

2013

.....

CITY OF MEDICINE HAT
FINANCIAL REPORT

.....

FOR THE YEAR ENDED DECEMBER 31, 2013

City of Medicine Hat, Alberta, Canada
2013 FINANCIAL REPORT
For the year ended December 31, 2013

*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

TABLE OF CONTENTS

INTRODUCTORY

City Council	2
2013 Organizational Chart	3

FINANCIAL

Treasurer's Report

Introduction	5
GFOA Award for Financial Reporting.....	6
Risk Management	6
Management Reporting and Control	7
Financial Highlights	8

Audited Financial Statements

Management's Report.....	15
Auditor's Report	16
Consolidated Statement of Financial Position.....	17
Consolidated Statement of Operations	18
Consolidated Statement of Change in Net Financial Assets.....	19
Consolidated Statement of Cash Flows	20
Consolidated Tangible Capital Assets (Schedule 1)	21
Consolidated Schedule of Property and Other Taxes (Schedule 2)	22
Consolidated Government Transfers (Schedule 3).....	23
Schedule of Segmented Disclosures (Schedule 4).....	24
Consolidated Expenses by Object (Schedule 5).....	27
Notes to Consolidated Financial Statements	28

STATISTICAL SCHEDULES (unaudited)

Demographics and Other Information	55
Financial Comparison 2009 - 2013	56
Financial Synopsis	58
Taxation and Assessment.....	59
Summary of Unrestricted Surplus and Restricted Surplus - Reserves	60
Long Term Debt	61
Consolidated Expenses by Object	62
Schedule of Operating Revenue & Expenses by Department	63
Schedule of Capital Segmented Reporting	94
Schedules of Capital Financing & Expenses by Department.....	95



T. Clugston

City of Medicine Hat City Council



W. Cocks



R. Dumanowski



J. Friesen



J. McIntosh



L. Pearson



C. Symmonds



J. Turner



B. Varga

STANDING COMMITTEES

Audit Committee

Councillor W. Cocks, Chair
Councillor J. McIntosh, Vice Chair
Councillor B. Varga

Corporate Services

Councillor R. Dumanowski, Chair
Councillor J. Turner, Vice Chair
Councillor B. Varga

Development & Infrastructure Committee

Councillor R. Dumanowski, Chair
Councillor L. Pearson, Vice Chair
Councillor J. Friesen

Energy Committee

Councillor W. Cocks, Chair
Councillor J. Friesen, Vice Chair
Councillor J. McIntosh
Mayor T. Clugston

Public Services Committee

Councillor J. Friesen, Chair
Councillor L. Pearson, Vice Chair
Councillor C. Symmonds

Heritage Resource Committee

Councillor L. Pearson, Council Representative

Administrative & Legislative Review Committee

Councillor W. Cocks, Chair
Councillor L. Pearson, Vice Chair
Councillor R. Dumanowski

Administrative Committee

R. Barnard, Chief Administrative Officer – Municipal Services, Chair
G. Labas, Chief Operating Office – Energy Services, Vice-Chair
K. Charlton, Public Services Commissioner
M. Heggelund, Corporate Services Commissioner
D. Brown, Acting Development & Infrastructure Commissioner
R. Schmitt, City Solicitor
A. Cruickshank, City Clerk
Mayor T. Clugston

SPECIAL COMMITTEES

CCDA Downtown Planning Committee

Councillor J. McIntosh, Chair

Community Futures Entre-Corp

K. Crush, Business Support Officer

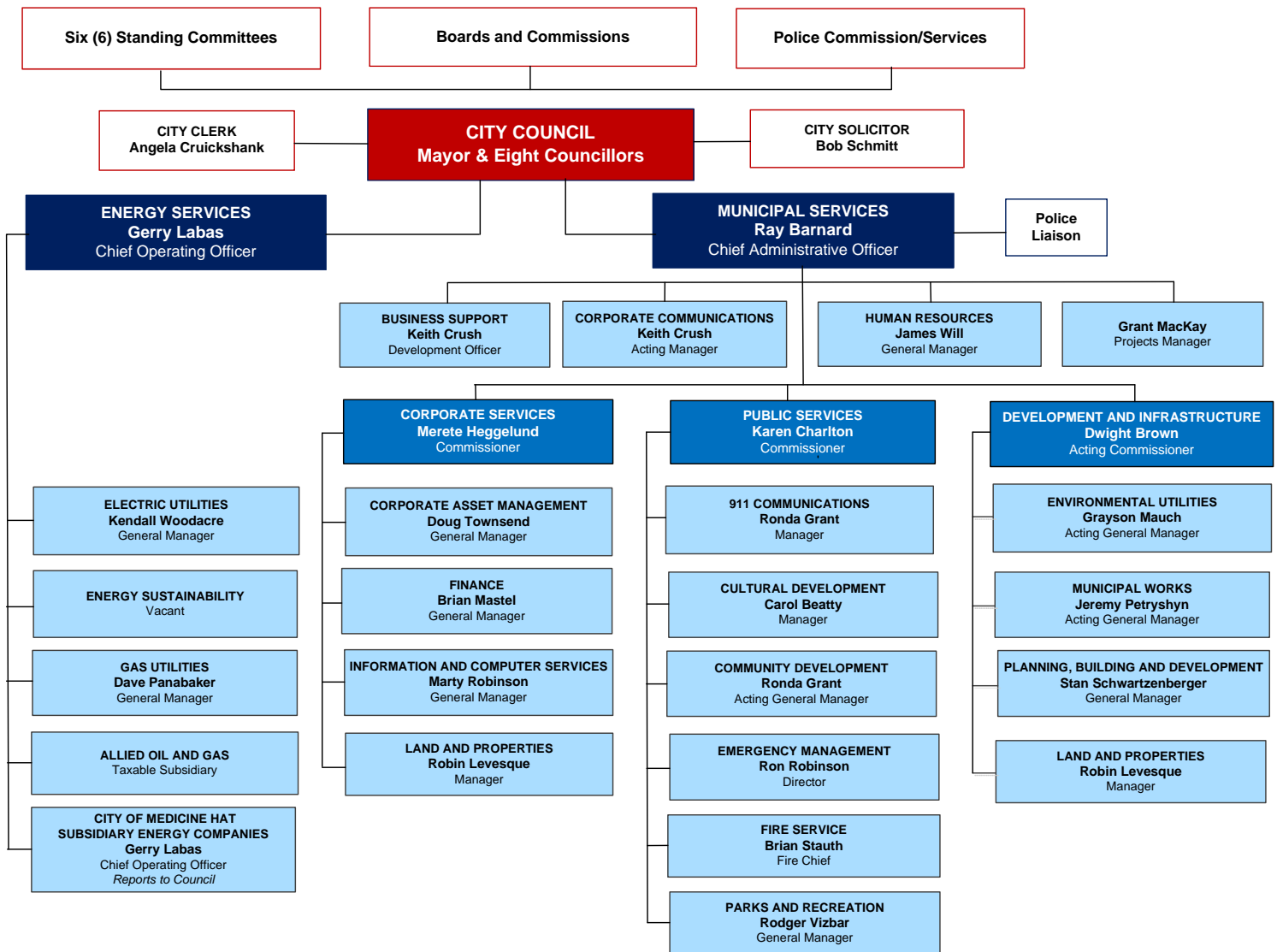
Civic Functions

Councillor L. Pearson, Chair

Regional Drainage Committee

Councillor L. Pearson, Chair

Organizational Structure



Treasurer's Report



Treasurer's Report

For the year ending December 31, 2013

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2013. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 21, 2014.

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

- Protection to its citizens (Fire, Police and Bylaw Services, 9-1-1 Communications, Social and Family Services),
- Recreation and culture activities (Parks and Culture Departments),
- Road, bridge, sidewalk and trail maintenance (Municipal Works and Parks),
- City planning and development (Planning, Building & Development),
- Water, sewer and solid waste management (Environmental Utilities).

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

- Land and property development,
- Natural gas exploration, production and distribution services (Gas Utility),
- Electric generation and distribution (Electric 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 users and readers with clear insight of the financial results for the City for the fiscal year ended December 31, 2013. 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 financial activities and position for the fiscal year ended December 31, 2013. 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 comparative results for two prior years, current year results and 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 21, 2014

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2012, the eleventh 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.

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 and area. 9-1-1 serves a regional population of approximately 100,000 residents with immediate contact capability for language interpreters, poison control, disaster services, chemical spill information and call trace. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times and protocol compliance. In 2007, the 9-1-1 Communications Centre became the first Tri-Accredited (Fire, Police and Medical) center of excellence in the world, and today remains Accredited in Fire and Police dispatch, with the consolidation of medical dispatch to Calgary.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to
**City of Medicine Hat
Alberta**

For its Annual
Financial Report
for the Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Enns".

Executive Director/CEO

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

(c) Treasury Management

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 DEX (formerly ScotiaMcLeod) 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.

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 Planning, Building & Development 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.

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, three-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 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 three year operating budget with a two year projection and a three year capital budget with a seven 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.

Medicine Hat's Operating Budget lays out the revenues and expenses for the planning periods that will be required to deliver City services.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

A ten-year Capital Improvement Plan is developed for all departments. The Capital Improvement Plans identify proposed capital project expenditures and their sources of financing.

For the 2012 - 2014 budget period the City employed a capital ranking process for the tax supported departments. This process is intended to ensure that capital funding is allocated to the projects that will provide the highest value to the municipality.

(b) Accounting

The City of Medicine Hat manages the accounting function in five divisions: Corporate Services, Public Services, Development and Infrastructure, Police, and Energy Division. 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, and financial and accounting services are administered under the direction of the Commissioner of Corporate Services and delivered to each division based on its requirements.

(c) Auditing

The "Municipal Government Act" requires municipal Councils to appoint an independent auditor. In 2010, Medicine Hat City Council appointed KPMG LLP as its external auditor, with the option of renewing for an additional four years (through to 2014). City Council approved KPMG's re-appoint for the 2013 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 procedure.

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 on a quarterly basis. These progress updates examine financial performance relative to approved budgets and forecast updates.

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2013

The financial data below provides an overview of key financial information over the past three 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/index.aspx?page=929>.

The City has endured a series of floods three out of the last four years. As a consequence City expenses have increased due to the recovery from these disasters. Fortunately, much, but not all, of the recovery costs have been offset by Disaster Recovery Programs as well as insurance proceeds.

The City of Medicine Hat elected to adopt certain standards from International Financial Reporting Standards (IFRS) to account for its oil and gas assets for the year ended December 31, 2013. The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties. The City historically has been reporting its oil and gas assets under the same guideline that existed under Part V of the Canadian Institute of Chartered Accountants (CICA) handbook. However, to better reflect the operations of the oil and gas properties and to provide more financial transparency, the City has elected to adopt this new accounting standard retrospectively and as a result the prior year's figures were restated.

TREASURER'S REPORT

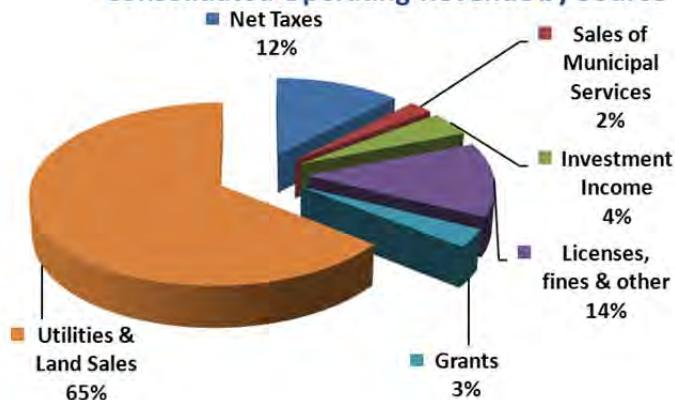
FOR THE YEAR ENDED DECEMBER 31, 2013

<i>In thousands of dollars</i>	2013	2012	2011
Consolidated financial position		Restated	Restated
Assets	\$ 632,274	\$ 561,697	\$ 561,149
Liabilities	508,656	466,719	459,288
Net financial assets	123,618	94,978	101,861
Non-financial assets	101,474	98,282	93,744
Net tangible capital assets	1,085,295	1,088,824	1,099,506
Total non-financial assets	1,186,769	1,187,106	1,193,250
Accumulated surplus	\$1,310,387	\$1,282,084	\$1,295,111

2013 operating results	Revenue	Expenses	Annual Surplus
General Fund	\$ 177,144	\$ 158,595	\$ 18,549
Utilities	351,470	382,413	(30,943)
Capital contributions and grants	37,667	-	37,667
Consolidation adjustments	(112,463)	(115,493)	3,030
Annual Surplus	\$ 453,818	\$ 425,515	\$ 28,303

Revenue

Consolidated Operating Revenue by Source



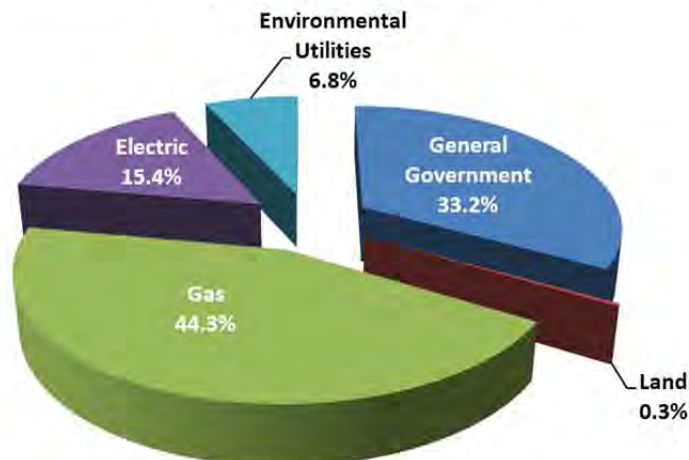
Revenue was \$416.2 million versus budget of \$359.7 million. This variance was largely due to higher than expected electric sales as a result of higher commodity prices representing \$25.2 million and other revenues being higher than budget by \$17.1 million largely due to increased electric ancillary sales due to higher market prices and settlement of a claim on a power purchase agreement.

Expenses

Overall the City operating expenses for the year were \$58 million higher than budget due to an asset impairment being recognized. Less optimistic forecasts for natural gas prices and higher than expected well abandonment and reclamation costs have resulted in an impairment being recognized for some of the City's natural gas assets.

2013 expenses are higher than 2012 mainly due to wage contract settlements; costs related to recent flood events; as well as additional costs related to increased activity in the oil properties.

Consolidated Operating Expenses by Division

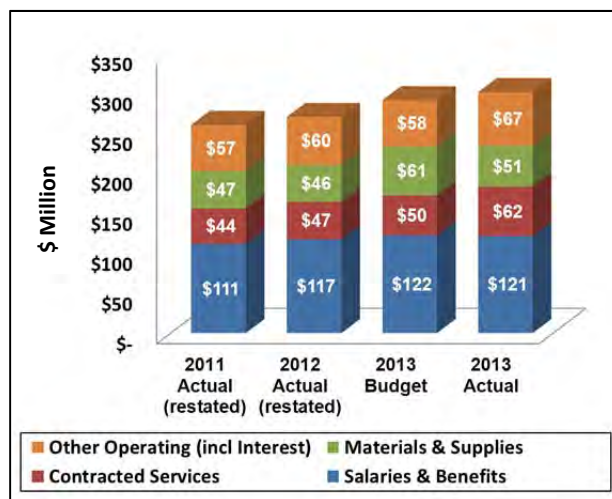


TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Expenses by Type

The Consolidated Expenses by Object Schedule details 2013 actual (\$425.5 million) and budgeted (\$367.5 million) expenses by type. The chart to the right excludes amortization, impairments, and disposal expenses. Variances from budget for contracted services and materials and supplies are related to costs from the recent flood events, and increased activity in the oil properties.

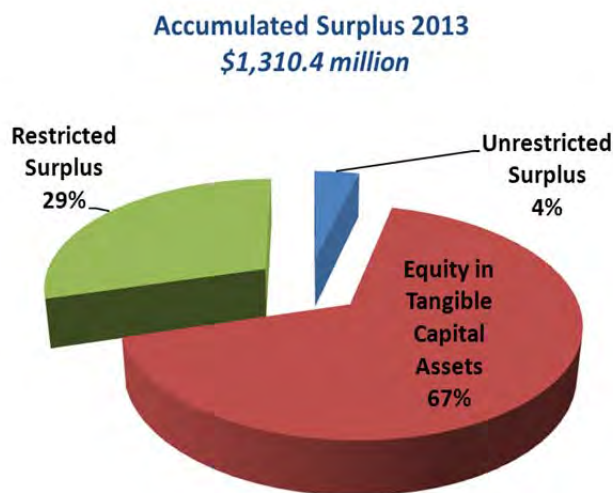


2013 Capital

Capital expenditures were \$122.2 million plus contributions from developers of \$1.1 million. While the City's approved 2013 budget for capital was \$116.8 million, the current expenditures include \$85.7 million for projects carried forward from previous budget years.

The 2013 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 2013 the consolidated fund and equity balances increased by \$28.3 million to \$1,310.4 million.

\$50.3 million of the accumulated surplus is unrestricted. This is used as working capital to fund day to day operating activities of the City. \$385.9 million is restricted and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets decreased by \$8.4 million to \$874.2 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

TREASURER'S REPORT

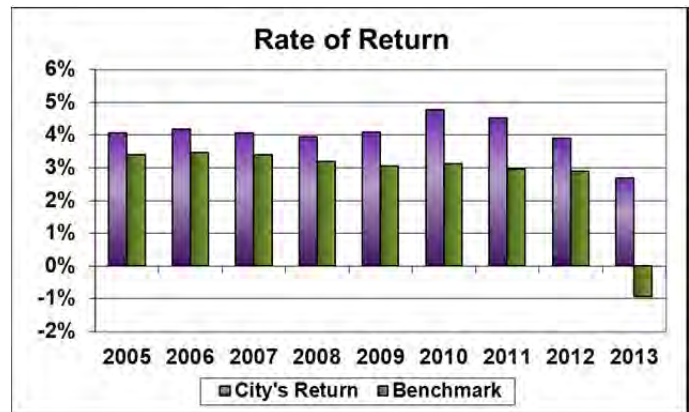
FOR THE YEAR ENDED DECEMBER 31, 2013

Investments



Investments, Loans and Advances increased \$35.9 million from 2012 to \$482.5 million due to increased cash flow largely as a result of the receipt of monies from the Federal Gas Tax Fund and the Disaster Recovery Programs.

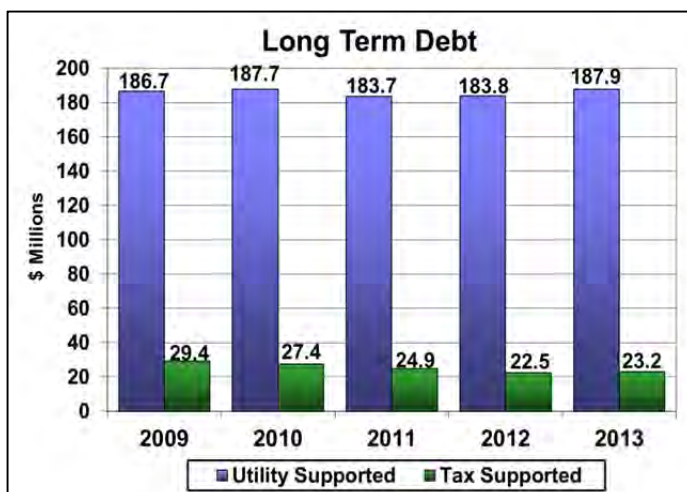
The City of Medicine Hat's investment return for the year ended December 31, 2013 averaged 2.67 per cent outperforming the DEX (formerly ScotiaMcLeod) Universe Bond benchmark index of -0.95 per cent. The City's average portfolio return has outperformed the stated benchmark the last nine years.



Long-Term Debt

During 2013 total Long Term Debt increased \$4.9 million to \$211.1 million as a result of new borrowings exceeding repayments. Total debt principal repayments were \$20.0 million and new debt was \$24.9 million. \$14.1 million was for improvements to Environmental Utility assets, \$4.5 million was related to Electric's assets, \$3.3 million was for the Gas Utility, and \$3.0 million was for municipal infrastructure.

The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is defined as two times revenue net of capital government transfers, and debt servicing limit is not to exceed 35 per cent of revenue. For purposes of these calculations included in the actual debt (long and short term) are loan guarantees in the amount of \$2.7 million.



