture.

Expenses

Overall the City operating expenses for the year were \$51.3 million lower than budget mainly due to lower gas expenses as a result of divested assets; lower operating and maintenance activities as a result of lower activity; lower electric expenses as a result of lower commodity prices and lower volumes of electric energy purchases.

2017 expenses are lower than 2016 actual expenses by \$11.5 million mainly due to lower gas expenses primarily due to the divested assets.

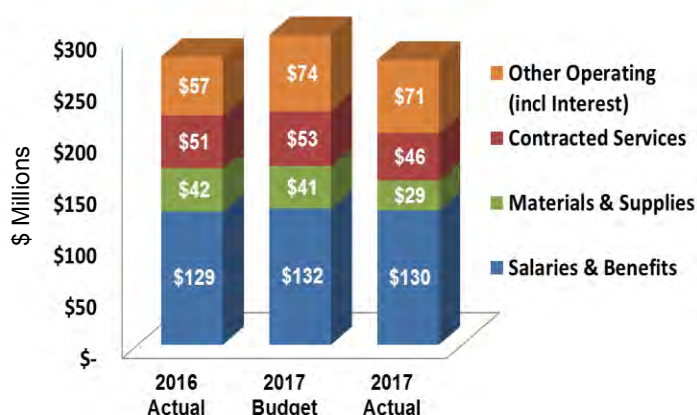
Consolidated Operating Expenses by Division



Expenses by Type

The Consolidated Expenses by Object Schedule details 2017 actual (\$346.2 million) and budget (\$397.9 million) by expense type. The chart to the right excludes amortization, impairments, and disposal expenses. Variances from budget for other operating expenses, contracted services, materials and supplies, and salaries and wages are mostly related to the asset divestiture and lower activity due to lower gas and electric commodity prices.

The 2017 actual expenses by type are lower than 2016 due to lower contracted services and materials and supplies as a result of divested assets. Other operating expenses are higher due to higher gas purchases as a result of higher gas consumption.



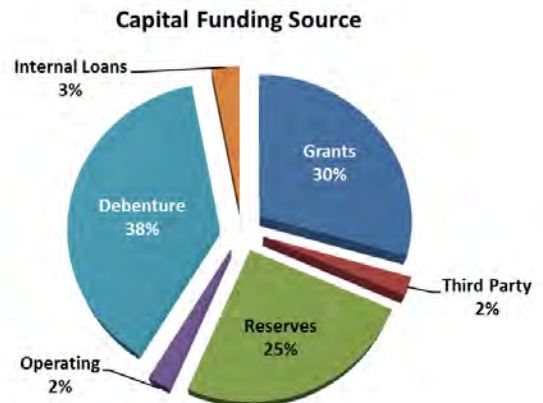
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

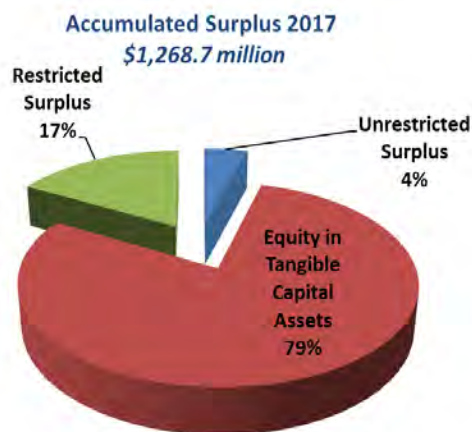
2017 Capital Expenditures

Capital expenditures for the year were \$137.2 million plus contributions from developers of \$690 thousand. While the City's approved 2017 budget for capital items was \$141.2 million, the current expenditures include \$89.0 million for projects carried forward from previous budget years.

The 2017 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, third party contributions and internal loans.



Accumulated Surplus



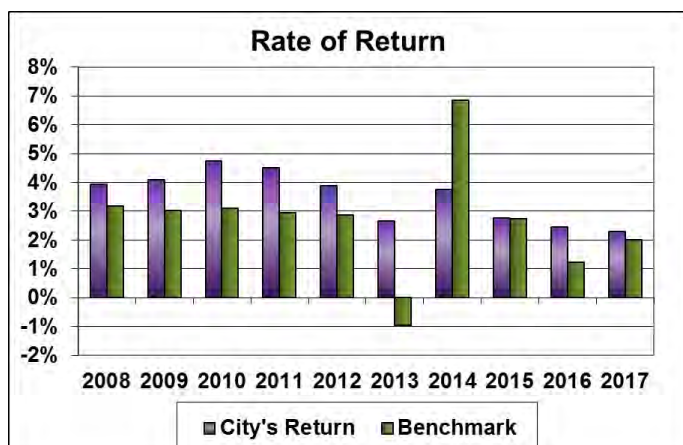
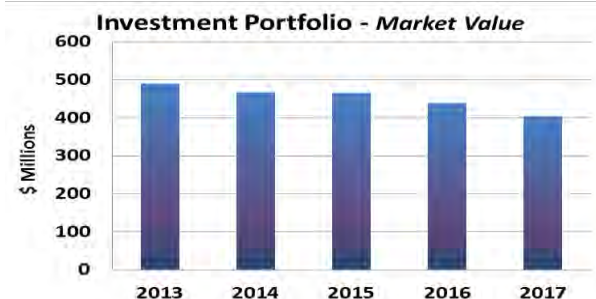
The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2017 the consolidated fund and equity balances decreased by \$8.2 million to \$1,268.7 million.

\$55.0 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 \$213.2 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets increased by \$16.4 million to \$1,000.5 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

Investments

Investments, Loans and Advances decreased \$39.9 million from 2016 to \$393.7 million largely as a result of funds being used for community projects including South Railway Flats, Crescent Heights Lift Station, Seniors Centre and the construction and relocation of Fire Hall #1 and #2.



The City of Medicine Hat's return on internally managed investments for the year ended December 31, 2017 averaged 2.31 per cent, higher than the FTSE TMX Canada Universe Bond benchmark index of 2.02 per cent. The City's average portfolio return has outperformed the stated benchmark over the last ten years with the exception of 2014 due to the City's term to maturity being less than the benchmark.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

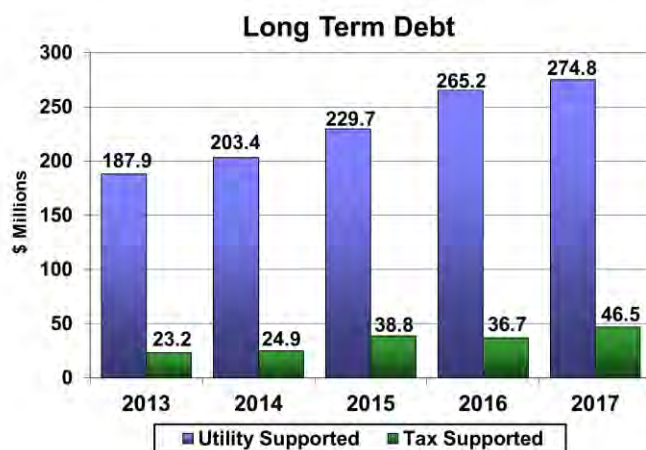
2017 was the first year the City had externally managed investments, managed by the Alberta Investment Management Corporation (AIMCo). The return for the year ended December 31, 2017 was 7.08 per cent, higher than the benchmark of 5.85%, which is a composite of money market, fixed income, and Canadian, global and emerging market equities. These funds are managed in a balanced asset class portfolio. Over the course of 2017, beginning in March, monthly deposits of \$11.08 million were made to this investment portfolio. At year-end the book value balance of AIMCo managed funds was \$110.8 million.



Long-Term Debt

During 2017, total Long Term Debt increased \$19.4 million to \$321.3 million with debt principal repayments of \$22.5 million being more than offset by new debt issued of \$41.9 million. New debt represents \$7.5 million for improvements to Environmental Utility assets, \$19.6 million relate to Electric Utility assets, \$1.5 million for Gas Utility assets, and \$13.3 million for municipal infrastructure.

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 the debt servicing limit 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 \$2.2 million.



The City's 2017 debt limits are as follows:

	2017	
Debt Limit	\$ 593.6	
Actual Total Debt	323.5	
Amount Under Limit	\$ 270.1	46%
Debt Servicing Limit	\$ 103.9	
Actual Debt Servicing	36.2	
Amount Under Limit	\$ 67.7	65%

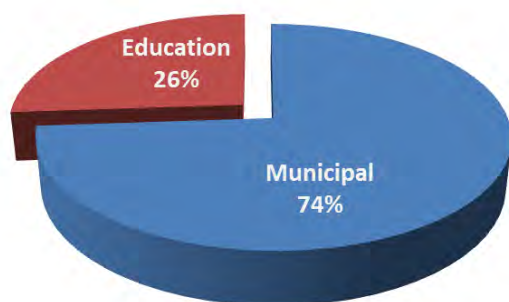
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

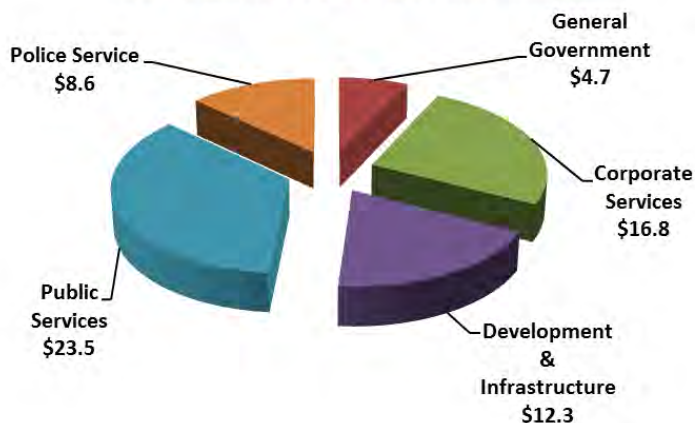
Use of Municipal Tax Revenue

Municipal property taxes contributed \$65.9 million (42.3%) of the consolidated General Fund operating expenses of \$155.8 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2017.

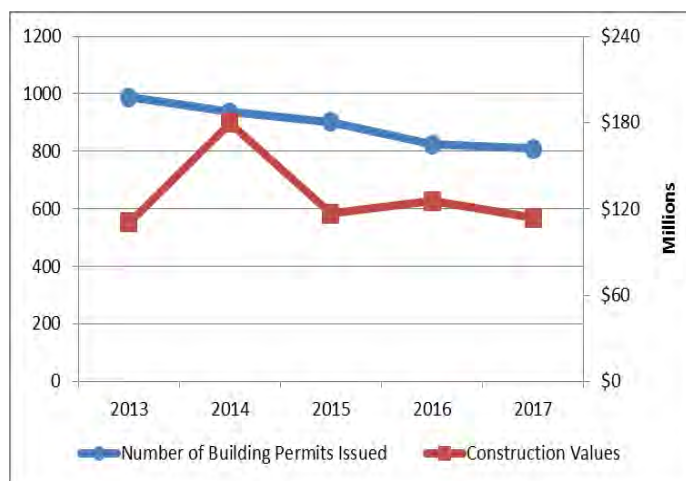
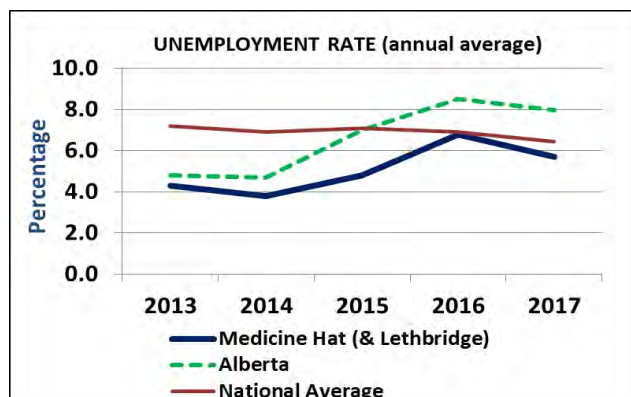


Use of Municipal Tax Revenue (Millions)



Economic Indicators

The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2017 was 5.9%, while the 2017 average was 5.7%. The average Alberta unemployment rate for 2017 was 8.0% compared to 6.4% for Canada.



Number of Building Permits Issued and related Construction Values

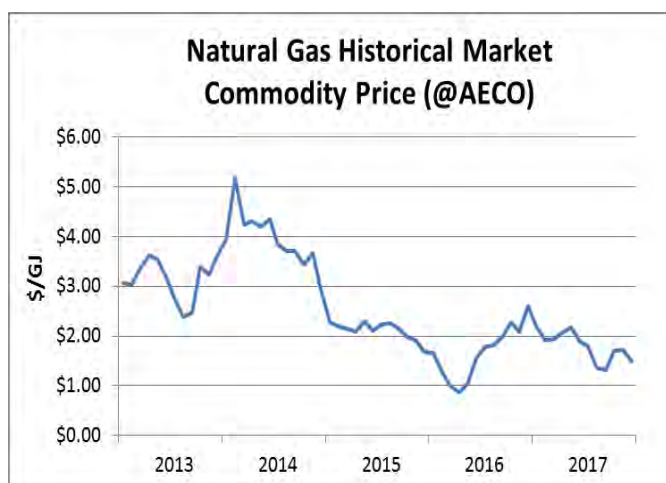
In 2017 the number of building permits issued was at a five year low at 809 primarily due to the economic downturn; however the related estimated value of construction in 2017 was still moderately strong at \$113 million nearly attaining the same level set in 2016 of \$125 million.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

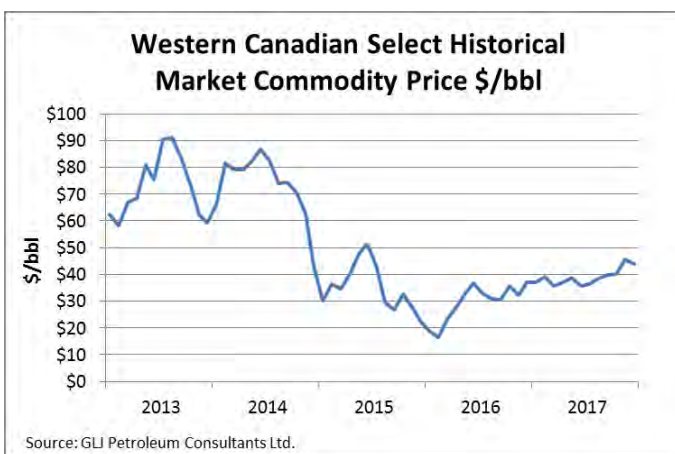
Gas

In first half of 2017 gas prices averaged above \$2.60 per gigajoule (GJ). This was primarily due to gas storage in the US and Canada hovering around the five year average and US dry gas production being relatively stable averaging 71.7 billion cubic feet (Bcf) per day. However, starting in July two factors influenced the decline of the price of natural gas to average \$1.49 per GJ for the last half of the year. The first factor was maintenance on the NOVA Gas Transmission Limited pipeline, this stranded gas in Alberta creating a significant price drop. The second factor was due to an increase of US dry gas production of approximately 3.8 Bcf per day to an average of 75.5 Bcf per day.



2017 sales gas volume from production for the City of Medicine Hat was 11.0 billion cubic feet (11.4 million GJ's). A \$1 per GJ change in the commodity price would affect annual gross revenue by \$11.4 million.

Oil



In 2017, oil pricing in Canada varied widely due to fluctuations in base West Texas Intermediate (WTI) pricing, reduced production in Canada due to a fire at the Mildred Lake Bitumen facility, and currency fluctuations with the increase in US Federal Reserve and Bank of Canada interest rates. Another factor was the restriction of South American oil entering the US. The South American oil was replaced with Canadian oil making Western Canadian Select (WCS) more valuable even though the WTI price was in decline through the summer and into the fall.

2017 oil production for the City of Medicine Hat was 514,385 barrels. A \$1 per barrel change in the commodity price would affect annual gross revenue by \$514,385.

