



2015

CITY OF MEDICINE HAT
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015



Medicine Hat
The Gas City

Visit us at
www.MedicineHat.ca

Medicine Hat,
Alberta, Canada

City of Medicine Hat, Alberta, Canada
2015 FINANCIAL REPORT
For the year ended December 31, 2015

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



*Canalta Centre: Medicine Hat's new Event Centre
Grand Opening August 22, 2015*

*Located in the Box Springs Business Park, this state-of-the-art facility has seating for 7,100 people
and is the new home of the Medicine Hat Tigers hockey team*



**Information on the City of Medicine Hat
is available via the internet at
www.medicinehat.ca**

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Back row: Jim Turner, Robert Dumanowski, Les Pearson, Jamie McIntosh, Julie Friesen
Front row: Celina Symmonds, Brian Varga, Ted Clugston, Bill Cocks

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

T. Clugston, Mayor
M. Heggelund, Chief Administrative Officer – Municipal Services, Chair
K. Charlton, Public Services Commissioner
B. Mastel, Corporate Services Commissioner
S. Schwarzenberger, Development & Infrastructure Commissioner
D. Lugg, Utilities Division Commissioner
R. Schmitt, City Solicitor
A. Cruickshank, City Clerk

SPECIAL COMMITTEES

Canadian Badlands: Councillor B. Varga and Mayor T. Clugston

Chamber of Commerce: Councillor J. Turner

City Centre Development Agency: Councillor W. Cocks

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

Friends of Medalta Society: Councillor J. McIntosh

Medicine Hat Community Housing Society: Councillor C. Symmonds

Medicine Hat Exhibition & Stampede: Mayor T. Clugston

Medicine Hat Public Library: Councillor J. McIntosh

Municipal Names Committee: Councillor J. McIntosh

Municipal Planning Commission: Councillors B Varga and J Turner

Palliser Economic Partnership: Councillor J. Turner

Police Commission: Councillors R. Dumanowski and J. Friesen

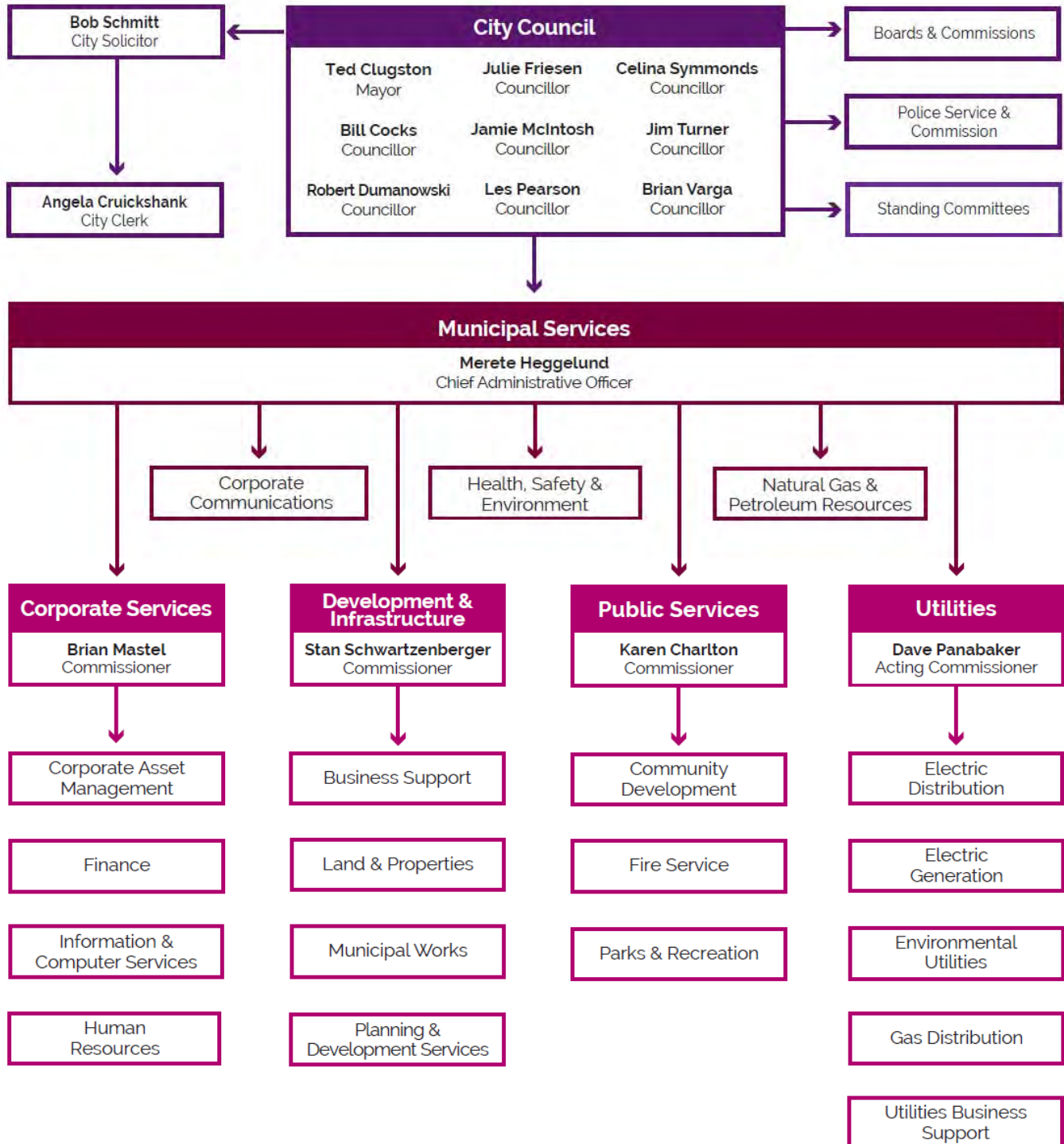
Shortgrass Library System: Councillor C. Symmonds

Subdivision & Devel. Appeal Board: Councillors Cocks & Symmonds

Tourism Medicine Hat: Councillor L. Pearson

Organizational Structure

As at December 31, 2015



Treasurer's Report

For the year ending December 31, 2015

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2015. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 18, 2016.

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 and production
- Natural gas distribution services (Gas Utility),
- Electric generation and distribution services (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, 2015. 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, 2015. 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 18, 2016

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2014, the thirteenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

RISK MANAGEMENT

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

(a) Operational Risk Management

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

(b) Public Safety

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

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergencies, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommend changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. In 2013, Council approved the Fire Service Response Coverage Optimization Plan which will result in significant response coverage improvements to residents and improved safety for fire fighters. As part of this plan, relocation of Fire Station #2 commenced in 2015 with occupancy expected in the first quarter of 2017.



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, 2014

A handwritten signature in black ink, reading 'Jeffrey R. Emer'.

Executive Director/CEO

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

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 90,000 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.

(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.

During the year, Municipal Affairs granted the City approval under the Major Cities Investment Regulation which provides access to a broader range of investment opportunities, such as equities (e.g. shares of companies). Up to now, investments have been limited to interest bearing securities. The Regulation will expand the investment opportunities for the City's reserve funds. Funds invested in assets permitted by the Major Cities Investment Regulation will be governed by Equities Investment Policy #0157.

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

(d) Environmental

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

MANAGEMENT REPORTING AND CONTROL

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

(a) Strategic Planning and Budgeting

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

- The core activities of the department and the aim of each activity.
- Departmental customers.
- Opportunities, trends and challenges faced by the department.
- Goals and objectives to be achieved by the department.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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 2015 - 2016 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 six divisions: Corporate Services, Public Services, Development and Infrastructure, Police, Natural Gas and Petroleum and Utilities 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 2015, Medicine Hat City Council appointed KPMG LLP as its external auditor, with the option of renewing for an additional four years. City Council approved KPMG's appointment for the 2015 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 2015

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>.