The City's 2013 debt levels are as follows:

	2013	
Total Debt Limit	\$ 865.1	
Actual Debt (long & short term)	213.8	
Amount Under Limit	651.3	75%
Debt Servicing Limit	\$ 151.4	
Actual Debt Servicing	30.3	
Amount Under Limit	\$ 121.1	80%

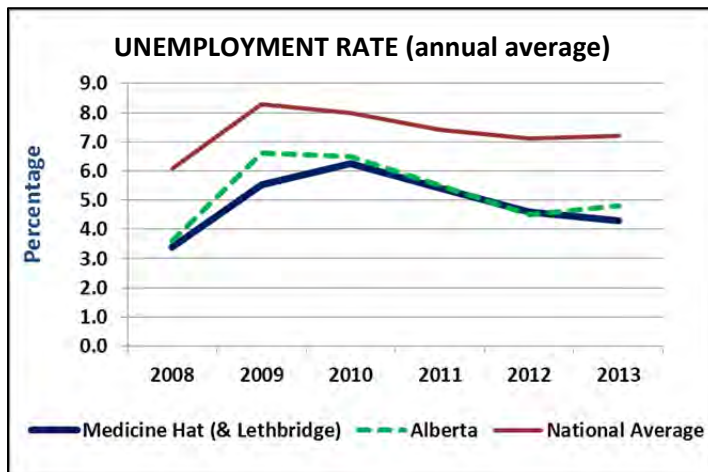
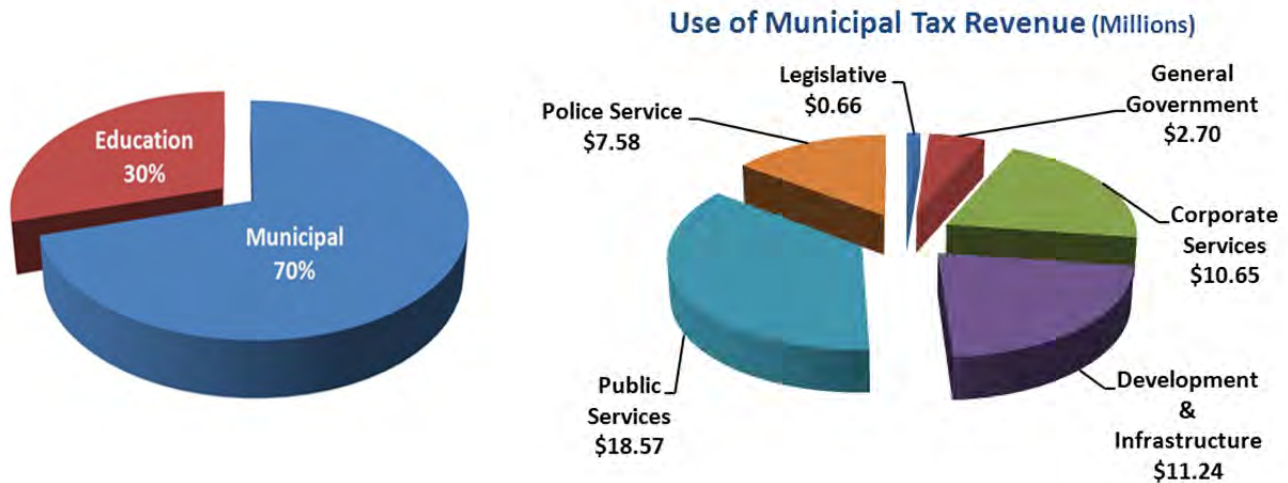
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Use of Municipal Tax Revenue (in thousands of dollars)

Property taxes contributed \$51.2 million (36.2%) of the consolidated General Fund operating expenses of \$141.3 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2013.

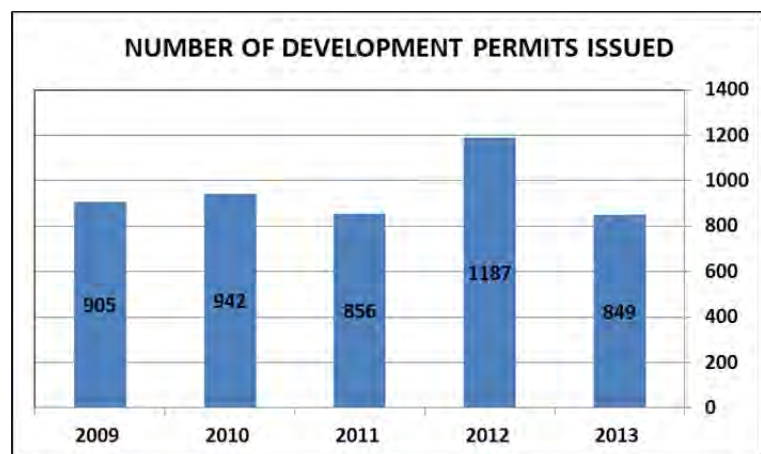


Economic Indicators

The unemployment rate in Medicine Hat at the end of 2013 was 2.9%, while the 2013 average was 4.3%. The average Alberta unemployment for 2013 was 4.8% compared to 7.2% for Canada.

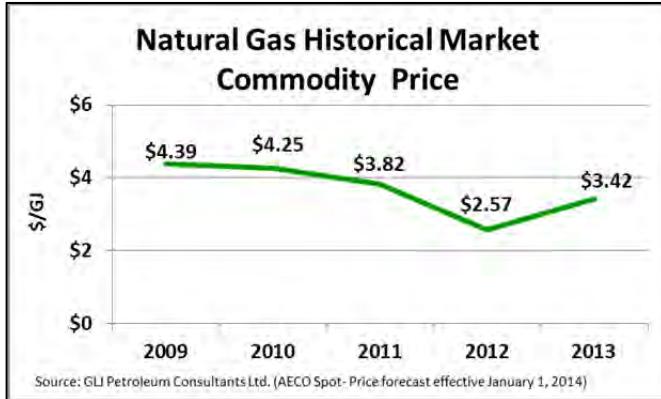
Number of Development Permits Issued

2013 saw a decrease in the number of development permits issued. The primary reason for this drop was the adoption of the new 2013 Land Use Bylaw (LUB). Under the new LUB permits are not required for many minor developments or they can be included in a larger permit. As a result, the new LUB and its simplified permitting system resulted in fewer permits issued.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

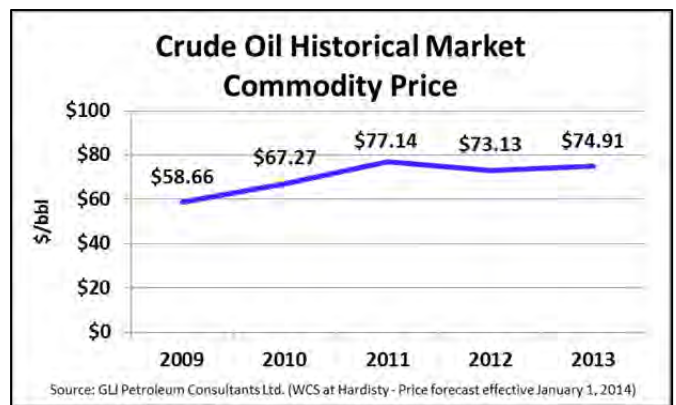


Gas

The increase in the natural gas price in 2013 was due to an extended winter in the Eastern United States and Canada along with early unexpected cold weather and greater than anticipated storage withdrawals. 2013 gas production for the City of Medicine Hat was 20,064,425 Mcf.

Oil

Oil prices increased globally in 2013 due to geopolitical issues throughout the Middle East decreasing and further threatening production. This led to uncertainty in supply despite the increased production in North America. 2013 oil production for the City of Medicine Hat was 412,339 bbl.



Financial Statements



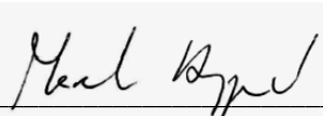
RESPONSIBILITY FOR FINANCIAL REPORTING MANAGEMENT'S REPORT

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of Management.

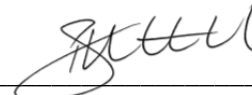
The consolidated financial statements are prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgments of Management. Financial data elsewhere in the report is consistent with that in the financial statements.

Management has developed and maintains an extensive system of internal controls that provide reasonable assurance that all transactions are appropriately authorized, that assets are properly accounted for and safeguarded, that all transactions are accurately recorded and that financial records are reliable for preparation of financial statements. As well, it is the policy of the City to maintain the highest standard of ethics in all its activities.

City Council, through its Audit Committee, comprised of three aldermen, oversees management's responsibilities for financial reporting. The Audit Committee meets regularly with management and independent auditors to discuss auditing and reporting on financial matters and to assure that management is carrying out its responsibilities. The auditors have full and free access to the Audit Committee and management.

A handwritten signature in black ink, appearing to read "Mark Byrd", written over a horizontal line.

Chief Administrative Officer

A handwritten signature in black ink, appearing to read "J. H. H.", written over a horizontal line.

Commissioner of Corporate Services

April 21, 2014



KPMG LLP
400-4th Avenue S.
500 Lethbridge Centre Tower
Lethbridge AB
T1J 4E1

Telephone (403) 380-5700
Fax (403) 380-5760
www.kpmg.ca

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of City of Medicine Hat ("the Entity"), which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Medicine Hat as at December 31, 2013, and the results of its operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

April 21, 2014
Lethbridge, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

KPMG Confidential

CONSOLIDATED
Statement of Financial Position
As at December 31, 2013 (in thousands of dollars)

	2013	2012 Restated (Note 2)	2011 Restated (Note 2)
Financial assets			
Cash and temporary investments (Note 3)	\$ 65,050	\$ 43,612	\$ 63,060
Accounts receivable (net of allowances) (Note 4)	60,386	49,520	42,665
Advances to subsidiary (Note 5)	10,669	11,204	11,520
Investment in subsidiary (Note 10)	9,050	4,078	884
Investments, loans and advances (Note 6)	482,542	446,651	436,335
Land held for resale	2,951	5,957	6,317
Inventories for resale (Note 7)	106	89	113
Deposits (Note 8)	1,520	586	255
Total financial assets	632,274	561,697	561,149
Liabilities			
Trade accounts payable	38,552	26,111	29,749
Accrued liabilities (Note 9)	19,557	13,844	13,555
Deferred revenue (Note 11)	55,990	47,409	54,044
Long term debt - Alberta Capital Finance Authority (Note 13)	211,129	206,254	208,636
Other long term liabilities (Note 14)	183,428	173,101	153,304
Total liabilities	508,656	466,719	459,288
Net financial assets	123,618	94,978	101,861
Non-financial assets			
Inventories for consumption	10,916	11,773	12,141
Prepaid assets	2,225	1,958	1,942
Land held for future development (Note 15)	16,583	13,880	13,504
Long lived assets	71,750	70,671	66,157
Tangible capital assets (Schedule 1) (Note 16)	1,085,295	1,088,824	1,099,506
Total non-financial assets	1,186,769	1,187,106	1,193,250
Operating commitments (Note 22)			
Capital commitments (Note 24)			
Contingent liabilities (Note 25)			
Accumulated surplus (Note 17)	\$ 1,310,387	\$ 1,282,084	\$ 1,295,111

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

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2013 (in thousands of dollars)

	2013 Budget	2013	2012 Restated (Note 2)	2011 Restated (Note 2)
Revenue				
Municipal taxes (Schedule 2)	\$ 51,755	\$ 51,204	\$ 48,478	\$ 45,713
Sale of services				
General Government	9,491	9,812	9,733	9,315
Gas	118,631	107,722	92,122	98,711
Electric	88,070	113,268	105,744	117,362
Water	15,961	16,272	15,756	15,084
Sewer	13,114	13,219	12,717	11,819
Solid Waste	8,126	7,906	7,816	7,854
Land and Properties	8,835	9,626	7,706	4,288
Other income				
Investment income	12,160	13,087	14,485	15,466
Investment in subsidiary (Note 10)	5,275	4,972	3,194	2,998
Licenses, fines and penalties	6,383	6,092	7,327	5,877
Insurance recovery	90	7,791	466	134
Development levies	2,243	7,698	1,693	1,943
Charitable gifts (Note 10)	-	1,500	1,000	2,000
Government transfers for operating (Schedule 3)	4,249	13,507	9,143	10,406
Other	15,328	32,475	22,586	20,990
Total revenue	359,711	416,151	359,966	369,960
Expenses (Schedule 4 and Schedule 5)				
General Government	132,086	141,312	132,101	129,505
Gas	146,798	188,443	181,754	114,388
Electric	56,577	64,479	59,417	60,961
Energy Sustainability	706	858	947	1,254
Water	12,556	11,335	10,278	10,097
Sewer	10,200	11,070	10,586	9,640
Solid Waste	6,232	6,631	6,275	4,394
Land and Properties	2,341	1,387	1,491	4,628
Total expenses	367,496	425,515	402,849	334,867
Excess (deficiency) of revenue over expenses				
- before other revenue	(7,785)	(9,364)	(42,883)	35,093
Other revenue				
Contributed tangible capital assets	1,126	1,126	188	915
Government transfers for capital (Schedule 3) (Note 11)	14,604	36,541	29,668	20,269
Total other revenue	15,730	37,667	29,856	21,184
Annual surplus (deficit)	7,945	28,303	(13,027)	56,277
Accumulated surplus, beginning of year	1,282,084	1,282,084	1,295,111	1,238,834
Accumulated surplus, end of year	\$ 1,290,029	\$ 1,310,387	\$ 1,282,084	\$ 1,295,111

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

CONSOLIDATED

Statement of Change in Net Financial Assets For the year ended December 31, 2013 (in thousands of dollars)

	2013 Budget (Unaudited)	2013	2012 Restated (Note 2)	2011 Restated (Note 2)
Annual surplus (deficit)	\$ 7,945	\$ 28,303	\$ (13,027)	\$ 56,277
Acquisition of tangible capital assets	(100,497)	(122,210)	(123,182)	(93,575)
Contributed tangible capital assets	(1,697)	(1,126)	(188)	(915)
Decrease (increase) in long lived assets	(15,120)	(1,079)	(4,514)	(13,594)
Amortization of tangible capital assets	76,564	72,151	77,573	73,917
Impairments	-	52,715	55,375	591
Loss on disposal of tangible capital assets	-	1,557	899	2,385
Proceeds from sale of tangible capital assets	-	442	205	214
	(32,805)	30,753	(6,859)	25,300
Acquisition of inventories and supplies	(3,700)	(6,681)	(6,297)	(7,544)
Acquisition of land held for future development	-	(2,703)	(376)	-
Acquisition of prepaid assets	(3,000)	(3,041)	(3,118)	(3,036)
Consumption of inventories and supplies	3,700	7,538	6,665	10,426
Use of prepaid assets	3,000	2,774	3,102	3,000
	-	(2,113)	(24)	2,846
Increase (decrease) in net financial assets	(32,805)	28,640	(6,883)	28,146
Net financial assets, beginning of year	94,978	94,978	101,861	73,715
Net financial assets, end of year	\$ 62,173	\$ 123,618	\$ 94,978	\$ 101,861

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2013 (in thousands of dollars)

	2013	2012 Restated (Note 2)	2011 Restated (Note 2)
Net inflow (outflow) of cash related to the following activities:			
Operating			
Annual surplus (deficit)	\$ 28,303	\$ (13,027)	\$ 56,277
Non-cash items included in excess (deficiency) of revenues over expenses:			
Amortization of tangible capital assets	72,151	77,573	73,917
Impairment	52,715	55,375	591
Loss on disposal of tangible capital assets	1,557	899	2,385
Developers contribution of tangible capital assets	(1,126)	(188)	(915)
Income from subsidiary	(4,972)	(3,194)	(2,998)
Non-cash changes to operations (net change):			
Decrease (increase) in accounts receivable	(10,866)	(6,855)	(732)
Decrease (increase) in inventories for resale	(17)	24	62
Decrease (increase) in land held for resale	3,006	360	2,195
Decrease (Increase) in land held for future development	(2,703)	(376)	-
Decrease in inventories for consumption	857	368	2,882
Decrease (increase) in deposits	(934)	(331)	93
Increase in prepaid assets	(267)	(16)	(36)
Increase (decrease) in accounts payable	12,441	(3,638)	8,405
Increase (decrease) in accrued liabilities	5,713	289	(1,951)
Increase (decrease) in deferred revenue	8,581	(6,635)	(1,611)
Increase in other long term liabilities	10,327	19,797	28,068
Cash provided by operating transactions	174,766	120,425	166,632
Capital			
Acquisition of tangible capital assets	(122,210)	(123,182)	(93,575)
Proceeds from sale of tangible capital assets	442	205	214
Decrease (increase) in long lived assets	(1,079)	(4,514)	(13,594)
Cash applied to capital transactions	(122,847)	(127,491)	(106,955)
Investing			
Decrease (increase) in restricted cash and temporary investments	(8,353)	6,867	509
Increase in investments, loans and advances	(35,891)	(10,316)	(54,705)
Decrease in advances to subsidiary	535	316	1,899
Cash applied to investing transactions	(43,709)	(3,133)	(52,297)
Financing			
Debt issued and assumed	24,890	16,224	11,430
Long term debt repaid	(20,015)	(18,606)	(17,827)
Cash provided by (applied to) financing transactions	4,875	(2,382)	(6,397)
Change in cash and equivalents during the year	13,085	(12,581)	983
Cash and cash equivalents, beginning of year	347	12,928	11,945
Cash and cash equivalents, end of year	\$ 13,432	\$ 347	\$ 12,928
Cash and cash equivalents consist of the following:			
Cash	\$ 65,050	\$ 43,612	\$ 63,060
Less: restricted portion of cash and temporary investments	(51,618)	(43,265)	(50,132)
Total	\$ 13,432	\$ 347	\$ 12,928

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

CONSOLIDATED

Schedule 1

TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2013 (in thousands of dollars)

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery & Equipment	Vehicles	2013	2012 Restated	2011 Restated
Cost:										
Balance, beginning of year	\$ 44,308	\$ 60,185	\$ 175,255	\$ 1,029,907	\$ 881,273	\$ 56,078	\$ 48,400	\$ 2,295,406	\$ 2,233,601	\$ 2,157,553
Acquisition of tangible capital assets	707	3,959	9,988	26,666	25,405	4,744	1,588	73,057	120,549	87,060
Construction-in-progress	-	1,528	23,630	24,568	(8,050)	7,732	871	50,279	2,821	7,430
Disposal of tangible capital assets	-	-	(376)	(2,519)	-	(1,468)	(7,473)	(11,836)	(6,190)	(17,851)
Write down of tangible capital assets	-	-	-	-	(52,715)	-	-	(52,715)	(55,375)	(591)
Balance end of year	45,015	65,672	208,497	1,078,622	845,913	67,086	43,386	2,354,191	2,295,406	2,233,601
Accumulated Amortization:										
Balance beginning of year	-	30,110	63,343	424,379	624,000	35,412	29,338	1,206,582	1,134,095	1,075,430
Annual amortization	-	2,104	3,937	30,032	29,758	3,009	3,311	72,151	77,573	73,917
Accumulated amortization on disposals	-	-	(243)	(1,176)	-	(1,233)	(7,185)	(9,837)	(5,086)	(15,252)
Balance end of year	-	32,214	67,037	453,235	653,758	37,188	25,464	1,268,896	1,206,582	1,134,095
Net book value of tangible capital assets	\$ 45,015	\$ 33,458	\$ 141,460	\$ 625,387	\$ 192,155	\$ 29,898	\$ 17,922	\$ 1,085,295	\$ 1,088,824	\$ 1,099,506
2012 net book value of tangible capital assets (Note 16)	\$ 44,308	\$ 30,075	\$ 111,912	\$ 605,528	\$ 257,273	\$ 20,666	\$ 19,062	\$ 1,088,824		
2011 net book value of tangible capital assets (Note 16)	\$ 43,551	\$ 29,691	\$ 104,379	\$ 602,760	\$ 280,071	\$ 19,036	\$ 20,018	\$ 1,099,506		

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

Schedule of Property and Other Taxes

For the year ended December 31, 2013

(in thousands of dollars)

	2013 Budget (Unaudited)	2013	2012	2011
Taxation				
Real property taxes	\$ 72,380	\$ 71,934	\$ 69,235	\$ 65,315
Linear property taxes	877	877	966	909
Special assessments and local improvements	356	356	357	356
	<hr/> 73,613	<hr/> 73,167	<hr/> 70,558	<hr/> 66,580
Requisitions				
Alberta School Foundation	17,771	17,807	17,935	16,845
Catholic Board of Education	3,309	3,374	3,378	3,185
Cypress View Foundation	778	782	767	837
	<hr/> 21,858	<hr/> 21,963	<hr/> 22,080	<hr/> 20,867
Municipal taxes	<hr/> \$ 51,755	<hr/> \$ 51,204	<hr/> \$ 48,478	<hr/> \$ 45,713

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

Schedule of Government Transfers

For the years ending December 31, 2011-2013 (in thousands of dollars)

	2013			2012	2011
	Provincial	Federal	Total		
Unconditional transfers					
Urban Parks	\$ -	\$ -	\$ -	\$ -	\$ 37
Payment in place of taxes	1,297	58	1,355	1,386	1,312
	1,297	58	1,355	1,386	1,349
Conditional operating					
Alberta Agriculture Rat Control	-	-	-	28	-
Alberta Emergency Services	93	-	93	-	-
Alberta Disaster Recovery	6,594	-	6,594	3,719	4,272
Alberta Employment Programs	24	4	28	29	27
Alberta Foundation for the Arts	28	-	28	28	79
Alberta Foundation of the Arts Travelling Exhibition Program	140	-	140	116	112
Alberta Municipal Infrastructure Program	131	-	131	77	242
Alberta Museums Association	33	-	33	25	31
Alberta Recycling Management Grant	-	-	-	25	-
Alberta Theatre Grant	-	-	-	-	59
Basic Capital Grant	121	-	121	107	93
Canadian Council of Archives	-	7	7	-	-
Canada Council for the Arts	-	41	41	41	30
Canadian Heritage Grant	-	45	45	45	-
Child and Family Services Alberta	107	-	107	102	99
Community Initiative Program	-	-	-	-	-
Family and Community Support Services	1,333	-	1,333	1,333	1,333
Federal Gas Tax (FGT)	-	-	-	6	76
Historic Inventory	12	-	12	-	-
GreenTrip	123	-	123	1	-
Major Community Facilities Program	576	-	576	235	-
Municipal Internship Program for Administrators	-	-	-	47	59
Municipal Policing Assistance	979	-	979	978	977
Municipal Sustainability Initiative	1,094	-	1,094	258	651
New Deals for Public Transit	-	-	-	-	384
New Horizon	-	19	19	16	-
Police Officer Grant	500	-	500	400	399
Victims of Crime Fund Grant	148	-	148	141	134
	12,036	116	12,152	7,757	9,057
Conditional capital					
Affordable Housing Grant	519	-	519	1,166	266
Airport Capital Assistance Program	-	-	-	-	-
Alberta Disaster Recovery	862	-	862	754	9,947
Alberta Infrastructure Sanitary Sewer	86	-	86	-	-
Alberta Municipal Infrastructure Program	2,295	-	2,295	5,003	400
Basic Capital Grant	4,347	-	4,347	3,916	2,608
Canada-Alberta Municipal Rural Infrastructure Fund	-	-	-	-	-
Canadian Cultural Spaces (CCSF)	-	-	-	104	16
Community Infrastructure Improvement Fund	-	5	5	46	-
Federal Gas Tax (FGT)	1,411	-	1,411	5,150	96
Flood Recovery Erosion Control Program (FREC)	15	-	15	-	-
Green Trip	-	-	-	-	107
Infrastructure Stimulus Fund	-	-	-	-	246
Major Community Facilities Program	3,227	-	3,227	-	300
Municipal Sustainability Initiative	17,856	-	17,856	12,982	4,468
New Cities Deals	-	-	-	-	457
New Deals for Public Transit (NDPT)	65	-	65	14	193
New Deals for Public Transit (NDFPTT)	-	-	-	-	643
Recreational Infrastructure Canada Program	-	-	-	-	127
Building Canada Fund	-	813	813	-	-
Climate Change & Emissions Management Corp (CCEMC)	2,520	-	2,520	266	197
Alberta Environment Eco Trust Funding Grant	2,520	-	2,520	267	198
	35,723	818	36,541	29,668	20,269
Total government transfers	\$ 49,056	\$ 992	\$ 50,048	\$ 38,811	\$ 30,675