Financial Statements



Management's Responsibility for Reporting

For the Year Ended December 31, 2017

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, 2017 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 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 16, 2018



Treasurer





Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Medicine Hat as at December 31, 2017, and its results of operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

April 16, 2018

CONSOLIDATED

Statement of Financial Position

As at December 31, 2017 (in thousands of dollars)

	2017	2016
Financial assets		
Cash and temporary investments (Note 3)	\$ 42,654	\$ 45,394
Accounts receivable, net of allowances (Note 4)	50,888	40,855
Investments, loans and advances (Note 5)	393,694	433,579
Land held for resale	6,362	5,924
Inventories for resale (Note 6)	61	75
Deposits (Note 7)	597	689
Properties held for sale (Note 8)	-	701
Total financial assets	494,256	527,217
Liabilities		
Trade accounts payable	32,574	27,748
Accrued liabilities (Note 9)	16,134	16,088
Liabilities associated with properties held for sale (Note 8)	-	1,703
Deferred revenue (Note 10)	38,169	42,715
Long term debt (Note 12)	321,307	301,881
Other long term liabilities (Note 13)	241,778	279,245
Total liabilities	649,962	669,380
Net financial debt	(155,706)	(142,163)
Non-financial assets		
Inventories for consumption	12,686	11,749
Prepaid assets	2,245	2,689
Land held for future development (Note 14)	15,536	15,359
Long lived assets	72,124	103,325
Tangible capital assets (Schedule 1) (Note 15)	1,321,773	1,285,951
Total non-financial assets	1,424,364	1,419,073
Operating commitments (Note 21)		
Capital commitments (Note 23)		
Contingent liabilities (Note 24)		
Accumulated surplus (Note 16)	\$ 1,268,658	\$ 1,276,910

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

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2017 (in thousands of dollars)

	2017 Budget	2017	2016
Revenue			
Municipal taxes (Schedule 2)	\$ 66,358	\$ 65,856	\$ 63,124
Sale of services			
General Government	11,871	11,459	10,800
Gas	91,885	60,902	87,565
Electric	72,915	67,673	59,630
Water	20,324	21,246	18,227
Sewer	16,488	16,029	15,189
Solid Waste	9,025	9,348	8,757
Land and Business Support	5,400	8,600	3,321
Other income			
Investment income	9,238	8,103	9,469
Licenses, fines and penalties	6,881	6,560	6,703
Insurance recovery	43	245	234
Development levies	499	1,609	2,162
Government transfers for operating (Schedule 3)	5,065	5,717	5,759
Other	11,665	13,454	13,268
Total revenue	327,657	296,801	304,208
Expenses (Schedule 4 and Schedule 5)			
General Government	162,820	155,783	149,834
Gas	140,526	103,229	123,972
Electric	57,053	49,976	48,928
Utilities Business Development & Support	1,620	1,583	968
Water	14,309	13,736	12,164
Sewer	11,555	13,007	12,152
Solid Waste	6,092	5,745	5,821
Land and Business Support	3,907	3,178	3,061
Total expenses	397,882	346,237	356,900
Deficiency of revenue over expenses			
- before other revenue	(70,225)	(49,436)	(52,692)
Other revenue			
Contributed tangible capital assets	768	690	2,456
Government transfers for capital (Schedule 3) (Note 10)	19,550	40,494	20,482
Total other revenue	20,318	41,184	22,938
Annual deficit	(49,907)	(8,252)	(29,754)
Accumulated surplus, beginning of year	1,276,910	1,276,910	1,306,664
Accumulated surplus, end of year	\$ 1,227,003	\$ 1,268,658	\$ 1,276,910

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, 2017 (in thousands of dollars)

	2017 Budget	2017	2016
Annual deficit	\$ (49,907)	\$ (8,252)	\$ (29,754)
Amortization of tangible capital assets	98,233	68,435	63,035
Impairments	-	28,416	13,610
Loss on disposal of tangible capital assets	-	16,852	774
Developers contribution of tangible capital assets	(768)	(690)	(2,456)
Acquisition of tangible capital assets	(140,391)	(137,186)	(123,050)
Proceeds from sale of tangible capital assets	-	392	1,317
Decrease (increase) in long lived assets	(23,028)	19,247	2,507
	(115,861)	(12,786)	(74,017)
Acquisition of inventories and supplies	(2,060)	(4,502)	(5,065)
Net transfer (acquisition) of land held for future development	(2,038)	(264)	(3,653)
Acquisition of prepaid assets	(3,975)	(3,353)	(2,188)
Consumption of inventories and supplies	2,124	3,565	4,805
Use of prepaid assets	3,797	3,797	3,145
	(2,152)	(757)	(2,956)
Increase in net financial debt	(118,013)	(13,543)	(76,973)
Net financial debt, beginning of year	(142,163)	(142,163)	(65,190)
Net financial debt, end of year	\$ (260,176)	\$ (155,706)	\$ (142,163)

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2017 (in thousands of dollars)

	2017	2016
Net inflow (outflow) of cash related to the following activities:		
Operating		
Annual deficit	\$ (8,252)	\$ (29,754)
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	68,435	63,035
Impairments	28,416	13,610
Loss on disposal of tangible capital assets	16,852	774
Developers contribution of tangible capital assets	(690)	(2,456)
Non-cash items relating to capital and investing activities:		
Properties held for sale	(1,002)	1,002
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	(10,033)	8,841
Decrease (increase) in inventories for resale	14	(9)
Decrease (increase) in land held for resale	(525)	442
Increase in land held for future development	(177)	(2,010)
Increase in inventories for consumption	(937)	(260)
Decrease in deposits	92	252
Decrease (increase) in prepaid assets	444	(508)
Increase (decrease) in trade accounts payable	4,826	(7,078)
Increase in accrued liabilities	46	2,196
Increase (decrease) in deferred revenue	(4,546)	3,554
Increase (decrease) in other long term liabilities	(37,467)	15,389
Cash provided by operating transactions	55,496	67,020
Capital		
Acquisition of tangible capital assets	(137,186)	(123,050)
Proceeds from sale of tangible capital assets	392	1,317
Decrease in long lived assets	19,247	2,507
Cash applied to capital transactions	(117,547)	(119,226)
Investing		
Decrease (increase) in restricted cash and temporary investments	6,909	(2,877)
Decrease in investments, loans and advances	39,885	23,813
Cash applied to investing transactions	46,794	20,936
Financing		
Long term debt issued and assumed	41,955	56,270
Long term debt repaid	(22,529)	(22,849)
Cash provided by financing transactions	19,426	33,421
Change in cash and equivalents during the year	4,169	2,151
Cash and cash equivalents, beginning of year	6,772	4,621
Cash and cash equivalents, end of year	\$ 10,941	\$ 6,772
Cash and cash equivalents consist of the following:		
Cash	\$ 42,654	\$ 45,394
Less: restricted portion of cash and temporary investments	(31,713)	(38,622)
Total	\$ 10,941	\$ 6,772

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

CONSOLIDATED
SCHEDULE OF TANGIBLE CAPITAL ASSETS
As at December 31, 2017 (in thousands of dollars)

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2017	2016
Cost:									
Balance, beginning of year	\$ 48,596	\$ 108,027	\$ 318,604	\$ 1,246,959	\$ 827,258	\$ 111,843	\$ 49,079	\$ 2,710,366	\$ 2,606,121
Acquisition of tangible capital assets	44	6,140	18,077	134,695	16,683	10,505	1,247	187,391	109,135
Construction-in-progress	-	4,005	5,845	(53,908)	(618)	(5,475)	636	(49,515)	16,367
Disposal of tangible capital assets	(101)	(16)	(2,162)	(22,462)	(108,390)	(3,129)	(2,600)	(138,860)	(10,073)
Write down of tangible capital assets	-	-	-	-	(16,375)	-	-	(16,375)	(11,184)
Balance, end of year	48,539	118,156	340,364	1,305,284	718,558	113,744	48,362	2,693,007	2,710,366
Accumulated amortization:									
Balance, beginning of year	-	41,273	82,124	526,221	704,413	44,604	25,780	1,424,415	1,369,366
Annual amortization	-	4,489	7,753	33,822	12,035	6,581	3,755	68,435	63,031
Accumulated amortization on disposals	-	(16)	(1,093)	(21,451)	(94,862)	(1,908)	(2,286)	(121,616)	(7,982)
Balance, end of year	-	45,746	88,784	538,592	621,586	49,277	27,249	1,371,234	1,424,415
Net book value of tangible capital assets	\$ 48,539	\$ 72,410	\$ 251,580	\$ 766,692	\$ 96,972	\$ 64,467	\$ 21,113	\$ 1,321,773	\$ 1,285,951
2016 net book value of tangible capital assets (Note 15)	\$ 48,596	\$ 66,754	\$ 236,480	\$ 720,738	\$ 122,845	\$ 67,239	\$ 23,299	\$ 1,285,951	

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

Schedule of Municipal Taxes
For the year ended December 31, 2017
(in thousands of dollars)

	2017 Budget	2017	2016
Taxation			
Real property taxes	\$ 88,349	\$ 88,255	\$ 84,634
Linear property taxes	1,057	1,057	1,124
Special assessments and local improvement taxes	358	352	351
	<hr/> 89,764	<hr/> 89,664	<hr/> 86,109
Requisitions			
Alberta School Foundation	18,937	19,329	18,639
Catholic Board of Education	3,612	3,619	3,519
Cypress View Foundation	857	860	827
	<hr/> 23,406	<hr/> 23,808	<hr/> 22,985
Municipal taxes	<hr/> \$ 66,358	<hr/> \$ 65,856	<hr/> \$ 63,124

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

Schedule of Government Transfers

For the year ending December 31, 2017 (in thousands of dollars)

	2017			2016
	Provincial	Federal	Total	
Unconditional transfers				
Payment in place of taxes	\$ 1,084	\$ 71	\$ 1,155	\$ 1,424
Conditional operating				
Alberta Emergency Services	-	-	-	574
Alberta Disaster Recovery Program (DRP)	(7)	-	(7)	(21)
Alberta Employment Programs	8	-	8	89
Alberta Foundation for the Arts	-	30	30	30
Alberta Foundation of the Arts Travelling Exhibition Program	146	-	146	186
Alberta Historic Resources Foundation	3	-	3	-
Alberta Museums Association	25	-	25	25
Archives Society of Alberta	15	-	15	-
Basic Municipal Transportation Grant (BMTG)	-	-	-	119
Canadian Heritage Grant	-	62	62	102
Child and Family Services Alberta (CFSA)	114	-	114	115
Family and Community Support Services (FCSS)	1,777	-	1,777	1,532
Fire Services & Emergency Preparedness Program (FSEPP)	3	-	3	19
GreenTrip	73	-	73	11
Municipal Internship Program for Administrators	-	-	-	24
Municipal Policing Assistance	1,008	-	1,008	-
Municipal Sustainability Initiative (MSI)	109	-	109	90
Municipal Sustainability Initiative Operating (MSIO)	289	-	289	192
OHS Innovation and Engagement Grants (IE)	6	-	6	-
Police Officer Grant	400	-	400	400
Regional Collaboration Program (RCP)	-	-	-	326
Regional Municipality of Wood Buffalo	-	-	-	7
Southern Alberta Flood Recovery Program (SAFRP)	(12)	-	(12)	12
Victims of Crime Fund Grant	156	-	156	150
911 Mobility Grant	357	-	357	353
	5,554	163	5,717	5,759
Conditional capital				
Affordable Housing Grant	-	-	-	303
Airport Capital Assistance Program (ACAP)	-	3,978	3,978	-
Alberta Community Partnership (ACP)	220	-	220	143
Alberta Recycling Management Grant	-	-	-	7
Alberta Community Resilience Program	3,220	-	3,220	-
Basic Municipal Transportation Grant (BMTG)	-	-	-	47
Canada 150 Fund	-	200	200	-
Community Facility Enhancement Program	18	-	18	-
Enabling Accessibility Fund (EAF)	-	50	50	38
Gas Tax Fund (GTF)	2,738	-	2,738	3,638
Flood Recovery Erosion Control Program (FREC)	-	-	-	538
GreenTrip	283	-	283	857
Local Flood Mitigation Measures (LFM)	2	-	2	-
Major Community Facilities Program (MCFP)	-	-	-	2,218
Municipal Sustainability Initiative (MSI)	29,785	-	29,785	10,658
New Building Canada Fund (NBCF)	-	-	-	2,035
	36,266	4,228	40,494	20,482
Total government transfers	\$ 41,820	\$ 4,391	\$ 46,211	\$ 26,241

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

Schedule of Segment Disclosures (Note 26) For the year ended December 31, 2017 (in thousands of dollars)

Schedule 4

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development Support	Water Utility	Sewer Utility	Solid Waste Utility	Land & Business Support	Consolidation Adjustments	2017 Consolidated
Revenue										
Net municipal taxes	\$ 69,398	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (3,768)	\$ 65,856
Sales of services	11,459	77,962	71,524	-	21,400	16,131	9,502	8,600	(21,321)	195,257
Investment income	3,175	4,334	932	14	-	-	-	-	(352)	8,103
Licenses, fines and penalties	6,547	-	-	-	-	-	-	13	-	6,560
Insurance recovery	245	-	-	-	-	-	-	-	-	245
Development levies	1,094	425	90	-	-	-	-	-	-	1,609
Government transfers for operating	5,717	-	-	-	-	-	-	-	-	5,717
Other	2,748	1,052	3,026	-	213	20	47	1,362	4,986	13,454
Internal recoveries	42,635	99	2,911	1,737	1,236	-	1,598	1,511	(51,727)	-
Transfer from Utilities and Land	44,252	-	-	-	-	-	-	-	(44,252)	-
	187,270	83,872	78,483	1,751	22,962	16,264	11,147	11,486	(116,434)	296,801
Expenses										
Salaries, wages and benefits	85,640	15,800	13,434	997	4,588	4,717	2,850	716	745	129,487
Contracted and general services	21,252	13,383	6,108	567	907	1,025	1,799	1,216	(160)	46,097
Materials, goods and utilities	9,375	5,563	9,665	10	1,606	1,399	548	6,417	(5,247)	29,336
Provisions for allowances	29	118	101	-	37	31	17	-	-	333
Bank charges and short term interest	109	19	-	-	-	-	-	2	-	130
Interest on long term debt	1,371	523	3,553	-	2,871	2,465	116	-	(352)	10,547
Total grants and other transfers	3,804	-	-	-	-	-	-	137	-	3,941
Other operating expenses	202	55,047	925	-	(35)	2	58	-	(310)	55,889
Amortization of tangible capital assets	31,222	13,918	15,995	1	3,726	3,177	356	40	-	68,435
Impairment	-	28,329	-	-	-	-	-	87	-	28,416
Loss on disposal of tangible capital assets	2,842	13,661	137	-	43	166	3	-	-	16,852
Gain on disposal of long lived liabilities	-	(43,226)	-	-	-	-	-	-	-	(43,226)
Internal charges and transfers	26,918	8,459	66,296	35	4,359	3,707	4,192	895	(114,861)	-
	182,764	111,594	116,214	1,610	18,102	16,689	9,939	9,510	(120,185)	346,237
Excess (deficiency) of revenue over expenses	\$ 4,506	\$ (27,722)	\$ (37,731)	\$ 141	\$ 4,860	\$ (425)	\$ 1,208	\$ 1,976	\$ 3,751	\$ (49,436)
Other										
Contributed assets	\$ 1,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (270)	\$ (346)	\$ 690
Government transfers for capital	40,467	-	27	-	-	-	-	-	-	40,494
Total other	41,773	-	27	-	-	-	-	(270)	(346)	41,184
Excess (deficiency) of revenue over expenses	\$ 46,279	\$ (27,722)	\$ (37,704)	\$ 141	\$ 4,860	\$ (425)	\$ 1,208	\$ 1,706	\$ 3,405	\$ (8,252)

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

Schedule of Segment Disclosures (Note 26) For the year ended December 31, 2016 (in thousands of dollars)

Schedule 4

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development Support	Water Utility	Sewer Utility	Solid Waste Utility	Land & Business Support	Consolidation Adjustments	2016 Consolidated
Revenue										
Net municipal taxes	\$ 66,676	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (3,778)	\$ 63,124
Sales of services	10,800	102,568	63,558	-	18,384	15,294	8,914	3,321	(19,350)	203,489
Investment income	2,657	5,148	1,934	14	-	-	-	-	(284)	9,469
Licenses, fines and penalties	6,702	-	-	-	-	-	-	1	-	6,703
Insurance recovery	232	-	-	-	2	-	-	-	-	234
Development levies	1,182	(71)	506	-	263	282	-	-	-	2,162
Government transfers for operating	5,769	-	3	-	(7)	-	(13)	7	-	5,759
Other	4,064	1,516	2,496	-	383	64	34	2,432	2,279	13,268
Internal recoveries	33,294	144	2,561	1,024	859	3	862	1,386	(40,133)	-
Transfer from Utilities and Land	4,809	-	-	-	-	-	-	-	(4,809)	-
	136,185	109,305	71,058	1,038	19,997	15,756	9,797	7,147	(66,075)	304,208
Expenses										
Salaries, wages and benefits	86,798	15,969	13,672	541	4,477	4,349	2,775	687	92	129,360
Contracted and general services	18,670	20,681	6,602	80	1,129	769	1,798	1,274	259	51,262
Materials, goods and utilities	9,229	17,377	11,297	8	1,478	1,583	581	2,320	(1,536)	42,337
Provisions for allowances	29	73	102	-	37	31	17	-	-	289
Bank charges and short term interest	1,612	70	-	-	-	-	-	2	-	1,684
Interest on long term debt	1,350	548	2,951	-	2,929	2,342	134	-	(284)	9,970
Total grants and other transfers	3,799	-	-	-	-	-	-	141	-	3,940
Other operating expenses	201	44,551	684	335	13	-	(431)	-	(4,714)	40,639
Amortization of tangible capital assets	29,619	13,501	13,385	1	3,413	2,647	334	135	-	63,035
Impairment	-	13,432	-	-	-	-	-	178	-	13,610
Loss (gain) on disposal of tangible capital assets	442	105	250	-	19	1	2	(45)	-	774
Internal charges and transfers	18,656	7,244	23,119	276	4,376	3,547	2,785	1,283	(61,286)	-
	170,405	133,551	72,062	1,241	17,871	15,269	7,995	5,975	(67,469)	356,900
Excess (deficiency) of revenue over expenses	\$ (34,220)	\$ (24,246)	\$ (1,004)	\$ (203)	\$ 2,126	\$ 487	\$ 1,802	\$ 1,172	\$ 1,394	\$ (52,692)
Other										
Contributed assets	\$ 2,606	\$ -	\$ 25	\$ -	\$ 223	\$ 529	\$ -	\$ -	\$ (927)	\$ 2,456
Government transfers for capital	20,482	-	-	-	-	-	-	-	-	20,482
Total other	23,088	-	25	-	223	529	-	-	(927)	22,938
Excess (deficiency) of revenue over expenses	\$ (11,132)	\$ (24,246)	\$ (979)	\$ (203)	\$ 2,349	\$ 1,016	\$ 1,802	\$ 1,172	\$ 467	\$ (29,754)

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

Schedule of Expenses By Object
For the year ended December 31, 2017
(in thousands of dollars)

	2017 Budget	2017	2016
Expenses			
Salaries, wages and benefits	\$ 132,091	\$ 129,487	\$ 129,360
Contracted and general services	53,399	46,097	51,262
Materials, goods and utilities	40,629	29,336	42,337
Provisions for allowances	340	333	289
Bank charges and short term interest	241	130	1,684
Interest on long term debt	10,649	10,547	9,970
Total grants and other transfers	3,584	3,941	3,940
Other operating expenses	59,084	55,889	40,639
Amortization of tangible capital assets	97,865	68,435	63,035
Impairments	-	28,416	13,610
Loss on disposal of tangible capital assets	-	16,852	774
Gain on disposal of long lived assets	-	(43,226)	-
Total expenses	\$ 397,882	\$ 346,237	\$ 356,900

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

NOTES

For the year ended December 31, 2017

(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, Computer Services and Corporate Asset Management), Public Services (Fire Services, 9-1-1 Communications, Community Development, Cultural Development, Parks & Recreation), Development & Infrastructure (Municipal Works, Planning, Building & Development and Land and Business Support) and Police Service (Police Service and Bylaw Enforcement).