Due to the decline in the gas and oil commodity prices as well as the related economic downturn, the City is experiencing lower revenues from its Gas and Electric business and Land and Property department. The lower commodity prices have also resulted in a further impairment being recognized for some of the City's natural gas and oil assets.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

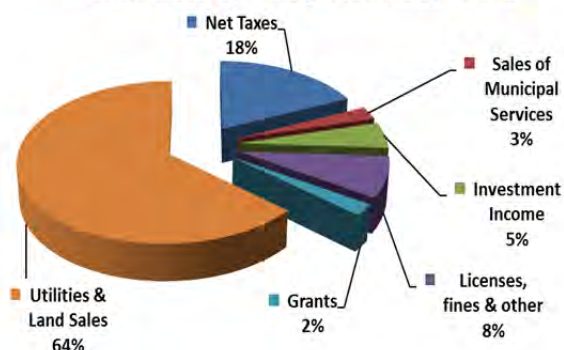
The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties. In order to better reflect the operations of the oil and gas properties and to provide more financial transparency, the City uses International Financial Reporting Standards (IFRS) to account for its oil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

<i>In thousands of dollars</i>			
Consolidated Financial Position	2015	2014	2013
Assets	\$ 555,005	\$ 610,058	\$ 632,274
Liabilities	620,195	526,228	508,656
Net financial (debt) assets	(65,190)	83,830	123,618
Non-financial assets	135,099	105,474	101,474
Net tangible capital assets	1,236,755	1,151,530	1,085,295
Total non-financial assets	1,371,854	1,257,004	1,186,769
Accumulated surplus	\$1,306,664	\$1,340,834	\$1,310,387

2015 Operating Results	Revenue	Expenses	Annual Deficit
General Fund	\$ 136,311	\$ 164,165	\$ (27,854)
Utilities	263,603	310,766	(47,163)
Consolidation adjustments	(70,523)	(71,732)	1,209
Subtotal	329,391	403,199	(73,808)
Capital contributions and grants	46,760	-	46,760
Consolidation adjustments	(7,122)	-	(7,122)
Subtotal	39,638	-	39,638
Total	\$ 369,029	\$ 403,199	\$ (34,170)

Revenue

Consolidated Operating Revenue by Source



Revenue before capital contributions and grants was \$329.4 million versus budget of \$341.2 million. Sale of services was \$21.4 million lower than budget mainly due to lower gas and oil commodity prices and lower lot sales in Land and Properties. Gas revenues were \$14.0 million lower than budget primarily due to prices at \$3.20 per gigajoule versus budget at \$3.73 per gigajoule. Land and Properties lot sales were 43 lots versus 90 budgeted.

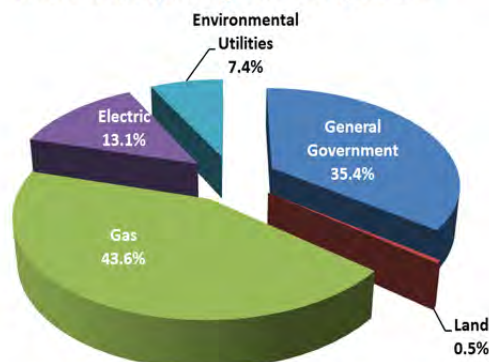
2015 revenues were lower than 2014 actual revenues mainly due to lower gas, oil and electric commodity prices and lower lot sales in Land and Properties.

Expenses

Overall the City operating expenses for the year were \$44.1 million higher than budget mainly due to recognition of an asset valuation impairment of natural gas and oil reserves. Lower natural gas and oil prices and higher than expected abandonment and reclamation costs have resulted in an impairment being recognized for some of the City's natural gas and oil assets.

2015 expenses are lower than 2014 actual expenses by \$1.7 million mainly due to lower electric expenses as a result of lower gas prices in 2015.

Consolidated Operating Expenses by Division



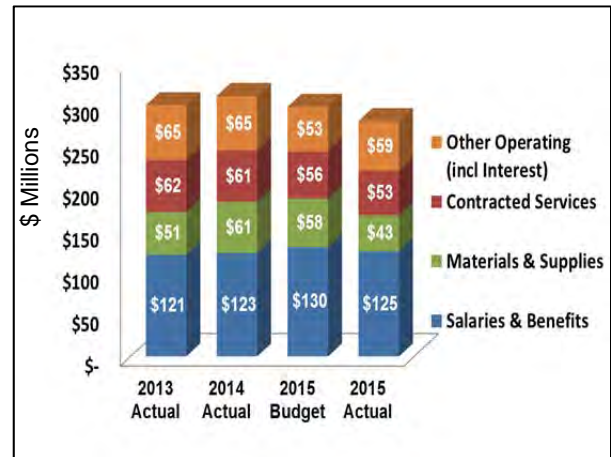
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Expenses by Type

The Consolidated Expenses by Object Schedule details 2015 actual (\$403.2 million) and budgeted (\$359.1 million) expenses by type. The chart to the right excludes amortization, impairments, and disposal expenses. Other operating expenses are higher mainly due to increased abandonment costs, contracted services and materials and supplies are lower as a result of lower activity due to the economic downturn and lower gas & oil commodity prices and lower salaries and benefits due to staff vacancies.

The 2015 actual expenses by type are lower than 2014 due to the economic downturn and lower gas and oil commodity prices. Salaries and benefits are higher mainly due to union contract settlements.

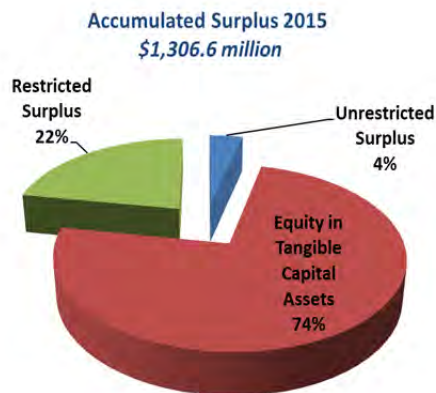


2015 Capital

Capital expenditures for the year were \$188.9 million plus contributions from developers of \$0.37 million. While the City's approved 2015 budget for capital was \$173.4 million, the current expenditures include \$137.6 million for projects carried forward from previous budget years.

The 2015 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



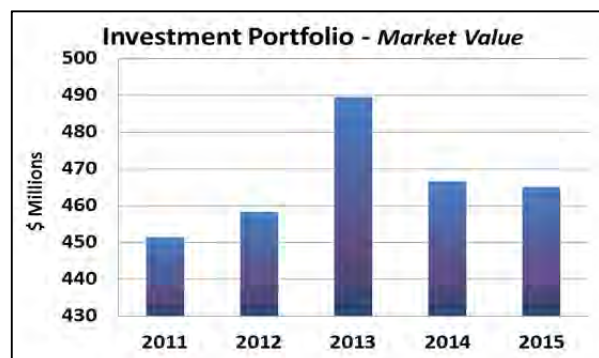
The accumulated surplus on the consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2015 the consolidated fund and equity balances decreased by \$34.2 million to \$1,306.6 million.

\$48.8 million of the accumulated surplus is unrestricted. This is used as working capital to fund day to day operating activities of the City. \$289.5 million is restricted and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets increased by \$45.1 million to \$968.3 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

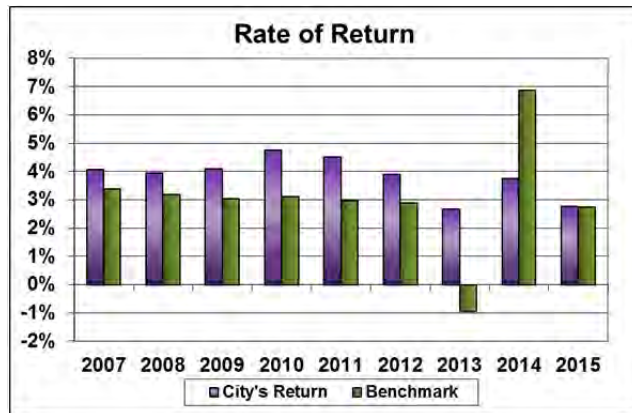
Investments

Investments, Loans and Advances decreased \$1.6 million from 2014 to \$457.4 million due to decreased cash flow largely as a result of the funds being used for community projects such as flood mitigation and berms, the event center and the family leisure center.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

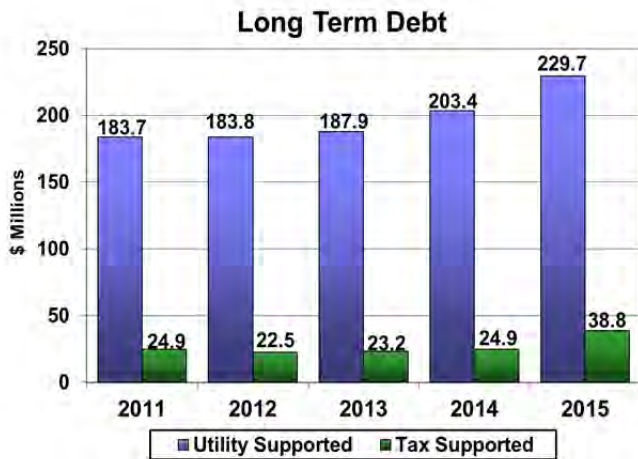


The City of Medicine Hat's investment return for the year ended December 31, 2015 averaged 2.77 per cent, higher than the DEX (formerly ScotiaMcLeod) Universe Bond benchmark index of 2.74 per cent. The City's average portfolio return has outperformed the stated benchmark over the last nine years with the exception in 2014 due to the City's term to maturity being less than the benchmark.