Schedule of Segment Disclosures (Note 28)

Schedule 4

For the Year Ended December 31, 2013 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2013 Consolidated
Revenue										
Net municipal taxes	\$ 54,628	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,652)	\$ 51,204
Sales of services	9,812	131,361	118,502	-	16,481	13,359	8,115	9,626	(29,431)	277,825
Investment income	4,784	5,665	2,653	67	-	-	-	-	(82)	13,087
Investment in subsidiary	-	4,972	-	-	-	-	-	-	-	4,972
Licenses, fines and penalties	6,091	-	-	-	-	-	-	1	-	6,092
Insurance recovery	6,335	-	849	-	406	182	19	-	-	7,791
Development levies	4,687	504	1,123	-	965	419	-	-	-	7,698
Charitable gifts	1,500	-	-	-	-	-	-	-	-	1,500
Government transfers for operating	11,686	192	60	-	305	22	1,239	3	-	13,507
Other	5,971	252	20,842	1	350	342	550	376	3,791	32,475
Internal recoveries	28,418	636	7,991	572	1,061	273	706	-	(39,657)	-
Transfer from Utilities and Land	43,232	-	-	200	-	-	-	-	(43,432)	-
	177,144	143,582	152,020	840	19,682	14,711	10,629	10,006	(112,463)	416,151
Expenses										
Salaries, wages and benefits	77,770	17,050	14,447	92	4,317	3,933	2,667	567	214	121,057
Contracted and general services	26,279	23,385	8,367	65	1,285	665	1,823	103	(252)	61,720
Materials, goods and utilities	9,695	21,979	14,681	2	1,678	1,633	1,166	5,458	(5,028)	51,264
Provisions for allowances	28	116	136	-	47	44	19	-	-	390
Bank charges and short term interest	83	23	-	-	-	-	-	28	-	134
Interest on long term debt	1,189	334	3,626	-	2,474	2,010	146	-	(82)	9,697
Total grants and other transfers	2,370	-	-	-	-	-	-	-	-	2,370
Other operating expenses	1,517	43,002	8,968	698	(3)	5	24	-	(1,751)	52,460
Amortization of tangible capital assets	20,904	31,394	14,556	1	2,588	2,306	366	36	-	72,151
Impairment	-	52,715	-	-	-	-	-	-	-	52,715
Loss on disposal of tangible capital assets	892	457	197	-	8	-	3	-	-	1,557
Internal charges and transfers	17,868	24,976	50,962	2,581	4,539	3,221	2,182	2,265	(108,594)	-
	158,595	215,431	115,940	3,439	16,933	13,817	8,396	8,457	(115,493)	425,515
Excess (deficiency) of revenue over expenses	\$ 18,549	\$ (71,849)	\$ 36,080	\$ (2,599)	\$ 2,749	\$ 894	\$ 2,233	\$ 1,549	\$ 3,030	\$ (9,364)
Other										
Contributed assets	\$ 4,152	\$ 12	\$ 65	\$ -	\$ 583	\$ 454	\$ -	\$ (383)	\$ (3,757)	\$ 1,126
Government transfers for capital	31,400	-	5,040	-	86	15	-	-	-	36,541
Total other	35,552	12	5,105	-	669	469	-	(383)	(3,757)	37,667
Annual surplus (deficit)	\$ 54,101	\$ (71,837)	\$ 41,185	\$ (2,599)	\$ 3,418	\$ 1,363	\$ 2,233	\$ 1,166	\$ (727)	\$ 28,303

Schedule of Segment Disclosures (Note 28)
For the Year Ended December 31, 2012 (in thousands of dollars)

Schedule 4

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2012 Consolidated
		Restated						Restated		Restated
Revenue										
Net municipal taxes	\$ 52,228	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,978)	\$ 48,478
Sales of services	9,733	110,424	110,725	-	15,955	12,850	8,015	7,826	(23,934)	251,594
Investment income	5,346	6,640	2,533	61	-	-	-	-	(95)	14,485
Investment in subsidiary	-	3,194	-	-	-	-	-	-	-	3,194
Licenses, fines and penalties	7,243	-	-	-	-	-	-	84	-	7,327
Insurance recovery	223	-	-	-	8	-	235	-	-	466
Development levies	100	194	434	-	965	-	-	-	-	1,693
Charitable gifts	1,000	-	-	-	-	-	-	-	-	1,000
Government transfers for operating	8,760	4	23	-	-	246	110	-	-	9,143
Other	6,642	760	10,583	1	250	144	96	359	3,751	22,586
Internal recoveries	28,622	281	4,828	512	920	276	660	-	(36,099)	-
Transfer from Utilities and Land	39,667	-	-	200	-	-	-	-	(39,867)	-
	159,564	121,497	129,126	774	18,212	13,630	9,116	8,269	(100,222)	359,966
Expenses										
Salaries, wages and benefits	76,349	16,560	12,911	98	4,012	3,589	2,608	548	629	117,304
Contracted and general services	20,088	18,997	4,734	38	769	846	1,460	76	(205)	46,803
Materials, goods and utilities	9,192	19,053	12,953	1	1,404	1,444	1,030	4,962	(4,112)	45,927
Provisions for allowances	95	104	133	-	46	43	16	-	-	437
Bank charges and short term interest	146	11	-	-	-	-	-	-	-	157
Interest on long term debt	1,298	310	4,038	-	2,495	2,016	154	-	(80)	10,231
Total grants and other transfers	3,347	-	-	-	-	-	-	-	-	3,347
Other operating expenses	376	37,020	7,727	537	731	602	539	-	(2,736)	44,796
Amortization of tangible capital assets	20,443	34,986	17,122	1	2,543	2,087	351	40	-	77,573
Impairment	-	55,375	-	-	-	-	-	-	-	55,375
Loss on disposal of tangible capital assets	734	50	90	-	-	13	12	-	-	899
Internal charges and transfers	17,804	25,846	41,672	383	3,323	2,456	2,021	1,386	(94,891)	-
	149,872	208,312	101,380	1,058	15,323	13,096	8,191	7,012	(101,395)	402,849
Excess (deficiency) of revenue over expenses	\$ 9,692	\$ (86,815)	\$ 27,746	\$ (284)	\$ 2,889	\$ 534	\$ 925	\$ 1,257	\$ 1,173	\$ (42,883)
Other										
Contributed assets	\$ 722	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (279)	\$ (274)	\$ 188
Government transfers for capital	28,787	178	902	-	30	(229)	-	-	-	29,668
Total other	29,509	197	902	-	30	(229)	-	(279)	(274)	29,856
Annual surplus (deficit)	\$ 39,201	\$ (86,618)	\$ 28,648	\$ (284)	\$ 2,919	\$ 305	\$ 925	\$ 978	\$ 899	\$ (13,027)

Schedule of Segment Disclosures (Note 28)

Schedule 4

For the Year Ended December 31, 2011 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2011 Consolidated
		Restated						Restated		Restated
Revenue										
Net municipal taxes	\$ 49,299	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,814)	\$ 45,713
Sales of services	9,315	123,952	\$ 122,542	-	15,291	11,957	8,061	4,288	(30,973)	264,433
Investment income	5,416	9,465	1,207	70	-	-	-	-	(692)	15,466
Investment in subsidiary	-	2,998	-	-	-	-	-	-	-	2,998
Licenses, fines and penalties	5,836	-	-	-	-	-	-	41	-	5,877
Insurance recovery	134	-	-	-	-	-	-	-	-	134
Development levies	891	225	827	-	-	-	-	-	-	1,943
Charitable gifts	2,000	-	-	-	-	-	-	-	-	2,000
Government transfers for operating	9,796	27	47	-	56	378	101	1	-	10,406
Other	7,732	1,635	9,749	-	1,176	129	(63)	295	337	20,990
Internal recoveries	26,870	172	3,929	737	1,113	335	873	-	(34,029)	-
Transfer from Utilities and Land	39,566	-	-	-	-	-	-	-	(39,566)	-
	156,855	138,474	138,301	807	17,750	12,913	8,972	4,625	(108,737)	369,960
Expenses										
Salaries, wages and benefits	73,668	15,127	11,923	190	4,056	3,619	2,511	541	(311)	111,324
Contracted and general services	20,851	15,200	5,399	57	680	1,018	1,183	117	(240)	44,265
Materials, goods and utilities	8,779	18,611	11,741	3	1,590	1,421	917	2,750	1,182	46,994
Provisions for allowances	25	54	125	-	45	42	76	-	-	367
Bank charges and short term interest	159	30	-	-	-	-	-	-	-	189
Interest on long term debt	2,029	251	4,516	-	2,579	2,019	154	-	(677)	10,871
Total grants and other transfers	3,103	-	-	-	-	-	-	-	-	3,103
Other operating expenses	636	30,837	10,212	922	2	-	630	-	(2,378)	40,861
Amortization of tangible capital assets	19,793	33,192	17,041	1	2,501	1,852	326	37	(826)	73,917
Impairment	-	591	-	-	-	-	-	-	-	591
Loss on disposal of tangible capital assets	1,582	76	311	-	336	63	18	-	(1)	2,385
Internal charges and transfers	18,403	39,751	36,845	207	4,261	2,386	1,643	871	(104,367)	-
	149,028	153,720	98,113	1,380	16,050	12,420	7,458	4,316	(107,618)	334,867
Excess (deficiency) of revenue over expenses	\$ 7,827	\$ (15,246)	\$ 40,188	\$ (573)	\$ 1,700	\$ 493	\$ 1,514	\$ 309	\$ (1,119)	\$ 35,093
Other										
Contributed assets	\$ 2,656	\$ 83	\$ -	\$ -	\$ 250	\$ 16	\$ -	\$ 337	\$ (2,427)	\$ 915
Government transfers for capital	18,638	-	395	-	459	777	-	-	-	20,269
Total other	21,294	83	395	-	709	793	-	337	(2,427)	21,184
Annual surplus (deficit)	\$ 29,121	\$ (15,163)	\$ 40,583	\$ (573)	\$ 2,409	\$ 1,286	\$ 1,514	\$ 646	\$ (3,546)	\$ 56,277

Expenses By Object

For the year ended December 31, 2013 (in thousands of dollars)

	2013 Budget (Unaudited)	2013	2012 Restated (Note 2)	2011 Restated (Note 2)
Expenses				
Salaries, wages and benefits	\$ 121,775	\$ 121,057	\$ 117,304	\$ 111,324
Contracted and general services	50,362	61,720	46,803	44,265
Materials, goods and utilities	60,611	51,264	45,927	46,994
Provisions for allowances	386	390	437	367
Bank charges and short term interest	121	134	157	189
Interest on long term debt	10,277	9,697	10,231	10,871
Total grants and other transfers	3,242	2,370	3,347	3,103
Other operating expenses	44,581	52,460	44,796	40,861
Amortization of tangible capital assets	76,141	72,151	77,573	73,917
Impairment	-	52,715	55,375	591
Loss on disposal of tangible capital assets	-	1,557	899	2,385
Total expenses	\$ 367,496	\$ 425,515	\$ 402,849	\$ 334,867

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(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 generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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 assets of the reporting entity. This entity, except for government business enterprises which are accounted for by the modified equity basis of accounting, 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, Information and Computer Services, Corporate Asset Management and Land and Properties), Public Services (Fire Services, 9-1-1 Communications, Community Development, Cultural Development, Parks & Recreation), Infrastructure & Development Services (Municipal Works, Planning, Building & Development and Environmental Utilities) and Police Service (Police Service and Bylaw Enforcement).

2. Energy Services

Self-supporting activities which provide Electricity (Generation, Distribution and Retail) and Natural Gas (Production, Distribution, and Marketing) and Energy Sustainability (alternative and renewable energy, and environmental education and outreach).

Allied Oil & Gas Corp., a wholly-owned subsidiary of the City, is accounted for by using the modified equity basis, consistent with Canadian public sector accounting standards treatment of government business enterprises.

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, and 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 18.

(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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

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. 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 1(F).

(C) INVESTMENTS, LOANS AND ADVANCES

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0110. Portfolio investments purchased by the City of Medicine Hat are recorded at cost. The cost of investments includes the applicable amortization of premiums and discounts using the present value amortization method. 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.

Investments in government business enterprises are accounted for using the modified equity basis of accounting. Under this basis, the accounting principles of the government business enterprises are not adjusted to conform to the City's accounting policies and inter-organizational transactions and balances are not eliminated.

(D) INVENTORIES FOR RESALE

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

(E) LAND HELD FOR RESALE

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

(F) PENSION EXPENSES

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

(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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

(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 increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

(K) NON-FINANCIAL ASSETS

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

1. Tangible Capital Assets

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

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

Tangible capital assets at cost less residual value, in Municipal Services, the Electric Utility, Water Utility, Sewer Utility, Solid Waste Utility, 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:

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

Carrying costs directly attributable to the acquisition, construction or development, 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.

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

The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties; historically, the City has been reporting its oil and gas assets under the same guideline that existed under Part V of the Canadian Institute of Chartered Accountants (CICA) handbook. 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). As outlined in Note 2, the city applied these standards retrospectively.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

(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 and depreciation and accumulated impairment losses. The cost of development and production 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.

Development and production (D&P) assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 11 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 earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in operating expenses as incurred.

(iv) Depletion and Depreciation

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

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

(v) Impairment

E&E:

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 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 or assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use or its fair value less cost to sell.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transactions 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 proved and unproved 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 events 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

3. Contribution of Tangible Capital Assets

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

4. Historical Assets

The City of Medicine Hat 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.

5. Inventories for Consumption

Inventories held for consumption are recorded at the lower of cost or net realizable value. Cost is defined as the amounts directly attributable to the acquisition of the inventory and is recorded using the average cost basis.

6. Land Held for Future Development

Land held for future development is recorded at the lower of cost and realizable value. Cost is defined as the amounts directly attributable to the acquisition of the inventory and is recorded using the specific item cost.

(L) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with generally accepted accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. 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 oil and gas 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 include the estimates of future prices, costs, discount rates and related cash flows and are subject to measurement uncertainty. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

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

IFRS requires that the Company'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 Company's cash-generating units is subject to management's judgment.

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

(M) ADOPTION OF NEW ACCOUNTING STANDARDS

During the year, the City adopted Public Sector Accounting Standards Section 3410 – Government Transfers and Public Sector Accounting Standards Section 3510 – Tax Revenue.

Effective January 1, 2013, the City of Medicine Hat chose to prospectively adopt PSAS 3410 Government Transfers. This Section provided guidance on the recognition of government transfers. The Section had no impact on the City's revenue recognition policies and financial statements.

Effective January 1, 2013, the City of Medicine Hat chose to prospectively adopt PSAS 3510 Tax Revenue. This Section provided guidance on the recognition of tax revenues. The Section had a limited impact on the City's revenue recognition policies and financial statements.

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. See Table below.

Taxes receivable are measured once the tax rate or the local improvement tax rate bylaw is passed. 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.

TAX REVENUE

	2013
Residential Real Property Taxes	\$ 51,085
Non- Residential Real Property Taxes	20,849
TOTAL REAL PROPERTY TAXES	\$ 71,934

(N) FUTURE ACCOUNTING CHANGES

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

PSAS 3450 comes into effect for fiscal years beginning on or after April 1, 2015. 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. PS 2601 Foreign Currency Translation includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. The City has not yet adopted these standards or determined the effect on the Financial Statements.

2. Portfolio Investments

PSAS 3041 comes into effect for fiscal years beginning on or after April 1, 2015. 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. This new sections provides 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

The City has not yet adopted these standards or determined the effect on the Financial Statements.

3. Liability for Contaminated Sites

PSAS approved PS 3260 which comes into effect for fiscal years beginning on or after April 1, 2014. This section establishes standards for reporting a liability associated with the remediation of certain contaminated sites. The City has not yet adopted this standard or determined the effect on the Financial Statements.

NOTE 2: RESTATEMENT OF PRIOR YEARS

(A) CHANGE IN ACCOUNTING POLICIES – OIL AND GAS PROPERTIES

The City of Medicine Hat has adopted International Financial Reporting Standards (IFRS) for its oil and gas assets for the year ended December 31, 2013.

The change from Canadian generally accepted accounting principles (Canadian GAAP) to IFRS is an accounting policy change and therefore requires the restating of financial statements, which resulted in the following changes:

1. Under Canadian GAAP depletion was calculated on a unit of production basis using proved reserves. Under IFRS the City depletes D&P assets on a CGU basis using proved plus probable reserves. This change reduced amortization costs totaling \$17.5 million in 2012 and 2011.
2. Under IFRS testing for D&P asset impairment is completed at a CGU level compared to a country by country basis utilizing the full cost accounting guideline under Canadian GAAP. This change resulted in impairments being recognized as follows: \$5.0 million in 2010; \$0.6 million in 2011; and \$55.4 million in 2012.

A reconciliation presenting the impact to the statements is shown in the following table.

(B) CHANGE IN ACCOUNTING POLICIES – LAND & PROPERTIES

Comparative years in the financial statements have been restated retroactively to better reflect revenue recognition of rental income. The City believes this change will result in more appropriate presentation of events and transactions.

During the year, the City changed its accounting policy regarding the recognition of incidental income on land holdings. Previously, the City recognized the revenue as an offset against holding costs. Holding costs incurred were then capitalized as part of the cost of the land held. To better reflect these events and transactions, the City has adopted to recognize the incidental amounts as revenue in the current period. This change in accounting policy has been retroactively adopted with restatement of the comparative information.

(C) CORRECTION OF PRIOR YEARS – LAND & PROPERTIES

To appropriately reflect obligations to the purchasers of land developments, certain deferred charges are recorded in the City's financial statements related to land developments. These charges represent estimated costs relating to the subdivision which are still outstanding (such as playgrounds or reserve land). The deferred charges are recognized as lots in the development are sold. The deferred charges are relieved as the obligations are satisfied.

In 2013, it was determined that the City had overestimated obligations related to certain developments that were completed and as such had overstated certain expenses and liabilities previously recognized. The City retrospectively adjusted for its financial statements to reduce these liabilities appropriately.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

The cumulative effect on the consolidated financial statements of the change in treatment of rental income and treatment of deferred charges is shown in the following table.

RECONCILIATION OF RESTATEMENTS

(in thousands of dollars)

	Dec 31/12	Dec 31/11	Jan 1/11
Statement of financial position:			
Accumulated surplus, as previously stated	\$ 1,324,055	\$1,293,500	\$ 1,240,212
Tangible capital assets increase (decrease)	(43,436)	1,819	(4,974)
Land held for resale increase (decrease)	(2,071)	(2,560)	(392)
Land held for future development increase (decrease)	828	365	484
Other long term liabilities	2,708	1,987	3,504
Accumulated Surplus, as restated	\$ 1,282,084	\$1,295,111	\$ 1,238,834

	Dec 31/12	Dec 31/11	Jan 1/11
Change in financial position:			
Net financial assets, as previously stated	\$ 94,341	\$ 102,434	\$ 70,515
Change in net financial assets from prior year restatements	(573)	3,200	3,430
Excess of revenues over expenses increase (decrease)	(43,582)	2,989	(4,808)
Amortization of tangible capital assets increase (decrease)	(10,120)	(7,384)	-
Impairments increase (decrease)	55,375	591	4,974
Acquisition of land held for future development	(463)	31	(396)
Net financial assets, as restated	\$ 94,978	\$ 101,861	\$ 73,715

	Dec 31/12	Dec 31/11	Jan 1/11
Statement of Operations:			
Annual surplus, as previously stated	\$ 30,555	\$ 53,288	\$ 11,018
Amortization increase (decrease)	10,120	7,384	-
Impairment increase (decrease)	(55,375)	(591)	(4,974)
Land and Properties income decrease (increase)	(77)	117	141
Other income decrease (increase)	82	86	-
Land and Properties expense increase (decrease)	1,668	(4,007)	25
Annual surplus, as restated	\$ (13,027)	\$ 56,277	\$ 6,210

	Dec 31/12	Dec 31/11	Jan 1/11
Statement of cash flows:			
Cash and cash equivalents, as previously stated	\$ 347	\$ 12,928	\$ 11,945
Change in cash and cash equivalents from prior year restatements	-	-	3,430
Excess of revenues over expenses increase (decrease)	(43,582)	2,989	(4,808)
Amortization increase (decrease)	(10,120)	(7,384)	-
Impairment increase (decrease)	55,375	591	4,974
Decrease (increase) in land held for resale	(489)	2,168	392
Decrease (increase) in land held for future development	(463)	119	(484)
Increase in other long term liabilities	(721)	1,517	(3,504)
Cash and cash equivalents, as restated	\$ 347	\$ 12,928	\$ 11,945

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 3: CASH AND TEMPORARY INVESTMENTS

	2013	2012	2011
Cash	\$ 13,432	\$ 347	\$ 12,928
Temporary Investments	51,618	43,265	50,132
TOTAL CASH AND TEMPORARY INVESTMENTS	\$ 65,050	\$ 43,612	\$ 63,060

The temporary investments represent restricted amounts aggregating \$33,640 (2012 - \$42,319; 2011 - \$48,045) for the Alberta Cities Transportation Program, Municipal Sustainability Initiative Capital Fund Program, New Deal for Cities and Communities, Federal Gas Tax Fund, Green Transit Incentives Program (GreenTRIP), and Public Housing Grants, which are held exclusively for eligible capital projects, Municipal Sustainability Initiative Operating Grant Program and the Regional Emergency Management Grant funding for operating activities, and funds aggregating \$17,969 (2012 - \$946; 2011 - \$2,087) for Alberta Disaster Recovery program funding for the 2010, 2011 and 2013 flood damages and mitigation works.