2. 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 provide 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 provide funds raised by taxes deemed necessary by the Province.

The Schedule of Municipal Taxes levied includes operating requisitions for the Alberta School Foundation, Catholic Board of Education, Cypress View Foundation as well as 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 17.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

(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.

2. Tax Revenues

Tax revenues are recognized once City Council passes the bylaw approving the current year's 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 #157. Included in investments are internally managed portfolios consisting of investments in money market instruments and bonds. The City also has externally managed investment portfolios 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 using the effective interest rate.

(D) INVENTORIES FOR RESALE / GAS IN STORAGE

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 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

(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.

(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 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

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	5 to 25 years
Vehicles	7 to 20 years

Carrying costs directly attributable to the acquisition, construction, development, or 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 Contributions of 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 (PSAS) 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

Items of 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

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.

(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.

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.

(iv) 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

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.

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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

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.

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 13C).

(M) FUTURE ACCOUNTING CHANGES

1. Related Party and Inter-Entity Transactions

PSAS approved PS 3420 and PS 2200 which come into effect for fiscal years beginning on or after April 1, 2017. PS 2200 provides guidance on the recognition, measurement, presentation and disclosure of related party transactions. PS 3420 provides guidance on transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. These sections are to be adopted prospectively. The City has not yet adopted this standard or determined the effect on the Financial Statements.

2. Assets, Contingent Assets

PSAS approved PS 3210 and 3320 which come into effect for fiscal years beginning on or after April 1, 2017. PS 3210 provides guidance on applying definitions of assets per PS 1000, and establishes disclosure requirements for assets. PS 3320 provides guidance on definitions of and disclosure of contingent assets; possible assets arising from existing conditions or situations involving uncertainty. The City has not yet adopted this standard or determined the effect on the Financial Statements.

3. Contractual Rights

PSAS approved PS 3380 which comes into effect for fiscal years beginning on or after April 1, 2017. This section is to be adopted prospectively. PS 3380 provides guidance on the disclosure standards for contractual rights, including the nature of the rights, their extent and timing. The City has not yet adopted this standard or determined the effect on the Financial Statements.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

4. Restructuring Transactions

PSAS approved PS 3430 which comes into effect for fiscal years beginning on or after April 1, 2018. PS 3430 provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, along with related operating or program responsibilities. This section is to be adopted prospectively. The City has not yet adopted this standard or determined the effect on the Financial Statements.

5. Financial Instruments, Foreign Currency Translation and Financial Statement Presentation

PSAS 1201 comes into effect for fiscal years beginning on or after April 1, 2019. This includes adoption of PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation and PS 1201 Financial Statement Presentation. While early adoption is permitted, all three of the standards 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 standard 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 standards or determined the effect on the Financial Statements.

6. Portfolio Investments

PSAS 3041 comes into effect for fiscal years beginning on or after April 1, 2019. Early adoption is permitted, however this standard must be adopted at the same time as PSAS Section 2601 and PSAS Section 3450. This section is to be adopted prospectively. This section replaces the existing PSAS Section 3040 Portfolio Investments. This section is similar to PSAS Section 3040 with amendments to conform with PSAS Section 3450 referred to above. 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 also provides for pooled investment funds to be included within this section. When the City adopts PSAS Section 3450, it will need to account for any interest in pooled investment funds in accordance with this section as well as Section 3450. 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 standards or determined the effect on the Financial Statements.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 2: COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

NOTE 3: CASH AND TEMPORARY INVESTMENTS

	2017	2016
Cash	\$ 10,941	\$ 6,772
Temporary Investments	31,713	38,622
TOTAL	\$ 42,654	\$ 45,394

Temporary investments represent restricted amounts aggregating \$31,385 (2016 - \$38,296) 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 \$328 (2016 – \$326) for Alberta Disaster Recovery program funding for the 2014 flood damages and related mitigation measures.

These investments have an average yield of 1.42 (2016 – 1.42) per cent and an average term of 322 (2016 - 322) days to maturity.

NOTE 4: ACCOUNTS RECEIVABLE, Net of Allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2017	2016
Current Taxes Receivable	\$ 3,310	\$ 2,619
City Centre Development Agency	16	16
Less: Allowance for Tax Adjustments	(4)	(4)
SUB-TOTAL	\$ 3,322	\$ 2,631

(B) ACCOUNTS RECEIVABLE

	2017	2016
Trade Accounts Receivable	\$ 48,585	\$ 39,636
Less: Allowance for Doubtful Accounts	(1,019)	(1,412)
SUB-TOTAL	\$ 47,566	\$ 38,224
TOTAL	\$ 50,888	\$ 40,855

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 5: INVESTMENTS, LOANS AND ADVANCES

	2017		2016	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 14,984	\$ 18,940	\$ 15,610	\$ 19,613
Provincial Government and Agencies	1,999	2,031	68,497	68,618
Managed Portfolio Funds	110,833	115,660	-	-
Canadian Banks	240,998	241,540	236,266	236,852
Others	24,880	25,713	113,206	112,753
TOTAL	\$ 393,694	\$ 403,884	\$ 433,579	\$ 437,836

These investments include both internally and externally managed funds. The internally managed funds are fixed income and bond investments recorded at cost with interest rates from 1.46 per cent to 9.98 per cent and mature in periods 2018 through 2108. The investments have an average expected yield of 2.51 (2016 – 2.35) per cent and an average term of 1.89 (2016 – 2.60) 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.

The amounts categorized as others in investments, loans and advances include loans receivable of \$533 (2016 - \$2,712). The following table provides details of the loans receivable.

	2017			2016			Original Loan	Term (Years)	Year Loaned	Interest Rate
	Valuation Balance	Allowance ¹	Principal Payments	Valuation Balance	Allowance ¹	Principal Payments				
Loyal Order of Moose	\$ -	\$ -	\$ 7	\$ 7	\$ -	\$ 7	\$ 150	20	1998	5.30%
Medicine Hat Public Library	-	-	9	9	-	9	109	10	1999	5.88%
SALTA Gymnastics Club	38	7	8	44	9	8	150	20	2003	4.27%
Medicine Hat YMCA	268	87	20	271	104	20	500	20	2003	6.00%
Medicine Hat Public Library	5	-	5	10	-	4	41	18	2009	4.00%
Cypress View Foundation	-	-	1,901	1,901	-	70	2,444	25	2008	5.50%
City Centre Development Authority	90	10	20	107	13	20	200	11	2011	5.50%
Cypress View Foundation	-	-	223	223	-	30	336	10	2012	5.50%
Medicine Hat Curling Club	132	-	8	140	-	-	140	15	2016	2.25%
SUB-TOTAL	\$ 533	\$ 104	\$ 2,201	\$ 2,712	\$ 126	\$ 168				

¹ Valuation Allowances related to interest free loans

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 6: INVENTORIES FOR RESALE

	2017	2016
Gas Inventory	\$ -	\$ 1
Concessions	61	74
TOTAL	\$ 61	\$ 75

NOTE 7: DEPOSITS

	2017	2016
Postage	\$ 6	\$ 2
Refundable Containers	33	33
Operating Deposits	525	616
Gas Royalty Deposits	33	38
TOTAL	\$ 597	\$ 689

NOTE 8: PROPERTIES HELD FOR SALE

In 2016 the City entered into an agreement to divest of certain non-core assets located in southern Alberta, which represented 0.5% of the City's yearly oil and gas production. This transaction closed on February 28, 2017 giving rise to a gain on disposal of long lived assets as recorded in the statements on Schedule 5.

NOTE 9: ACCRUED LIABILITIES

	2017	2016
Wages and Salaries	\$ 3,368	\$ 3,753
Vacation Pay	6,227	6,826
Interest on Long-Term Debt	1,962	1,776
Royalties	253	118
Other Liabilities	4,324	3,615
TOTAL	\$ 16,134	\$ 16,088

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 10: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2016	Additions 2017	Reductions 2017	Balance 2017
Deposits	\$ 441	\$ 576	\$ 76	\$ 941
Deferred Revenue	3,623	8,688	6,846	5,465
Affordable Housing Grant	73	1	-	74
Alberta Cities Transportation Program	601	10	-	611
Alberta Community Partnership	232	4	220	16
Alberta Community Resilience Grant	6,486	4,045	6,385	4,146
Bell West	9	-	-	9
Community Facility Enhancement	2	263	20	245
Community Warmth Deposits	8	23	29	2
Farm Credit Corporation	5	-	5	-
Federal Gas Tax Fund	912	9,898	5,816	4,994
Local Flood Mitigation	326	4	2	328
Municipal Sustainability Initiative	29,985	22,739	31,425	21,299
New Horizons for Seniors Program	-	26	-	26
Pitch Trust	2	-	-	2
Theatre Donations	10	1	-	11
TOTAL	\$ 42,715	\$ 46,278	\$ 50,824	\$ 38,169

Funds from Alberta Housing Grant, Alberta Cities Transportation Program, Alberta Community Partnership, Alberta Community Resilience Grant, Community Facility Enhancement Grant, Federal Gas Tax Fund, 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 3) of \$31,385 (2016 - \$38,296) held exclusively for these projects. An additional \$328 (2016 - \$326) 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 the construction and relocation of the Fire Station and road works), Municipal Sustainability Initiative Operating Grant (used primarily for storm sewer and sidewalk maintenance, and support to not for profit organizations), 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 storm water infrastructure upgrades), GreenTRIP (used for Transit); Airport Capital Assistance Program (used for the airport runway rehabilitation), and Alberta Community Resilience Grant (used for River Berms).

NOTE 11: 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, 2017, there were Letters of Credit issued in the amount of \$17,523 (2016 - \$28,816) and a Municipal Operating Loan Facility of \$10,000 (2016 - \$10,000).

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 12: LONG-TERM DEBT

(A)

	2017	2016
Tax Supported	\$ 46,484	\$ 36,662
Utilities Rate Supported		
- Electric	113,635	103,385
- Gas	15,741	14,992
- Water	76,155	75,759
- Sewer	66,666	67,989
- Solid Waste	2,626	3,094
Total Utilities	274,823	265,219
TOTAL DEBT	\$ 321,307	\$ 301,881

	2017	2016
Comprised of:		
- Alberta Capital Finance Authority	\$ 321,307	\$ 301,881
TOTAL DEBT	\$ 321,307	\$ 301,881

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

	Principal	Interest
2018	\$ 25,158	\$ 11,032
2019	24,018	10,047
2020	20,808	9,160
2021	20,666	8,370
2022	21,066	7,568
2023-2047	209,591	48,562
TOTAL	\$ 321,307	\$ 94,739

The debentures have interest payable at rates ranging from 1.088 per cent to 6.75 per cent per annum before Provincial Subsidy, and mature in periods 2018 through 2047. The average annual interest rate for 2017 is 4.08 (2016 – 4.17) 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 2017 was \$10,547 (2016 – \$9,970).

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

(C) DEBT PER CAPITA

(not in thousands of dollars)

	2017	2016
Tax Supported Debentures	\$ 738	\$ 582
Rate Supported Debentures	4,362	4,209
TOTAL	\$ 5,100	\$ 4,791

Debt per capita is based on the official census of 63,018 for 2017, (63,018 for 2016) by the City of Medicine Hat.

- (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.

	2017	2016
Debt Limit	\$ 593,602	\$ 608,416
Loan Guarantees (Note 12 E)	2,240	2,140
Actual Total Debt	321,307	301,881
AMOUNT UNDER LIMIT	\$ 270,055	\$ 304,395

Debt Servicing Limit	\$ 103,880	\$ 106,473
Actual Debt Servicing (Long and Short-Term Debt)	36,190	33,211
AMOUNT UNDER LIMIT	\$ 67,690	\$ 73,262

(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 \$2,240.

Bylaw Number	Guarantee	Maximum Loan Amount	Bylaw Passed by City Council
Bylaw 3790	Medicine Hat Musical Theatre and the Medicine Hat Firehall Theatre Society	\$ 500	May 23, 2007
Bylaw 4187	Connaught Golf & Country Club	965	September 3, 2013
Bylaw 4138	Medicine Hat Golf & Country Club	675	November 6, 2012
Bylaw 4436	Medicine Hat Golf & Country Club	100	June 20, 2017
TOTAL		\$2,240	

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years. All loans are in good standing at December 31, 2017.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 13: OTHER LONG-TERM LIABILITIES

(A)

	2017	2016
Offsite Contributions	\$ 4,363	\$ 1,930
Asset Retirement Obligation - Gas	223,809	265,275
Contaminated Sites - Abandonment & Restoration	867	289
Deferred Charges	2,112	1,379
Employee Retirement Benefits Liability (Note 20)	5,814	5,618
Sanitary Landfill - Site Abandonment and Restoration	4,813	4,754
TOTAL	\$ 241,778	\$ 279,245

(B) At December 31, 2017 the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$336,358 (2016 - \$426,552), calculated using an inflation rate of 1.54 (2016 - 1.88) per cent per annum. The estimated fair value of this liability was \$223,809 (2016 - \$265,275) after discounting the estimated cash flows at a rate of 5.29 (2016 - 5.34) per cent. At December 31, 2017, the expected timing of payment for settlement of the obligations ranges from 1 to 52 years. The City has not designated assets for settling decommissioning obligations.

(C) At December 31, 2017 the estimated undiscounted cash flows required to settle the contaminated sites were \$915 (2016 - \$300), calculated using an inflation rate of 1.54 (2016 - 1.88) per cent per annum. The estimated fair value of this liability was \$867 (2016 - \$289) after discounting the estimated cash flows at a rate of 2.33 (2016 - 2.31) per cent. The amount of anticipated recoveries included in this estimate is \$nil. 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 soil contamination (Benzene) has been identified; and a site where polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines. In prior years, a liability was recorded for a site where underground storage tanks with gas and diesel have leaked. It has been determined that this site is now in active use, as such no liability has been recorded for this site in the current year. At December 31, 2017, the expected timing of payment for settlement of the obligations ranges from 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; two sites where underground storage tanks with gas and diesel have leaked; a site where hydrocarbon values exceed Alberta Tier 1 guideline; and a site where the soil lead impacts exceed current guidelines. 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 3.16 (2016 - 3.37) per cent assuming inflation of 1.54 (2016 - 1.88) per cent.

NOTES

For the year ended December 31, 2017

(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:

	2017	2016
Estimated Site Capacity m ³ (000's)	4,525	4,525
Estimated Capacity used m ³ (000's)	2,774	2,690
Estimated Capacity remaining m³ (000's)	1,751 38.7%	1,835 40.6%
Estimated Closure Costs	\$ 9,360	\$ 9,360
Estimated Post Closure Costs	3,685	3,685
Estimated Total Costs	13,045	13,045
Portion of Total Liability remaining to be recognized	8,232	8,291
ACCRUED LIABILITY PORTION	\$ 4,813 36.9%	\$ 4,754 36.4%

The existing landfill site is expected to reach capacity in approximately the year 2035. The City has not designated assets for settling closure or post closure liabilities.

NOTE 14: 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 15: TANGIBLE CAPITAL ASSETS

	2017 Net Book Value	2016 Net Book Value
Land	\$ 48,539	\$ 48,596
Land Improvements	72,410	66,754
Buildings	251,580	236,480
Engineering Structures	766,692	720,738
Gas and Oil Properties	96,972	122,845
Machinery, Equipment and Furnishings	64,467	67,239
Vehicles	21,113	23,299
TOTAL	\$ 1,321,773	\$ 1,285,951

The net book value of capital assets not being amortized and under construction changed by \$49,515 (2016 – \$16,367). 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 \$690 (2016 - \$2,456). 2017 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, curbs and sidewalks.

In 2017, the City did not capitalize any interest. The City did recognize an impairment of \$28.4 million which is related to the oil and gas assets as a result of the continually declining current and forward market commodity price for natural gas and oil. The 2016 impairment was \$13.6 million of which \$13.4 million related to oil and gas assets and \$0.2 million related to Land and Property assets.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 16: 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 2017	Total 2016
Balance, beginning of year	\$ 45,596	\$ 247,244	\$ 984,070	\$ 1,276,910	\$ 1,306,664
Annual (deficit) surplus	(8,252)	-	-	(8,252)	(29,754)
Unrestricted funds designated for future use	(101,312)	101,312	-	-	-
Restricted funds used for operations	135,339	(135,339)	-	-	-
Funded tangible capital assets	(107,272)	-	107,272	-	-
Contributed tangible capital assets	(690)	-	690	-	-
Disposal of tangible capital assets	17,244	-	(17,244)	-	-
Impairment	28,416	-	(28,416)	-	-
Annual amortization expense	68,435	-	(68,435)	-	-
Long term debt repaid	(22,529)	-	22,529	-	-
BALANCE, END OF YEAR	\$ 54,975	\$ 213,217	\$ 1,000,466	\$ 1,268,658	\$ 1,276,910

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 2017 there were no excess surplus funds designated as restricted (2016 - \$514).