Long-Term Debt

During 2015, total Long Term Debt increased \$40.2 million to \$268.5 million as a result of new borrowings exceeding repayments. Total debt principal repayments were \$21.0 million and new debt was \$61.2 million. New debt represents \$24.9 million for improvements to Environmental Utility assets, \$17.9 million relate to Electric's assets, \$2.0 million for the Gas Utility, and \$16.4 million 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 \$2.6 million.



The City's 2015 debt levels are as follows:

	2015	
Total Debt Limit	\$ 671.3	
Loan Guarantees	2.6	
Actual Total Debt	268.5	
Amount Under Limit	\$ 400.2	60%
Debt Servicing Limit	\$ 117.4	
Actual Debt Servicing	33.0	
Amount Under Limit	\$ 84.4	72%

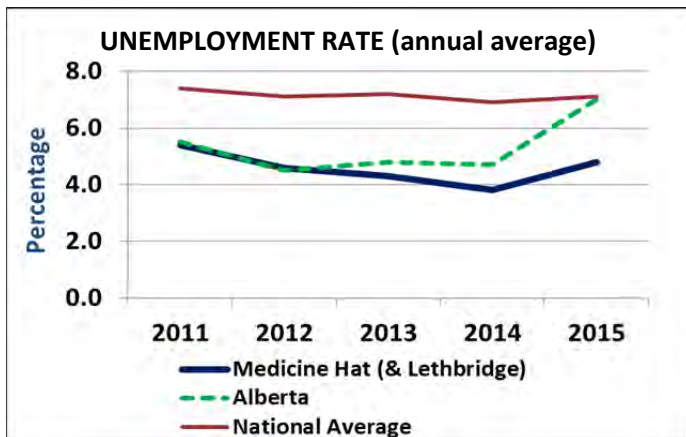
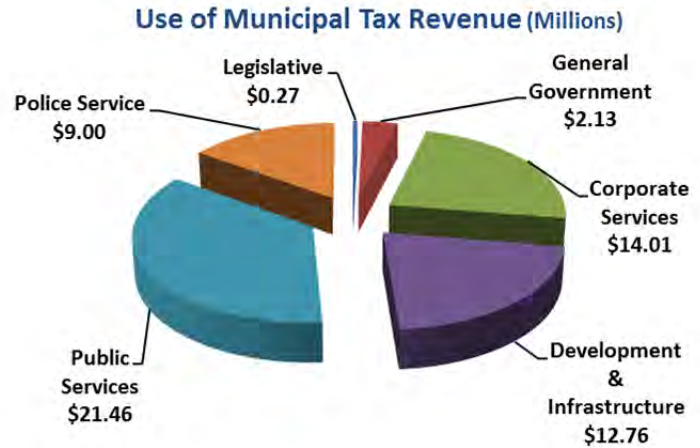
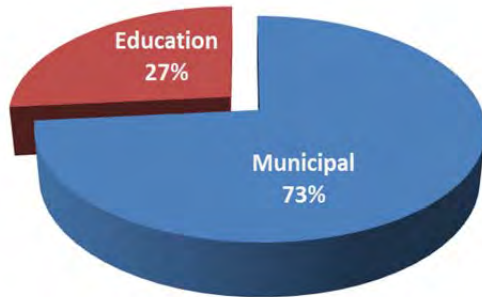
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Use of Municipal Tax Revenue (in thousands of dollars)

Property taxes contributed \$59.6 million (41.6%) of the consolidated General Fund operating expenses of \$143.1 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2015.

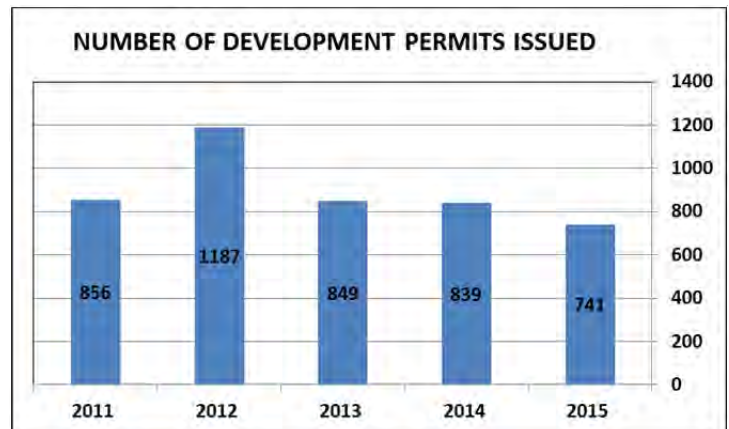


Economic Indicators

The unemployment rate in Medicine Hat and Lethbridge at the end of 2015 was 5.7%, while the 2015 average was 4.8%. The average Alberta unemployment for 2015 was 7.0% compared to 7.1% for Canada.

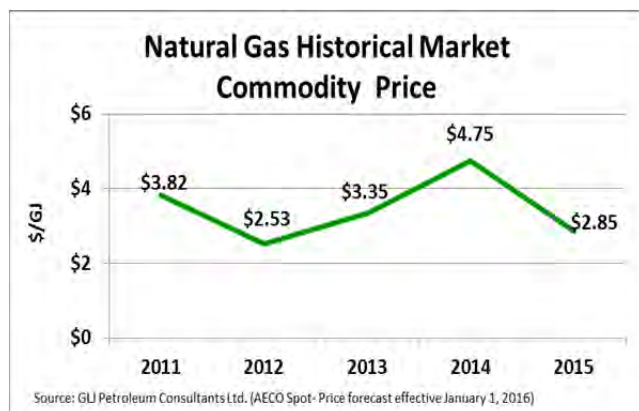
Number of Development Permits Issued

The number of development permits has decreased since 2013. 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. The economic downturn also contributed to the decrease in 2015.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015



Gas

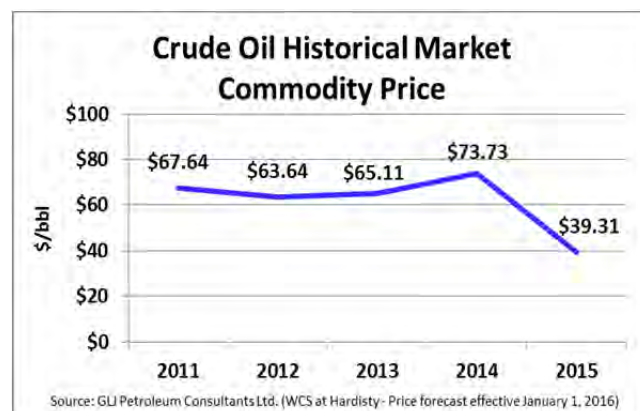
The decrease in the natural gas price in 2015 was mainly due to more gas being produced in the United States (approximately 4 bcf/day more than 2014), creating excess supply of gas in the market as well as less demand for gas due to warmer weather in the last quarter of 2015.

2015 gas production for the City of Medicine Hat was 17,164,640 cubic feet therefore a \$1 change in the commodity price would affect revenue by \$17,164,640 annually.

Oil

The decrease in oil prices in 2015 was due to supply exceeding demand globally.

2015 oil production for the City of Medicine Hat was 378,608 barrels therefore a \$1 change in the commodity price would affect revenue by \$378,608 annually.



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 councilors, 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.



Chief Administrative Officer

Commissioner of Corporate Services

April 18, 2016



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500 Lethbridge Centre Tower
Lethbridge AB
T1J 4E1
Canada

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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, 2015, and the consolidated statements of operations, changes in net financial (debt) 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 reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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, 2015, and its results of operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

April 18, 2016
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.