These investments have an average yield of 2.08 (2012 - 1.65; 2011 - 1.52) per cent and an average term of 488 (2012 - 116; 2011 - 174) days to maturity.

NOTE 4: ACCOUNTS RECEIVABLE

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2013	2012	2011
Current Taxes Receivable	\$ 2,626	\$ 2,264	\$ 2,400
City Centre Development Agency	9	8	7
Less: Allowance for Tax Adjustments	(5)	(4)	-
SUB-TOTAL	\$ 2,630	\$ 2,268	\$ 2,407

(B) ACCOUNTS RECEIVABLE

	2013	2012	2011
Trade Accounts Receivable	\$ 67,273	\$ 56,595	\$ 49,625
Less: Allowance for Doubtful Accounts	(9,517)	(9,343)	(9,367)
SUB-TOTAL	\$ 57,756	\$ 47,252	\$ 40,258
TOTAL	\$ 60,386	\$ 49,520	\$ 42,665

NOTE 5: ADVANCES TO SUBSIDIARY

	2013	2012	2011
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ 72	\$ 107	\$ 173
Unsecured note, bearing interest at prime plus 1% due on demand	10,597	11,097	11,347
TOTAL	\$10,669	\$11,204	\$ 11,520

Prime Interest for 2013 was 3 per cent; 2012 was 3 per cent; 2011 was 3 per cent.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 6: INVESTMENTS, LOANS AND ADVANCES

	2013		2012		2011	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 17,559	\$ 19,344	\$ 20,244	\$ 23,581	\$ 13,816	\$ 17,926
Provincial Government and Agencies	22,670	23,510	33,356	34,925	41,346	43,939
Canadian Banks	223,760	226,510	297,295	302,748	245,577	252,296
Others	218,553	220,066	95,756	96,850	135,596	137,092
TOTAL	\$ 482,542	\$ 489,430	\$ 446,651	\$ 458,104	\$ 436,335	\$ 451,253

These investments are fixed income and bonds that yield interest rates from 1.65 per cent to 6.87 per cent and mature in periods 2014 through 2106. The investments have an average expected yield of 2.94 per cent and an average term of 6.29 years to maturity.

NOTE 7: INVENTORIES FOR RESALE

	2013	2012	2011
Gas Inventory	\$ 1	\$ 4	\$ -
Concessions	105	85	113
TOTAL	\$ 106	\$ 89	\$ 113

NOTE 8: DEPOSITS AND OTHER ASSETS

	2013	2012	2011
Tax Requisition Over Levies	\$ 24	\$ -	\$ 12
Postage	60	32	27
Refundable Containers	28	28	28
Operating Deposits	1,338	401	-
Gas Royalty Deposits	70	125	188
TOTAL	\$ 1,520	\$ 586	\$ 255

NOTE 9: ACCRUED LIABILITIES

	2013	2012 Restated	2011 Restated
Accrued Wages and Salaries	\$ 8,130	\$ 2,525	\$ 4,261
Vacation Pay	6,323	6,379	6,280
Accrued Interest on Long-Term Debt	1,642	1,848	2,009
Deferred Charges	852	732	752
Accrued Royalties	159	164	73
Other Accrued Liabilities	2,451	2,196	180
TOTAL	\$ 19,557	\$ 13,844	\$ 13,555

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 10: SUBSIDIARY OPERATIONS

Allied Oil & Gas Corp. (Allied) reports under International Financial Reporting Standards (IFRS).

The following table provides condensed supplementary financial information reported separately by Allied at December 31.

	2013	2012	2011
Financial position			
Current assets	\$ 5,432	\$ 4,293	\$ 6,768
Deferred income tax asset	-	86	503
Tangible capital assets	21,549	16,474	11,397
Total assets	26,981	20,853	18,668
Current liabilities	2,033	1,099	2,217
Advances from City of Medicine Hat	10,669	11,204	11,520
Decommissioning obligation	1,673	1,419	994
Deferred income tax Liability	503	-	-
Total liabilities	14,878	13,722	14,731
Net assets (liabilities)	\$ 12,103	\$ 7,131	\$ 3,937

Net Assets are comprised of a surplus of \$8,873, share capital of \$6, and contributed surplus of \$3,224 (Net Assets for 2012 – a surplus of \$3,901, share capital of \$6, and contributed surplus of \$3,224; Net Assets for 2011 – a surplus of \$707, share capital of \$6, and contributed surplus of \$3,224).

	2013	2012	2011
Revenues	\$ 21,426	\$ 17,530	\$ 15,003
Operating expenses	11,013	9,675	6,631
Cash flow from operations	10,413	7,855	8,372
Charitable gift	1,500	1,025	2,050
Depletions and accretion	2,428	2,547	2,189
Net income before income tax	6,485	4,283	4,133
Income tax expense	1,513	1,089	1,135
Net income	4,972	3,194	2,998
Earnings (deficit), beginning of year	4,072	878	(2,120)
Retained earnings (deficit), end of year	9,044	4,072	878
Share capital	6	6	6
Investment (liability) in subsidiary	\$ 9,050	\$ 4,078	\$ 884

The operation of this government business enterprise has been accounted for using the modified equity method of accounting. These financial statements include the net earnings of Allied since the acquisition date.

During the year the City received \$1,500 (2012 – \$1,000; 2011 – \$2,000) from Allied as a gift as described under section 110.1 of the Income Tax Act. During the year the City, by agreement, received management fees from Allied in the amount of \$368 (2012 – \$364; 2011 – \$356). During the year the City bought solution gas from Allied in the amount of \$57 (2012 – \$38; 2011 – \$65). These transactions are measured at the exchange amount, being the amount determined and agreed upon by the parties.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 11: DEFERRED REVENUES & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUES

	Balance 2011	Balance 2012	Additions 2013	Reductions 2013	Balance 2013
Deposits	\$ 130	\$ 182	\$ 1,957	\$ 1,623	\$ 516
Deferred Revenue	3,782	3,962	6,165	6,262	3,865
Alberta Municipal Infrastructure Program	6,774	2,380	-	2,380	-
Alberta Cities Transportation Program	6,485	6,280	3,866	4,482	5,664
Alberta Emergency Disaster Program	2,087	946	23,805	6,782	17,969
Federal Gas Tax Fund	-	1,583	6,915	1,411	7,087
GreenTrip	-	575	12	125	462
Municipal Sustainability Initiative	26,991	25,260	23,969	30,979	18,250
New Deal for Cities and Communities	464	458	9	66	401
Public Housing Grant	226	229	5	-	234
Major Community Facilities Program	3,119	2,935	57	2,992	-
Regional Emergency Management	-	-	252	86	166
Affordable Housing Grant	2,976	1,859	36	519	1,376
Alberta Environment Eco Trust Funding Grant	1,010	760	15	775	-
TOTAL	\$ 54,044	\$ 47,409	\$ 67,063	\$ 58,482	\$ 55,990

Funds from Alberta Municipal Infrastructure Program, Alberta Cities Transportation Program, Municipal Sustainability Initiative, New Deals for Cities and Communities, Public Housing Grant, Major Community Facilities Program, the Affordable Housing Grant, Green Transit Incentives Program (GreenTRIP), and Alberta Environment Eco Trust Funding Grant are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments of \$33,640 (2012 – \$42,319; 2011 – \$48,045) held exclusively for these projects. An additional \$17,969 (2012 – \$946; 2011 - \$2,087) from Alberta Emergency Disaster Program is held for flood damage repairs.

(B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Municipal Transportation Grant (used primarily for roadworks); Municipal Sustainability Initiative Capital Grant (used primarily for the construction of the Police Service Building, 9-1-1 Dispatch upgrade, relocation of the Fire Station and roadworks), Municipal Sustainability Initiative Operating Grant (used primarily for storm sewer and sidewalk maintenance, and support to not for profit organizations), Affordable Housing Grant, Federal Gas Tax Grant (used primarily for Maple Avenue Bridge and Connaught Subdivision Road Upgrade), GreenTRIP (used for Transit); Regional Emergency Management (used for the regional emergency collaboration program), Major Community Facilities Program (used for the Regional Event Centre and the Family Leisure Centre expansion), Building Canada Fund (used for the Family Leisure Centre expansion), and Alberta Disaster Program (used to rebuild City assets destroyed in the 2010, 2011 and 2013 floods).

NOTE 12: 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 \$20 million, by way of prime rate based loans and/or Letters of Credit (in Canadian dollars). This facility is secured by Bylaw No. 3978.

At December 31, 2013, there were Letters of Credit issued in the amount of \$8,367 (2012 – \$8,367; 2011 – \$8,367).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 13: LONG-TERM DEBT

(A)

	2013	2012	2011
Tax Supported	\$ 23,243	\$ 22,464	\$ 24,907
Utilities			
- Electric	70,049	75,933	81,849
- Gas	11,357	8,404	7,547
- Water	59,975	51,538	50,292
- Sewer	43,307	44,369	40,436
- Solid Waste	3,198	3,546	3,605
Total Utilities	187,886	183,790	183,729
TOTAL	\$ 211,129	\$ 206,254	\$ 208,636

	2013	2012	2011
Comprised of:			
- Alberta Capital Finance Authority	\$ 211,129	\$ 206,254	\$ 208,636
TOTAL	\$ 211,129	\$ 206,254	\$ 208,636

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

	Principal	Interest
2014	\$ 20,741	\$ 9,517
2015	19,536	8,388
2016	18,716	7,410
2017	16,197	6,556
2018	16,467	5,811
2019-2042	119,472	29,354
TOTAL	\$ 211,129	\$ 67,036

The debentures have interest payable at rates ranging from 1.6610 per cent to 10.6250 per cent per annum before Provincial Subsidy, and mature in periods 2014 through 2042. The average annual interest rate is 4.53 per cent for 2013 (2012 – 4.80 per cent; 2011 – 5.03 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 2013 was \$9,697 (2012 – \$10,231; 2011 – \$10,871).

(C) DEBT PER CAPITA

(not in thousands of dollars)

	2013	2012	2011
Tax Supported Debentures	\$ 380	\$ 367	\$ 408
Rate Supported Debentures	3,071	3,004	3,007
TOTAL	\$ 3,451	\$ 3,371	\$ 3,415

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

Debt per capita is based on the official census of 61,180 for 2013, (61,180 for 2012; 61,097 for 2011) 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 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.

	2013	2012 (restated)	2011 (restated)
Total Debt Limit	\$ 865,099	\$ 748,605	\$ 763,936
Actual Debt (Long & Short-Term Debt, Loan Guarantees)	213,769	208,730	211,235
AMOUNT UNDER LIMIT	\$ 651,330	\$ 539,875	\$ 552,701
Debt Servicing Limit	\$ 151,392	\$ 131,006	\$ 133,689
Actual Debt Servicing (Long and Short-Term Debt)	30,258	29,626	28,996
AMOUNT UNDER LIMIT	\$ 121,134	\$ 101,380	\$ 104,693

NOTE 14: OTHER LONG-TERM LIABILITIES

(A)

	2013	2012	2011
Offsite Contributions	\$ 7,128	\$ 10,332	\$ 10,675
Asset Retirement Obligation - Gas	164,921	150,741	131,620
Risk Management	-	185	-
Deferred Charges	2,147	2,821	2,795
Employee Retirement Benefits Liability (Note 21)	5,460	5,250	4,621
Sanitary Landfill - Site Abandonment and Restoration	3,772	3,772	3,593
TOTAL OTHER LONG-TERM LIABILITIES	\$ 183,428	\$ 173,101	\$ 153,304

- (B) At December 31, 2013 the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$292,211 (2012 – \$262,990; 2011 – \$217,702), calculated using an inflation rate of 2.14 per cent (2012 – 2.44 per cent; 2011 – 2.3 per cent) per annum. The estimated fair value of this liability was \$164,921 (2012 – \$150,741; 2011 – \$131,620) after discounting the estimated cash flows at a rate of 6.27 per cent (2012 – 5.40 per cent; 2011 – 5.53 per cent). At December 31, 2013, the expected timing of payment for settlement of the obligations ranges from 2 to 37 years.
- (C) The risk management is used by the Gas Utility to manage economic exposure to market risks from fluctuations relating to commodity prices. The company's policy is not to utilize these instruments for speculative purposes. The risk management liability is recorded at its estimated fair value at December 31, 2013 using quoted market prices.
- (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 3.91% (2012 – 3.19%; 2011 – 3.24%) per cent assuming inflation of 2.14% per cent (2012 – 2.44%; 2011 – 2.30%). This calculation resulted in a liability that would be substantially lower than the prior year; as a result the liability remained unchanged from 2012.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(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:

	2013	2012	2011
Estimated Closure Costs	\$ 7,320	\$ 7,320	\$ 7,080
Estimated Post Closure Costs	1,511	1,511	1,390
Estimated Total Costs	8,831	8,831	8,470
Estimated Capacity remaining m ³ (000's)	2,112	2,214	2,298
Portion of Total Liability remaining to be recognized	5,059	5,059	4,877
Estimated Capacity used m ³ (000's)	2,413	2,311	2,227
ACCRUED LIABILITY PORTION	\$ 3,772	\$ 3,772	\$ 3,593

The total capacity of the site is estimated at 4,525,000 cubic meters. The estimated remaining capacity of the landfill site is 2,112,105 (2012 – 2,214,157; 2011 – 2,298,362) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2033. The City has not designated assets for settling closure or post closure liabilities.

NOTE 15: 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 16: TANGIBLE CAPITAL ASSETS

	2013 Net Book Value	2012 Net Book Value (restated)	2011 Net Book Value (restated)
Land	\$ 45,015	\$ 44,308	\$ 43,551
Land Improvements	33,458	30,075	29,691
Buildings	141,460	111,912	104,379
Engineering Structures	625,387	605,528	602,760
Gas and Oil Properties	192,155	257,273	280,071
Machinery, Equipment and Furnishings	29,898	20,666	19,036
Vehicles	17,922	19,062	20,018
TOTAL	\$ 1,085,295	\$ 1,088,824	\$ 1,099,506

The net book value of capital assets not being amortized and under construction is \$50,279 (2012 – \$2,821; 2011 – \$7,430). 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 \$1,126 (2012 – \$188; 2011 – \$915). 2013 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, and curb and sidewalks.

In 2013, the City recognized an impairment of \$52.7 million (\$55.4 million in 2012 and \$0.6 million in 2011) related to their oil and gas assets. The impairment is due to the continually declining current and forward market commodity price for natural gas.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 17: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Tangible Capital Assets	Total 2013	Total 2012 (restated)	Total 2011 (restated)
Balance, beginning of year	\$ 46,835	\$ 352,679	\$ 882,570	\$1,282,084	\$1,295,111	\$1,238,834
Annual surplus (deficit)	28,303	-	-	28,303	(13,027)	56,277
Unrestricted funds designated for future use	(53,277)	53,277	-	-	-	-
Restricted funds used for operations	20,057	(20,057)	-	-	-	-
Current year funds used for tangible capital assets	(97,320)	-	97,320	-	-	-
Contributed tangible capital assets	(1,126)	-	1,126	-	-	-
Disposal of tangible capital assets	1,999	-	(1,999)	-	-	-
Impairment	52,715	-	(52,715)	-	-	-
Annual amortization expense	72,151	-	(72,151)	-	-	-
Long term debt repaid	(20,015)	-	20,015	-	-	-
Balance, End of Year	\$ 50,322	\$ 385,899	\$ 874,166	\$1,310,387	\$1,282,084	\$1,295,111

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 2013 there were \$0.373 excess surplus funds designated restricted (2012 – \$3,220; 2011 – \$nil).

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 2013, the Electric Utility reported an excess surplus of \$34,345, which was designated a restricted amount (2012 – \$31,223; 2011 – \$47,766).

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 2013, the Gas Utility reported an excess surplus of \$10,974, which was designated a restricted amount (2012 – \$3,194; 2011 – \$18,841).

UNRESTRICTED SURPLUS (DEFICIT)	2013	2012 (restated)	2011 (restated)
General Government	\$ 10,216	\$ 9,156	\$ 9,156
Energy Sustainability	41	21	-
Gas	8,888	8,396	7,945
Electric	6,156	5,959	5,658
Water	3,011	1,722	(19)
Sewer	3,816	3,505	3,701
Solid Waste	6,451	5,029	4,531
Land	11,743	13,047	8,870
TOTAL	\$ 50,322	\$ 46,835	\$ 39,842

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

2. Restricted Surplus

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

	2013	2012 (restated)	2011 (restated)
Restricted Surplus - Capital	\$ 25,274	\$ 28,003	\$ 19,579
Restricted Surplus - Reserves	360,625	324,676	344,820
Total Restricted Surplus	\$ 385,899	\$ 352,679	\$ 364,399

Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2013	2012 (restated)	2011 (restated)
General Government	\$ 2,270	\$ 1,616	\$ 2,739
Gas	8,408	9,231	16,948
Electric	13,701	12,910	(1,126)
Water	(2,414)	187	402
Sewer	(557)	2,103	(217)
Solid Waste	1,107	532	75
Land and Properties	2,759	1,424	758
TOTAL	\$ 25,274	\$ 28,003	\$ 19,579

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 2011	Balance 2012	2013 Additions	2013 Reductions	Balance 2013
Employee development	\$ 789	\$ 873	\$ 352	\$ 39	\$ 1,186
Victim assistance	19	22	22	20	24
Second Street properties	84	84	-	-	84
Fleet replacement	2,471	4,485	4,564	2,212	6,837
Art acquisitions	82	65	24	1	88
Infrastructure	23,090	27,402	16,430	15,174	28,658
Employee benefits	11,111	8,512	1,214	2,018	7,708
Community capital	44,527	44,371	20,151	26,244	38,278
Event centre	20,326	35,922	25,118	9,273	51,767
Nature's Best	3,783	3,479	546	3,164	861
Electric facility and equipment	63,792	81,191	34,345	2,943	112,593
Gas depletion	173,868	114,198	6,002	16,703	103,497
SUB TOTAL	343,942	320,604	108,768	77,791	351,581
Equity (Deficit) in subsidiary	878	4,072	4,972	-	9,044
TOTAL	\$ 344,820	\$ 324,676	\$ 113,740	\$ 77,791	\$ 360,625

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

3. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2013	2012 (restated)	2011 (restated)
Tangible capital assets (Schedule 1)	\$ 2,354,191	\$ 2,295,406	\$ 2,233,601
Accumulated amortization (Schedule 1)	(1,268,896)	(1,206,582)	(1,134,095)
Long-term debt (Note 13)	(211,129)	(206,254)	(208,636)
Equity in Tangible Capital Assets	\$ 874,166	\$ 882,570	\$ 890,870

NOTE 18: TRUST FUNDS

The City of Medicine Hat records as funds held in trust all 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 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, 2013 are \$1,751 (2012 – \$ 1,632; 2011 – \$1,669). 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 2011	Balance 2012	Additions	Interest Earned	Funds Released	Balance 2013
Cemetery - Perpetual Care	\$ 1,470	\$ 1,556	\$ 269	\$ 71	\$ 215	\$ 1,681
Seniors Foundation	113	49	-	1	6	44
Art Gallery Acquisitions	10	10	-	-	-	10
Donna MacLean Museum Trusts	7	8	-	-	2	6
Pitch Trust	1	1	-	-	-	1
Bell West	8	8	-	1	-	9
Northlands Waterline Warranty	60	-	-	-	-	-
TOTAL TRUST FUNDS	\$ 1,669	\$ 1,632	\$ 269	\$ 73	\$ 223	\$ 1,751

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 19: SALARY AND BENEFITS DISCLOSURE

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

	Salary ¹	Benefits & Allowances ²	Total 2013	2012	2011
Mayor Normand Boucher	\$ 58	\$ 51	\$ 109	\$ 121	\$ 107
Mayor Ted Clugston	7	7	14	-	-
Councillor:					
Clugston, T	19	19	38	41	43
Cocks, W	2	1	3	-	-
Craven, W	19	18	37	37	36
Dumanowski, R	21	22	43	39	38
Friesen, J	2	1	3	-	-
Hamill, J	19	20	39	39	41
Kelly, G	19	17	36	36	36
Mcintosh, J	2	3	5	-	-
Pearson, L	21	24	45	44	41
Symmonds, C	2	4	6	-	-
Thompson, J	12	10	22	42	42
Turnbull, P	19	16	35	37	36
Turner, J	2	4	6	-	-
Varga, B	2	4	6	-	-
CAO - Municipal Services	233	70	303	288	277
COO - Energy Services	352	91	443	437	412
Designated Officers (8)	1,117	190	1,307	1,208	1,102

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.

NOTE 20: 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 and in 2012 served about 223,643 people and 428 employers (2011 – 214,328 and 428). The Police Officers are members of the Special Forces Pension Plan (SFPP) and in 2012 served about 6,584 members and 7 employers (2011 – 6,433 and 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2013 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 10.43 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 14.47 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 2013 were \$9,983 (2012 – \$9,347; 2011 – \$8,489). Total current service contributions by the employees for 2013 were \$9,159 (2012 – \$8,543; 2011 – \$7,735).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

At December 31, 2012 LAPP disclosed an actuarial deficit of \$4.98 billion.