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 2017 and 2016, the Electric Utility did not have an excess surplus to designate 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 2017 the Gas Utility reported an excess surplus of \$12,422 which was designated as restricted. In 2016, there were no excess surplus funds designated as restricted.

UNRESTRICTED SURPLUS (DEFICIT)	2017	2016
General Government	\$ 11,688	\$ 11,298
Utilities Business Development & Support	122	(24)
Gas	9,092	7,643
Electric	5,726	5,480
Water	5,242	2,576
Sewer	(877)	369
Solid Waste	5,834	5,810
Land & Business Support	18,148	12,444
TOTAL	\$ 54,975	\$ 45,596

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

Restricted Surplus

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

	2017	2016
Restricted Surplus - Capital	\$ 43,346	\$ 57,966
Restricted Surplus - Reserves	169,871	189,278
TOTAL	\$ 213,217	\$ 247,244

Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2017	2016
General Government	\$ 20,317	\$ 7,149
Gas	3,722	5,414
Electric	2,094	15,587
Water	5,036	6,485
Sewer	6,353	18,330
Solid Waste	5,045	4,365
Land & Business Support	779	636
TOTAL	\$ 43,346	\$ 57,966

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 2016	2017 Additions	2017 Reductions	Balance 2017
Employee Development	\$ 1,644	\$ 226	\$ 107	\$ 1,763
Victim Assistance	17	20	18	19
Second Street Properties	84	-	-	84
Fleet Replacement	1,840	10,920	2,434	10,326
Art Acquisitions	99	109	99	109
Infrastructure	21,372	22,449	27,512	16,309
Employee Benefits	6,440	6,085	6,830	5,695
Community Capital	26,346	2,718	5,442	23,622
Tax Rate Stabilization	-	37,818	18,759	19,059
Heritage Savings	-	3,259	-	3,259
Nature's Best	870	14	18	866
Electric Facility and Equipment	68,935	671	40,409	29,197
Gas Depletion	61,631	12,422	14,490	59,563
TOTAL	\$ 189,278	\$ 96,711	\$ 116,118	\$ 169,871

2. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2017	2016
Tangible capital assets (Schedule 1)	\$ 2,693,007	\$ 2,710,366
Accumulated amortization (Schedule 1)	(1,371,234)	(1,424,415)
Long term debt (Note 12)	(321,307)	(301,881)
TOTAL	\$ 1,000,466	\$ 984,070

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 17: 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, 2017 are \$2,111 (2016 - \$1,972). 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 2016	Additions	Interest Earned	Funds Released	Balance 2017
Cemetery - Perpetual Care	\$ 1,917	\$ 215	\$ 53	\$ 130	\$ 2,055
Seniors Foundation	55	-	1	-	56
TOTAL TRUST FUNDS	\$ 1,972	\$ 215	\$ 54	\$ 130	\$ 2,111

NOTE 18: SALARY AND BENEFITS DISCLOSURE

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

	Salary ¹	Benefits & Allowances ²	Total 2017	2016
Mayor Ted Clugston	\$ 68	\$ 55	\$ 123	\$ 121
Councillor:				
Cocks, W	19	17	36	45
Dumanowski, R	23	21	44	41
Friesen, J	23	25	48	43
Mcintosh, J	21	19	40	39
Pearson, L	19	14	33	42
Symmonds, C	18	17	35	39
Turner, J	21	21	42	39
Samraj, K	3	2	5	-
Hirsch, D	3	2	5	-
Turnbull, P	3	4	7	-
Varga, B	21	21	42	40
CAO - Municipal Services	328	34	362	360
Designated Officers (7)	1,271	201	1,472	1,678

¹ Salary includes regular base pay and vacation pay-outs.

² 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 19: 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 253,862 members in 2016 (244,621 in 2015) and 417 employers in 2016 (426 in 2015). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 7,187 members in 2016 (6,993 in 2015) and 7 employers. The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2017 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 11.39 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84 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 2017 were \$12,107 (2016 - \$12,084). Total current service contributions by the employees for 2017 were \$11,182 (2016 - \$11,160).

At December 31, 2016 LAPP disclosed an actuarial deficit of \$637.4 million.

At December 31, 2016 SFPP disclosed an actuarial deficit of \$108.5 million.

NOTE 20: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2017, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2016 with a projection for 2017. Information about the plan is as follows:

	2017	2016
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 5,618	\$ 6,027
Current Service Cost	164	177
Interest Cost	224	246
Benefits Paid	(192)	(159)
Unrecognized Actuarial Gains	-	(673)
BALANCE, END OF YEAR	\$ 5,814	\$ 5,618

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

	2017	2016
Discount Rate	4.00%	4.10%
Rate of Compensation Increases	3%	3%
Expected Average Remaining Service Life	8.56 years	7.53 years

NOTE 21: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2017 was \$322 (Gas) and \$9,014 (Electric) (2016 - \$284 and \$8,877).

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 22: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2017 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 23 provides the approved capital budget for 2017.

	2017 Budget
Revenue	
Approved operating budgets	\$ 482,576
Adjustments	(154,919)
	<u>327,657</u>
Expense	
Approved operating expenses	557,075
Adjustments	(159,193)
	<u>397,882</u>
Other revenue	
Contributed capital assets	768
Government transfers for capital	19,550
	<u>20,318</u>
ANNUAL DEFICIT	\$ (49,907)

NOTE 23: CAPITAL COMMITMENTS

(A) 2017 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 2017 approved Capital Budget. The actual expenditures of \$137,876 (2016 - \$125,506) includes amounts carried forward from previous budget years, as well as costs related to the 2017 Budget and developer contributions of tangible capital assets.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2017 a number of capital projects were in progress and will be completed in 2018 or subsequent years. The unexpended appropriation related to these projects is \$292,142 (2016 - \$412,241). Significant projects are:

- **Gas Utility**

Oil and Gas Drilling (\$24,490), Oil and Gas Well Facilities (\$14,790), Oil and Gas Well Gathering (\$820), Mineral Acquisitions (\$2,188), Well Repair and Abandonments (\$7,352), Facility & Pipeline Repair & Abandonment (\$15,575), Surface Lease Abandonment (\$6,570), Exploration (\$2,724), and Projects Operated by Third Parties (\$11,354).

- **Electric Utility**

Control System Upgrades (\$3,718), Unit 14 Engine Replacement (\$6,999), 13kV Distribution Systems (\$3,535), Distribution Substations (\$1,626), and Distribution Transmission System (\$1,629), and Electric Building Renovations (\$5,596).

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

- **Municipal Works**

Storm Trunk Design and Construction (\$9,867); Flood Mitigation Projects (\$8,892), Runway Rehabilitation (\$9,013), and South Railway Street Upgrades (\$3,768).

- **Parks**

Parks Infrastructure Rehabilitation (\$1,045).

- **Corporate Asset Management**

Fleet Services 2014 to 2017 Mobile Equipment Replacement Programs (\$16,343), Municipal Works Building (\$2,067), Senior Centre Development Design (\$5,982), and Fire Station #1 (\$3,657), Bus Wash and Transit upgrades (\$1,100), and 2017 Infrastructure Rehabilitation (\$1,285).

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

Security upgrades (\$941), Cityworks (\$1,702), and 2016 Trunked Radio (\$2,282).

- **Community Development**

Electronic Fare Boxes (\$1,800).

- **Water Utility**

Water Treatment Plant projects (\$10,902), Water Main Replacements (\$8,678), and Water Distribution upgrades (\$1,456).

- **Sewer Utility**

Sewer Main Replacements and Lift Stations (\$15,323), and Collection System upgrades (\$1,341).

- **Solid Waste Utility**

Landfill Enhancements (\$3,296), and Collection Carts and Bins (\$2,051).

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Riverwalk (\$3,308), Ranchlands (\$12,123), Southlands (\$4,237), Burnside Heights (\$1,681), Saamis Heights 7 (\$2,596), Airport (\$5,227), and Brier Run (\$4,660).

(C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2017 Capital Improvement Plans with projections for 2018 – 2024 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Land and Properties:

2017	\$ 141,159
2018	95,011
2019 - 2024 Projection	936,394
TOTAL	\$ 1,172,564

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

Financing sources identified:

	2017	2018
Government Grants	\$ 19,550	\$ 16,324
Current Revenues	21,837	9,323
Debentures		
Tax Supported	5,782	1,443
Utilities Rate Supported	49,122	11,079
Reserves	44,100	56,134
Direct Charges and Other	768	708
TOTAL	\$ 141,159	\$ 95,011

NOTE 24: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2017. 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 contamination exceeding a standard, costs, and/or the responsible party. 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 \$1.8 million, together with an additional contribution at opening of \$24,654. However if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1.2 million 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

NOTE 25: 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.

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, Health Safety & Environment, and Corporate Communications.
 - Corporate Services is comprised of Finance, Information and Computer Services, Corporate Asset Management (Building Services and Fleet Services), and Human Resources.
 - Development & Infrastructure is comprised of Planning, Building and Development, and Municipal Works (municipal operations and airport).
 - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit and 9-1-1 Communications), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history), 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 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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

- 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) Land and Business Support 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.

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.
- **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.

NOTES

For the year ended December 31, 2017

(In thousands of dollars)

- **Interest on long term debt** includes interest charge on the principle 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.
- **Impairment** is the expense 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

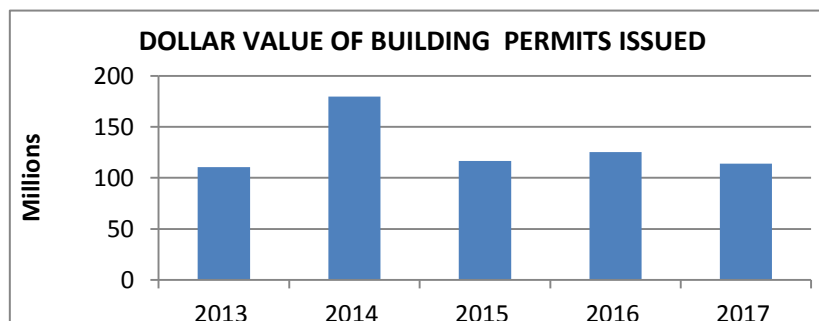
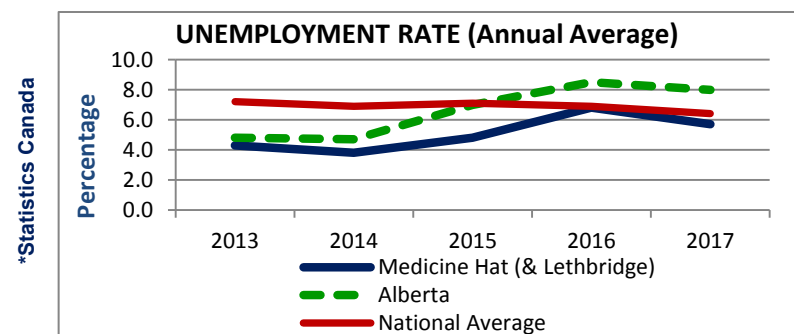
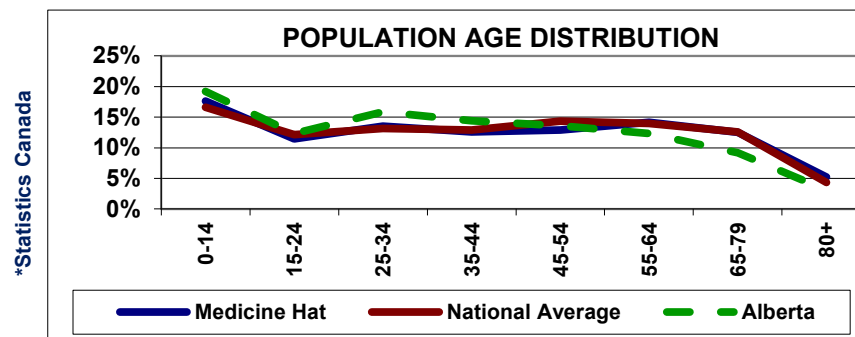
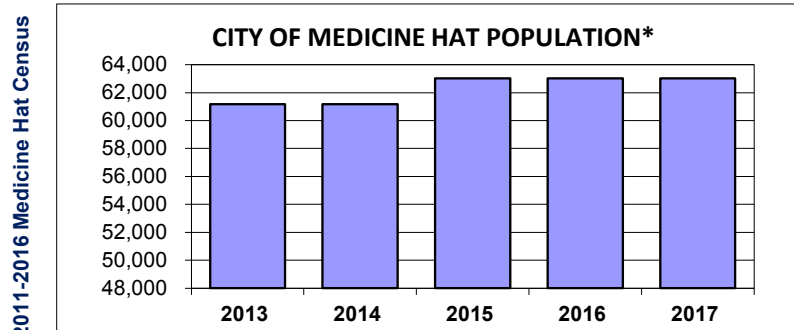
(unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

DEMOGRAPHICS & OTHER INFORMATION



OTHER

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

	2013	2014	2015	2016	2017
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	396	398	400	402	404
Km of water mains	429	428	429	429	429
Km of storm drainage mains	236	248	248	252	255

PRINCIPAL CORPORATE TAX PAYERS IN MEDICINE HAT

Primaris Management Inc. (Mall & Dunmore Rd Properties)
Boulevard Real Estate Equities Ltd.
South Country Co-op Limited
Cancarb Limited
Bayfield Southview Centre Inc.

Mayfield Investments Ltd.
Royop (Southlands) Development Ltd.
Wal-Mart Canada Corporation
Chinook Village Housing Society
Canadian Tire Properties Inc.

PRINCIPAL EMPLOYERS IN MEDICINE HAT

Public

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

Private

Medicine Hat Co-op
The Real Canadian Superstore
CF Industries
Canadian Pacific Railway
Wal-Mart

CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2013 - 2017

	2013	2014	2015	2016	2017
General Government	27	36	39	43	43
Corporate Services	171	167	170	173	172
Public Services	264	259	268	274	275
Police	154	154	152	150	150
Development & Infrastructure	87	88	88	89	89
Total Tax Supported Permanent Positions	703	704	717	729	729
Gas Utility ¹	153	148	144	134	-
Electric Utility ²	97	91	102	107	-
Utility Distribution Systems ³	-	-	-	-	93
Natural Gas and Petroleum Resources	-	-	-	-	97
Electric Generation	-	-	-	-	46
Utility Business Development & Support	-	-	-	-	11
Environmental Utilities	103	102	105	105	107
Land & Business Support	5	5	6	6	6
Total Utility Permanent Positions	358	346	357	352	360
Total Permanent Positions	1,061	1,050	1,074	1,081	1,089

The 2017 information has been represented to reflect the change as a result of a major organizational restructuring in the Utility Division.

Note 1: 2013 - 2016 included Gas Distribution and Natural Gas and Petroleum Resources

Note 2: 2013 - 2016 included Electric Distribution, Electric Generation, and Utility Business Development and Support

Note 3: 2017 includes Gas Distribution and Electric Distribution

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2013 - 2017

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2017	2016	2015	2014	2013
Financial assets					
Cash and temporary investments	\$ 42,654	\$ 45,394	\$ 40,366	\$ 59,753	\$ 65,050
Accounts receivable (net of allowances)	50,888	40,855	49,696	58,055	60,386
Advances to subsidiary	-	-	-	10,166	10,669
Investment in subsidiary	-	-	-	12,533	9,050
Investments, loans & advances	393,694	433,579	457,392	458,971	482,542
Land held for resale	6,362	5,924	6,544	6,608	2,951
Inventories for resale	61	75	66	97	106
Deposits	597	689	941	3,875	1,520
Properties held for sale	-	701	-	-	-
Total financial assets	\$ 494,256	\$ 527,217	\$ 555,005	\$ 610,058	\$ 632,274
Liabilities					
Trade accounts payable	\$ 32,574	\$ 27,748	\$ 34,826	\$ 35,784	\$ 38,552
Accrued liabilities	16,134	16,088	13,892	19,184	19,557
Liabilities Associated with Properties Held for Sale	-	1,703	-	-	-
Deferred revenues	38,169	42,715	39,161	41,335	55,990
Long-term debt	321,307	301,881	268,460	228,269	211,129
Other long-term liabilities	241,778	279,245	263,856	201,656	183,428
Total liabilities	649,962	669,380	620,195	526,228	508,656
Net financial (debt) assets	(155,706)	(142,163)	(65,190)	83,830	123,618
Non-financial assets					
Inventories for consumption	12,686	11,749	11,489	11,045	10,916
Prepaid assets	2,245	2,689	2,181	2,644	2,225
Land held for future development	15,536	15,359	13,349	13,316	16,583
Long lived asset	72,124	103,325	108,080	78,469	71,750
Tangible capital assets	1,321,773	1,285,951	1,236,755	1,151,530	1,085,295
Total non-financial assets	1,424,364	1,419,073	1,371,854	1,257,004	1,186,769
Accumulated Surplus	\$ 1,268,658	\$ 1,276,910	\$ 1,306,664	\$ 1,340,834	\$ 1,310,387

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2013 - 2017

(In thousands of dollars)