CONSOLIDATED
Statement of Financial Position
As at December 31, 2015 (in thousands of dollars)

	2015	2014	2013
Financial assets			
Cash and temporary investments (Note 2)	\$ 40,366	\$ 59,753	\$ 65,050
Accounts receivable, net of allowances (Note 3)	49,696	58,055	60,386
Advances to subsidiary (Note 4)	-	10,166	10,669
Investment in subsidiary (Note 5)	-	12,533	9,050
Investments, loans and advances (Note 6)	457,392	458,971	482,542
Land held for resale	6,544	6,608	2,951
Inventories for resale (Note 7)	66	97	106
Deposits (Note 8)	941	3,875	1,520
Total financial assets	555,005	610,058	632,274
Liabilities			
Trade accounts payable	34,826	35,784	38,552
Accrued liabilities (Note 9)	13,892	19,184	19,557
Deferred revenue (Note 10)	39,161	41,335	55,990
Long term debt (Note 12)	268,460	228,269	211,129
Other long term liabilities (Note 13)	263,856	201,656	183,428
Total liabilities	620,195	526,228	508,656
Net financial (debt) assets	(65,190)	83,830	123,618
Non-financial assets			
Inventories for consumption	11,489	11,045	10,916
Prepaid assets	2,181	2,644	2,225
Land held for future development (Note 14)	13,349	13,316	16,583
Long lived assets	108,080	78,469	71,750
Tangible capital assets (Schedule 1) (Note 15)	1,236,755	1,151,530	1,085,295
Total non-financial assets	1,371,854	1,257,004	1,186,769
Operating commitments (Note 21)			
Capital commitments (Note 23)			
Contingent liabilities (Note 24)			
Accumulated surplus (Note 16)	\$ 1,306,664	\$ 1,340,834	\$ 1,310,387

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

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2015 (in thousands of dollars)

	2015 Budget	2015	2014	2013
Revenue				
Municipal taxes (Schedule 2)	\$ 59,888	\$ 59,627	\$ 55,536	\$ 51,204
Sale of services				
General Government	8,821	8,618	9,756	9,812
Gas	101,699	87,728	129,588	107,722
Electric	77,870	72,610	89,548	113,268
Water	17,089	19,123	17,223	16,272
Sewer	14,125	14,997	14,178	13,219
Solid Waste	8,373	8,207	8,049	7,906
Land and Properties	11,450	6,751	10,533	9,626
Other income				
Investment income	10,492	12,130	15,347	13,087
Investment in subsidiary (Note 5)	2,485	5,119	3,483	4,972
Licenses, fines and penalties	6,416	6,317	6,395	6,092
Insurance recovery (clawback)	95	(925)	3,490	7,791
Development levies	2,993	3,453	9,368	7,698
Charitable gifts (Note 5)	-	-	3,000	1,500
Government transfers for operating (Schedule 3)	3,939	7,503	9,061	13,507
Other	15,487	18,133	18,572	32,475
Total revenue	341,222	329,391	403,127	416,151
Expenses (Schedule 4 and Schedule 5)				
General Government	144,771	143,113	141,250	141,312
Gas	125,440	175,640	169,831	188,443
Electric	52,903	52,224	60,860	64,479
Energy Sustainability	551	434	531	858
Water	12,947	11,881	12,040	11,335
Sewer	10,248	11,558	11,323	11,070
Solid Waste	6,338	6,479	7,328	6,631
Land and Properties	5,911	1,870	1,693	1,387
Total expenses	359,109	403,199	404,856	425,515
Deficiency of revenue over expenses				
- before other revenue	(17,887)	(73,808)	(1,729)	(9,364)
Other revenue				
Contributed tangible capital assets	371	371	1,152	1,126
Government transfers for capital (Schedule 3) (Note 10)	19,404	39,267	31,024	36,541
Total other revenue	19,775	39,638	32,176	37,667
Annual (deficit) surplus	1,888	(34,170)	30,447	28,303
Accumulated surplus, beginning of year	1,340,834	1,340,834	1,310,387	1,282,084
Accumulated surplus, end of year	\$ 1,342,722	\$ 1,306,664	\$ 1,340,834	\$ 1,310,387

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

CONSOLIDATED

Statement of Change in Net Financial (Debt) Assets

For the year ended December 31, 2015 (in thousands of dollars)

	2015 Budget	2015	2014	2013
Annual (deficit) surplus	\$ 1,888	\$ (34,170)	\$ 30,447	\$ 28,303
Amortization of tangible capital assets	62,523	66,530	65,071	72,151
Impairments	-	55,388	28,383	52,715
Loss (gain) on disposal of tangible capital assets	(300)	502	1,135	1,557
Developers contribution of tangible capital assets	(3,474)	(371)	(1,152)	(1,126)
Acquisition of tangible capital assets	(127,740)	(163,463)	(160,060)	(122,210)
Transfer of tangible capital assets from subsidiary	-	(25,451)	-	-
Proceeds from sale of tangible capital assets	-	975	388	442
Increase in long lived assets	(13,849)	(47,435)	(6,719)	(1,079)
Transfer of long lived assets from subsidiary	-	(1,511)	-	-
	(80,952)	(149,006)	(42,507)	30,753
Acquisition of inventories and supplies	(3,700)	(6,057)	(6,956)	(6,681)
Net (acquisition) transfer of land held for future development	(3,641)	(33)	3,267	(2,703)
Acquisition of prepaid assets	(3,000)	(4,743)	(3,759)	(3,041)
Consumption of inventories and supplies	3,700	5,613	6,827	7,538
Use of prepaid assets	3,000	5,206	3,340	2,774
	(3,641)	(14)	2,719	(2,113)
(Decrease) increase in net financial assets	(84,593)	(149,020)	(39,788)	28,640
Net financial assets, beginning of year	83,830	83,830	123,618	94,978
Net financial (debt) assets, end of year	\$ (763)	\$ (65,190)	\$ 83,830	\$ 123,618

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2015 (in thousands of dollars)

	2015	2014	2013
Net inflow (outflow) of cash related to the following activities:			
Operating			
Annual (deficit) surplus	\$ (34,170)	\$ 30,447	\$ 28,303
Non-cash items included in deficiency of revenues over expenses:			
Amortization of tangible capital assets	66,530	65,071	72,151
Impairments	55,388	28,383	52,715
Loss on disposal of tangible capital assets	502	1,135	1,557
Developers contribution of tangible capital assets	(371)	(1,152)	(1,126)
Income from subsidiary	(5,119)	(3,483)	(4,972)
Non-cash items relating to capital and investing activities:			
Decrease in advances to subsidiary	10,166	-	-
Decrease in investment in subsidiary	17,652	-	-
Transfer of tangible capital assets from subsidiary	(25,451)	-	-
Transfer of long lived assets from subsidiary	(1,511)	-	-
Non-cash changes to operations (net change):			
Decrease (increase) in accounts receivable	8,359	2,331	(10,866)
Decrease (increase) in inventories for resale	31	9	(17)
Decrease (increase) in land held for resale	64	(3,657)	3,006
Decrease (Increase) in land held for future development	(33)	3,267	(2,703)
Decrease (increase) in inventories for consumption	(444)	(129)	857
Increase in deposits	2,934	(2,355)	(934)
Increase in prepaid assets	463	(419)	(267)
Increase (decrease) in trade accounts payable	(958)	(2,768)	12,441
Increase (decrease) in accrued liabilities	(5,292)	(373)	5,713
Increase (decrease) in deferred revenue	(2,174)	(14,655)	8,581
Increase in other long term liabilities	62,200	18,228	10,327
Cash provided by operating transactions	148,766	119,880	174,766
Capital			
Acquisition of tangible capital assets	(163,463)	(160,060)	(122,210)
Proceeds from sale of tangible capital assets	975	388	442
Increase in long lived assets	(47,435)	(6,719)	(1,079)
Cash applied to capital transactions	(209,923)	(166,391)	(122,847)
Investing			
Decrease (increase) in restricted cash and temporary investments	3,233	12,640	(8,353)
Decrease (increase) in investments, loans and advances	1,579	23,571	(35,891)
Decrease in advances to subsidiary	-	503	535
Cash applied to investing transactions	4,812	36,714	(43,709)
Financing			
Long term debt issued and assumed	61,205	38,462	24,890
Long term debt repaid	(21,014)	(21,322)	(20,015)
Cash provided by financing transactions	40,191	17,140	4,875
Change in cash and equivalents during the year	(16,154)	7,343	13,085
Cash and cash equivalents, beginning of year	20,775	13,432	347
Cash and cash equivalents, end of year	\$ 4,621	\$ 20,775	\$ 13,432
Cash and cash equivalents consist of the following:			
Cash	\$ 40,366	\$ 59,753	\$ 65,050
Less: restricted portion of cash and temporary investments	(35,745)	(38,978)	(51,618)
Total	\$ 4,621	\$ 20,775	\$ 13,432

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

CONSOLIDATED
SCHEDULE OF TANGIBLE CAPITAL ASSETS
As at December 31, 2015 (in thousands of dollars)