At December 31, 2012 SFPP disclosed an actuarial deficit of \$498.9 million.

NOTE 21: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2013 an actuarial accounting valuation for the plan was performed for the year ended December 31, 2012 with a projection for 2013. Information about the plan is as follows:

	2013	2012	2011
Accrued Benefit Obligation			
Balance, Beginning of Year	\$ 5,250	\$ 4,621	\$ 4,403
Current Service Cost	157	166	151
Interest Cost	213	220	209
Benefits Paid	(160)	(125)	(142)
Unrecognized Actuarial Losses (Gains)	-	368	-
Balance, End of Year, Benefit Plan Deficit	\$ 5,460	\$ 5,250	\$ 4,621

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

	2013	2012	2011
Discount Rate	4.05%	4.75%	4.75%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	8.58 years	7.33 Years	8.33 Years

NOTE 22: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2013 was \$327 (Gas) and \$8,487 (Electric) (2012 – \$161 and \$8,372; 2011 – \$54 and \$8,251).

NOTE 23: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2013 operating budget approved by Council. Adjustments to budgeted values were required to provide comparative budget values 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 24 provides the approved capital budget for 2013.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

	2013 Budget
Revenue	
Approved operating budgets	\$ 473,854
Adjustments	(114,143)
	<u>359,711</u>
Expense	
Approved operating expenses	448,231
Adjustments	(80,735)
	<u>367,496</u>
Other revenue	
Contributed capital assets	3,769
Adjustments	(2,643)
Government transfers for capital	14,604
	<u>15,730</u>
ANNUAL SURPLUS	<u><u>\$ 7,945</u></u>

NOTE 24: CAPITAL COMMITMENTS

(A) 2013 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Assets is the 2013 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$85,683 (2012 – \$30,872; 2011 – \$37,414) carried forward from previous budget years, as well as costs related to the 2013 Budget.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2013 a number of capital projects were in progress and will be completed in 2014 or subsequent years. The unexpended appropriation related to these projects is \$372,796 (2012 – \$361,813; 2011 – \$179,225). Significant projects are:

- **Gas Utility**

Oil and Gas Drilling (\$88,153), Oil and Gas Well Facilities (\$21,279), Oil and Gas Well Gathering (\$12,374), Well Repair and Abandonments (\$19,452), Mineral Acquisitions (\$9,361), Building (\$1,200), Gas Distribution Projects (\$2,159), and Projects Operated by Third Parties (\$11,447).

- **Electric Utility**

13kV Distribution Systems (\$1,901), Blackstart Project (\$2,457), Substation Transformers (\$5,522), Tools & Equipment (\$1,440), Distribution Transmission System (\$13,857), Distribution Substations (\$1,105), Brier Park Building Renovations (\$1,250).

- **Municipal Works**

Parkview Drive Extension (\$1,265), South Railway Storm Trunk (\$5,000), Maple Avenue Bridget Rehabilitation & Intersection Improvements (\$8,530), Bridge Rehabilitation (\$1,929) and Airport Terminal Building Extension (\$2,345).

- **Parks**

Family Leisure Centre expansion (\$33,555) and Future School Site Landscape (\$1,177).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

- **Corporate Asset Management**

Fleet Services 2009, 2010, 2011, 2012 and 2013 Mobile Equipment Replacement Programs (\$11,858), Environmental Utilities / Municipal Works Building (\$14,044), Transit Bus Storage (\$2,921); Police Service Building (\$1,240), and CNG Fueling Station (\$1,484).

- **Finance**

Enterprise Resource Planning System (ERP) (\$3,398).

- **Community Development**

2008 - 2010 Affordable Housing Projects (\$1,886).

- **Water Utility**

AMI Meter Replacement (\$2,892); 2012 & 2013 Watermain Replacement (\$2,985); South West Sector Water Supply System Upgrade (\$11,812); Residual Treatment Facility (\$3,670).

- **Sewer Utility**

Sanitary Sewer Lift Station Upgrades (\$1,139), and Sewer Main Replacement (Downtown) (\$1,600).

- **Solid Waste Utility**

Landfill Capacity Study and Land Acquisition (\$8,500) and Materials Recycling Facility Expansion (\$8,389).

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$8,307), Southlands (\$2,876), Burnside Heights (\$1,970), and Saamis Heights 7 (\$9,925).

(C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2012 – 2014 Capital Improvement Plans for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Land and Properties:

2012	\$ 232,978
2013	116,763
2014	124,692
2015 - 2021 Projection	777,128
TOTAL	\$ 1,251,561

Financing sources identified:

	2012	2013	2014
Government Grants	\$ 33,612	\$ 14,604	\$ 7,552
Current Revenues	24,188	20,359	28,573
Debentures			
Tax Supported	3,892	3,689	3,165
Utilities	32,898	21,675	31,550
Reserves	121,086	50,871	45,717
Direct Charges and Other	17,302	5,565	8,135
TOTAL	\$ 232,978	\$ 116,763	\$ 124,692

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

NOTE 25: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2013. 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 are unknown and as such the fair value of these liabilities cannot be reasonably determined.

NOTE 26: FINANCIAL INSTRUMENTS

The City, as part of its operations, carries a number of financial instruments. It is management's opinion 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 27: COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

NOTE 28: 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:
 - Legislative is comprised of City Clerk, Mayoral and Aldermanic services.
 - General Government is comprised of corporate administration, Legal, Business Support, Corporate Communications and Human Resources.
 - Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services, Treasury & Risk Management, Purchasing and Stores, and Fleet Services) and general municipal services.
 - 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.
- 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

- 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) Energy Sustainability 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.
- 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 Properties 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 Enterprise is operated on a self-sustaining basis.

The segmented reports display revenue and expenses sorted by object code. 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 received on account of short term and long term deposits and investments.
- **Investment in subsidiary** represents the net income from subsidiary operations.
- **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.
- **Charitable gifts** refer to a gift from the City's wholly owned subsidiary as described under section 110.1 of the Income Tax Act.
- **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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of dollars)

- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Transfers from Utilities and Land** include contributions from Utilities and Land and Properties to tax supported operations.

B) EXPENSES

- **Salaries wages and benefits** include all salaries, wages [including overtime, statutory holidays, shift differential, relief time], employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, supplies and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short term Interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long term debt** includes interest charge on the 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 asset's lifetime.
- **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.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules

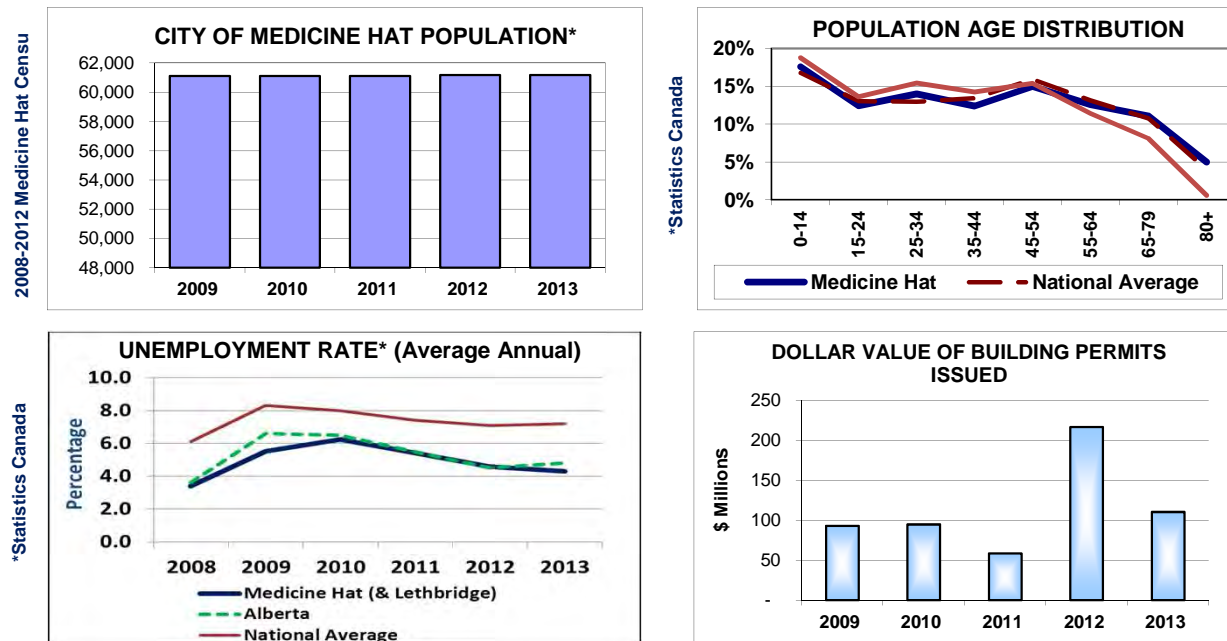
(unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

DEMOGRAPHICS & OTHER INFORMATION



OTHER

	2009	2010	2011	2012	2013
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	394	393	392	392	395.5
Km of water mains	430	424	424	424.5	429.1
Km of storm drainage mains	236	238	237	238	235.7

Principal Corporate Tax Payers in Medicine Hat

Primaris Management Inc. (Mall & Dunmore Rd Properties)	Meadowlands Development Corporation
Wal-Mart Canada Corporation	Canadian Property Holdings (Alberta) Inc.
Mayfiled Investments Ltd.	Fortis Properties Corporation
Evangelical Missionary Church Canada W (Chinook Village)	Alberta Social Housing Corporation
Southview Centre Medicine Hat (Southview Mall)	Costco Wholesale Canada Ltd.
Royop (Southlands) Development Ltd.	Canadian Tire Properties Inc.

Principal Employers in Medicine Hat

Medicine Hat Regional Hospital	Canadian Pacific Railway
City of Medicine Hat	Wal-Mart
Medicine Hat School District	The Real Canadian Superstore
Medicine Hat College	Medicine Hat Catholic Board of Education
Canada Safeway Ltd.	Goodyear Canada

City of Medicine Hat Employees	2009	2010	2011	2012	2013
Legislative	5.5	5.5	5.5	7.0	6.5
General Government	41.8	40.0	40.0	40.0	40.0
Corporate Services	138.5	139.5	139.5	140.0	134.6
Public Services	336.0	343.1	342.6	350.4	349.4
Police Service	151.5	153.5	156.5	165.0	168.0
Development & Infrastructure	93.1	94.1	96.1	96.3	98.0
Total Full Time Equivalent Employees:	766.4	775.7	780.2	798.7	796.5
Gas Utility	148.0	151.0	153.0	151.0	156.0
Electric Utility (& Energy Sustainability)	110.8	110.8	109.8	117.7	117.7
Water Utility	37.3	38.3	39.3	40.8	41.3
Sewer Utility	39.0	38.2	39.2	39.7	40.2
Solid Waste Utility	34.4	34.4	34.4	34.4	34.4
Land & Properties	5.0	5.0	5.0	5.0	5.0
Total Full Time Equivalent Employees:	1,140.9	1,153.4	1,160.9	1,187.3	1,191.1

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2009 - 2013

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2013	2012 Restated	2011 Restated	2010 Restated	2009
Financial assets					
Cash and temporary investments	\$ 65,050	\$ 43,612	\$ 63,060	\$ 62,586	\$ 38,447
Accounts receivable (net of allowances)	60,386	49,520	42,665	41,933	45,659
Advances to subsidiary	10,669	11,204	11,520	13,419	14,911
Investment in subsidiary	9,050	4,078	884	-	-
Investments, loans & advances	482,542	446,651	436,335	381,630	343,547
Land held for resale	2,951	5,957	6,317	8,512	10,027
Inventories for resale	106	89	113	175	160
Deposits	1,520	586	255	348	8,445
Total financial assets	\$ 632,274	\$ 561,697	\$ 561,149	\$ 508,603	\$ 461,196
Liabilities					
Trade accounts payable	\$ 38,552	\$ 26,111	\$ 29,749	\$ 21,344	\$ 24,042
Accrued liabilities	19,557	13,844	13,555	15,506	20,344
Liability in subsidiary	-	-	-	2,114	4,113
Deferred revenues	55,990	47,409	54,044	55,655	37,694
Long-term debt	211,129	206,254	208,636	215,033	216,189
Other long-term liabilities	183,428	173,101	153,304	125,236	121,617
Total liabilities	508,656	466,719	459,288	434,888	423,999
Net financial assets	123,618	94,978	101,861	73,715	37,197
Non-financial assets					
Inventories	10,916	11,773	12,141	15,023	16,558
Prepaid assets	2,225	1,958	1,942	1,906	1,614
Land held for future development	16,583	13,880	13,504	13,504	11,866
Long lived asset	71,750	70,671	66,157	52,563	60,085
Tangible capital assets	1,085,295	1,088,824	1,099,506	1,082,123	1,101,874
	1,186,769	1,187,106	1,193,250	1,165,119	1,191,997
	\$ 1,310,387	\$ 1,282,084	\$ 1,295,111	\$ 1,238,834	\$ 1,229,194

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2009 - 2013

(In thousands of dollars)

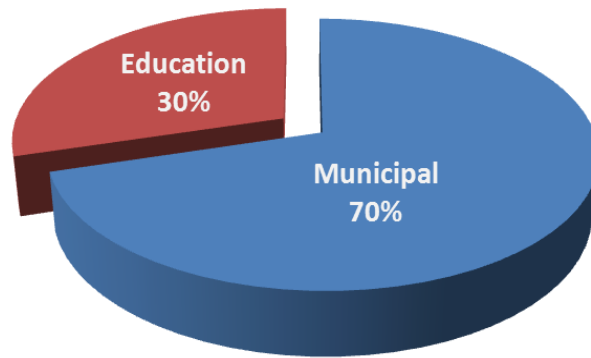
STATEMENT OF OPERATIONS

	2013	2012 Restated	2011 Restated	2010 Restated	2009
REVENUE FROM:					
Taxes	\$ 73,167	\$ 70,558	\$ 66,580	\$ 67,631	\$ 63,924
Less - requisitions	(21,963)	(22,080)	(20,867)	(23,203)	(22,155)
	51,204	48,478	45,713	44,428	41,769
Sale of services					
General Government	9,812	9,733	9,315	9,237	8,240
Gas	107,722	92,122	98,711	100,858	104,662
Electric	113,268	105,744	117,362	76,109	69,993
Water	16,272	15,756	15,084	12,549	13,205
Sewer	13,219	12,717	11,819	10,750	10,080
Solid Waste	7,906	7,816	7,854	7,589	7,557
Land and Properties	9,626	7,706	4,288	9,707	11,480
Other income					
Investment income	13,087	14,485	15,466	14,792	13,365
Investment in subsidiary	4,972	3,194	2,998	1,999	740
Licenses, fines and penalties	6,092	7,327	5,877	6,126	5,905
Insurance recovery	7,791	466	134	755	189
Development levies	7,698	1,693	1,943	1,430	1,966
Charitable gifts	1,500	1,000	2,000	2,500	2,000
Government transfers for operating	13,507	9,143	10,406	6,075	4,795
Other	32,475	22,586	20,990	14,171	11,680
Total revenue	\$ 416,151	\$ 359,966	\$ 369,960	\$ 319,075	\$ 307,626
EXPENSES:					
General Government	\$ 141,312	\$ 132,101	\$ 129,505	\$ 118,618	\$ 107,079
Gas	188,443	181,754	114,388	127,314	122,940
Electric	64,479	59,417	60,961	53,682	41,289
Energy Sustainability	858	947	1,254	1,967	921
Water	11,335	10,278	10,097	9,413	8,410
Sewer	11,070	10,586	9,640	8,914	8,257
Solid Waste	6,631	6,275	4,394	4,931	3,993
Land and Properties	1,387	1,491	4,628	2,126	2,254
Total expenses	\$ 425,515	\$ 402,849	\$ 334,867	\$ 326,965	\$ 295,143
Excess (deficiency) of revenue over expenses					
- before other revenue	\$ (9,364)	\$ (42,883)	\$ 35,093	\$ (7,890)	\$ 12,483
Other					
Contributed tangible capital assets	1,126	188	915	1,585	6,019
Government transfers for capital	36,541	29,668	20,269	12,515	21,351
Total other	37,667	29,856	21,184	14,100	27,370
Annual Surplus (deficit)	\$ 28,303	\$ (13,027)	\$ 56,277	\$ 6,210	\$ 39,853

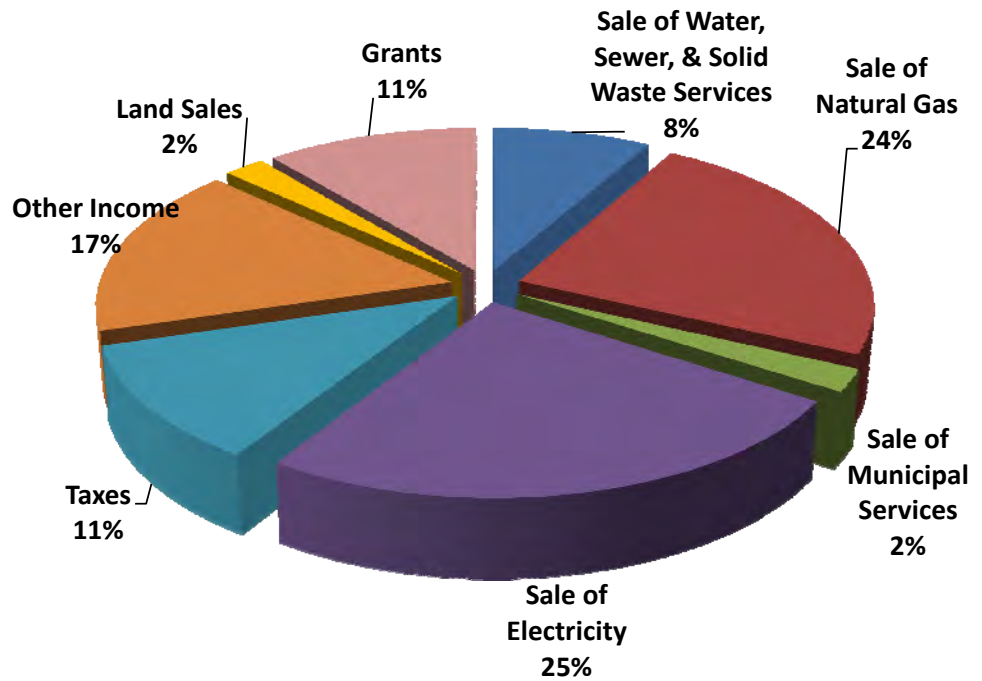
FINANCIAL SYNOPSIS 2013

Operating Activities

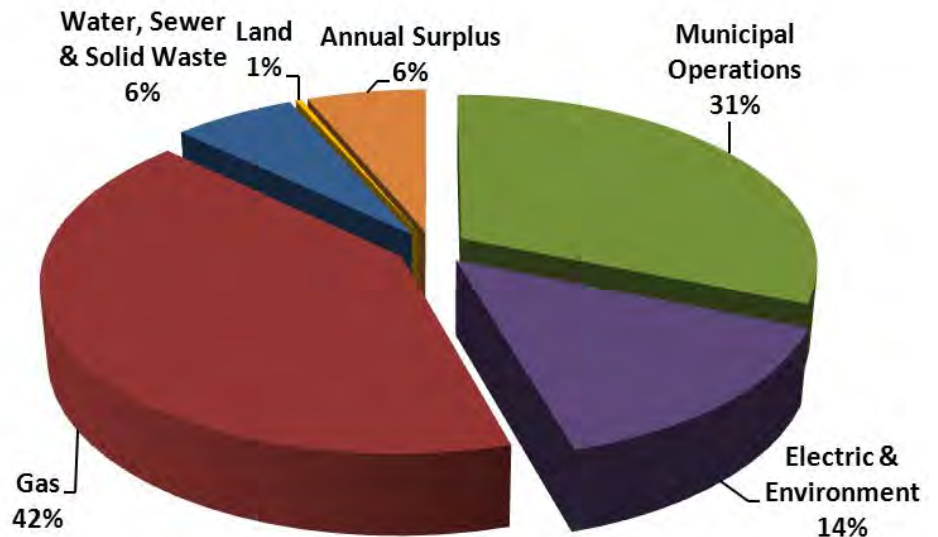
Where our tax dollars went in 2013
Education / Municipal
Property Tax



Where the money comes
from \$454 Million



Where the money goes
\$454 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

TAXATION & ASSESSMENT

MILL RATES

	2013	2012	2011	2010	2009
MUNICIPAL					
Single family	5.6662	5.2292	4.9859	4.9342	4.4322
Apartments	9.3837	6.3365	6.0426	5.9799	5.3421
Farmland	27.0427	23.0108	22.0029	21.8495	18.5674
Commercial and industrial	16.7190	14.3528	13.7647	13.6288	12.9789
EDUCATION					
Single family	2.5971	2.7165	2.5837	2.5854	2.4167
Apartments	2.5971	2.7165	2.5837	2.5854	2.4167
Farmland	2.5971	2.7165	2.5837	2.5854	2.4167
Commercial and industrial	3.5509	3.7519	3.6139	3.4559	3.4214
OTHER					
Single family	0.1012	0.1027	0.1136	0.2105	0.1090
Apartments	0.1012	0.1027	0.1136	0.2105	0.1090
Farmland	0.1012	0.1027	0.1136	0.2105	0.1090
Commercial and industrial	0.1012	0.1027	0.1136	0.2105	0.1090

PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2013	2012	2011	2010	2009
Municipal	\$ 49,971	\$ 47,155	\$ 44,448	\$ 43,639	\$ 41,173
Education	21,181	21,313	20,030	19,771	19,550
Other	782	767	837	1,542	839
TOTAL REAL PROPERTY	\$ 71,934	\$ 69,235	\$ 65,315	\$ 64,952	\$ 61,562
Current taxes collected	70,185	67,929	63,839	63,490	60,266
% of current taxes collected	96.39%	96.76%	96.40%	96.42%	96.76%
OTHER MAJOR TAXES LEVIED	2013	2012	2011	2010	2009
Linear property taxes	\$ 877	\$ 966	\$ 909	\$ 894	\$ 722
local improvements	356	357	356	363	267
TOTAL MAJOR TAX LEVIED	\$ 1,233	\$ 1,323	\$ 1,265	\$ 1,257	\$ 989