STATEMENT OF OPERATIONS

	2017	2016	2015	2014	2013
REVENUE FROM:					
Taxes	\$ 89,664	\$ 86,109	\$ 81,637	\$ 77,422	\$ 73,167
Less - requisitions	(23,808)	(22,985)	(22,010)	(21,886)	(21,963)
	65,856	63,124	59,627	55,536	51,204
Sale of services					
General Government	11,459	10,800	8,618	9,756	9,812
Gas	60,902	87,565	87,728	129,588	107,722
Electric	67,673	59,630	72,610	89,548	113,268
Water	21,246	18,227	19,123	17,223	16,272
Sewer	16,029	15,189	14,997	14,178	13,219
Solid Waste	9,348	8,757	8,207	8,049	7,906
Land and Business Support	8,600	3,321	6,751	10,533	9,626
Other income					
Investment income	8,103	9,469	12,130	15,347	13,087
Investment in subsidiary	-	-	5,119	3,483	4,972
Licenses, fines and penalties	6,560	6,703	6,317	6,395	6,092
Insurance recovery (clawback)	245	234	(925)	3,490	7,791
Development levies	1,609	2,162	3,453	9,368	7,698
Charitable gifts	-	-	-	3,000	1,500
Government transfers for operating	5,717	5,759	7,503	9,061	13,507
Other	13,454	13,268	18,133	18,572	32,475
Total revenue	\$ 296,801	\$ 304,208	\$ 329,391	\$ 403,127	\$ 416,151
EXPENSES:					
General Government	\$ 155,783	\$ 149,834	\$ 143,113	\$ 141,250	\$ 141,312
Gas	103,229	123,972	175,640	169,831	188,443
Electric	49,976	48,928	52,224	60,860	64,479
Utilities Business Development & Support	1,583	968	434	531	858
Water	13,736	12,164	11,881	12,040	11,335
Sewer	13,007	12,152	11,558	11,323	11,070
Solid Waste	5,745	5,821	6,479	7,328	6,631
Land and Business Support	3,178	3,061	1,870	1,693	1,387
Total expenses	\$ 346,237	\$ 356,900	\$ 403,199	\$ 404,856	\$ 425,515
(Deficiency) Excess of revenue over expenses					
- before other revenue	\$ (49,436)	\$ (52,692)	\$ (73,808)	\$ (1,729)	\$ (9,364)
Other					
Contributed tangible capital assets	690	2,456	371	1,152	1,126
Government transfers for capital	40,494	20,482	39,267	31,024	36,541
Total other	41,184	22,938	39,638	32,176	37,667
Annual (deficit) surplus	\$ (8,252)	\$ (29,754)	\$ (34,170)	\$ 30,447	\$ 28,303

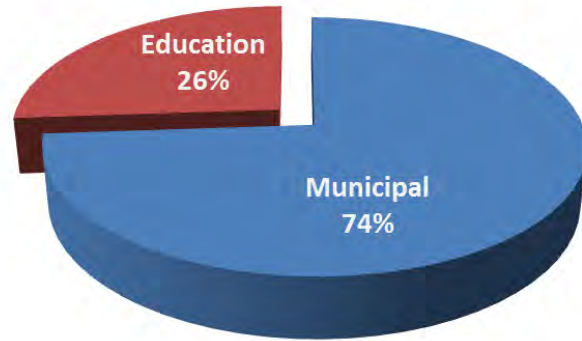
Trends:

Revenues and expenses have decreased over the past 5 years 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.

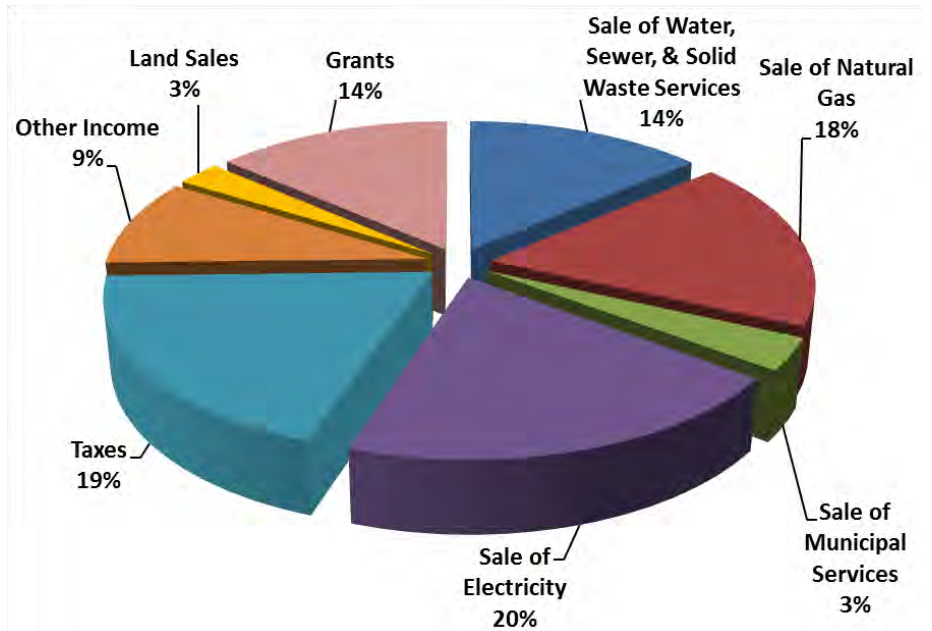
FINANCIAL SYNOPSIS 2017

Operating Activities

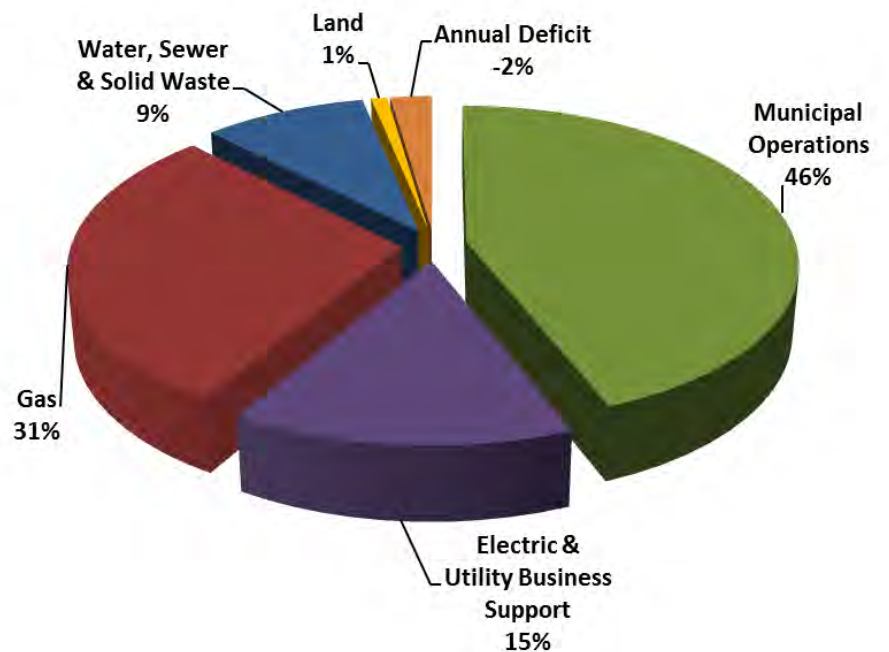
Where our tax dollars went in 2017
Education / Municipal
Property Tax



Where the money comes
from \$338 Million



Where the money goes
\$338 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

TAXATION & ASSESSMENT

MILL RATES

	2017	2016	2015	2014	2013
MUNICIPAL					
Single family	6.4139	6.1569	6.0257	6.0536	5.6662
Apartments	7.9800	7.4770	7.1917	7.2300	6.6854
Farmland	30.6477	28.8641	27.7597	26.2393	24.3444
Commercial and industrial	15.0271	14.4213	13.5598	13.6415	13.0669
EDUCATION					
Single family	2.4789	2.3924	2.3602	2.5121	2.5971
Apartments	2.4789	2.3924	2.3602	2.5121	2.5971
Farmland	2.4789	2.3924	2.3602	2.5121	2.5971
Commercial and industrial	3.8474	3.7349	3.4391	3.8626	3.5509
OTHER					
Single family	0.0999	0.0975	0.0957	0.1035	0.1012
Apartments	0.0999	0.0975	0.0957	0.1035	0.1012
Farmland	0.0999	0.0975	0.0957	0.1035	0.1012
Commercial and industrial	0.0999	0.0975	0.0957	0.1035	0.1012

PROPERTY TAXES LEVIED

(In thousands of dollars)

PROPERTY TAX LEVY	2017	2016	2015	2014	2013
Municipal	\$ 64,447	\$ 61,649	\$ 58,210	\$ 54,233	\$ 49,971
Education	22,948	22,158	21,214	21,078	21,181
Other	860	827	796	808	782
TOTAL REAL PROPERTY	\$ 88,255	\$ 84,634	\$ 80,220	\$ 76,119	\$ 71,934
Current taxes collected	86,003	83,139	78,979	74,548	70,185
% of current taxes collected	96.30%	96.95%	97.16%	96.73%	96.39%
OTHER MAJOR TAXES LEVIED	2017	2016	2015	2014	2013
Linear property taxes	\$ 1,057	\$ 1,124	\$ 1,067	\$ 947	\$ 877
Local improvements	352	348	350	356	356
TOTAL MAJOR TAX LEVIED	\$ 1,409	\$ 1,472	\$ 1,417	\$ 1,303	\$ 1,233

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2017	2016	2015	2014	2013
Residential	\$ 6,589,676,450	\$ 6,528,357,231	\$ 6,327,792,004	\$ 5,894,794,196	\$ 5,811,948,992
Multi-family	282,360,100	269,857,171	252,347,841	253,713,060	267,260,081
Farmland	2,582,900	5,900,334	7,428,524	3,148,194	4,532,224
Commercial and industrial	1,735,553,696	1,773,582,591	1,776,602,802	1,696,172,475	1,642,661,593
TOTAL TAXABLE ASSESSMENT	\$ 8,610,173,146	\$ 8,577,697,327	\$ 8,364,171,171	\$ 7,847,827,925	\$ 7,726,402,890

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2017	2016	2015	2014	2013
General	\$ 11,688	\$ 11,298	\$ 10,656	\$ 10,640	\$ 10,216
Utilities Business Development & Support	122	(24)	54	41	41
Gas	9,092	7,643	8,820	8,835	8,888
Electric	5,726	5,480	6,135	5,657	6,156
Water	5,242	2,576	4,623	3,585	3,011
Sewer	(877)	369	2,778	4,108	3,816
Solid Waste	5,834	5,810	5,170	6,447	6,451
Land & Business Support	18,148	12,444	10,611	13,861	11,743
TOTAL UNRESTRICTED SURPLUS	54,975	45,596	48,847	53,174	50,322
RESTRICTED SURPLUS - RESERVES					
Employee development	1,763	1,644	1,490	1,533	1,186
Victim assistance	19	17	19	19	24
Second street properties	84	84	84	84	84
Fleet replacement	10,326	1,840	1,338	3,444	6,837
Art acquisitions	109	99	86	78	88
Infrastructure	16,309	21,372	23,176	21,759	28,658
Employee benefits	5,695	6,440	6,532	6,782	7,708
Community capital	23,622	26,346	30,572	41,324	38,278
Event Centre	-	-	74	12,536	51,767
Tax Rate Stabilization Reserve	19,059	-	21,730	42,813	-
Heritage Savings	3,259	-	-	-	-
Natures Best Reserve	866	870	993	1,045	861
Electric facilities and equipment	29,197	68,935	78,651	78,848	112,593
Gas depletion	59,563	61,631	72,489	103,369	103,497
Equity in subsidiary company	-	-	-	12,527	9,044
TOTAL RESTRICTED SURPLUS - RESERVES	169,871	189,278	237,234	326,161	360,625
TOTAL RESERVES & SURPLUS	\$ 224,846	\$ 234,874	\$ 286,081	\$ 379,335	\$ 410,947

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

LONG TERM DEBT

LONG TERM DEBT

	2017	2016	2015	2014	2013
Debt supported by taxes	\$ 46,484	\$ 36,662	\$ 38,805	\$ 24,901	\$ 23,243
Debt supported by utilities	274,823	265,219	229,655	203,368	187,886
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 321,307	\$ 301,881	\$ 268,460	\$ 228,269	\$ 211,129

DEBT PER CAPITA

(not in thousands of dollars)

	2017	2016	2015	2014	2013
Tax supported	\$ 738	\$ 582	\$ 616	\$ 407	\$ 380
Utility supported	4,362	4,209	3,644	3,324	3,071
TOTAL DEBT PER CAPITA	\$ 5,100	\$ 4,791	\$ 4,260	\$ 3,731	\$ 3,451

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

	2017	2016	2015	2014	2013
Actual debt servicing (short and long term)	\$ 36,190	\$ 33,211	\$ 33,047	\$ 30,509	\$ 30,258
Total operating expenses	346,237	356,900	403,199	404,856	425,515
PERCENTAGE	10.45%	9.31%	8.20%	7.54%	7.11%

LEGAL DEBT LIMIT

	2017	2016	2015	2014	2013
Debt limit	\$ 593,602	\$ 608,416	\$ 671,261	\$ 847,382	\$ 865,099
Loan guarantees	2,240	2,140	2,640	2,640	2,640
Actual debt	321,307	301,881	268,460	228,269	211,129
AMOUNT UNDER LIMIT	\$ 270,055	\$ 304,395	\$ 400,161	\$ 616,473	\$ 651,330
Percentage used	54.51%	49.97%	40.39%	27.25%	24.71%

DEBT SERVICING LIMIT

	2017	2016	2015	2014	2013
Debt servicing limit	\$ 103,880	\$ 106,473	\$ 117,471	\$ 148,292	\$ 151,392
Actual debt servicing (short and long term)	36,190	33,211	33,047	30,509	30,258
AMOUNT UNDER LIMIT	\$ 67,690	\$ 73,262	\$ 84,424	\$ 117,783	\$ 121,134
Percentage used	34.84%	31.19%	28.13%	20.57%	19.99%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
Salaries, wages and benefits	\$ 132,091	\$ 129,487	\$ 129,360	\$ 125,450	\$ 123,167	\$ 121,057
Contracted and general services	53,399	46,097	51,262	52,547	60,982	61,720
Materials, goods and utilities	40,629	29,336	42,337	42,510	61,431	51,264
Provisions for allowances	340	333	289	670	30	390
Bank charges and short-term interest	241	130	1,684	205	168	134
Interest on long-term debt	10,649	10,547	9,970	9,648	9,399	9,697
Grants and other transfers	3,584	3,941	3,940	3,391	4,100	2,370
Other operating expenses	59,084	55,889	40,639	46,358	50,990	52,460
Amortization of tangible capital assets	97,865	68,435	63,035	66,530	65,071	72,151
Impairment	-	28,416	13,610	55,388	28,383	52,715
Loss (gain) on disposal of tangible capital assets	-	16,852	774	502	1,135	1,557
Gain on disposal of long lived liabilities	-	(43,226)	-	-	-	-
TOTAL EXPENSES	\$ 397,882	\$ 346,237	\$ 356,900	\$ 403,199	\$ 404,856	\$ 425,515

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
General Government	\$ 90,245	\$ 129,362	\$ 80,383	\$ 77,057	\$ 143,901	\$ 108,878
Corporate Services	35,728	33,610	28,134	26,815	23,797	26,624
Development & Infrastructure	5,770	7,383	7,698	10,817	15,202	15,023
Public Services	12,918	13,204	12,563	14,055	16,850	18,472
Police Services	3,577	3,711	7,407	7,567	6,970	8,146
TOTAL REVENUE	148,238	187,270	136,185	136,311	206,720	177,143
EXPENSES						
General Government	13,023	12,903	9,654	7,909	6,600	7,221
Corporate Services	50,845	46,529	40,757	37,367	34,377	35,043
Development & Infrastructure	33,851	34,276	32,093	33,781	34,338	34,817
Public Services	67,210	65,228	63,184	59,084	56,946	56,559
Police Services	24,410	23,828	24,717	24,756	23,645	23,516
TOTAL EXPENSES	189,339	182,764	170,405	162,897	155,906	157,156
Excess (deficiency) of revenue over expenses	\$ (41,101)	\$ 4,506	\$ (34,220)	\$ (26,586)	\$ 50,814	\$ 19,987

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

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

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
CAO & Commissioners	\$ 4,708	\$ 4,523	\$ 974	\$ 412	\$ 381	\$ 368
City Solicitor & City Clerk	882	886	1,154	1,201	1,370	1,380
Corporate Communications	351	353	349	359	337	337
General Municipal Revenues	83,191	122,494	76,807	73,989	141,010	106,498
Health, Safety & Environment	1,113	1,106	1,099	1,096	803	295
Mayor and Councillors	-	-	-	-	-	-
TOTAL REVENUE	90,245	129,362	80,383	77,057	143,901	108,878
EXPENSES						
CAO & Commissioners	5,807	5,603	2,330	1,732	1,619	1,825
City Solicitor & City Clerk	1,647	1,735	1,679	1,722	1,602	1,949
Corporate Communications	622	614	614	555	495	419
General Municipal Revenues	2,249	2,379	2,368	1,321	1,076	2,002
Health, Safety & Environment	2,016	1,909	2,013	1,936	1,180	449
Mayor and Councillors	682	663	650	643	628	577
TOTAL EXPENSES	13,023	12,903	9,654	7,909	6,600	7,221
Excess (deficiency) of revenue over expenses	\$ 77,222	\$ 116,459	\$ 70,729	\$ 69,148	\$ 137,301	\$ 101,657