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2015	2014	2013
Cost:										
Balance, beginning of year	\$ 46,902	\$ 71,185	\$ 266,549	\$ 1,133,081	\$ 833,559	\$ 77,569	\$ 48,433	\$ 2,477,278	\$ 2,354,191	\$ 2,295,406
Acquisition of tangible capital assets	1,251	34,929	70,564	42,271	8,914	27,320	6,038	191,287	126,091	73,057
Transfer of tangible capital assets from subsidiary	-	-	-	-	25,451	-	-	25,451	-	-
Construction-in-progress	-	(2,806)	(37,807)	11,463	(1,480)	2,780	397	(27,453)	35,121	50,279
Disposal of tangible capital assets	(1)	(373)	(1,239)	(15,541)	-	(2,826)	(4,409)	(24,389)	(9,742)	(11,836)
Write down of tangible capital assets	(12)	-	-	-	(36,041)	-	-	(36,053)	(28,383)	(52,715)
Balance, end of year	48,140	102,935	298,067	1,171,274	830,403	104,843	50,459	2,606,121	2,477,278	2,354,191
Accumulated amortization:										
Balance, beginning of year	-	34,449	71,089	480,957	675,001	37,593	26,659	1,325,748	1,268,896	1,206,582
Annual amortization	-	3,140	5,358	31,528	17,657	4,940	3,907	66,530	65,071	72,151
Accumulated amortization on disposals	-	(345)	(695)	(14,945)	-	(2,652)	(4,275)	(22,912)	(8,219)	(9,837)
Balance, end of year	-	37,244	75,752	497,540	692,658	39,881	26,291	1,369,366	1,325,748	1,268,896
Net book value of tangible capital assets	\$ 48,140	\$ 65,691	\$ 222,315	\$ 673,734	\$ 137,745	\$ 64,962	\$ 24,168	\$ 1,236,755	\$ 1,151,530	\$ 1,085,295
2014 net book value of tangible capital assets (Note 15)	\$ 46,902	\$ 36,736	\$ 195,460	\$ 652,124	\$ 158,558	\$ 39,976	\$ 21,774	\$ 1,151,530		
2013 net book value of tangible capital assets (Note 15)	\$ 45,015	\$ 33,458	\$ 141,460	\$ 625,387	\$ 192,155	\$ 29,898	\$ 17,922	\$ 1,085,295		

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

CONSOLIDATED**Schedule 2**

Schedule of Municipal Taxes
For the year ended December 31, 2015
(in thousands of dollars)

	2015 Budget	2015	2014	2013
Taxation				
Real property taxes	\$ 81,505	\$ 80,220	\$ 76,119	\$ 71,934
Linear property taxes	1,067	1,067	947	877
Special assessments and local improvement taxes	354	350	356	356
	<hr/> 82,926	<hr/> 81,637	<hr/> 77,422	<hr/> 73,167
Requisitions				
Alberta School Foundation	18,210	17,853	17,741	17,807
Catholic Board of Education	3,415	3,361	3,337	3,374
Cypress View Foundation	1,413	796	808	782
	<hr/> 23,038	<hr/> 22,010	<hr/> 21,886	<hr/> 21,963
Municipal taxes	<hr/> \$ 59,888	<hr/> \$ 59,627	<hr/> \$ 55,536	<hr/> \$ 51,204

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

Schedule of Government Transfers

For the year ending December 31, 2015 (in thousands of dollars)

	2015				
	Provincial	Federal	Total	2014	2013
Unconditional transfers					
Payment in place of taxes	\$ 743	\$ 65	\$ 808	\$ 1,403	\$ 1,355
	743	65	808	1,403	1,355
Conditional operating					
Alberta Emergency Services	-	-	-	-	93
Alberta Disaster Recovery Program (DRP)	2,136	-	2,136	3,556	6,594
Alberta Employment Programs	-	-	-	3	28
Alberta Foundation for the Arts	5	30	35	33	28
Alberta Foundation of the Arts Travelling Exhibition Program	194	-	194	141	140
Alberta Municipal Infrastructure Program (AMIP)	-	-	-	-	131
Alberta Museums Association	25	-	25	25	33
Basic Municipal Transportation Grant (BMTG)	102	-	102	122	121
Canadian Council of Archives	-	-	-	-	7
Canada Council for the Arts	-	-	-	41	41
Canadian Heritage Grant	-	45	45	45	45
Child and Family Services Alberta (CFSA)	114	-	114	112	107
Family and Community Support Services (FCSS)	1,333	-	1,333	1,333	1,333
Fire Services & Emergency Preparedness Program (FSEPP)	6	-	6	-	-
Gas Tax Fund (GTF)	-	93	93	-	-
GreenTrip	1	-	1	3	123
Historic Inventory	11	-	11	-	12
Historical Resources	87	-	87	-	-
Major Community Facilities Program (MCFP)	-	-	-	40	576
Municipal Assist	44	-	44	-	-
Municipal Policing Assistance	979	-	979	979	979
Municipal Sustainability Initiative (MSI)	9	-	9	532	1,094
Municipal Sustainability Initiative Operating (MSIO)	448	-	448	-	-
New Horizon	-	-	-	-	19
Police Officer Grant	400	-	400	400	500
Regional Collaboration Program (RCP)	92	-	92	-	-
Southern Alberta Flood Recovery Program (SAFRP)	20	-	20	-	-
Victims of Crime Fund Grant	150	-	150	150	148
Young Canada Works	-	4	4	-	-
911 Mobility Grant	367	-	367	143	-
	6,523	172	6,695	7,658	12,152
Conditional capital					
Affordable Housing Grant	390	-	390	891	519
Alberta Community Partnership (ACP)	41	-	41	-	-
Alberta Disaster Recovery Program (DRP)	-	-	-	852	862
Alberta Environment Eco Trust Funding Grant	15	-	15	-	2,520
Alberta Infrastructure Sanitary Sewer	-	-	-	-	86
Alberta Municipal Infrastructure Program (AMIP)	-	-	-	-	2,295
Alberta Recycling Management Grant	15	-	15	-	-
Basic Municipal Transportation Grant (BMTG)	1,093	-	1,093	5,071	4,347
Climate Change & Emissions Management Corp (CCEMC)	16	-	16	-	2,520
Community Infrastructure Improvement Fund	-	-	-	5	5
Enabling Accessibility Fund (EAF)	-	40	40	-	-
Gas Tax Fund (GTF)	-	2,492	2,492	6,683	1,411
Flood Readiness Supplies Grant	26	-	26	1,371	-
Flood Recovery Erosion Control Program (FREC)	8,399	-	8,399	4,274	15
GreenTrip	2,326	-	2,326	646	-
Local Flood Mitigation Measures (LFM)	4,309	-	4,309	-	-
Major Community Facilities Program (MCFP)	5,290	-	5,290	1,863	3,227
Municipal Sustainability Initiative (MSI)	9,525	-	9,525	7,096	17,856
New Building Canada Fund (NBCF)	-	5,290	5,290	-	813
New Deals for Public Transit (NDPT)	-	-	-	409	65
Recreational Infrastructure Canada Program (RinC)	-	-	-	1,863	-
	31,445	7,822	39,267	31,024	36,541
Total government transfers	\$ 38,711	\$ 8,059	\$ 46,770	\$ 40,085	\$ 50,048

Schedule of Segment Disclosures (Note 27) For the year ended December 31, 2015 (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	2015 Consolidated
Revenue										
Net municipal taxes	\$ 62,980	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (3,579)	\$ 59,627
Sales of services	8,618	106,184	77,126	-	19,304	15,117	8,388	6,751	(23,454)	218,034
Investment income	4,236	5,806	2,288	16	-	-	-	-	(216)	12,130
Investment in subsidiary	-	5,119	-	-	-	-	-	-	-	5,119
Licenses, fines and penalties	6,291	-	-	-	-	-	-	26	-	6,317
Insurance recovery	(472)	(6)	(155)	-	(292)	-	-	-	-	(925)
Development levies	1,410	365	923	-	429	326	-	-	-	3,453
Charitable gifts	-	32,001	-	-	-	-	-	-	(32,001)	-
Government transfers for operating	6,938	(3)	231	-	297	34	(1)	7	-	7,503
Other	6,550	1,569	6,022	-	277	30	25	1,172	2,488	18,133
Internal recoveries	34,772	454	2,960	486	1,246	(18)	874	-	(40,774)	-
Transfer from Utilities and Land & Properties	4,988	-	-	-	-	-	-	-	(4,988)	-
	136,311	151,489	89,395	502	21,374	15,602	9,286	7,956	(102,524)	329,391
Expenses										
Salaries, wages and benefits	83,576	16,382	13,764	121	4,208	3,914	2,800	434	251	125,450
Contracted and general services	20,210	21,131	7,218	43	1,360	892	1,703	259	(269)	52,547
Materials, goods and utilities	9,795	17,780	10,001	1	1,622	1,511	839	3,969	(3,008)	42,510
Provisions for allowances	35	482	104	-	34	29	(14)	-	-	670
Bank charges and short term interest	149	55	-	-	-	-	-	1	-	205
Interest on long term debt	1,327	523	2,959	-	2,872	2,051	132	-	(216)	9,648
Total grants and other transfers	3,391	32,001	-	-	-	-	-	-	(32,001)	3,391
Other operating expenses	(724)	45,966	2,827	268	(4)	15	204	-	(2,194)	46,358
Amortization of tangible capital assets	25,792	19,482	15,133	1	3,132	2,615	337	38	-	66,530
Impairment	-	55,376	-	-	-	-	-	12	-	55,388
Loss (gain) on disposal of tangible capital assets	1	88	420	-	41	-	3	(51)	-	502
Internal charges and transfers	20,613	7,901	26,550	108	4,497	3,344	2,480	803	(66,296)	-
	164,165	217,167	78,976	542	17,762	14,371	8,484	5,465	(103,733)	403,199
Excess (deficiency) of revenue over expenses	\$ (27,854)	\$ (65,678)	\$ 10,419	\$ (40)	\$ 3,612	\$ 1,231	\$ 802	\$ 2,491	\$ 1,209	\$ (73,808)
Other										
Contributed assets	\$ 7,544	\$ 25	\$ (628)	\$ -	\$ 460	\$ 485	\$ -	\$ (393)	\$ (7,122)	\$ 371
Government transfers for capital	38,429	-	31	-	(51)	858	-	-	-	39,267
Total other	45,973	25	(597)	-	409	1,343	-	(393)	(7,122)	39,638
Excess (deficiency) of revenue over expenses	\$ 18,119	\$ (65,653)	\$ 9,822	\$ (40)	\$ 4,021	\$ 2,574	\$ 802	\$ 2,098	\$ (5,913)	\$ (34,170)