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2013	2012	2011	2010	2009
Residential	\$ 5,811,948,992	\$ 5,756,285,834	\$ 5,691,105,516	\$ 5,614,924,146	\$ 5,970,035,800
Multi-family	267,260,081	238,931,193	248,615,445	255,552,523	274,249,115
Farmland	4,532,224	4,547,194	5,838,504	2,263,484	2,276,144
Commercial and industrial	1,642,661,593	1,509,509,856	1,480,003,582	1,738,050,296	1,463,126,680
TOTAL TAXABLE ASSESSMENT	\$ 7,726,402,890	\$ 7,509,274,077	\$ 7,425,563,047	\$ 7,610,790,449	\$ 7,709,687,739

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2013	2012 Restated	2011 Restated	2010 Restated	2009
General	\$ 10,216	\$ 9,156	\$ 9,156	\$ 9,200	\$ 8,766
Energy Sustainability	41	21	-	32	(10)
Gas	8,888	8,396	7,945	8,309	7,250
Electric	6,156	5,959	5,658	6,543	6,682
Water	3,011	1,722	(19)	(1,901)	1,301
Sewer	3,816	3,505	3,701	3,662	2,096
Solid Waste	6,451	5,029	4,531	2,981	587
Land & Properties	11,743	13,047	8,870	10,438	12,307
TOTAL UNRESTRICTED SURPLUS	50,322	46,835	39,842	39,264	38,979
RESTRICTED SURPLUS - RESERVES					
Employee development	1,186	873	789	761	837
Victim assistance	24	22	19	18	18
Second street properties	84	84	84	84	84
Fleet replacement	6,837	4,485	2,471	4,011	6,097
Art acquisitions	88	65	82	94	76
Infrastructure	28,658	27,402	23,090	25,737	21,900
Employee benefits	7,708	8,512	11,111	10,805	9,700
Community capital	38,278	44,371	44,527	47,618	27,668
Event Centre	51,767	35,922	20,326	-	-
Natures Best Reserve	861	3,479	3,783	4,323	5,619
Electric facilities and equipment	112,593	81,191	63,792	23,166	17,464
Gas depletion	103,497	114,198	173,868	191,974	189,249
Equity in subsidiary company	9,044	4,072	878	(2,120)	(4,119)
SUB-TOTAL RESERVES	360,625	324,676	344,820	306,471	274,593
Internal loans contra	-	-	-	(325)	(664)
TOTAL RESTRICTED SURPLUS - RESERVES	360,625	324,676	344,820	306,146	273,929
TOTAL RESERVES & SURPLUS	\$ 410,947	\$ 371,511	\$ 384,662	\$ 345,410	\$ 312,908

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

LONG TERM DEBT

	2013	2012	2011	2010	2009
LONG TERM DEBT					
Debt supported by taxes	\$ 23,243	\$ 22,464	\$ 24,907	\$ 27,363	\$ 29,439
Debt supported by utilities	187,886	183,790	183,729	187,670	186,750
TOTAL DEBT	\$ 211,129	\$ 206,254	\$ 208,636	\$ 215,033	\$ 216,189

DEBT PER CAPITA

(not in thousands of dollars)

	2013	2012	2011	2010	2009
Tax supported	\$ 423	\$ 367	\$ 408	\$ 448	\$ 482
Utility supported	3,071	3,004	3,007	3,072	3,057
TOTAL DEBT PER CAPITA	\$ 3,494	\$ 3,371	\$ 3,415	\$ 3,520	\$ 3,539

2013 population 61,180 municipal census

2012 population 61,180 municipal census

2011 population 61,097 municipal census

2010 population 61,097 municipal census

2009 population 61,097 municipal census

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

Actual debt servicing (short and long term)

Total operating expenses

PERCENTAGE

2013	2012	2011	2010	2009
	Restated	Restated	Restated	
\$ 30,258	\$ 29,626	\$ 28,996	\$ 28,897	\$ 27,997
425,515	402,849	334,867	326,965	295,143
7.11%	7.35%	8.66%	8.84%	9.49%

LEGAL DEBT LIMIT

Total debt limit

Actual debt and loan guarantees

AMOUNT UNDER LIMIT

Percentage used

2013	2012	2011	2010	2009
	Restated	Restated	Restated	
\$ 865,099	\$ 748,605	\$ 763,936	\$ 658,180	\$ 582,031
213,769	208,760	211,235	217,383	218,539
\$ 651,330	\$ 539,845	\$ 552,701	\$ 440,797	\$ 363,492
24.71%	27.89%	27.65%	33.03%	37.55%

DEBT SERVICING LIMIT

Debt servicing limit

Actual debt servicing (short and long term)

AMOUNT UNDER LIMIT

Percentage used

2013	2012	2011	2010	2009
	Restated	Restated	Restated	
\$ 151,392	\$ 131,006	\$ 133,689	\$ 115,182	\$ 101,855
30,258	29,626	28,996	28,897	27,997
\$ 121,134	\$ 101,380	\$ 104,693	\$ 86,285	\$ 73,858
19.99%	22.61%	21.69%	25.09%	27.49%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2013	2013	2012	2011	2010	2009
	Budget	Actual	Restated	Restated	Restated	
Salaries, wages and benefits	\$ 121,775	\$ 121,057	\$ 117,304	\$ 111,324	\$ 105,897	\$ 95,948
Contracted and general services	50,362	61,720	46,803	44,265	40,821	34,250
Materials, goods and utilities	60,611	51,264	45,927	46,994	38,136	38,887
Provisions for allowances	386	390	437	367	391	311
Bank charges and short-term interest	121	134	157	189	122	186
Interest on long-term debt	10,277	9,697	10,231	10,871	11,255	10,887
Grants and other transfers	3,242	2,370	3,347	3,103	1,067	799
Other operating expenses	44,581	52,460	44,796	40,861	31,595	25,979
Amortization of tangible capital assets	76,141	72,151	77,573	73,917	91,311	87,454
Impairment	-	52,715	55,375	591	4,974	-
Loss on disposal of tangible capital assets	-	1,557	899	2,385	1,396	442
TOTAL EXPENSES	\$ 367,496	\$ 425,515	\$ 402,849	\$ 334,867	\$ 326,965	\$ 295,143

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2013 Budget	2013 Actual	2012 Restated	2011 Restated	2010 Restated	2009
REVENUE						
Legislative	\$ 729	\$ 833	\$ 756	\$ 620	\$ 686	\$ 571
General Government	3,085	4,859	3,066	3,128	3,084	2,688
Corporate Services	106,987	129,529	120,144	117,530	117,356	114,325
Development & Infrastructure	8,533	15,023	10,729	8,976	8,711	5,937
Public Services	12,771	18,754	14,678	16,626	14,168	12,252
Police Services	7,942	8,146	8,125	8,037	7,606	6,865
TOTAL REVENUE	140,047	177,144	157,498	154,917	151,611	142,638
EXPENSES						
Legislative	1,831	2,002	1,637	1,460	1,679	1,457
General Government	7,765	8,301	7,750	7,424	7,714	6,737
Corporate Services	31,736	33,030	30,911	30,422	28,323	27,290
Development & Infrastructure	32,449	34,817	32,828	32,475	28,403	25,429
Public Services	52,434	56,929	51,708	53,128	49,426	45,960
Police Services	24,023	23,516	22,972	22,181	21,430	19,866
TOTAL EXPENSES	150,238	158,595	147,806	147,090	136,975	126,739
Excess (deficiency) of revenue over expenses	\$ (10,191)	\$ 18,549	\$ 9,692	\$ 7,827	\$ 14,636	\$ 15,899

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Aldermen, Mailroom & City Clerk

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
City Clerk	\$ 664	\$ 701	\$ 586	\$ 499	\$ 576	\$ 466
Mailroom	40	107	170	121	110	105
Boards and committees	25	25	-	-	-	-
TOTAL REVENUE	729	833	756	620	686	571
EXPENSES						
Mayor	249	229	243	135	143	130
Aldermen	402	348	322	313	306	341
City Clerk	705	854	633	661	890	524
Mailroom	291	394	307	268	340	320
Boards and Committees	184	177	132	83	-	142
TOTAL EXPENSES	1,831	2,002	1,637	1,460	1,679	1,457
Excess (deficiency) of revenue over expenses	\$ (1,102)	\$ (1,169)	\$ (881)	\$ (840)	\$ (993)	\$ (886)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, ALDERMAN, MAILROOM & CITY CLERK

Legislative

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other Income						
Internal recovery	\$ 703	\$ 790	\$ 751	\$ 619	\$ 597	\$ 571
Insurance recovery	-	1	-	-	-	-
Other revenue	1	29	5	1	2	-
Government transfers						
Government transfers for operating	25	13	-	-	87	-
TOTAL REVENUE	729	833	756	620	686	571
EXPENSES						
Salaries, wages and benefits	1,116	1,187	1,072	1,013	1,097	980
Other personnel costs	120	92	62	76	61	84
Contracted and general services	449	576	392	256	395	282
Materials and supplies	50	60	44	52	59	49
Interest on long-term debt - infrastructure	2	2	2	2	4	1
Amortization of tangible capital assets	43	28	12	19	19	22
Internal charges	51	57	53	42	44	39
TOTAL EXPENSES	1,831	2,002	1,637	1,460	1,679	1,457
Excess (deficiency) of revenue over expenses	\$ (1,102)	\$ (1,169)	\$ (881)	\$ (840)	\$ (993)	\$ (886)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

CAO, Commissioners & City Solicitor; Business Support; Corporate Communications; Human Resources

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
CAO, Commissioners & City Solicitor	\$ 1,058	\$ 2,390	\$ 1,035	\$ 1,009	\$ 1,014	\$ 906
Business Support	-	1	-	107	11	1
Corporate Communications	326	337	330	327	366	303
Human Resources	1,701	2,131	1,701	1,685	1,693	1,478
TOTAL REVENUE	3,085	4,859	3,066	3,128	3,084	2,688
EXPENSES						
CAO, Commissioners & City Solicitor	2,599	2,748	2,599	2,479	2,684	2,287
Business Support	1,079	1,439	1,286	997	959	846
Corporate Communications	548	419	416	530	551	415
Human Resources	3,539	3,695	3,449	3,418	3,520	3,189
TOTAL EXPENSES	7,765	8,301	7,750	7,424	7,714	6,737
Excess (deficiency) of revenue over expenses	\$ (4,680)	\$ (3,442)	\$ (4,684)	\$ (4,296)	\$ (4,630)	\$ (4,049)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Internal recovery	\$ 1,055	\$ 1,028	\$ 1,015	\$ 1,006	\$ 984	\$ 905
Other revenue	3	7	20	3	2	1
Government transfers						
Government transfers for operating	-	1,355	-	-	28	-
TOTAL REVENUE	1,058	2,390	1,035	1,009	1,014	906
EXPENSES						
Salaries, wages and benefits	2,154	2,279	2,159	2,085	2,156	1,825
Other personnel costs	64	39	45	51	58	36
Contracted and general services	174	214	202	138	174	247
Materials and Supplies	52	58	39	46	35	37
Internal charges	155	158	154	159	261	142
TOTAL EXPENSES	2,599	2,748	2,599	2,479	2,684	2,287
Excess (deficiency) of revenue over expenses	\$ (1,541)	\$ (358)	\$ (1,564)	\$ (1,470)	\$ (1,670)	\$ (1,381)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

BUSINESS SUPPORT

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Other revenue	\$ -	\$ 1	\$ -	\$ 107	\$ 11	\$ 1
TOTAL REVENUE	-	1	-	107	11	1
EXPENSES						
Salaries, wages and benefits	120	134	126	114	115	112
Other personnel costs	5	2	1	1	3	4
Contracted and general services	829	1,206	1,063	782	734	641
Materials and supplies	5	3	11	3	5	14
Other transfers	17	19	13	-	-	-
Interest on long-term debt - infrastructure	-	-	-	2	1	-
Amortization of tangible capital assets	18	18	18	18	16	14
Internal charges	85	57	54	77	85	61
TOTAL EXPENSES	1,079	1,439	1,286	997	959	846
Excess (deficiency) of revenue over expenses	\$ (1,079)	\$ (1,438)	\$ (1,286)	\$ (890)	\$ (948)	\$ (845)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Internal recovery	\$ 325	\$ 327	\$ 330	\$ 324	\$ 316	\$ 303
Other revenue	1	2	-	-	-	-
Government transfers						
Government transfers for operating	-	8	-	3	50	-
TOTAL REVENUE	326	337	330	327	366	303
EXPENSES						
Salaries, wages and benefits	419	316	340	437	344	295
Other personnel costs	9	3	4	8	12	4
Contracted and general services	94	69	44	54	138	92
Materials and supplies	9	9	5	16	27	13
Internal charges	17	22	23	15	30	11
TOTAL EXPENSES	548	419	416	530	551	415
Excess (deficiency) of revenue over expenses	\$ (222)	\$ (82)	\$ (86)	\$ (203)	\$ (185)	\$ (112)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Internal recovery	\$ 1,680	\$ 1,739	\$ 1,683	\$ 1,591	\$ 1,593	\$ 1,453
Other revenue	21	81	16	21	17	22
Government transfers						
Government transfers for operating	-	311	2	73	83	3
TOTAL REVENUE	1,701	2,131	1,701	1,685	1,693	1,478
EXPENSES						
Salaries, wages and benefits	2,418	2,645	2,519	2,432	2,442	2,228
Other personnel costs	51	33	37	44	42	35
Contracted and general services	534	481	348	414	456	336
Materials and supplies	96	136	89	78	114	75
Interest on long-term debt - infrastructure	18	18	26	37	47	51
Amortization of tangible capital assets	158	160	159	158	158	113
Internal charges	264	222	271	255	261	351
TOTAL EXPENSES	3,539	3,695	3,449	3,418	3,520	3,189
Excess (deficiency) of revenue over expenses	\$ (1,838)	\$ (1,564)	\$ (1,748)	\$ (1,733)	\$ (1,827)	\$ (1,711)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES - restated

Finance; ICS; Corporate Asset Management; General Municipal Revenues

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Finance	\$ 6,456	\$ 6,614	\$ 6,148	\$ 5,852	\$ 5,874	\$ 5,780
Information & Computer Services	2,516	2,503	2,691	2,398	2,489	2,427
Corporate Asset Management	11,973	15,269	11,704	11,126	10,521	9,930
General Municipal Revenues	86,042	105,143	99,601	98,154	98,472	96,188
TOTAL REVENUE	106,987	129,529	120,144	117,530	117,356	114,325
EXPENSES						
Finance	10,050	9,833	9,848	9,504	8,936	8,473
Information & Computer Services	2,872	2,847	2,763	3,105	3,053	2,770
Corporate Asset Management	17,328	18,348	15,821	16,917	15,691	13,969
General Municipal Revenues	1,486	2,002	2,479	896	643	2,078
TOTAL EXPENSES	31,736	33,030	30,911	30,422	28,323	27,290
Excess of revenue over expenses	\$ 75,251	\$ 96,499	\$ 89,233	\$ 87,108	\$ 89,033	\$ 87,035

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE - restated

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Internal recovery	\$ 5,828	\$ 5,874	\$ 5,441	\$ 5,142	\$ 5,163	\$ 5,027
Insurance recovery	-	15	-	-	1	-
Other revenue	628	706	707	708	698	713
Government transfers						
Government transfers for operating	-	19	-	2	12	40
TOTAL REVENUE	6,456	6,614	6,148	5,852	5,874	5,780
EXPENSES						
Salaries, wages and benefits	7,530	7,462	7,228	6,916	6,736	6,346
Other personnel costs	167	117	105	115	141	108
Contracted and general services	711	605	696	639	469	466
Materials and supplies	276	304	228	229	221	266
Provision for allowances	26	26	25	25	25	-
Bank charges	59	(11)	55	69	12	-
Interest on long-term debt - infrastructure	29	27	37	44	53	23
Other operating expenses	26	20	101	84	21	-
Amortization of tangible capital assets	214	205	205	207	201	244
Loss on disposal of tangible capital assets	-	-	-	18	-	-
Internal charges	1,012	1,078	1,168	1,158	1,057	1,020
TOTAL EXPENSES	10,050	9,833	9,848	9,504	8,936	8,473
Excess (deficiency) of revenue over expenses	\$ (3,594)	\$ (3,219)	\$ (3,700)	\$ (3,652)	\$ (3,062)	\$ (2,693)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Internal recovery	\$ 2,509	\$ 2,481	\$ 2,689	\$ 2,393	\$ 2,482	\$ 2,424
Insurance recovery	-	22	-	-	-	-
Other revenue	7	-	2	5	6	3
Government transfers						
Government transfers for operating	-	-	-	-	1	-
TOTAL REVENUE	2,516	2,503	2,691	2,398	2,489	2,427
EXPENSES						
Salaries, wages and benefits	1,976	2,017	1,993	2,198	2,157	2,081
Other personnel costs	73	55	58	63	33	40
Contracted and general services	478	504	452	515	538	394
Materials and supplies	60	55	53	70	75	79
Interest on long-term debt - infrastructure	7	9	12	13	11	3
Other operating expenses	-	4	-	-	-	-
Amortization of tangible capital assets	188	116	110	128	135	103
Loss on disposal of tangible capital assets	-	-	-	35	-	-
Internal charges	90	87	85	83	104	70
TOTAL EXPENSES	2,872	2,847	2,763	3,105	3,053	2,770
Excess (deficiency) of revenue over expenses	\$ (356)	\$ (344)	\$ (72)	\$ (707)	\$ (564)	\$ (343)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT - restated

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 113	\$ 227	\$ 225	\$ 213	\$ 189	\$ 101
Other income						
Internal recovery	11,735	10,934	11,341	10,691	10,173	9,699
Insurance recovery	80	4,044	98	83	113	-
Other revenue	45	44	25	34	41	127
Government transfers						
Government transfers for operating	-	20	15	105	5	3
TOTAL REVENUE	11,973	15,269	11,704	11,126	10,521	9,930
EXPENSES						
Salaries, wages and benefits	3,350	3,506	3,068	2,930	2,735	2,370
Other personnel costs	64	37	40	50	53	32
Contracted and general services	3,709	5,942	3,632	3,906	3,677	2,935
Materials and supplies	669	550	557	613	529	384
Interest on long-term debt - infrastructure	248	223	474	525	558	737
Other operating expenses	-	(10)	6	(6)	270	-
Amortization of tangible capital assets	7,961	7,020	7,186	7,068	6,803	6,402
Loss (gain) on disposal of tangible capital assets	-	(7)	(205)	497	(50)	44
Internal charges	1,327	1,087	1,063	1,334	1,116	1,065
TOTAL EXPENSES	17,328	18,348	15,821	16,917	15,691	13,969
Excess (deficiency) of revenue over expenses	\$ (5,355)	\$ (3,079)	\$ (4,117)	\$ (5,791)	\$ (5,170)	\$ (4,039)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Net taxes	\$ 55,068	\$ 54,628	\$ 51,415	\$ 48,541	\$ 47,527	\$ 45,179
Other income						
Investment income	3,629	4,784	5,346	5,416	4,301	3,147
Licences, fines and penalties	262	232	232	249	540	-
Internal recovery	9	91	80	74	63	75
Other revenue	347	677	1,861	2,308	1,766	1,777
Charitable gifts	-	1,500	1,000	2,000	2,500	2,000
Contributions from utilities	26,727	43,231	39,667	39,566	41,775	43,135
Government transfers						
Government transfers for operating	-	-	-	-	-	875
TOTAL REVENUE	86,042	105,143	99,601	98,154	98,472	96,188
EXPENSES						
Salaries, wages and benefits	247	1,446	2,021	233	236	266
Contracted and general services	301	330	264	249	310	324
Materials and supplies	-	91	87	122	63	75
Grants and other transfers	-	-	-	-	25	-
Other expenses	938	108	92	222	-	1,413
Internal charges	-	27	15	70	9	-
TOTAL EXPENSES	1,486	2,002	2,479	896	643	2,078
Excess of revenue over expenses	\$ 84,556	\$ 103,141	\$ 97,122	\$ 97,258	\$ 97,829	\$ 94,110