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO & COMMISSIONERS

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Other income						
Internal recovery	\$ 4,708	\$ 4,523	\$ 973	\$ 412	\$ 379	\$ 364
Other revenue	-	-	1	-	2	4
Government transfers						
Government transfers for operating	-	-	-	-	-	-
TOTAL REVENUE	4,708	4,523	974	412	381	368
EXPENSES						
Salaries, wages and benefits	2,021	1,909	2,045	1,496	1,371	1,496
Contracted and general services	144	70	50	35	76	145
Materials and Supplies	51	18	31	26	28	41
Internal charges	3,591	3,606	204	175	144	143
TOTAL EXPENSES	5,807	5,603	2,330	1,732	1,619	1,825
Excess (deficiency) of revenue over expenses	\$ (1,099)	\$ (1,080)	\$ (1,356)	\$ (1,320)	\$ (1,238)	\$ (1,457)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CITY SOLICITOR, CITY CLERK & BOARDS & COMMITTEES

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Other income						
Internal recovery	\$ 872	\$ 872	\$ 1,149	\$ 1,194	\$ 1,364	\$ 1,347
Other revenue	6	10	5	7	6	33
Government transfers						
Government transfers for operating	4	4	-	-	-	-
TOTAL REVENUE	882	886	1,154	1,201	1,370	1,380
EXPENSES						
Salaries, wages and benefits	1,273	1,262	1,308	1,340	1,410	1,437
Contracted and general services	165	288	213	288	31	387
Materials and Supplies	43	44	38	38	58	47
Interest on long-term debt - infrastructure	-	-	-	8	5	-
Amortization	48	10	21	41	40	22
Internal charges	118	131	99	7	58	56
TOTAL EXPENSES	1,647	1,735	1,679	1,722	1,602	1,949
Excess (deficiency) of revenue over expenses	\$ (765)	\$ (849)	\$ (525)	\$ (521)	\$ (232)	\$ (569)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Other income						
Internal recovery	\$ 351	\$ 352	\$ 348	\$ 358	\$ 332	\$ 327
Other revenue	-	1	1	1	-	2
Government transfers						
Government transfers for operating	-	-	-	-	5	8
TOTAL REVENUE	351	353	349	359	337	337
EXPENSES						
Salaries, wages and benefits	485	489	496	432	401	319
Contracted and general services	83	62	79	78	62	69
Materials and supplies	10	11	7	11	11	9
Internal charges	44	52	32	34	21	22
TOTAL EXPENSES	622	614	614	555	495	419
Excess (deficiency) of revenue over expenses	\$ (271)	\$ (261)	\$ (265)	\$ (196)	\$ (158)	\$ (82)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Net taxes	\$ 70,918	\$ 69,269	\$ 66,518	\$62,980	\$ 59,000	\$ 54,628
Sale of services	-	-	105	-	-	-
Other income						
Investment income	2,245	3,175	2,657	4,235	6,009	4,784
Licences, fines and penalties	4,481	4,023	533	262	279	232
Internal recovery	270	381	357	68	138	91
Other revenue	741	240	404	648	528	677
Contributions from utilities	4,536	44,252	4,809	4,988	70,653	43,231
Government transfers						
Government transfers for operating	-	1,154	1,424	808	1,403	1,355
TOTAL REVENUE	83,191	122,494	76,807	73,989	141,010	106,498
EXPENSES						
Salaries, wages and benefits	-	-	143	246	323	1,446
Contracted and general services	202	214	197	307	273	330
Materials and supplies	193	696	410	122	80	91
Provision for allowances	-	2	-	-	-	-
Other expenses	370	-	2	246	278	108
Internal charges	1,484	1,467	1,616	400	122	27
TOTAL EXPENSES	2,249	2,379	2,368	1,321	1,076	2,002
Excess of revenue over expenses	\$ 80,942	\$ 120,115	\$ 74,439	\$ 72,668	\$ 139,934	\$ 104,496

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HEALTH, SAFETY & ENVIRONMENT

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 31	\$ 31	\$ 31	\$ -	\$ -	\$ -
Other Income						
Internal recovery	1,072	1,072	1,048	967	76	-
Other revenue	-	1	1	31	30	32
Government transfers						
Government transfers for operating	10	2	19	93	697	94
Flood Assistance	-	-	-	5	-	169
TOTAL REVENUE	1,113	1,106	1,099	1,096	803	295
EXPENSES						
Salaries, wages and benefits	1,463	1,424	1,547	1,505	351	252
Contracted and general services	257	202	212	150	68	167
Materials and supplies	30	35	20	34	662	8
Amortization of tangible capital assets	145	140	140	139	69	-
Internal charges	121	108	94	108	30	22
TOTAL EXPENSES	2,016	1,909	2,013	1,936	1,180	449
Excess (deficiency) of revenue over expenses	\$ (903)	\$ (803)	\$ (914)	\$ (840)	\$ (377)	\$ (154)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, COUNCILLORS

General Government

	2017	2017	2016	2015	2014	2013
	Budget	Actual	Actual	Actual	Actual	Actual
REVENUE						
Other Income						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Government transfers						
Government transfers for operating	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	599	591	587	604	589	530
Contracted and general services	52	44	39	20	23	25
Internal charges	22	24	16	13	8	11
TOTAL EXPENSES	682	663	650	643	628	577
Excess (deficiency) of revenue over expenses	\$ (682)	\$ (663)	\$ (650)	\$ (643)	\$ (628)	\$ (577)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance; ICS; Corporate Asset Management; Human Resources

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Finance	\$ 8,586	\$ 8,621	\$ 6,251	\$ 6,478	\$ 6,639	\$ 6,614
Information & Computer Services	7,069	7,031	5,521	5,062	2,954	2,610
Corporate Asset Management	18,214	15,983	14,385	13,477	12,384	15,269
Human Resources	1,859	1,975	1,977	1,798	1,820	2,131
TOTAL REVENUE	35,728	33,610	28,134	26,815	23,797	26,624
EXPENSES						
Finance	12,765	13,299	11,833	8,630	10,183	9,833
Information & Computer Services	7,593	7,786	6,515	5,675	3,626	3,167
Corporate Asset Management	26,414	22,073	19,078	19,705	17,418	18,348
Human Resources	4,073	3,371	3,331	3,357	3,150	3,695
TOTAL EXPENSES	50,845	46,529	40,757	37,367	34,377	35,043
Excess of revenue over expenses	\$ (15,117)	\$ (12,919)	\$ (12,623)	\$ (10,552)	\$ (10,580)	\$ (8,419)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 493	\$ 562	\$ 495	\$ -	\$ -	\$ -
Other income						
Internal recovery	7,908	7,867	5,537	5,730	5,898	5,874
Insurance recovery	-	-	1	-	-	15
Other revenue	185	204	206	708	717	706
Government transfers						
Grants - federal and provincial	-	-	-	20	-	-
Government transfers for operating	-	(12)	12	20	24	19
TOTAL REVENUE	8,586	8,621	6,251	6,478	6,639	6,614
EXPENSES						
Salaries, wages and benefits	7,949	8,058	7,784	7,732	7,994	7,579
Contracted and general services	557	487	764	402	377	605
Materials and supplies	267	755	332	252	261	304
Provision for allowances	27	27	27	27	50	26
Bank charges	61	(38)	1,510	(1,482)	46	(11)
Interest on long-term debt - infrastructure	-	-	26	52	37	27
Other operating expenses	26	(12)	46	340	(17)	20
Amortization of tangible capital assets	89	40	47	46	124	205
Loss on disposal of tangible capital assets	-	29	-	-	-	-
Internal charges	3,789	3,953	1,297	1,261	1,311	1,078
TOTAL EXPENSES	12,765	13,299	11,833	8,630	10,183	9,833
Excess (deficiency) of revenue over expenses	\$ (4,179)	\$ (4,678)	\$ (5,582)	\$ (2,152)	\$ (3,544)	\$ (3,219)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Other income						
Internal recovery	\$ 7,069	\$ 7,029	\$ 5,475	\$ 5,054	\$ 2,934	\$ 2,588
Insurance recovery	-	-	-	(1)	-	14
Other revenue	-	2	38	9	15	8
Government transfers						
Government transfers for operating	-	-	8	-	5	-
TOTAL REVENUE	7,069	7,031	5,521	5,062	2,954	2,610
EXPENSES						
Salaries, wages and benefits	3,733	3,581	3,754	3,386	2,159	2,169
Contracted and general services	2,038	1,977	1,548	1,370	1,195	780
Materials and supplies	258	315	376	365	40	(6)
Interest on long-term debt - infrastructure	116	79	38	15	9	9
Other operating expenses	-	22	-	5	-	4
Amortization of tangible capital assets	1,271	858	528	289	130	122
Loss on disposal of tangible capital assets	-	768	-	-	-	-
Internal charges	177	186	271	245	93	89
TOTAL EXPENSES	7,593	7,786	6,515	5,675	3,626	3,167
Excess (deficiency) of revenue over expenses	\$ (524)	\$ (755)	\$ (994)	\$ (613)	\$ (672)	\$ (557)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 210	\$ 223	\$ 251	\$ 208	\$ 230	\$ 227
Other income						
Internal recovery	17,529	15,127	13,433	12,764	10,453	10,934
Developer Levies	475	470	-	-	-	-
Insurance recovery	-	151	101	(44)	1,598	4,044
Other revenue	-	12	600	95	68	44
Government transfers						
Grants - federal and provincial	-	-	-	454	-	-
Government transfers for operating	-	-	-	-	35	20
TOTAL REVENUE	18,214	15,983	14,385	13,477	12,384	15,269
EXPENSES						
Salaries, wages and benefits	4,663	4,547	4,396	4,386	3,492	3,543
Contracted and general services	4,277	4,593	3,839	4,509	4,820	5,942
Materials and supplies	4,573	1,297	727	1,244	588	550
Interest on long-term debt - ACFA	240	290	273	276	205	223
Other operating expenses	-	140	65	(69)	41	(10)
Amortization of tangible capital assets	11,201	8,540	8,542	8,284	7,403	7,020
Loss (gain) on disposal of tangible capital assets	-	1,098	(52)	(221)	(260)	(7)
Internal charges	1,460	1,568	1,288	1,296	1,129	1,087
TOTAL EXPENSES	26,414	22,073	19,078	19,705	17,418	18,348
Excess (deficiency) of revenue over expenses	\$ (8,200)	\$ (6,090)	\$ (4,693)	\$ (6,228)	\$ (5,034)	\$ (3,079)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ -	\$ 92	\$ -	\$ -	\$ -	\$ -
Other income						
Internal recovery	1,671	1,734	1,837	1,781	1,783	1,739
Other revenue	188	149	133	17	20	81
Government transfers						
Government transfers for operating	-	-	7	-	17	311
TOTAL REVENUE	1,859	1,975	1,977	1,798	1,820	2,131
EXPENSES						
Salaries, wages and benefits	2,746	2,349	2,348	2,478	2,262	2,678
Contracted and general services	814	525	511	399	339	481
Materials and supplies	93	60	68	80	149	136
Interest on long-term debt - infrastructure	-	-	-	12	15	18
Amortization of tangible capital assets	72	74	141	150	160	160
Internal charges	348	363	263	238	225	222
TOTAL EXPENSES	4,073	3,371	3,331	3,357	3,150	3,695
Excess (deficiency) of revenue over expenses	\$ (2,214)	\$ (1,396)	\$ (1,354)	\$ (1,559)	\$ (1,330)	\$ (1,564)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Planning, Building & Development	\$ 2,512	\$ 2,460	\$ 2,525	\$ 2,406	\$ 3,347	\$ 2,606
Municipal Works	3,258	4,923	5,173	8,411	11,855	12,417
TOTAL REVENUE	5,770	7,383	7,698	10,817	15,202	15,023
EXPENSES						
Planning, Building & Development	4,936	4,440	4,583	4,473	4,777	4,925
Municipal Works	28,915	29,836	27,510	29,308	29,561	29,892
TOTAL EXPENSES	33,851	34,276	32,093	33,781	34,338	34,817
Excess (deficiency) of revenue over expenses	\$ (28,081)	\$ (26,893)	\$ (24,395)	\$ (22,964)	\$ (19,136)	\$ (19,794)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of Services	\$ 206	\$ 17	\$ 9	\$ -	\$ -	\$ -
Other income						
Licences, fines and penalties	2,262	2,409	2,440	2,013	2,614	1,781
Internal recovery	-	17	40	50	403	228
Insurance recovery	-	-	-	2	32	20
Other revenue	44	17	12	297	292	356
Government transfers						
Government transfers for operating	-	-	24	44	6	221
TOTAL REVENUE	2,512	2,460	2,525	2,406	3,347	2,606
EXPENSES						
Salaries, wages and benefits	4,095	3,810	3,987	3,786	3,561	3,722
Contracted and general services	264	171	197	270	724	662
Materials and supplies	122	59	59	79	79	102
Other expenses	-	-	-	-	5	49
Interest on long-term debt - ACFA	-	1	1	-	-	-
Amortization of tangible capital assets	85	10	10	11	15	36
Internal charges	370	389	329	327	393	354
TOTAL EXPENSES	4,936	4,440	4,583	4,473	4,777	4,925
Excess (deficiency) of revenue over expenses	\$ (2,424)	\$ (1,980)	\$ (2,058)	\$ (2,067)	\$ (1,430)	\$ (2,319)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 967	\$ 855	\$ 1,040	\$ 464	\$ 515	\$ 484
Taxes	136	129	158	131	135	-
Other income						
Internal recovery	2,026	3,168	2,597	4,974	4,228	3,621
Insurance recovery	-	1	27	112	44	141
Developer levies	-	302	1,182	1,410	4,928	4,687
Other revenue	1	70	198	674	699	671
Government transfers						
Government transfers for operating	128	398	(29)	646	1,306	1,243
Flood assistance	-	-	-	-	-	1,570
TOTAL REVENUE	3,258	4,923	5,173	8,411	11,855	12,417
EXPENSES						
Salaries, wages and benefits	5,728	5,729	5,534	5,101	4,945	4,858
Contracted and general services	2,440	3,860	3,084	3,635	3,572	5,650
Materials and supplies	1,844	1,827	1,719	2,190	3,745	2,249
Interest on long-term debt - ACFA	508	537	520	594	654	656
Interest on long-term debt - infrastructure	-	-	-	65	53	5
Other operating expenses	-	1	9	68	20	-
Amortization of tangible capital assets	14,748	13,456	12,867	12,066	11,218	10,575
Loss (gain) on disposal of tangible capital assets	-	791	368	190	344	54
Internal charges	3,647	3,635	3,409	5,399	5,010	5,000
Transfer to other government	-	-	-	-	-	845
TOTAL EXPENSES	28,915	29,836	27,510	29,308	29,561	29,892
Excess (deficiency) of revenue over expenses	\$ (25,657)	\$ (24,913)	\$ (22,337)	\$ (20,897)	\$ (17,706)	\$ (17,475)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

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

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Community Development	\$ 7,124	\$ 6,739	\$ 6,418	\$ 6,622	\$ 6,897	\$ 7,927
Parks & Recreation	5,407	5,978	5,704	7,008	9,537	10,036
Fire Services	387	487	441	425	416	509
Public Organizations	-	-	-	-	-	-
TOTAL REVENUE	12,918	13,204	12,563	14,055	16,850	18,472
EXPENSES						
Community Development	19,992	19,333	19,336	18,649	18,913	19,001
Parks & Recreation	29,948	28,677	26,352	24,001	21,966	22,872
Fire Services	14,377	14,275	14,334	13,709	13,222	12,021
Public Organizations	2,893	2,943	3,162	2,725	2,845	2,665
TOTAL EXPENSES	67,210	65,228	63,184	59,084	56,946	56,559
Excess (deficiency) of revenue over expenses	\$ (54,292)	\$ (52,024)	\$ (50,621)	\$ (45,029)	\$ (40,096)	\$ (38,087)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 4,499	\$ 3,922	\$ 3,766	\$ 3,638	\$ 3,894	\$ 4,080
Other income						
Internal recovery	157	154	146	142	139	128
Insurance recovery	-	1	23	28	5	223
Developer levies	4	6	-	-	-	-
Other revenue	225	49	143	554	759	593
Government transfers						
Government transfers for operating	2,239	2,607	2,340	2,260	2,100	1,991
Flood Assistance	-	-	-	-	-	912
TOTAL REVENUE	7,124	6,739	6,418	6,622	6,897	7,927
EXPENSES						
Salaries, wages and benefits	10,538	10,090	10,643	10,106	10,062	9,741
Contracted and general services	2,915	2,818	2,638	2,950	3,378	3,532
Materials and supplies	1,730	1,427	2,095	2,148	2,447	2,493
Other expenses	11	-	22	129	1	30
Bank charges	61	93	62	58	63	63
Interest on long-term debt - ACFA	-	-	-	-	5	-
Interest on long-term debt - infrastructure	-	-	-	12	-	-
Grants and other transfers	503	693	489	173	187	192
Amortization of tangible capital assets	386	478	476	369	260	302
Loss on disposal of tangible capital assets	-	88	-	-	(2)	-
Internal charges	3,848	3,646	2,911	2,704	2,512	2,648
TOTAL EXPENSES	19,992	19,333	19,336	18,649	18,913	19,001
Excess (deficiency) of revenue over expenses	\$ (12,868)	\$ (12,594)	\$ (12,918)	\$ (12,027)	\$ (12,016)	\$ (11,074)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & RECREATION