Schedule of Segment Disclosures (Note 27) For the year ended December 31, 2014 (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	2014 Consolidated
Revenue										
Net municipal taxes	\$ 59,000	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,692)	\$ 55,536
Sales of services	9,756	157,701	94,494	-	17,421	14,310	8,247	10,533	(33,587)	278,875
Investment income	6,009	6,518	2,955	16	-	-	-	-	(151)	15,347
Investment in subsidiary	-	3,483	-	-	-	-	-	-	-	3,483
Licenses, fines and penalties	6,390	-	-	-	-	-	-	5	-	6,395
Insurance recovery	3,430	-	-	-	36	24	-	-	-	3,490
Development levies	4,928	642	2,692	-	1,106	-	-	-	-	9,368
Charitable gifts	3,000	-	-	-	-	-	-	-	-	3,000
Government transfers for operating	8,436	17	131	-	16	455	4	2	-	9,061
Other	5,753	(643)	7,298	-	489	34	36	841	4,764	18,572
Internal recoveries	29,367	531	4,908	614	702	-	768	-	(36,890)	-
Transfer from Utilities and Land & Properties	70,653	-	-	200	-	-	-	-	(70,853)	-
	206,722	168,249	112,478	830	19,884	14,937	9,055	11,381	(140,409)	403,127
Expenses										
Salaries, wages and benefits	78,644	16,754	14,762	107	4,670	3,922	2,738	644	926	123,167
Contracted and general services	23,085	24,704	10,086	37	771	1,149	1,282	111	(243)	60,982
Materials, goods and utilities	10,144	31,079	14,898	4	1,890	1,628	1,118	6,662	(5,992)	61,431
Provisions for allowances	50	(249)	118	-	48	45	18	-	-	30
Bank charges and short term interest	140	27	-	-	-	-	-	1	-	168
Interest on long term debt	1,205	439	3,186	-	2,677	1,914	129	-	(151)	9,399
Total grants and other transfers	4,100	-	-	-	-	-	-	-	-	4,100
Other operating expenses	489	47,396	3,331	380	17	7	1,219	-	(1,849)	50,990
Amortization of tangible capital assets	22,010	22,968	14,478	1	2,829	2,385	362	38	-	65,071
Impairment	-	28,383	-	-	-	-	-	-	-	28,383
Loss on disposal of tangible capital assets	79	172	411	-	472	-	1	-	-	1,135
Internal charges and transfers	18,214	29,918	74,025	117	4,349	3,070	2,191	5,901	(137,785)	-
	158,160	201,591	135,295	646	17,723	14,120	9,058	13,357	(145,094)	404,856
Excess (deficiency) of revenue over expenses	\$ 48,562	\$ (33,342)	\$ (22,817)	\$ 184	\$ 2,161	\$ 817	\$ (3)	\$ (1,976)	\$ 4,685	\$ (1,729)
Other										
Contributed assets	\$ 2,215	\$ -	\$ 146	\$ -	\$ 186	\$ 184	\$ -	\$ (180)	\$ (1,399)	\$ 1,152
Government transfers for capital	28,957	-	-	-	1,887	180	-	-	-	31,024
Total other	31,172	-	146	-	2,073	364	-	(180)	(1,399)	32,176
Excess (deficiency) of revenue over expenses	\$ 79,734	\$ (33,342)	\$ (22,671)	\$ 184	\$ 4,234	\$ 1,181	\$ (3)	\$ (2,156)	\$ 3,286	\$ 30,447

Schedule of Segment Disclosures (Note 27) For the year ended December 31, 2013 (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	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 & Properties	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

CONSOLIDATED**Schedule 5**

Schedule of Expenses By Object
For the year ended December 31, 2015
(in thousands of dollars)

	2015 Budget	2015	2014	2013
Expenses				
Salaries, wages and benefits	\$ 129,622	\$ 125,450	\$ 123,167	\$ 121,057
Contracted and general services	56,309	52,547	60,982	61,720
Materials, goods and utilities	58,105	42,510	61,431	51,264
Provisions for allowances	252	670	30	390
Bank charges and short term interest	217	205	168	134
Interest on long term debt	10,006	9,648	9,399	9,697
Total grants and other transfers	3,450	3,391	4,100	2,370
Other operating expenses	39,378	46,358	50,990	52,460
Amortization of tangible capital assets	62,070	66,530	65,071	72,151
Impairments	-	55,388	28,383	52,715
Loss (gain) on disposal of tangible capital assets	(300)	502	1,135	1,557
Total expenses	\$ 359,109	\$ 403,199	\$ 404,856	\$ 425,515

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF CONSOLIDATION

The Consolidated Financial Statements reflect the assets, liabilities, revenues and expenses and changes in net financial 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, Human Resources and Computer Services and Corporate Asset Management), Public Services (Fire Services, 9-1-1 Communications, Community Development, Cultural Development, Parks & Recreation), Development & Infrastructure Services (Municipal Works, Planning, Building & Development and Land and Properties) and Police Service (Police Service and Bylaw Enforcement).

2. Utility Services

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

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

At a meeting on October 8, 2015, the Board of Directors of Allied Oil & Gas Corp. unanimously recommended that the Municipal Council of the City of Medicine Hat, in its capacity as sole shareholder of Allied Oil and Gas Corp., adopt a special resolution to transfer the assets of Allied Oil and Gas Corp. into the City of Medicine Hat's asset portfolio. The transferred asset portfolio will be managed by the City of Medicine Hat's Natural Gas and Petroleum Resources (NGPR) business unit. The Municipal Council of the City of Medicine Hat adopted the special resolution on November 16, 2015. As a result, effective December 1, 2015, Allied Oil & Gas Corp. was no longer treated as a government business enterprise and the remaining assets, liabilities and operations have been consolidated into the financial statements of the City of Medicine Hat.

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 17.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

(B) BASIS OF ACCOUNTING

The consolidated financial statements are prepared using the accrual basis of accounting.

1. Revenues

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

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

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

2. Tax Revenues

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

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

3. Expenses

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

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

(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.

(I) DECOMMISSIONING OBLIGATION

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

(J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

(K) NON-FINANCIAL ASSETS

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

1. Tangible Capital Assets

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

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

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

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

Carrying costs directly attributable to the acquisition, construction, development, or betterment, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is available for use.

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

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

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

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

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

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

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

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

D&P assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 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).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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.

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

(v) Impairment

E&E Assets:

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

PP&E:

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

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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

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

Reversals of impairments are recognized when 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.

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 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.

(L) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities 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 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.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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.

2. Liability for Contaminated Sites

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

(M) ADOPTION OF NEW ACCOUNTING STANDARDS

There was one new accounting standard within the Public Sector Accounting Standards (PSAS) that was required to be adopted for the year-ended December 31, 2015.

1. Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued the liabilities for contaminated sites accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Net costs to remediate include, but are not limited to: assessment costs, maintenance and monitoring costs, and internal and external direct operating and/or capital costs relating to remediation and/or reclamation. The City of Medicine Hat adopted this accounting standard prospectively as of January 1, 2015. The City has recorded \$347 of liabilities for contaminated sites included in other long term liabilities in the Consolidated Statement of Financial Position (note 13C). The amount of anticipated recoveries included in this estimate is \$nil.

(N) FUTURE ACCOUNTING CHANGES

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

PSAS 1201 comes into effect for fiscal years beginning on or after April 1, 2019. This includes adoption of PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation and PS 1201 Financial Statement Presentation. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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

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

2. Portfolio Investments

PSAS 3041 comes into effect for fiscal years beginning on or after April 1, 2019. Early adoption is permitted, however this standard must be adopted at the same time as PSAS Section 2601 and PSAS Section 3450. This section is to be adopted prospectively. This section replaces the existing PSAS Section 3040 Portfolio Investments. This section is similar to PSAS Section 3040 with amendments to conform with PSAS Section 3450 referred to above. The new sections provide for the removal of the distinction between temporary and portfolio investments, with the implication that when temporary investments are not cash equivalents they are accounted for as portfolio investments. This section also provides for pooled investment funds to be included within this section. When the City adopts PSAS Section 3450, it will need to account for any interest in pooled investment funds in accordance with this section as well as Section 3450. This entails an examination of the rights associated with units within a pooled investment fund, rather than the funds underlying the investment.