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Planning, Building & Development	\$ 2,246	\$ 2,606	\$ 3,034	\$ 2,337	\$ 2,753	\$ 2,289
Municipal Works	6,287	12,417	7,695	6,639	5,958	3,648
TOTAL REVENUE	8,533	15,023	10,729	8,976	8,711	5,937
EXPENSES						
Planning, Building & Development	4,864	4,925	4,803	5,651	4,657	4,406
Municipal Works	27,585	29,892	28,025	26,824	23,746	21,023
TOTAL EXPENSES	32,449	34,817	32,828	32,475	28,403	25,429
Excess (deficiency) of revenue over expenses	\$ (23,916)	\$ (19,794)	\$ (22,099)	\$ (23,499)	\$ (19,692)	\$ (19,492)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Licences, fines and penalties	\$ 1,723	\$ 1,781	\$ 2,457	\$ 1,184	\$ 1,444	\$ 1,706
Internal recovery	159	228	149	242	315	351
Insurance recovery	-	20	1	1	2	-
Other revenue	364	356	351	227	758	229
Government transfers						
Government transfers for operating	-	221	41	683	228	3
Flood assistance	-	-	35	-	6	-
TOTAL REVENUE	2,246	2,606	3,034	2,337	2,753	2,289
EXPENSES						
Salaries, wages and benefits	3,992	3,673	3,769	3,877	3,721	3,553
Other personnel costs	113	49	56	58	71	79
Contracted and general services	217	662	443	1,176	381	324
Materials and supplies	140	102	102	96	63	73
Other expenses	-	49	-	-	-	-
Interest on long-term debt - infrastructure	-	-	-	16	16	-
Amortization of tangible capital assets	49	36	65	74	70	70
Loss on disposal of tangible capital assets	-	-	-	20	-	-
Internal charges	353	354	368	334	335	307
TOTAL EXPENSES	4,864	4,925	4,803	5,651	4,657	4,406
Excess (deficiency) of revenue over expenses	\$ (2,618)	\$ (2,319)	\$ (1,769)	\$ (3,314)	\$ (1,904)	\$ (2,117)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 482	\$ 484	\$ 480	\$ 486	\$ 413	\$ 448
Taxes	129	-	135	135	135	-
Other income						
Internal recovery	3,837	3,621	3,829	3,512	3,007	2,606
Insurance recovery	-	141	53	-	251	-
Developer levies	500	4,687	100	344	629	-
Other revenue	470	671	566	325	425	36
Government transfers						
Government transfers for operating	869	1,243	367	754	734	558
Flood assistance	-	1,570	2,165	1,083	364	-
TOTAL REVENUE	6,287	12,417	7,695	6,639	5,958	3,648
EXPENSES						
Salaries, wages and benefits	4,935	4,812	4,320	4,312	3,977	3,676
Other personnel costs	53	46	56	40	36	30
Contracted and general services	4,103	5,650	5,212	4,304	3,051	1,909
Materials and supplies	1,920	2,249	2,368	1,947	1,936	2,026
Interest on long-term debt - ACFA	642	656	696	751	822	843
Interest on long-term debt - infrastructure	13	5	-	131	113	57
Interest on long-term debt - internal	-	-	-	8	10	13
Other operating expenses	-	-	67	50	34	-
Amortization of tangible capital assets	10,809	10,575	9,990	9,614	9,335	8,631
Loss (gain) on disposal of tangible capital assets	-	54	743	557	125	(72)
Internal charges	5,110	5,000	4,573	5,110	4,307	3,910
Transfer to other government	-	845	-	-	-	-
TOTAL EXPENSES	27,585	29,892	28,025	26,824	23,746	21,023
Excess (deficiency) of revenue over expenses	\$ (21,298)	\$ (17,475)	\$ (20,330)	\$ (20,185)	\$ (17,788)	\$ (17,375)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES - Restated

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

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Community Development	\$ 3,992	\$ 5,229	\$ 4,048	\$ 4,426	\$ 3,907	\$ 3,795
Parks & Recreation	6,284	10,036	7,230	9,182	7,772	6,025
Emergency Services	47	295	33	36	32	28
Fire Services	346	509	432	355	431	345
Cultural Development	2,102	2,685	2,935	2,627	2,026	2,059
TOTAL REVENUE	12,771	18,754	14,678	16,626	14,168	12,252
EXPENSES						
Community Development	12,800	13,131	12,352	13,238	12,238	11,600
Parks & Recreation	19,347	22,872	20,475	20,759	19,653	17,551
Emergency Services	217	449	114	111	162	71
Fire Services	12,133	12,021	12,050	12,221	11,677	11,051
Public Organizations	2,752	2,665	570	279	270	258
Cultural Development	5,185	5,791	6,147	6,520	5,426	5,429
TOTAL EXPENSES	52,434	56,929	51,708	53,128	49,426	45,960
Excess (deficiency) of revenue over expenses	\$ (39,663)	\$ (38,175)	\$ (37,030)	\$ (36,502)	\$ (35,258)	\$ (33,708)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 2,244	\$ 2,198	\$ 2,238	\$ 2,100	\$ 2,026	\$ 1,808
Other income						
Internal recovery	115	112	109	105	116	99
Insurance recovery	-	219	23	25	15	-
Developer levies	-	-	-	-	57	-
Other revenue	98	112	116	171	106	131
Government transfers						
Government transfers for operating	1,535	1,676	1,562	1,995	1,552	1,757
Flood Assistance	-	912	-	30	35	-
TOTAL REVENUE	3,992	5,229	4,048	4,426	3,907	3,795
EXPENSES						
Salaries, wages and benefits	7,705	7,449	7,442	7,342	7,366	6,713
Other personnel costs	105	80	76	77	90	111
Contracted and general services	860	1,447	863	1,516	583	702
Materials and supplies	1,908	2,214	1,787	1,749	1,621	1,707
Other expenses	10	27	20	22	14	31
Bank charges	1	4	3	2	1	1
Interest on long-term debt - ACFA	-	-	-	114	121	128
Interest on long-term debt - infrastructure	-	-	-	32	32	11
Grants and other transfers	151	127	119	325	378	264
Amortization of tangible capital assets	178	194	221	407	413	402
Loss on disposal of tangible capital assets	-	-	6	-	-	-
Internal charges	1,882	1,589	1,815	1,652	1,619	1,530
TOTAL EXPENSES	12,800	13,131	12,352	13,238	12,238	11,600
Excess (deficiency) of revenue over expenses	\$ (8,808)	\$ (7,902)	\$ (8,304)	\$ (8,812)	\$ (8,331)	\$ (7,805)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & RECREATION

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 4,848	\$ 4,635	\$ 4,277	\$ 4,473	\$ 5,008	\$ 4,460
Other income						
Internal recovery	1,031	992	1,004	1,044	1,031	986
Insurance recovery	10	1,687	9	-	337	-
Developer levies	-	-	-	547	(34)	-
Other revenue	388	879	547	1,231	636	521
Government transfers						
Government transfers for operating	7	581	248	55	55	58
Flood assistance	-	1,262	1,145	1,832	739	-
TOTAL REVENUE	6,284	10,036	7,230	9,182	7,772	6,025
EXPENSES						
Salaries, wages and benefits	8,266	8,070	8,040	8,057	7,947	7,394
Other personnel costs	89	64	57	66	68	83
Contracted and general services	1,951	5,185	3,143	3,770	3,415	2,365
Materials and supplies	1,913	1,991	1,869	1,817	2,028	1,873
Bank charges	31	30	28	36	41	31
Other expenses	11	110	8	85	36	39
Interest on long-term debt - ACFA	182	181	196	101	109	111
Interest on long-term debt - infrastructure	6	4	-	127	116	97
Interest on long-term debt - internal	-	-	-	1	2	3
Grants and other transfers	216	201	197	188	184	97
Amortization of tangible capital assets	2,081	2,148	2,048	1,657	1,391	1,285
Loss on disposal of tangible capital assets	-	-	-	71	4	-
Internal charges	4,601	4,888	4,889	4,783	4,312	4,173
TOTAL EXPENSES	19,347	22,872	20,475	20,759	19,653	17,551
Excess (deficiency) of revenue over expenses	\$ (13,063)	\$ (12,836)	\$ (13,245)	\$ (11,577)	\$ (11,881)	\$ (11,526)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

EMERGENCY MANAGEMENT - Restated

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 42	\$ 31	\$ 31	\$ 31	\$ 31	\$ 27
Other income						
Other revenue	5	1	-	5	1	1
Government transfers						
Government transfers for operating	-	94	2	-	-	-
Flood Assistance	-	169	-	-	-	-
TOTAL REVENUE	47	295	33	36	32	28
EXPENSES						
Salaries, wages and benefits	182	242	77	79	122	41
Other personnel costs	4	10	4	4	5	3
Contracted and general services	7	167	11	7	2	1
Materials and supplies	9	8	15	7	23	14
Amortization of tangible capital assets	-	-	-	-	2	5
Internal charges	15	22	7	14	8	7
TOTAL EXPENSES	217	449	114	111	162	71
Excess (deficiency) of revenue over expenses	\$ (170)	\$ (154)	\$ (81)	\$ (75)	\$ (130)	\$ (43)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES - Restated

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 320	\$ 355	\$ 361	\$ 327	\$ 367	\$ 297
Other income						
Internal recovery	7	25	41	11	7	11
Insurance recovery	-	16	-	1	5	3
Other revenue	19	50	30	15	32	34
Government transfers						
Government transfers for operating	-	63	-	1	20	-
TOTAL REVENUE	346	509	432	355	431	345
EXPENSES						
Salaries, wages and benefits	10,092	9,970	10,008	10,400	10,005	9,634
Other personnel costs	239	308	261	199	168	169
Contracted and general services	153	134	183	100	137	76
Materials and supplies	297	357	313	278	337	237
Interest on long-term debt - ACFA	10	8	10	12	14	16
Interest on long-term debt - infrastructure	-	1	-	18	14	9
Amortization of tangible capital assets	157	161	139	140	140	136
Loss (gain) on disposal of tangible capital assets	-	-	-	8	(22)	-
Internal charges	1,185	1,082	1,136	1,066	884	774
TOTAL EXPENSES	12,133	12,021	12,050	12,221	11,677	11,051
Excess (deficiency) of revenue over expenses	\$ (11,787)	\$ (11,512)	\$ (11,618)	\$ (11,866)	\$ (11,246)	\$ (10,706)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Interest on long-term debt - ACFA	56	56	59	-	-	-
Grants and other transfers	2,696	2,609	511	279	270	258
TOTAL EXPENSES	2,752	2,665	570	279	270	258
Excess (deficiency) of revenue over expenses	\$ (2,752)	\$ (2,665)	\$ (570)	\$ (279)	\$ (270)	\$ (258)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CULTURAL DEVELOPMENT

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 1,484	\$ 1,882	\$ 2,121	\$ 1,686	\$ 1,203	\$ 1,098
Other income						
Internal recovery	-	16	9	14	8	-
Insurance recovery	-	4	-	-	-	-
Other revenue	335	481	545	578	456	512
Government Transfers						
Government transfers for operating	283	302	260	349	359	449
TOTAL REVENUE	2,102	2,685	2,935	2,627	2,026	2,059
EXPENSES						
Salaries, wages and benefits	1,986	2,158	2,105	2,202	2,003	1,970
Other personnel costs	27	18	17	12	14	14
Contracted and general services	1,798	2,047	2,535	2,108	1,661	1,800
Materials and supplies	276	277	372	426	385	427
Bank charges	32	59	59	51	57	28
Other expenses	-	3	-	-	-	-
Interest on long-term debt - ACFA	-	-	-	62	65	52
Interest on long-term debt - infrastructure	-	-	-	20	6	5
Interest on long-term debt - internal	-	-	-	9	16	23
Grants and other transfers	66	65	60	222	210	194
Amortization of tangible capital assets	94	108	98	90	92	88
Loss on disposal of tangible capital assets	-	-	-	375	-	-
Internal charges	906	1,056	901	943	917	828
TOTAL EXPENSES	5,185	5,791	6,147	6,520	5,426	5,429
Excess (deficiency) of revenue over expenses	\$ (3,083)	\$ (3,106)	\$ (3,212)	\$ (3,893)	\$ (3,400)	\$ (3,370)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Other income						
Licences, fines and penalties	4,373	4,078	4,554	4,403	4,030	4,073
Internal recovery	313	160	151	101	105	91
Insurance recovery	-	166	39	31	31	-
Other revenue	1,726	1,875	1,850	1,983	2,000	1,701
Government transfers						
Government transfers for operating	1,530	1,867	1,531	1,519	1,435	1,000
Flood assistance	-	-	-	-	5	-
TOTAL REVENUE	7,942	8,146	8,125	8,037	7,606	6,865
EXPENSES						
Salaries, wages and benefits	19,206	18,794	18,474	17,686	16,691	15,075
Other personnel costs	619	571	601	513	634	541
Contracted and general services	1,742	1,742	1,471	1,290	1,422	1,286
Materials and supplies	1,147	1,148	1,118	1,170	1,168	1,253
Other expenses	18	86	56	35	63	91
Interest on long-term debt - ACFA	4	1	5	11	18	26
Interest on long-term debt - infrastructure	-	-	-	9	10	5
Amortization of tangible capital assets	140	134	182	215	207	253
Loss on disposal of tangible capital assets	-	-	-	-	-	170
Internal charges	1,147	1,040	1,065	1,252	1,217	1,166
TOTAL EXPENSES	24,023	23,516	22,972	22,181	21,430	19,866
Excess (deficiency) of revenue over expenses	\$ (16,081)	\$ (15,370)	\$ (14,847)	\$ (14,144)	\$ (13,824)	\$ (13,001)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2013 Budget	2013 Actual	2012 Restated	2011 Restated	2010 Restated	2009
REVENUE						
Sale of services	\$ 137,195	\$ 131,361	\$ 110,424	\$ 123,952	\$ 127,785	\$ 130,254
Investment in subsidiary	5,275	4,972	3,194	2,998	1,999	740
Other income						
Investment income	7,031	5,665	6,640	9,465	10,437	10,205
Internal recoveries	372	636	281	172	41	27
Development levies	716	504	194	225	321	264
Other revenue	2,049	252	760	1,635	349	1,701
Government transfers for operating	-	192	4	27	22	-
TOTAL REVENUE	152,638	143,582	121,497	138,474	140,954	143,191
EXPENSES						
Salaries, wages and benefits	18,160	17,050	16,560	15,127	13,869	13,386
Contracted and general services	23,789	23,385	18,997	15,200	17,264	14,289
Materials, goods and utilities	30,513	21,979	19,053	18,611	17,029	14,361
Provisions for allowances	114	116	104	54	133	84
Bank charges and short term interest	-	23	11	30	11	48
Interest on long term debt	420	334	310	251	203	214
Other operating expenses	37,704	43,002	37,020	30,837	27,536	30,178
Amortization of tangible capital assets	36,098	31,394	34,986	33,192	45,842	50,627
Impairment	-	52,715	55,375	591	4,974	-
Loss on disposal of tangible capital assets	-	457	50	76	35	129
Internal charges and transfers	7,140	6,349	6,061	7,077	6,772	6,294
TOTAL EXPENSES	153,938	196,804	188,527	121,046	133,668	129,610
Excess (deficiency) of revenue over expenses before Contribution	(1,300)	(53,222)	(67,030)	17,428	7,286	13,581
Contribution to General	18,377	18,627	19,785	32,674	34,085	35,421
Excess (deficiency) of revenue over expenses after Contribution	\$ (19,677)	\$ (71,849)	\$ (86,815)	\$ (15,246)	\$ (26,799)	\$ (21,840)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 88,070	\$ 118,502	\$ 110,725	\$ 122,542	\$ 80,240	\$ 73,993
Other income						
Investment income	1,500	2,653	2,533	1,207	640	488
Internal recoveries	3,237	7,991	4,828	3,929	3,267	3,870
Development levies	605	1,123	434	827	457	1,029
Government transfers for operating	-	60	23	47	92	3
Other revenue	3,326	21,691	10,583	9,749	3,970	2,357
TOTAL REVENUE	96,738	152,020	129,126	138,301	88,666	81,740
EXPENSES						
Salaries, wages and benefits	14,203	14,447	12,911	11,923	11,391	10,015
Contracted and general services	5,673	8,367	4,734	5,399	3,538	3,703
Materials, goods and utilities	16,013	14,681	12,953	11,741	7,335	7,587
Provisions for allowances	136	136	133	125	129	125
Interest on long term debt	3,926	3,626	4,038	4,516	4,846	4,376
Other operating expenses	3,449	8,968	7,727	10,212	4,047	1,379
Amortization of tangible capital assets	13,177	14,556	17,122	17,041	21,787	14,369
Loss on disposal of tangible capital assets	-	197	90	311	1,285	143
Internal charges and transfers	26,481	29,675	24,118	31,114	31,846	31,439
TOTAL EXPENSES	83,058	94,653	83,826	92,382	86,204	73,136
Excess (deficiency) of revenue over expenses before Contribution	13,680	57,367	45,300	45,919	2,462	8,604
Contribution to General	8,736	21,287	17,554	5,731	5,898	5,721
Excess (deficiency) of revenue over expenses after Contribution	\$ 4,944	\$ 36,080	\$ 27,746	\$ 40,188	\$ (3,436)	\$ 2,883

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ENERGY SUSTAINABILITY

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Investment income	\$ -	\$ 67	\$ 61	\$ 70	\$ 69	\$ 92
Internal recoveries	627	572	512	737	733	635
Other revenue	-	1	1	-	1	-
Government transfers for operating	-	-	-	-	36	43
Transfer from Utilities and Land	200	200	200	-	-	1,000
TOTAL REVENUE	827	840	774	807	839	1,770
EXPENSES						
Salaries, wages and benefits	260	92	98	190	167	159
Contracted and general services	37	65	38	57	98	48
Materials, goods and utilities	9	2	1	3	3	3
Other operating expenses	400	698	537	922	1,488	718
Amortization of tangible capital assets	-	1	1	1	1	1
Internal charges and transfers	121	2,581	383	207	337	149
TOTAL EXPENSES	827	3,439	1,058	1,380	2,094	1,078
Excess (deficiency) of revenue over expenses	\$ -	\$ (2,599)	\$ (284)	\$ (573)	\$ (1,255)	\$ 692

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Taxes	\$ 113	\$ 114	\$ 114	\$ 114	\$ 114	\$ 110
Sale of services	15,961	16,481	15,955	15,291	12,694	13,345
Other income						
Internal recovery	1,307	1,061	920	1,113	757	837
Other revenue	244	756	258	1,176	1,127	1,133
Developer levies	422	965	965	-	-	183
Government transfers						
Government transfers for operating	-	305	-	56	41	-
TOTAL REVENUE	18,047	19,682	18,212	17,750	14,733	15,608
EXPENSES						
Salaries, wages & benefits	4,504	4,317	4,912	4,056	3,784	3,371
Contracted and general services	858	1,285	840	680	871	655
Materials and supplies	1,342	1,678	1,466	1,590	1,408	1,210
Provisions for allowances	47	47	46	45	44	44
Interest on long-term debt	2,462	2,474	2,495	2,579	2,628	2,750
Other expenses	-	(3)	731	548	6	1
Amortization of tangible capital assets	2,557	2,588	2,544	2,501	2,404	1,942
Loss on disposal of tangible capital assets	-	8	-	336	10	20
Internal charges and transfers	3,423	3,753	1,566	3,169	2,964	2,714
TOTAL EXPENSES	15,193	16,147	14,600	15,504	14,119	12,707
Excess (deficiency) of revenue over expenses before Contribution	2,854	3,535	3,612	2,246	614	2,901
Contribution to General	786	786	723	546	546	546
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,068	\$ 2,749	\$ 2,889	\$ 1,700	\$ 68	\$ 2,355

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Taxes	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 110
Sale of services	13,114	13,359	12,850	11,957	10,840	10,160
Other income						
Internal recovery	292	273	276	334	252	231
Other revenue	8	943	144	130	1,046	1,069
Government transfers						
Government transfers for operating	-	22	246	378	36	-
TOTAL REVENUE	13,528	14,711	13,630	12,913	12,288	11,570
EXPENSES						
Salaries, wages & benefits	3,815	3,933	3,589	3,619	3,405	2,865
Contracted and general services	651	665	846	1,018	667	340
Materials and supplies	1,290	1,633	1,444	1,421	1,371	1,155
Provisions for allowances	44	44	43	42	42	40
Interest on long-term debt	2,101	2,010	2,016	2,019	1,918	1,848
Other expenses	8	5	602	191	10	6
Amortization of tangible capital assets	1,650	2,306	2,087	1,852	1,920	2,353
Loss on disposal of tangible capital assets	-	-	13	62	-	2
Internal charges and transfers	2,885	2,580	1,854	2,006	2,071	2,006
TOTAL EXPENSES	12,444	13,176	12,494	12,230	11,404	10,615
Excess (deficiency) of revenue over expenses before Contribution	1,084	1,535	1,136	683	884	955
Contribution to General	641	641	602	190	190	190
Excess (deficiency) of revenue over expenses after Contribution	\$ 443	\$ 894	\$ 534	\$ 493	\$ 694	\$ 765

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
REVENUE						
Sale of services	\$ 8,126	\$ 8,115	\$ 8,015	\$ 8,061	\$ 7,744	\$ 7,660
Other income						
Internal recovery	640	706	660	873	536	441
Other revenue	20	550	96	(63)	52	73
Insurance recovery	-	19	235	-	-	-
Government transfers						
Government transfers for operating	-	1,239	110	101	50	3
TOTAL REVENUE	8,786	10,629	9,116	8,972	8,382	8,177
EXPENSES						
Salaries, wages & benefits	2,610	2,667	2,609	2,511	2,516	2,299
Contracted and general services	1,378	1,823	1,460	1,183	1,117	963
Materials and supplies	982	1,166	1,030	917	797	787
Provisions for allowances	17	19	16	76	15	15
Interest on long-term debt	153	146	154	154	157	125
Other expenses	165	24	539	630	311	164
Amortization of tangible capital assets	534	366	350	326	349	395
Loss on disposal of tangible capital assets	-	3	12	18	9	2
Internal charges and transfers	2,310	1,789	1,660	1,563	1,808	1,762
TOTAL EXPENSES	8,149	8,003	7,830	7,378	7,079	6,512
Excess (deficiency) of revenue over expenses before Contribution	637	2,626	1,286	1,594	1,303	1,665
Contribution to General	393	393	361	80	80	80
Excess (deficiency) of revenue over expenses after Contribution	\$ 244	\$ 2,233	\$ 925	\$ 1,514	\$ 1,223	\$ 1,585

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & PROPERTIES

	2013 Budget	2013 Actual	2012 Restated	2011 Restated	2010	2009
REVENUE						
Sale of services	\$ 8,835	\$ 9,626	\$ 7,826	\$ 4,288	\$ 9,494	\$ 8,413
Other income						
Licences fines and penalties	26	1	84	41	112	125
Other revenue	189	376	359	295	213	188
Government transfers						
Flood assistance	-	3	-	1	-	-
TOTAL REVENUE	9,050	10,006	8,269	4,625	9,819	8,726
EXPENSES						
Salaries, wages and benefits	543	567	548	541	530	498
Contracted and general services	81	103	76	117	57	52
Materials and supplies	6,489	5,458	4,962	2,751	6,662	5,626
Other expenses	-	28	-	-	-	-
Provisions for allowances	3	-	-	-	3	3
Amortization of tangible capital assets	31	36	40	37	25	4
Internal charges and transfers	298	717	694	677	890	729
TOTAL EXPENSES	7,445	6,909	6,320	4,123	8,167	6,912
Excess (deficiency) of revenue over expenses before Contribution	1,605	3,097	1,949	502	1,652	1,814
Contribution to General	407	1,548	692	194	826	907
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,198	\$ 1,549	\$ 1,257	\$ 308	\$ 826	\$ 907

The above represents actual transactions before consolidation eliminations.