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 5,068	\$ 5,271	\$ 4,702	\$ 3,886	\$ 4,707	\$ 4,635
Other income						
Internal recovery	151	155	173	1,120	1,034	992
Insurance recovery	43	56	38	(628)	1,741	1,687
Developer levies	20	316	-	-	-	-
Other revenue	125	180	646	1,730	766	879
Government transfers						
Government transfers for operating	-	-	145	900	1,289	581
Flood assistance	-	-	-	-	-	1,262
TOTAL REVENUE	5,407	5,978	5,704	7,008	9,537	10,036
EXPENSES						
Salaries, wages and benefits	9,779	10,168	9,737	8,942	8,514	8,134
Contracted and general services	2,426	3,665	3,089	3,042	3,926	5,185
Materials and supplies	1,759	1,700	1,939	1,856	2,069	1,991
Bank charges	28	52	38	35	30	30
Other expenses	17	51	53	204	4	110
Interest on long-term debt - ACFA	426	420	443	224	165	181
Interest on long-term debt - infrastructure	-	-	-	27	12	4
Grants and other transfers	231	211	179	-	207	201
Amortization of tangible capital assets	10,591	7,346	6,600	4,147	2,301	2,148
Loss on disposal of tangible capital assets	-	-	102	32	(9)	-
Internal charges	4,691	5,064	4,172	5,492	4,747	4,888
TOTAL EXPENSES	29,948	28,677	26,352	24,001	21,966	22,872
Excess (deficiency) of revenue over expenses	\$ (24,541)	\$ (22,699)	\$ (20,648)	\$ (16,993)	\$ (12,429)	\$ (12,836)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 387	\$ 478	\$ 386	\$ 392	\$ 380	\$ 355
Other income						
Internal recovery	-	-	5	5	6	25
Insurance recovery	-	-	-	3	3	16
Other revenue	-	9	7	25	12	50
Government transfers						
Government transfers for operating	-	-	43	-	15	63
TOTAL REVENUE	387	487	441	425	416	509
EXPENSES						
Salaries, wages and benefits	12,153	12,043	12,385	11,948	11,477	10,278
Contracted and general services	321	289	288	123	130	134
Materials and supplies	304	270	356	337	312	357
Interest on long-term debt - ACFA	-	-	2	4	6	8
Interest on long-term debt - infrastructure	-	-	-	-	1	1
Amortization of tangible capital assets	140	154	137	144	175	161
Loss (gain) on disposal of tangible capital assets	-	66	27	-	-	-
Internal charges	1,459	1,453	1,139	1,153	1,121	1,082
TOTAL EXPENSES	14,377	14,275	14,334	13,709	13,222	12,021
Excess (deficiency) of revenue over expenses	\$ (13,990)	\$ (13,788)	\$ (13,893)	\$ (13,284)	\$ (12,806)	\$ (11,512)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income						
Internal recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Government transfers						
Grants - federal and provincial	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	-	1,965	1,994	1,892	-	-
Contracted and general services	33	24	33	39	-	-
Materials and supplies	-	108	113	-	-	-
Interest on long-term debt - ACFA	44	44	47	50	53	56
Grants and other transfers	2,647	626	810	578	2,792	2,609
Internal charges	169	176	165	166	-	-
TOTAL EXPENSES	2,893	2,943	3,162	2,725	2,845	2,665
Excess (deficiency) of revenue over expenses	\$ (2,893)	\$ (2,943)	\$ (3,162)	\$ (2,725)	\$ (2,845)	\$ (2,665)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of Services	\$ 10	\$ 8	\$ 15	\$ -	\$ -	\$ -
Other income						
Licences, fines and penalties	137	115	3,729	4,015	3,497	4,078
Internal recovery	170	184	176	183	199	160
Insurance recovery	-	36	42	58	7	166
Other revenue	1,731	1,804	1,872	1,784	1,733	1,875
Government transfers						
Government transfers for operating	1,529	1,564	1,573	1,527	1,534	1,867
TOTAL REVENUE	3,577	3,711	7,407	7,567	6,970	8,146
EXPENSES						
Salaries, wages and benefits	19,876	19,593	20,105	19,835	19,525	19,365
Contracted and general services	2,116	1,986	1,938	2,399	1,827	1,742
Materials and supplies	942	859	1,044	914	995	1,148
Other expenses	1	1	5	13	38	86
Interest on long-term debt - ACFA	-	-	-	-	-	1
Interest on long-term debt - infrastructure	1	1	1	2	1	-
Amortization of tangible capital assets	125	118	108	97	105	134
Internal charges	1,349	1,270	1,516	1,496	1,154	1,040
TOTAL EXPENSES	24,410	23,828	24,717	24,756	23,645	23,516
Excess (deficiency) of revenue over expenses	\$ (20,833)	\$ (20,117)	\$ (17,310)	\$ (17,189)	\$ (16,675)	\$ (15,370)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 108,002	\$ 77,962	\$ 102,568	\$ 106,184	\$ 157,701	\$ 131,361
Investment in subsidiary	-	-	-	5,119	3,483	4,972
Other income						
Investment income	5,332	4,334	5,148	5,806	6,518	5,665
Internal recoveries	39	99	144	32,455	531	636
Development levies	293	425	(71)	365	642	504
Other revenue	163	1,052	1,516	1,563	(643)	252
Government transfers for operating	-	-	-	(3)	17	192
TOTAL REVENUE	113,829	83,872	109,305	151,489	168,249	143,582
EXPENSES						
Salaries, wages and benefits	17,347	15,800	15,969	16,382	16,754	17,050
Contracted and general services	20,230	13,383	20,681	21,131	24,704	23,385
Materials, goods and utilities	8,272	5,563	17,377	17,780	31,079	21,979
Provisions for allowances	124	118	73	482	(249)	116
Bank charges and short term interest	90	19	70	55	27	23
Interest on long term debt	530	523	548	523	439	334
Other operating expenses	57,465	55,047	44,551	45,966	47,396	43,002
Amortization of tangible capital assets	36,468	13,918	13,501	19,482	22,968	31,394
Impairment	-	28,329	13,432	55,376	28,383	52,715
Loss on disposal of tangible capital assets	-	13,661	105	88	172	457
Gain on disposal of long lived assets	-	(43,226)	-	-	-	-
Internal charges and transfers	10,025	7,129	5,966	38,651	6,297	6,349
TOTAL EXPENSES	150,551	110,264	132,273	215,916	177,970	196,804
Excess (deficiency) of revenue over expenses before Contribution	(36,722)	(26,392)	(22,968)	(64,427)	(9,721)	(53,222)
Contribution to General	1,305	1,330	1,278	1,251	23,621	18,627
Excess (deficiency) of revenue over expenses after Contribution	\$ (38,027)	\$ (27,722)	\$ (24,246)	\$ (65,678)	\$ (33,342)	\$ (71,849)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 72,915	\$ 71,524	\$ 63,558	\$ 77,126	\$ 94,494	\$ 118,502
Other income						
Investment income	1,661	932	1,934	2,288	2,955	2,653
Internal recoveries	2,695	2,911	2,561	2,960	4,908	7,991
Development levies	-	90	506	923	2,692	1,123
Government transfers for operating	-	-	3	231	131	60
Other revenue	2,110	3,026	2,496	5,867	7,298	21,691
TOTAL REVENUE	79,381	78,483	71,058	89,395	112,478	152,020
EXPENSES						
Salaries, wages and benefits	13,470	13,434	13,672	13,764	14,762	14,447
Contracted and general services	9,030	6,108	6,602	7,218	10,086	8,367
Materials, goods and utilities	14,148	9,665	11,297	10,001	14,898	14,681
Provisions for allowances	101	101	102	104	118	136
Interest on long term debt	3,247	3,553	2,951	2,959	3,186	3,626
Other operating expenses	986	925	684	2,827	3,331	8,968
Amortization of tangible capital assets	16,071	15,995	13,385	15,133	14,478	14,556
Loss on disposal of tangible capital assets	-	137	250	420	411	197
Internal charges and transfers	23,455	25,468	22,207	24,998	33,902	29,675
TOTAL EXPENSES	80,508	75,386	71,150	77,424	95,172	94,653
Excess (deficiency) of revenue over expenses before Contribution	(1,127)	3,097	(92)	11,971	17,306	57,367
Contribution to General	929	40,828	912	1,552	40,123	21,287
Excess (deficiency) of revenue over expenses after Contribution	\$ (2,056)	\$ (37,731)	\$ (1,004)	\$ 10,419	\$ (22,817)	\$ 36,080

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

UTILITIES BUSINESS DEVELOPMENT & SUPPORT

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Investment income	\$ -	\$ 14	\$ 14	\$ 16	\$ 16	\$ 67
Internal recoveries	1,686	1,737	1,024	486	614	572
Other revenue	-	-	-	-	-	1
Transfer from Utilities and Land	-	-	-	-	200	200
TOTAL REVENUE	1,686	1,751	1,038	502	830	840
EXPENSES						
Salaries, wages and benefits	944	997	541	121	107	92
Contracted and general services	652	567	80	43	37	65
Materials, goods and utilities	23	10	8	1	4	2
Other operating expenses	-	-	335	268	380	698
Amortization of tangible capital assets	1	1	1	1	1	1
Internal charges and transfers	66	35	276	108	117	2,581
TOTAL EXPENSES	1,686	1,610	1,241	542	646	3,439
Excess (deficiency) of revenue over expenses	\$ -	\$ 141	\$ (203)	\$ (40)	\$ 184	\$ (2,599)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Taxes	\$ 114	\$ 113	\$ 113	\$ 113	\$ 114	\$ 114
Sale of services	20,324	21,400	18,384	19,304	17,421	16,481
Other income						
Internal recovery	620	1,236	859	1,246	702	1,061
Other revenue	211	213	383	(15)	525	756
Developer levies	-	-	265	429	1,106	965
Government transfers						
Government transfers for operating	-	-	(7)	297	16	305
TOTAL REVENUE	21,269	22,962	19,997	21,374	19,884	19,682
EXPENSES						
Salaries, wages & benefits	5,251	4,588	4,477	4,208	4,670	4,317
Contracted and general services	896	907	1,129	1,360	771	1,285
Materials and supplies	1,448	1,606	1,478	1,622	1,890	1,678
Provisions for allowances	37	37	37	34	48	47
Interest on long-term debt	2,951	2,871	2,929	2,872	2,677	2,474
Other expenses	-	(35)	13	(4)	17	(3)
Amortization of tangible capital assets	3,726	3,726	3,413	3,132	2,829	2,588
Loss on disposal of tangible capital assets	-	43	19	41	472	8
Internal charges and transfers	3,150	3,365	3,382	3,577	3,497	3,753
TOTAL EXPENSES	17,459	17,108	16,877	16,842	16,871	16,147
Excess (deficiency) of revenue over expenses before Contribution	3,810	5,854	3,120	4,532	3,013	3,535
Contribution to General	994	994	994	920	852	786
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,816	\$ 4,860	\$ 2,126	\$ 3,612	\$ 2,161	\$ 2,749

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Taxes	\$ 577	\$ 113	\$ 113	\$ 113	\$ 114	\$ 114
Sale of services	16,024	16,131	15,294	15,117	14,310	13,359
Other income						
Internal recovery	-	-	3	(18)	-	273
Other revenue	5	20	64	30	58	943
Developer levies	-	-	282	326	-	-
Government transfers						
Government transfers for operating	-	-	-	34	455	22
TOTAL REVENUE	16,606	16,264	15,756	15,602	14,937	14,711
EXPENSES						
Salaries, wages & benefits	4,496	4,717	4,349	3,914	3,922	3,933
Contracted and general services	667	1,025	769	892	1,149	665
Materials and supplies	1,700	1,399	1,583	1,511	1,628	1,633
Provisions for allowances	31	31	31	29	45	44
Interest on long-term debt	2,481	2,465	2,342	2,051	1,914	2,010
Other expenses	8	2	-	15	7	5
Amortization of tangible capital assets	2,172	3,177	2,647	2,615	2,385	2,306
Loss on disposal of tangible capital assets	-	166	1	-	-	-
Internal charges and transfers	3,550	2,942	2,782	2,622	2,389	2,580
TOTAL EXPENSES	15,105	15,924	14,504	13,649	13,439	13,176
Excess (deficiency) of revenue over expenses before Contribution	1,501	340	1,252	1,953	1,498	1,535
Contribution to General	765	765	765	722	681	641
Excess (deficiency) of revenue over expenses after Contribution	\$ 736	\$ (425)	\$ 487	\$ 1,231	\$ 817	\$ 894

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 9,025	\$ 9,502	\$ 8,914	\$ 8,388	\$ 8,247	\$ 8,115
Other income						
Internal recovery	-	1,598	862	874	768	706
Other revenue	19	47	34	25	36	550
Insurance recovery	-	-	-	-	-	19
Government transfers						
Government transfers for operating	-	-	(13)	(1)	4	1,239
TOTAL REVENUE	9,044	11,147	9,797	9,286	9,055	10,629
EXPENSES						
Salaries, wages & benefits	2,768	2,850	2,775	2,800	2,738	2,667
Contracted and general services	1,660	1,799	1,798	1,703	1,282	1,823
Materials and supplies	863	548	581	839	1,118	1,166
Provisions for allowances	17	17	17	(14)	18	19
Interest on long-term debt	106	116	134	132	129	146
Other expenses	200	58	(431)	204	1,219	24
Amortization of tangible capital assets	478	356	334	337	362	366
Loss on disposal of tangible capital assets	-	3	2	3	1	3
Internal charges and transfers	1,939	3,799	2,392	2,087	1,798	1,789
TOTAL EXPENSES	8,031	9,546	7,602	8,091	8,665	8,003
Excess (deficiency) of revenue over expenses before Contribution	1,013	1,601	2,195	1,195	390	2,626
Contribution to General	393	393	393	393	393	393
Excess (deficiency) of revenue over expenses after Contribution	\$ 620	\$ 1,208	\$ 1,802	\$ 802	\$ (3)	\$ 2,233

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & BUSINESS SUPPORT

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
REVENUE						
Sale of services	\$ 6,040	\$ 8,600	\$ 3,321	\$ 6,751	\$ 10,533	\$ 9,626
Other income						
Licences fines and penalties	1	13	1	26	5	1
Other revenue	5	1,362	2,432	1,172	841	377
Internal recovery	1,484	1,511	1,386	-	2	-
Government transfers						
Provincial	-	-	7	-	-	-
Flood assistance	-	-	-	7	2	3
TOTAL REVENUE	7,530	11,486	7,147	7,956	11,383	10,007
EXPENSES						
Salaries, wages and benefits	716	716	687	590	784	703
Contracted and general services	1,194	1,216	1,274	1,261	2,140	1,309
Materials and supplies	105	6,417	2,320	3,971	6,665	5,461
Other expenses	-	-	-	1	1	28
Bank charges & short term interest	-	2	2	-	-	-
Grants & other transfers	-	137	141	20	2	19
Amortization of tangible capital assets	48	40	135	48	56	54
Impairment	-	87	178	12	-	-
Gain \ loss on sale of assets	-	-	(45)	(51)	-	-
Internal charges and transfers	776	895	1,283	881	930	773
TOTAL EXPENSES	2,839	9,510	5,975	6,733	10,578	8,347
Excess (deficiency) of revenue over expenses before Contribution	4,691	1,976	1,172	1,223	805	1,660
Contribution to General	-	-	-	-	5,033	1,549
Excess (deficiency) of revenue over expenses after Contribution	\$ 4,691	\$ 1,976	\$ 1,172	\$ 1,223	\$ (4,228)	\$ 111

The above represents actual transactions before consolidation eliminations

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2017 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Land & Business Support	Consolidation Adjustments	2017 Consolidated
Financing										
Contributed assets - private	\$ 690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 690
Debt - ACFA	13,320	1,500	10,225	-	5,000	2,500	-	-	-	32,545
Debt - infrastructure reserve	4,152	-	-	-	-	-	-	68	-	4,220
Developer levies	-	425	90	-	-	-	-	-	-	515
Government transfers for capital	40,467	-	27	-	-	-	-	-	-	40,494
Land Sales	346	-	-	-	-	-	-	-	-	346
Operations	3,902	1,185	17,803	-	1,354	339	1,054	-	-	25,637
Other	1,069	-	-	-	-	-	-	40	-	1,109
Reserves	3,055	14,491	-	-	-	-	-	-	-	17,546
	67,000	17,601	28,145	-	6,354	2,839	1,054	108	-	123,101
Expenses										
Engineered structures	16,265	18,462	39,644	-	7,325	14,505	139	512	-	96,852
Buildings	22,562	-	1,227	-	-	-	67	68	-	23,924
Machinery and equipment	3,194	831	447	-	478	-	79	-	-	5,029
Land Improvements	9,610	-	108	-	-	311	89	27	-	10,145
Land	321	-	212	-	-	-	-	(489)	-	44
Mobile equipment	1,882	-	-	-	-	-	-	-	-	1,882
Major operating expenses	-	-	-	-	-	-	-	-	-	-
	53,834	19,293	41,638	-	7,803	14,816	374	118	-	137,876
Change in Capital Fund	13,166	(1,692)	(13,493)	-	(1,449)	(11,977)	680	(10)	-	(14,775)

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
General Government	\$ -	\$ 24	\$ 55	\$ 502	\$ 1,395	\$ -
Corporate Services	26,454	34,313	18,873	21,035	19,985	20,504
Development & Infrastructure	5,566	27,126	13,757	27,150	30,654	23,084
Public Services	6,055	5,421	11,886	53,590	54,198	19,245
Police Services	250	116	62	287	166	103
TOTAL FINANCING	38,325	67,000	44,633	102,564	106,398	62,936
EXPENSES						
General Government	-	40	55	394	1,395	-
Corporate Services	26,454	24,901	22,622	20,424	16,365	20,860
Development & Infrastructure	-	23,341	15,016	32,664	21,080	21,716
Public Services	1,770	5,421	11,785	51,717	54,671	19,629
Police Services	250	131	87	248	193	77
TOTAL EXPENSES	28,474	53,834	49,565	105,447	93,704	62,282
CHANGE IN CAPITAL FUND	\$ 9,851	\$ 13,166	\$ (4,932)	\$ (2,883)	\$ 12,694	\$ 654