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

3. Restructuring Transactions

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

4. Assets, Contingent Assets

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

5. Related Party and Inter-Entity Transactions

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

6. Contractual Rights

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

NOTE 2: CASH AND TEMPORARY INVESTMENTS

	2015	2014	2013
Cash	\$ 4,621	\$ 20,775	\$ 13,432
Temporary Investments	35,745	38,978	51,618
TOTAL	\$ 40,366	\$ 59,753	\$ 65,050

The temporary investments represent restricted amounts aggregating \$34,892 (2014-\$25,847; 2013 - \$33,640) 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 restricted amounts aggregating \$853 (2014 - \$13,131; 2013 - \$17,969) for Alberta Disaster Recovery program funding for the 2010, 2011, 2013 and 2014 flood damages and mitigation measures.

These investments have an average yield of 1.40 (2014 – 1.68; 2013 - 2.08) per cent and an average term of 291 (2014 – 292; 2013 – 488) days to maturity.

NOTE 3: ACCOUNTS RECEIVABLE, Net of Allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2015	2014	2013
Current Taxes Receivable	\$ 2,308	\$ 2,523	\$ 2,626
City Centre Development Agency	18	7	9
Less: Allowance for Tax Adjustments	(5)	(3)	(5)
SUB-TOTAL	\$ 2,321	\$ 2,527	\$ 2,630

(B) ACCOUNTS RECEIVABLE

	2015	2014	2013
Trade Accounts Receivable	\$ 48,710	\$ 56,395	\$ 67,273
Less: Allowance for Doubtful Accounts	(1,335)	(867)	(9,517)
SUB-TOTAL	\$ 47,375	\$ 55,528	\$ 57,756
TOTAL	\$ 49,696	\$ 58,055	\$ 60,386

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 4: ADVANCES TO SUBSIDIARY

	2015	2014	2013
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ -	\$ 69	\$ 72
Unsecured note, bearing interest at prime plus 1% due on demand	-	10,097	10,597
TOTAL	\$ -	\$10,166	\$10,669

As a result of the transfer of Allied's assets and liabilities to the City of Medicine Hat (note 1A), the advances to subsidiary have been settled. The prime interest rate in 2014 and 2013 was 3 per cent.

NOTE 5: INVESTMENT IN SUBSIDIARY

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.

	2015	2014	2013
Financial position			
Current assets	\$ 1,169	\$ 5,983	\$ 5,432
Deferred income tax asset	-	-	-
Tangible capital assets	-	24,353	21,549
Total assets	1,169	30,336	26,981
Current liabilities	-	1,360	2,033
Advances from City of Medicine Hat	-	10,166	10,669
Decommissioning obligation	-	2,277	1,673
Deferred income tax Liability	-	947	503
Other liabilities	-	6	6
Total liabilities	-	14,756	14,884
NET ASSETS	\$ 1,169	\$15,580	\$12,097

At December 31, 2015, the Net Assets comprised of \$1,169 of current assets which were consolidated into the City of Medicine Hat's statements. (Net Assets for 2014 comprised of a surplus of \$12,356 and contributed surplus of \$3,224; Net Assets for 2013 comprised of a surplus of \$8,873 and contributed surplus of \$3,224).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

	2015	2014	2013
Revenues	\$ 14,650	\$24,132	\$21,426
Operating expenses	6,770	12,639	11,013
Cash flow from operations	7,880	11,493	10,413
Charitable gift	32,001	3,000	1,500
Depletions and accretion	2,670	3,698	2,428
Transfer of assets to Parent	(32,001)	-	-
Net income before income tax	5,210	4,795	6,485
Income tax expense	91	1,312	1,513
Net income	5,119	3,483	4,972
Earnings (deficit), beginning of year	12,527	9,044	4,072
Transfer to Parent	(17,646)	-	-
Retained earnings (deficit), end of year	-	12,527	9,044
Preferred Shares	-	6	6
INVESTMENT IN SUBSIDIARY	\$ -	\$12,533	\$ 9,050

The operation of this government business enterprise was accounted for using the modified equity method of accounting until it ceased operations December 1, 2015. After that date the remaining assets, liabilities and operations have been consolidated into the financial statements of the City of Medicine Hat.

As mentioned in Note 1A, in 2015 Allied transferred its assets into the City of Medicine Hat. The transferred asset portfolio will be managed by the City of Medicine Hat's Natural Gas and Petroleum Resources (NGPR) business unit. The Municipal Council of the City of Medicine Hat approved this transaction on November 16, 2015. As a result of this transfer Allied Oil & Gas Corp. will not have active operations on a go forward basis and is no longer be treated as a government business enterprise under the Canadian Public Sector Accounting Standards and therefore the investment in subsidiary for 2015 is \$nil, and the remaining assets, liabilities and operations are consolidated on a line by line basis in the City's financial statements.

In 2015, Allied distributed assets with a fair market value of \$11,567 to the City of Medicine Hat in consideration for the assumption of its liabilities having a face value of \$11,567. In addition, the Company donated its gross remaining net assets with a fair market value of \$32,001 as a charitable gift as described in the Canadian Income Tax Act. As these transactions occurred between the City and its wholly owned subsidiary, the items have been recorded at their net book value with any unrealized gain eliminated from the consolidated financial statements. In 2014, Allied donated as a charitable gift as described under section 110.1 of the Income Tax Act the amount of \$3,000 (2013 – \$1,500) to the City of Medicine Hat.

During the year the City, by agreement, received management fees from Allied in the amount of \$347 (2014 – \$372; 2013 – \$368). Also during the year, the City bought solution gas from Allied in the amount of \$55 (2014 – \$100; 201 – \$57). These transactions are measured at the exchange amount, being the amount determined and agreed upon by the parties. As these transactions occurred while Allied was considered a government business enterprise, they are not eliminated from the consolidated financial statements.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 6: INVESTMENTS, LOANS AND ADVANCES

	2015		2014		2013	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 16,249	\$ 21,296	\$ 16,897	\$ 20,268	\$ 17,559	\$ 19,344
Provincial Government and Agencies	52,949	53,196	26,353	26,771	22,670	23,510
Canadian Banks	246,912	248,125	265,126	267,734	223,760	226,510
Others	141,282	142,288	150,595	151,770	218,553	220,066
TOTAL	\$ 457,392	\$ 464,905	\$ 458,971	\$ 466,543	\$ 482,542	\$ 489,430

These investments are fixed income and bonds with interest rates from 0.98 per cent to 9.98 per cent and mature in periods 2016 through 2108. The investments have an average expected yield of 2.57 (2014 - 2.85; 2013 - 2.94) per cent and an average term of 4.35 (2014 - 6.84; 2013 - 6.29) years to maturity.

NOTE 7: INVENTORIES FOR RESALE

	2015	2014	2013
Gas Inventory	\$ 1	\$ 1	\$ 1
Concessions	65	96	105
TOTAL	\$ 66	\$ 97	\$ 106

NOTE 8: DEPOSITS

	2015	2014	2013
Tax Requisition Over Levies	\$ 92	\$ -	\$ 24
Postage	48	28	60
Refundable Containers	33	34	28
Operating Deposits	672	1,192	1,338
Gas Royalty Deposits	96	2,621	70
TOTAL	\$ 941	\$ 3,875	\$ 1,520

NOTE 9: ACCRUED LIABILITIES

	2015	2014	2013
Accrued Wages and Salaries	\$ 2,679	\$ 7,638	\$ 8,130
Vacation Pay	6,504	6,436	6,323
Accrued Interest on Long-Term Debt	1,682	1,515	1,642
Deferred Charges	196	941	852
Accrued Royalties	67	141	159
Other Accrued Liabilities	2,764	2,513	2,451
TOTAL	\$ 13,892	\$ 19,184	\$ 19,557