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2013 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	2013 Consolidated
Financing									
Contributed assets - private	\$ 6,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,091
Debt - ACFA	780	3,300	4,545	-	12,175	1,870	-	-	22,670
Debt - infrastructure reserve	2,393	-	-	-	-	-	-	-	2,393
Developer levies	236	504	1,123	-	-	-	-	-	1,863
Government transfers for capital	31,401	-	5,040	-	86	15	-	-	36,542
Land Sales	2,642	12	65	-	583	454	-	-	3,756
Operations	5,286	541	3,322	-	300	201	832	1,409	11,891
Other	1,983	(143)	1,395	-	15	-	-	-	3,250
Reserves	12,124	16,703	2,943	-	-	-	-	-	31,770
	62,936	20,917	18,433	-	13,159	2,540	832	1,409	120,226
Expenses									
Engineered structures	21,480	19,265	13,464	-	11,230	4,413	-	-	69,852
Buildings	31,920	-	300	-	536	787	119	-	33,662
Machinery and equipment	2,048	2,475	3,381	-	3,994	-	-	-	11,898
Land Improvements	4,302	-	497	-	-	-	138	-	4,937
Land	-	-	-	-	-	-	-	74	74
Mobile equipment	2,532	-	-	-	-	-	-	-	2,532
Major operating expenses	-	-	-	-	-	-	-	-	-
	62,282	21,740	17,642	-	15,760	5,200	257	74	122,955
Change in Capital Fund	654	(823)	791	-	(2,601)	(2,660)	575	1,335	(2,729)

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Legislative	\$ 650	\$ 180	\$ -	\$ 399	\$ -	\$ -
General Government	250	-	18	-	55	79
Corporate Services	11,712	20,324	10,036	8,647	7,962	8,068
Development & Infrastructure	15,350	23,084	21,456	17,413	15,712	27,521
Public Services	2,974	19,245	4,491	8,705	5,517	3,607
Police Services	246	103	78	35	89	293
TOTAL FINANCING	31,182	62,936	36,079	35,199	29,335	39,568
EXPENSES						
Legislative	650	276	275	28	-	-
General Government	250	-	18	-	55	79
Corporate Services	11,712	20,584	10,255	8,750	7,813	8,686
Development & Infrastructure	15,350	21,716	21,669	17,087	16,130	28,159
Public Services	2,974	19,629	4,893	7,749	5,195	3,336
Police Services	246	77	92	21	89	299
TOTAL EXPENSES	31,182	62,282	37,202	33,635	29,282	40,559
CHANGE IN CAPITAL FUND	\$ -	\$ 654	\$ (1,123)	\$ 1,564	\$ 53	\$ (991)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Alderman & City Clerk

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - infrastructure	\$ -	\$ 179	\$ -	\$ -	\$ -	\$ -
Debt - internal	650	-	-	-	-	-
Reserves	-	1	-	399	-	-
TOTAL FINANCING	650	180	-	399	-	-
EXPENSES						
Machinery and equipment	650	276	275	28	-	-
TOTAL EXPENSES	650	276	275	28	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ (96)	\$ (275)	\$ 371	\$ -	\$ -

GENERAL GOVERNMENT

CAO, Commissioners & City Solicitor; Business Support; Corporate Communications; Human Resources

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ 36	\$ 79
Government transfers	-	-	-	-	19	-
Operations	-	-	18	-	-	-
TOTAL FINANCING	250	-	18	-	55	79
EXPENSES						
Machinery and equipment	250	-	18	-	-	79
Land improvements	-	-	-	-	55	-
TOTAL EXPENSES	250	-	18	-	55	79
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	250	-	-	-	-	-
EXPENSES						
Machinery and equipment	250	-	-	-	-	-
TOTAL EXPENSES	250	-	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BUSINESS SUPPORT

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ -
Government transfers	-	-	-	-	19	-
TOTAL FINANCING	-	-	-	-	55	-
EXPENSES						
Land Improvements	-	-	-	-	55	-
TOTAL EXPENSES	-	-	-	-	55	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE COMMUNICATIONS

General Government

No Capital

HUMAN RESOURCES

General Government

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79
Operations	-	-	18			
TOTAL FINANCING	-	-	18	-	-	79
EXPENSES						
Machinery and equipment	-	-	18	-	-	79
TOTAL EXPENSES	-	-	18	-	-	79
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance, ICS, Corporate Asset Management, General Municipal Revenues

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ 3,376	\$ 500	\$ -	\$ 240	\$ 800	\$ -
Debt - internal	1,161	830	144	127	411	897
Government transfers	923	14,093	6,139	2,501	1,630	2,483
Land sales	-	-	-	-	-	6
Operations	1,730	1,094	1,096	18	91	1
Other	-	1,595	29	10	56	82
Proceeds from sale of assets	245	-	-	-	-	-
Reserves	4,277	2,212	2,628	5,751	4,974	4,599
TOTAL FINANCING	11,712	20,324	10,036	8,647	7,962	8,068
EXPENSES						
Buildings	2,450	16,736	7,151	3,553	856	570
Machinery and equipment	2,941	1,316	576	1,157	639	1,591
Mobile equipment	6,321	2,532	2,528	4,040	6,137	6,525
Major operating expenses	-	-	-	-	181	-
TOTAL EXPENSES	11,712	20,584	10,255	8,750	7,813	8,686
CHANGE IN CAPITAL FUND	\$ -	\$ (260)	\$ (219)	\$ (103)	\$ 149	\$ (618)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ 2,500	\$ 500	\$ -	\$ -	\$ -	\$ -
Debt - internal	11	448	27	88	3	94
Operations	-	-	-	-	-	1
Reserves	-	-	-	3	(17)	(87)
TOTAL FINANCING	2,511	948	27	91	(14)	8
EXPENSES						
Machinery and equipment	2,511	876	27	91	48	131
TOTAL EXPENSES	2,511	876	27	91	48	131
CHANGE IN CAPITAL FUND	\$ -	\$ 72	\$ -	\$ -	\$ (62)	\$ (123)

INFORMATION & COMPUTER SERVICES

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ 400	\$ 210	\$ 23	\$ 39	\$ 82	\$ 267
Reserves			(15)	(444)	-	(6)
Operations	30	29	275	2	-	-
TOTAL FINANCING	430	239	283	(403)	82	261
EXPENSES						
Machinery and equipment	430	239	45	133	92	272
TOTAL EXPENSES	430	239	45	133	92	272
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ 238	\$ (536)	\$ (10)	\$ (11)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ 876	\$ -	\$ -	\$ 240	\$ 800	\$ -
Debt - internal	750	172	94	-	326	536
Government transfers	923	14,093	6,139	2,501	1,630	2,483
Land sales	-	-	-	-	-	6
Other	-	1,595	29	10	56	82
Operations	1,700	1,065	821	16	91	-
Proceeds from sale of assets	245	-	-	-	-	-
Reserves	4,277	2,212	2,643	6,192	4,991	4,692
TOTAL FINANCING	8,771	19,137	9,726	8,959	7,894	7,799
EXPENSES						
Buildings	2,450	16,736	7,151	3,553	856	570
Machinery and equipment		201	504	933	499	1,188
Mobile equipment	6,321	2,532	2,528	4,040	6,137	6,525
Major operating expenses	-	-	-	-	181	-
TOTAL EXPENSES	8,771	19,469	10,183	8,526	7,673	8,283
CHANGE IN CAPITAL FUND	\$ -	\$ (332)	\$ (457)	\$ 433	\$ 221	\$ (484)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ 1,082	\$ -	\$ -	\$ 419	\$ 1,931
Debt - ACFA	1,000	2,500	-	-	-	980
Debt - internal	1,200	1,341	97	-	850	872
Developers levies	-	236	100	266	629	241
Government transfers	11,980	10,024	20,705	12,961	8,067	18,706
Land sales	-	2,280	-	2,089	5,464	4,509
Operations	1,170	1,170	511	-	271	179
Other	-	4,451	-	-	-	103
Reserves	-	-	43	2,097	12	-
TOTAL FINANCING	15,350	23,084	21,456	17,413	15,712	27,521
EXPENSES						
Engineered structures	15,150	622	21,332	16,412	14,993	26,050
Buildings	-	20,858	34	37	29	-
Machinery and equipment	200	143	44	449	287	223
Land improvements	-	93	163	74	65	1,309
Land	-	-	89	114	756	577
Major operating expenses	-	-	7	1	-	-
TOTAL EXPENSES	15,350	21,716	21,669	17,087	16,130	28,159
CHANGE IN CAPITAL FUND	\$ -	\$ 1,368	\$ (213)	\$ 326	\$ (418)	\$ (638)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ 200	\$ 15	\$ -	\$ -	\$ 69	\$ 30
Land sales	-	-	-	-	-	30
Reserves	-	-	-	(28)	-	-
TOTAL FINANCING	200	15	-	(28)	69	60
EXPENSES						
Machinery and equipment	200	15	-	2	69	30
TOTAL EXPENSES	200	15	-	2	69	30
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (30)	\$ -	\$ 30

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ 1,082	\$ -	\$ -	\$ 419	\$ 1,931
Debt - ACFA	1,000	2,500	-	-	-	980
Debt - internal	1,000	1,326	97	-	781	842
Developers levies	-	236	100	266	629	241
Government transfers	11,980	10,024	20,705	12,961	8,067	18,706
Land sales	-	2,280	-	2,089	5,464	4,479
Operating fund	1,170	1,170	511	-	271	179
Other	-	4,451	-	-	-	103
Reserves	-	-	43	2,125	12	-
TOTAL FINANCING	15,150	23,069	21,456	17,441	15,643	27,461
EXPENSES						
Engineered structures	15,150	622	21,332	16,412	14,993	26,050
Buildings	-	20,858	34	37	29	-
Machinery and equipment	-	128	44	447	218	193
Land improvements	-	93	163	74	65	1,309
Land	-	-	89	114	756	577
Major operating expenses	-	-	7	1	-	-
TOTAL EXPENSES	15,150	21,701	21,669	17,085	16,061	28,129
CHANGE IN CAPITAL FUND	\$ -	\$ 1,368	\$ (213)	\$ 356	\$ (418)	\$ (668)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development, Parks, Fire Services, 9-1-1 Communications, Culture

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ 44	\$ 188	\$ 400	\$ 662	\$ 198
Debt - ACFA	-	-	-	-	-	145
Debt - internal	688	449	204	-	1,713	1,017
Developers levies	-	-	-	1,334	23	249
Government transfers	1,937	7,284	1,943	3,176	1,841	162
Land sales	-	363	274	307	896	1,769
Operations	300	292	765	-	65	-
Other	49	902	138	343	-	67
Reserves	-	9,911	979	3,145	317	-
TOTAL FINANCING	2,974	19,245	4,491	8,705	5,517	3,607
EXPENSES						
Engineered structures	-	-	473	585	692	63
Buildings	700	15,254	1,165	1,215	524	102
Machinery and equipment	337	141	519	204	357	282
Land	-	-	602	982	158	-
Land improvements	1,937	4,234	2,134	4,687	3,460	2,889
Mobile equipment	-	-	-	-	-	-
Major operating expenses	-	-	-	76	4	-
TOTAL EXPENSES	2,974	19,629	4,893	7,749	5,195	3,336
CHANGE IN CAPITAL FUND	\$ -	\$ (384)	\$ (402)	\$ 956	\$ 322	\$ 271

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 132	\$ 117
Government transfers	-	688	1,212	647	43	23
Other	-	-	-	343	-	67
Reserves	-	-	667	(203)	(7)	-
TOTAL FINANCING	-	688	1,879	787	168	207
EXPENSES						
Engineered structures	-	-	146	-	-	63
Buildings	-	217	970	620	6	-
Machinery and equipment	-	22	-	162	169	149
Land	-	-	602	-	-	-
Land improvements	-	449	161	-	-	-
TOTAL EXPENSES	-	688	1,879	782	175	212
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ 5	\$ (7)	\$ (5)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & RECREATION

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ 44	\$ 188	\$ 400	\$ 662	\$ 198
Debt - ACFA	-	-	-	-	-	145
Debt - internal	688	351	163	-	976	704
Developers levies	-	-	-	1,334	(34)	-
Government transfers	1,937	5,452	628	2,513	1,798	139
Land sales	-	363	274	307	896	1,769
Operations	200	200	700	-	-	-
Other	49	899	127	-	-	-
Reserves	-	9,911	352	2,729	324	-
TOTAL FINANCING	2,874	17,220	2,432	7,283	4,622	2,955
EXPENSES						
Engineered structures	-	-	327	585	692	-
Buildings	700	13,803	71	459	(51)	39
Machinery and equipment	237	15	-	40	87	-
Land	-	-	-	982	158	-
Land improvements	1,937	3,782	1,973	4,687	3,460	2,889
Major operating expenses	-	-	-	76	4	-
TOTAL EXPENSES	2,874	17,600	2,371	6,829	4,350	2,928
CHANGE IN CAPITAL FUND	\$ -	\$ (380)	\$ 61	\$ 454	\$ 272	\$ 27

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

EMERGENCY MANAGEMENT

Public Services

No Capital

FIRE SERVICES

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ -	\$ 41	\$ -	\$ 206	\$ 133
Operations	100	92	27	-	-	-
Reserves	-	-	-	450	-	-
TOTAL FINANCING	100	92	68	450	206	133
EXPENSES						
Buildings	-	92	-	-	194	-
Machinery and equipment	100	4	496	2	12	133
Major operating expenses	-	-	-	-	-	-
TOTAL EXPENSES	100	96	496	2	206	133
CHANGE IN CAPITAL FUND	\$ -	\$ (4)	\$ (428)	\$ 448	\$ -	\$ -

9-1-1 COMMUNICATIONS

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ 84	\$ -	\$ -	\$ 24	\$ -
Operations	-	-	23	-	65	-
Government Transfers	-	1,144	-	-	-	-
TOTAL FINANCING	-	1,228	23	-	89	-
EXPENSES						
Buildings	-	1,142	-	-	-	-
Machinery and equipment	-	86	23	-	89	-
TOTAL EXPENSES	-	1,228	23	-	89	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CULTURAL DEVELOPMENT

Public Services

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ 14	\$ -	\$ -	\$ 375	\$ 63
Operating	-	-	15	-	-	-
Government transfers	-	-	103	16	-	-
Other	-	-	11	-	-	-
Third Party Contribution	-	3	-	-	57	249
Reserves	-	-	(40)	169	-	-
TOTAL FINANCING	-	17	89	185	432	312
EXPENSES						
Buildings	-	-	124	136	375	63
Machinery and equipment	-	14	-	-	-	-
Land improvements	-	3	-	-	-	-
Major operating expenses	-	-	-	-	-	-
TOTAL EXPENSES	-	17	124	136	375	63
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (35)	\$ 49	\$ 57	\$ 249

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

POLICE SERVICE

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - internal	\$ -	\$ 26	\$ -	\$ -	\$ 7	\$ 59
Operating fund	246	77	83	35	82	234
Reserves	-	-	(5)	-	-	-
TOTAL FINANCING	246	103	78	35	89	293
EXPENSES						
Machinery and equipment	246	77	92	21	89	299
TOTAL EXPENSES	246	77	92	21	89	299
CHANGE IN CAPITAL FUND	\$ -	\$ 26	\$ (14)	\$ 14	\$ -	\$ (6)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ 4,380	\$ 3,300	\$ 1,150	\$ 2,250	\$ 1,350	\$ 1,350
Developers levies	716	504	194	225	321	264
Government transfers	-	-	178	-	128	-
Land Sales	72	12	-	-	-	272
Operations	2,388	541	2,108	(915)	2,062	4,044
Other	-	(143)	(292)	83	(121)	-
Proceeds from sale of assets	-	-	-	-	-	33
Reserves	38,326	16,703	57,318	32,051	15,856	29,255
TOTAL FINANCING	45,882	20,917	60,656	33,694	19,596	35,218
EXPENSES						
Engineered structures	42,352	19,265	67,855	35,926	28,286	23,008
Buildings	1,200	-	-	-	-	-
Machinery and equipment	528	2,475	196	307	371	99
Major operating expenses	-	-	322	-	-	-
TOTAL EXPENSES	44,080	21,740	68,373	36,233	28,657	23,107
CHANGE IN CAPITAL FUND	\$ 1,802	\$ (823)	\$ (7,717)	\$ (2,539)	\$ (9,061)	\$ 12,111

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ 9,898	\$ 4,545	\$ 3,724	\$ 1,608	\$ 4,469	\$ 27,344
Debt - internal	-	-	-	-	4	282
Developers levies	605	1,123	434	827	457	1,029
Government transfers	-	5,040	902	395	-	-
Land Sales	360	65	-	-	417	673
Operations	5,258	3,322	3,038	486	775	1,553
Other	-	1,395	301	(19)	186	-
Reserves	12,545	2,943	13,824	7,140	3,972	2,091
TOTAL FINANCING	28,666	18,433	22,223	10,437	10,280	32,972
EXPENSES						
Engineered structures	24,203	13,464	3,858	10,521	10,446	25,937
Buildings	2,010	300	947	27	730	11,349
Machinery and equipment	2,155	3,381	3,191	290	593	213
Land improvements	298	497	191	84	304	-
TOTAL EXPENSES	28,666	17,642	8,187	10,922	12,073	37,499
CHANGE IN CAPITAL FUND	\$ -	\$ 791	\$ 14,036	\$ (485)	\$ (1,793)	\$ (4,527)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ENERGY SUSTAINABILITY

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	-	-	-	-	-	-
EXPENSES						
Engineered structures	-	-	-	-	-	30
TOTAL EXPENSES	-	-	-	-	-	30
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30)

WATER

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ (10)	\$ 2,100
Debt - ACFA	3,615	12,175	4,560	3,114	3,215	1,000
Debt - internal	-	-	-	-	15	63
Developers levies	810	-	-	-	-	183
Government transfers	-	86	30	459	710	-
Land sales	-	583	-	16	195	721
Operations	300	300	374	(358)	2,847	1,291
Other	750	15	-	236	-	-
TOTAL FINANCING	5,475	13,159	4,964	3,467	6,972	5,358
EXPENSES						
Engineered structures	5,275	11,230	4,638	3,215	3,346	5,718
Buildings	-	536	961	28	1,317	-
Machinery and equipment	200	3,994	(420)	699	88	81
Land improvements	-	-	-	-	29	135
Land	-	-	-	14	-	-
TOTAL EXPENSES	5,475	15,760	5,179	3,956	4,780	5,934
CHANGE IN CAPITAL FUND	\$ -	\$ (2,601)	\$ (215)	\$ (489)	\$ 2,192	\$ (576)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ 1,790
Debt - ACFA	2,300	1,870	6,510	3,716	5,490	6,325
Government transfers	-	15	(229)	776	13	-
Land sales	-	454	-	16	306	645
Operations	100	201	254	76	(987)	824
Other	-	-	-	-	-	(22)
TOTAL FINANCING	2,400	2,540	6,535	4,584	4,844	9,562
EXPENSES						
Engineered structures	2,400	4,413	3,254	5,382	1,449	8,065
Buildings	-	787	961	28	1,317	-
Machinery and equipment	-	-	-	100	99	-
TOTAL EXPENSES	2,400	5,200	4,215	5,510	2,865	8,065
CHANGE IN CAPITAL FUND	\$ -	\$ (2,660)	\$ 2,320	\$ (926)	\$ 1,979	\$ 1,497

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ 280	\$ 500	\$ 320	\$ 2,150
Operations	800	832	450	(24)	(1,184)	817
Other	-	-	-	-	-	3
TOTAL FINANCING	800	832	730	476	(864)	2,970
EXPENSES						
Engineered structures	200	-	(6)	6	2	32
Buildings	-	119	192	191	293	157
Machinery and equipment	-	-	26	534	369	1,482
Land improvement	600	138	61	472	20	-
TOTAL EXPENSES	800	257	273	1,203	684	1,671
CHANGE IN CAPITAL FUND	\$ -	\$ 575	\$ 457	\$ (727)	\$ (1,548)	\$ 1,299

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2013

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & PROPERTIES

	2013 Budget	2013 Actual	2012	2011	2010	2009
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 337	\$ 492	\$ -
Government transfers	-	-	-	-	107	-
Operations	-	-	750	1,658	325	-
TOTAL FINANCING	-	-	750	1,995	924	-
EXPENSES						
Engineered structures	-	-	16	540	361	-
Buildings	-	-	-	515	177	-
Land improvements	-	-	-	-	61	-
Land	-	-	68	497	10	-
TOTAL EXPENSES	-	-	84	1,552	609	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ 666	\$ 443	\$ 315	\$ -

The above represents actual transactions before consolidation eliminations.

OUR VISION

City Council's vision for Medicine Hat is a vibrant city with residents, businesses and visitors seeking to make Medicine Hat their "community of choice."

OUR MISSION

While balancing accessibility and affordability, to exceed expectations in the value of our services. The City of Medicine Hat is committed to a mission of striving to exceed the expectations of our residents, businesses and visitors.

- Within a "2 X 14" response time
- Relative to our approved service standards
- With a "win-win" approach
- No surprises: when service levels change or on publicly sensitive items.

OUR VALUES

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

- Innovation, creativity and diversity
- Openness, debate and participation
- Performance results
- Being proactive
- Balanced and responsible development
- A long-term perspective
- Well-being of residents and employees
- Principle of self-determination for our community
- Continuous learning and staff development



Medicine Hat
The Gas City