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

CAO & Commissioners; City Solicitor & City Clerk; Corporate Communications; Health, Safety & Environment

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ -	\$ 24	\$ 55	\$ 368	\$ 23	\$ -
Government transfers	-	-	-	26	1,372	-
Operations	-	-	-	108	-	-
TOTAL FINANCING	-	24	55	502	1,395	-
EXPENSES						
Buildings	-	-	-	26	-	-
Machinery and equipment	-	40	55	368	1,395	-
TOTAL EXPENSES	-	40	55	394	1,395	-
CHANGE IN CAPITAL FUND	\$ -	\$ (16)	\$ -	\$ 108	\$ -	\$ -

CAO & COMMISSIONERS

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	-	-	-	-	-	-
EXPENSES						
Machinery and equipment	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CITY SOLICITOR & CITY CLERK

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ -	\$ 24	\$ 55	\$ 368	\$ 23	\$ -
Operations	-	-	-	-	-	-
TOTAL FINANCING	-	24	55	368	23	-
EXPENSES						
Machinery and equipment	-	24	55	368	23	-
TOTAL EXPENSES	-	24	55	368	23	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORPORATE COMMUNICATIONS

General Government

No Capital

HEALTH, SAFETY & ENVIRONMENT

General Government

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ 108	\$ -	\$ -
Government transfers	-	-	-	26	1,372	-
TOTAL FINANCING	-	-	-	134	1,372	-
EXPENSES						
Buildings	-	-	-	26	-	-
Machinery and equipment	-	16	-	-	1,372	-
TOTAL EXPENSES	-	16	-	26	1,372	-
CHANGE IN CAPITAL FUND	\$ -	\$ (16)	\$ -	\$ 108	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Corporate Asset Management; Finance; Human Resources; & Information & Computer Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 2,166	\$ 9,804	\$ (325)	\$ 6,450	\$ 3,550	\$ 500
Debt - internal	1,206	3,391	2,733	1,367	1,860	1,009
Government transfers	10,307	16,168	10,096	6,006	5,716	14,093
Operations	1,200	1,231	1,675	970	790	1,094
Other	495	867	608	-	1,236	1,595
Reserves	11,080	2,852	4,086	6,242	6,833	2,213
TOTAL FINANCING	26,454	34,313	18,873	21,035	19,985	20,504
EXPENSES						
Buildings	9,657	20,000	12,362	7,853	5,323	16,736
Machinery and equipment	4,187	2,698	4,447	4,076	1,624	1,592
Land improvements	-	321	-	-	-	-
Mobile equipment	12,610	1,882	5,813	8,495	9,418	2,532
TOTAL EXPENSES	26,454	24,901	22,622	20,424	16,365	20,860
CHANGE IN CAPITAL FUND	\$ -	\$ 9,412	\$ (3,749)	\$ 611	\$ 3,620	\$ (356)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 500	\$ 5,638	\$ (325)	\$ 2,450	\$ 3,550	\$ -
Debt - internal	820	2,770	1,320	1,105	342	172
Government transfers	8,247	15,870	10,096	6,006	5,716	14,093
Other	495	867	608	-	1,236	1,595
Operations	1,125	1,156	35	895	752	1,065
Reserves	11,080	2,483	4,089	6,239	6,833	2,212
TOTAL FINANCING	22,267	28,784	15,823	16,695	18,429	19,137
EXPENSES						
Buildings	9,657	20,000	12,362	7,853	5,323	16,736
Machinery and equipment	-	617	-	-	246	201
Land improvements	-	321	-	-	-	-
Mobile equipment	12,610	1,882	5,813	8,495	9,418	2,532
TOTAL EXPENSES	22,267	22,820	18,175	16,348	14,987	19,469
CHANGE IN CAPITAL FUND	\$ -	\$ 5,964	\$ (2,352)	\$ 347	\$ 3,442	\$ (332)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ -	\$ (458)	\$ -	\$ 2,000	\$ -	\$ 500
Debt - internal	-	-	483	39	1,376	448
Operations	-	-	1,550	-	-	-
TOTAL FINANCING	-	(458)	2,033	2,039	1,376	948
EXPENSES						
Machinery and equipment	-	-	1,833	1,831	1,198	876
TOTAL EXPENSES	-	-	1,833	1,831	1,198	876
CHANGE IN CAPITAL FUND	\$ -	\$ (458)	\$ 200	\$ 208	\$ 178	\$ 72

HUMAN RESOURCES

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Operations	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -
TOTAL FINANCING	-	-	14	-	-	-
EXPENSES						
Machinery and equipment	-	-	14	-	-	-
TOTAL EXPENSES	-	-	14	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 1,666	\$ 4,624	\$ -	\$ 2,000	\$ -	\$ -
Debt - internal	386	621	930	223	142	389
Government transfers	2,060	298	-	-	-	-
Reserves	-	369	(3)	3	-	1
Operations	75	75	76	75	38	29
TOTAL FINANCING	4,187	5,987	1,003	2,301	180	419
EXPENSES						
Machinery and equipment	4,187	2,081	2,600	2,245	180	515
TOTAL EXPENSES	4,187	2,081	2,600	2,245	180	515
CHANGE IN CAPITAL FUND	\$ -	\$ 3,906	\$ (1,597)	\$ 56	\$ -	\$ (96)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; & Municipal Works

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 481	\$ 1,574	\$ 269	\$ 448	\$ 1,082
Debt - ACFA	3,516	3,516	1,835	-	500	2,500
Debt - internal	-	108	450	1,729	597	1,341
Developers levies	-	-	1,080	-	4,928	236
Government transfers	-	22,143	4,491	19,675	14,814	10,024
Land sales	-	184	319	2,400	233	2,280
Operations	2,050	2,050	1,651	1,650	1,730	1,170
Other	-	186	-	1,410	-	4,451
Reserves	-	(1,542)	2,357	17	7,404	-
TOTAL FINANCING	5,566	27,126	13,757	27,150	30,654	23,084
EXPENSES						
Engineered structures	-	15,823	14,849	32,109	18,213	622
Buildings	-	-	-	-	2,813	20,858
Machinery and equipment	-	94	167	555	54	143
Land improvements	-	7,424	-	-	-	93
Land	-	-	-	-	-	-
Major operating expenses	-	-	-	-	-	-
TOTAL EXPENSES	-	23,341	15,016	32,664	21,080	21,716
CHANGE IN CAPITAL FUND	\$ 5,566	\$ 3,785	\$ (1,259)	\$ (5,514)	\$ 9,574	\$ 1,368

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ -	\$ 108	\$ 122	\$ -	\$ -	\$ 15
Reserves	-	200	-	-	225	-
TOTAL FINANCING	-	308	122	-	225	15
EXPENSES						
Machinery and equipment	-	94	167	180	-	15
TOTAL EXPENSES	-	94	167	180	-	15
CHANGE IN CAPITAL FUND	\$ -	\$ 214	\$ (45)	\$ (180)	\$ 225	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 481	\$ 1,574	\$ 269	\$ 448	\$ 1,082
Debt - ACFA	3,516	3,516	1,835	-	500	2,500
Debt - internal	-	-	328	1,729	597	1,326
Developers levies	-	-	1,080	-	4,928	236
Government transfers	-	22,143	4,491	19,675	14,814	10,024
Land sales	-	184	319	2,400	233	2,280
Operations	2,050	2,050	1,651	1,650	1,730	1,170
Other	-	186	-	1,410	-	4,451
Reserves	-	(1,742)	2,357	17	7,179	-
TOTAL FINANCING	5,566	26,818	13,635	27,150	30,429	23,069
EXPENSES						
Engineered structures	-	15,823	14,849	32,109	18,213	622
Buildings	-	-	-	-	2,813	20,858
Machinery and equipment	-	-	-	375	54	128
Land improvements	-	7,424	-	-	-	93
Land	-	-	-	-	-	-
Major operating expenses	-	-	-	-	-	-
TOTAL EXPENSES	-	23,247	14,849	32,484	21,080	21,701
CHANGE IN CAPITAL FUND	\$ 5,566	\$ 3,571	\$ (1,214)	\$ (5,334)	\$ 9,349	\$ 1,368

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development; Parks & Fire Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 209	\$ 106	\$ 102	\$ 704	\$ 44
Debt - ACFA	-	-	-	10,000	-	-
Debt - internal	1,200	557	936	531	850	449
Developers levies	-	-	-	-	356	-
Government transfers	4,095	2,156	5,895	12,721	7,055	7,284
Land sales	-	163	607	3,646	734	363
Operations	615	576	1,431	1,240	757	292
Other	120	14	461	1,012	5	899
Third party contribution	-	-	7	1	2	3
Reserves	25	1,746	2,443	24,337	43,735	9,911
TOTAL FINANCING	6,055	5,421	11,886	53,590	54,198	19,245
EXPENSES						
Engineered structures	335	442	-	-	-	-
Buildings	-	2,318	6,853	37,380	49,240	15,254
Machinery and equipment	1,435	474	1,349	5,006	756	141
Land	-	-	3,551	650	-	-
Land improvements	-	2,186	32	8,681	4,675	4,234
TOTAL EXPENSES	1,770	5,421	11,785	51,717	54,671	19,629
CHANGE IN CAPITAL FUND	\$ 4,285	\$ -	\$ 101	\$ 1,873	\$ (473)	\$ (384)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ 460	\$ 25	\$ 88	\$ 112	\$ 275	\$ 98
Government transfers	1,185	73	333	443	1,290	1,832
Operations	35	11	215	320	-	-
Other	-	-	-	-	-	-
Third party contribution	-	-	7	1	2	3
Reserves	5	10	(297)	297	685	-
TOTAL FINANCING	1,685	119	346	1,173	2,252	1,933
EXPENSES						
Engineered structures	335	38	-	-	-	-
Buildings	-	5	13	800	1,703	1,359
Machinery and equipment	1,350	76	256	126	547	122
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	2	452
TOTAL EXPENSES	1,685	119	269	926	2,252	1,933
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ 77	\$ 247	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & RECREATION

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 209	\$ 106	\$ 102	\$ 704	\$ 44
Debt - ACFA	-	-	-	10,000	-	-
Debt - internal	675	473	243	419	575	351
Developers levies	-	-	-	-	356	-
Government transfers	2,910	2,083	5,562	12,278	5,765	5,452
Land sales	-	163	607	3,646	734	363
Operations	580	565	1,204	920	737	200
Other	120	14	461	1,012	5	899
Reserves	-	1,717	2,740	24,040	43,058	9,911
TOTAL FINANCING	4,285	5,224	10,923	52,417	51,934	17,220
EXPENSES						
Engineered structures	-	404	-	-	-	-
Buildings	-	2,313	6,840	36,580	47,537	13,803
Machinery and equipment	-	320	476	4,880	182	15
Land	-	-	3,551	650	-	-
Land improvements	-	2,186	32	8,681	4,673	3,782
TOTAL EXPENSES	-	5,224	10,899	50,791	52,392	17,600
CHANGE IN CAPITAL FUND	\$ 4,285	\$ -	\$ 24	\$ 1,626	\$ (458)	\$ (380)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FIRE SERVICES

Public Services

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ 65	\$ 59	\$ 605	\$ -	\$ -	\$ -
Operations	-	-	12	-	20	92
Reserves	20	19	-	-	(8)	-
TOTAL FINANCING	85	78	617	-	12	92
EXPENSES						
Buildings	-	-	-	-	-	92
Machinery and equipment	85	78	617	-	27	4
TOTAL EXPENSES	85	78	617	-	27	96
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ (15)	\$ (4)

POLICE SERVICE

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ 205	\$ 72	\$ 9	\$ 185	\$ 132	\$ 26
Operations	45	45	53	57	-	77
Third Party Contribution	-	-	-	45	60	-
Reserves	-	(1)	-	-	(26)	-
TOTAL FINANCING	250	116	62	287	166	103
EXPENSES						
Buildings	-	-	-	83	60	-
Machinery and equipment	250	131	87	165	133	77
TOTAL EXPENSES	250	131	87	248	193	77
CHANGE IN CAPITAL FUND	\$ -	\$ (15)	\$ (25)	\$ 39	\$ (27)	\$ 26

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 2,101	\$ 1,500	\$ -	\$ 2,000	\$ 3,460	\$ 3,300
Developers levies	293	425	(71)	390	642	504
Land Sales	-	-	-	-	-	12
Operations	2,055	1,185	2,464	1,410	1,970	541
Other	-	-	-	(564)	65	(143)
Reserves	42,100	14,491	9,461	6,066	11,727	16,703
TOTAL FINANCING	46,549	17,601	11,854	9,302	17,864	20,917
EXPENSES						
Engineered structures	45,423	18,462	9,807	8,783	18,471	19,265
Machinery and equipment	1,126	831	415	1,771	2,768	2,475
TOTAL EXPENSES	46,549	19,293	10,222	10,554	21,239	21,740
CHANGE IN CAPITAL FUND	\$ -	\$ (1,692)	\$ 1,632	\$ (1,252)	\$ (3,375)	\$ (823)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 6,982	\$ 10,225	\$ 28,236	\$ 6,950	\$ 8,792	\$ 4,545
Developers levies	-	90	531	923	2,692	1,123
Government transfers	-	27	-	31	-	5,040
Land Sales	-	-	-	125	62	65
Operations	17,303	17,803	10,566	13,771	4,359	3,322
Other	-	-	-	(788)	(3,287)	1,395
Reserves	-	-	11,931	11,030	11,924	2,943
TOTAL FINANCING	24,285	28,145	51,264	32,042	24,542	18,433
EXPENSES						
Engineered structures	18,670	39,644	45,296	32,961	18,473	13,464
Buildings	7,363	1,227	921	997	1,844	300
Machinery and equipment	430	447	382	1,442	3,018	3,381
Land improvements	250	108	23	221	(171)	497
Land	-	212	-	-	555	-
TOTAL EXPENSES	26,713	41,638	46,622	35,621	23,719	17,642
CHANGE IN CAPITAL FUND	\$ (2,428)	\$ (13,493)	\$ 4,642	\$ (3,579)	\$ 823	\$ 791

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

UTILITIES BUSINESS DEVELOPMENT & SUPPORT

No Capital

WATER

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 10,650	\$ 5,000	\$ 4,950	\$ 8,751	\$ 14,760	\$ 12,175
Developers levies	-	-	223	429	1,106	-
Government transfers	-	-	-	(51)	1,887	86
Land sales	-	-	-	460	186	583
Operations	2,350	1,355	3,327	1,921	300	300
Other	-	-	-	(429)	(1,106)	15
TOTAL FINANCING	13,000	6,355	8,500	11,081	17,133	13,159
EXPENSES						
Engineered structures	12,750	7,326	7,001	3,339	11,949	11,230
Buildings	-	-	-	-	18	536
Machinery and equipment	250	478	607	610	3,175	3,994
Land improvements	-	-	(27)	1,123	-	-
Land	-	-	-	20	-	-
TOTAL EXPENSES	13,000	7,804	7,581	5,092	15,142	15,760
CHANGE IN CAPITAL FUND	\$ -	\$ (1,449)	\$ 919	\$ 5,989	\$ 1,991	\$ (2,601)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ 18,650	\$ 2,500	\$ 11,200	\$ 15,100	\$ 7,400	\$ 1,870
Developers levies	-	-	528	326	-	-
Government transfers	-	-	-	858	180	15
Land sales	-	-	1	485	184	454
Operations	880	339	2,144	2,270	95	201
Other	-	-	-	(224)	-	-
TOTAL FINANCING	19,530	2,839	13,873	18,815	7,859	2,540
EXPENSES						
Engineered structures	19,400	14,505	10,663	4,160	4,865	4,413
Buildings	130	-	-	-	18	787
Machinery and equipment	-	-	119	53	110	-
Land Improvements	-	311	145	1,527	-	-
TOTAL EXPENSES	19,530	14,816	10,927	5,740	4,993	5,200
CHANGE IN CAPITAL FUND	\$ -	\$ (11,977)	\$ 2,946	\$ 13,075	\$ 2,866	\$ (2,660)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ 1,050	\$ -	\$ -
Debt - infrastructure	-	-	-	104	414	-
Operations	3,490	1,054	1,028	2,065	-	832
TOTAL FINANCING	3,490	1,054	1,028	3,219	414	832
EXPENSES						
Engineered structures	2,550	139	6	(6)	-	-
Buildings	690	67	(105)	126	541	119
Machinery and equipment	250	79	64	46	222	-
Land improvement	-	89	82	19	408	138
TOTAL EXPENSES	3,490	374	47	185	1,171	257
CHANGE IN CAPITAL FUND	\$ -	\$ 680	\$ 981	\$ 3,034	\$ (757)	\$ 575

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2013 - 2017

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & BUSINESS SUPPORT

	2017 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual
FINANCING						
Debt - internal	\$ 350	\$ 68	\$ -	\$ -	\$ -	\$ -
Operations	250	-	30	(262)	(129)	1,409
Other	-	40	-	-	-	-
TOTAL FINANCING	600	108	30	(262)	(129)	1,409
EXPENSES						
Engineered structures	-	512	-	944	-	-
Buildings	350	68	-	89	-	-
Machinery & Equipment	100	-	26	82	16	-
Land improvements	150	27	4	517	-	-
Land	-	(489)	510	(1,559)	1,133	74
TOTAL EXPENSES	600	118	540	73	1,149	74
CHANGE IN CAPITAL FUND	\$ -	\$ (10)	\$ (510)	\$ (335)	\$ (1,278)	\$ 1,335

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 PRIORITIES

Six strategic priorities:

- Economic Development
- Infrastructure and Amenities
- Social Wellness
- Image and Profile
- Fiscal Management
- City Government



Medicine Hat
The Gas City