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 10: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2013	Balance 2014	Additions 2015	Reductions 2015	Balance 2015
Deposits	\$ 516	\$ 216	\$ 769	\$ 676	\$ 309
Deferred Revenue	3,865	2,141	5,678	4,712	3,107
Alberta Cities Transportation Program	5,664	1,371	570	1,792	149
Alberta Emergency Disaster Program	17,969	13,131	2,865	15,988	8
Federal Gas Tax Fund	7,087	535	6,581	5,832	1,284
GreenTrip	462	-	-	-	-
Municipal Sustainability Initiative	18,250	17,866	36,125	23,625	30,366
New Deal for Cities and Communities	401	-	-	-	-
Public Housing Grant	234	238	4	-	242
Major Community Facilities Program	-	4,005	8,314	10,126	2,193
AB Community Partnership	-	-	412	42	370
Local Flood Mitigation	-	-	5,162	4,317	845
Community Facility Enhancement	-	-	70	-	70
Theatre Donations	-	-	10	-	10
Enabling Accessibility Fund	-	-	50	12	38
Regional Emergency Management	166	132	2	92	42
Affordable Housing Grant	1,376	510	580	962	128
Alberta Environment Eco Trust Funding Grant	-	1,190	5,560	6,750	-
TOTAL	\$ 55,990	\$ 41,335	\$ 72,752	\$ 74,926	\$ 39,161

Funds from Alberta Cities Transportation Program, Federal Gas Tax Fund, Municipal Sustainability Initiative, Major Community Facilities Program (MCFP), AB Community Partnership, Community Facility Enhancement Grant and Public Housing Grants, 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 (note 2) of \$34,892 (2014 – \$25,847; 2013 – \$33,640) held exclusively for these projects. An additional \$853 (2014 – \$13,131; 2013 - \$17,969) 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 road works); Municipal Sustainability Initiative Capital Grant (used primarily for the construction of the Transit Storage Facility, relocation of the Fire Station and road works), Municipal Sustainability Initiative Operating Grant (used primarily for storm sewer and sidewalk maintenance, and support to not for profit organizations), 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), New Building Canada Fund (used for the Family Leisure Centre expansion), Local Flood Mitigation Measures and Flood Recovery Erosion Control (used for River Berms,) and Alberta Disaster Program (used to rebuild City assets destroyed in the 2010, 2011, 2013 and 2014 floods).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 11: SHORT-TERM DEBT

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

At December 31, 2015, there were Letters of Credit issued in the amount of \$38,816 (2014 – \$18,466; 2013 – \$8,367).

NOTE 12: LONG-TERM DEBT

(A)

	2015	2014	2013
Tax Supported	\$ 38,805	\$ 24,901	\$ 23,243
Utilities			
- Electric	75,124	68,151	70,049
- Gas	15,715	14,340	11,357
- Water	75,083	70,152	59,975
- Sewer	60,189	47,891	43,307
- Solid Waste	3,544	2,834	3,198
Total Utilities	229,655	203,368	187,886
TOTAL DEBT	\$ 268,460	\$ 228,269	\$ 211,129

	2015	2014	2013
Comprised of:			
- Alberta Capital Finance Authority	\$ 268,460	\$ 228,269	\$ 211,129
TOTAL DEBT	\$ 268,460	\$ 228,269	\$ 211,129

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

	Principal	Interest
2016	\$ 22,915	\$ 10,132
2017	20,502	9,171
2018	20,882	8,317
2019	19,626	7,450
2020	16,293	6,684
2021-2045	168,242	40,957
TOTAL	\$ 268,460	\$ 82,711

The debentures have interest payable at rates ranging from 1.088 per cent to 8.250 per cent per annum before Provincial Subsidy, and mature in periods 2016 through 2045. The average annual interest rate is 4.30 per cent for 2015 (2014 – 4.68 per cent; 2013 – 4.53 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 2015 was \$9,648 (2014 – \$9,399; 2013 – \$9,697).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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

	2015	2014	2013
Tax Supported Debentures	\$ 616	\$ 407	\$ 380
Rate Supported Debentures	3,644	3,324	3,071
TOTAL	\$ 4,260	\$ 3,731	\$ 3,451

Debt per capita is based on the official census of 63,018 for 2015, (61,180 for 2014, 61,180 for 2013) 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.

	2015	2014	2013
Total Debt Limit	\$671,261	\$ 847,382	\$ 865,099
Loan Guarantees (Note 12 (E))	2,640	2,640	2,640
Actual Total Debt	268,460	228,269	211,129
AMOUNT UNDER LIMIT	\$400,161	\$ 616,473	\$ 651,330
Debt Servicing Limit	\$117,471	\$ 148,292	\$ 151,392
Actual Debt Servicing (Long and Short-Term Debt)	33,047	30,509	30,258
AMOUNT UNDER LIMIT	\$ 84,424	\$ 117,783	\$ 121,134

(E) LOAN GUARANTEES

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations to a maximum of \$2,640.

Bylaw Number	Guarantee	Maximum Loan Amount	Bylaw Passed by City Council
Bylaw 3790	Medicine Hat Musical Theatre and the Medicine Hat Firehall Theatre Society	\$ 500	May 23, 2007
Bylaw 3435/3804	Entre-Corp.	500	July 24, 2007
Bylaw 4187	Connaught Golf & Country Club	965	September 3, 2013
Bylaw 4138	Medicine Hat Golf & Country Club	675	November 6, 2012
TOTAL		\$2,640	

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years. All loans are in good standing at December 31, 2015.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 13: OTHER LONG-TERM LIABILITIES

(A)

	2015	2014	2013
Offsite Contributions	\$ 3,011	\$ 3,088	\$ 7,128
Asset Retirement Obligation - Gas	247,956	186,069	164,921
Contaminated Sites Abandonment & Restoration	347	-	-
Deferred Charges	1,330	1,732	2,147
Employee Retirement Benefits Liability (Note 20)	6,027	5,776	5,460
Sanitary Landfill - Site Abandonment and Restoration	5,185	4,991	3,772
TOTAL	\$ 263,856	\$201,656	\$ 183,428

(B) At December 31, 2015 the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$400,387 (2014 – \$314,349; 2013 – \$292,211), calculated using an inflation rate of 2.16 (2014 – 2.26; 2013 – 2.14) per cent per annum. The estimated fair value of this liability was \$247,956 (2014 – \$186,069; 2013 – \$164,921) after discounting the estimated cash flows at a rate of 5.18 (2014 – 5.36; 2013 – 6.27) per cent. At December 31, 2015, the expected timing of payment for settlement of the obligations ranges from 1 to 50 years.

(C) At December 31, 2015 the estimated undiscounted cash flows required to settle the contaminated sites were \$365 (2014 – \$0; 2013 – \$0), calculated using an inflation rate of 1.10 (2014 – 0; 2013 – 0) per cent per annum. The estimated fair value of this liability was \$347 (2014 – \$0; 2013 – \$0) after discounting the estimated cash flows at a rate of 2.15 (2014 – 0; 2013 – 0) per cent. At December 31, 2015, the expected timing of payment for settlement of the obligations ranges from 2 to 10 years.

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

A snow dump site has been identified as contaminated and will be assessed and remediated within the next few years. A liability for this site has not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs.

(D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 3.19 (2014 – 3.18; 2013 – 3.91) per cent assuming inflation of 2.16 (2014 – 2.26; 2013 – 2.14) per cent.

NOTES

For the year ended December 31, 2015

(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:

	2015	2014	2013
Estimated Closure Costs	\$ 8,935	\$ 8,935	\$ 7,320
Estimated Post Closure Costs	3,667	3,718	1,511
Estimated Total Costs	12,602	12,653	8,831
Estimated Capacity remaining m ³ (000's)	1,917	2,026	2,112
Portion of Total Liability remaining to be recognized	7,417	7,662	5,059
Estimated Capacity used m ³ (000's)	2,608	2,499	2,413
ACCRUED LIABILITY PORTION	\$ 5,185	\$ 4,991	\$ 3,772

The total capacity of the site is estimated at 4,525,000 cubic meters. The estimated remaining capacity of the landfill site is 1,917,074 (2014 – 2,052,890, 2013 – 2,112,105) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2030. The City has not designated assets for settling closure or post closure liabilities.

NOTE 14: LAND HELD FOR FUTURE DEVELOPMENT

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

NOTE 15: TANGIBLE CAPITAL ASSETS

	2015 Net Book Value	2014 Net Book Value	2013 Net Book Value
Land	\$ 48,140	\$ 46,902	\$ 45,015
Land Improvements	65,691	36,736	33,458
Buildings	222,315	195,460	141,460
Engineering Structures	673,734	652,124	625,387
Gas and Oil Properties	137,745	158,558	192,155
Machinery, Equipment and Furnishings	64,962	39,976	29,898
Vehicles	24,168	21,774	17,922
TOTAL	\$ 1,236,755	\$1,151,530	\$ 1,085,295

The net book value of capital assets not being amortized and under construction is \$27,167 (2014 – \$35,121; 2013 – \$50,279). 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 \$371 (2014 – \$1,152; 2013 – \$1,126). 2015 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, curbs and sidewalks.

In 2015, the City did not capitalize any interest. The City did recognize an impairment of \$55.4 million (2014 - \$28.4 million; 2013 - \$52.7 million) related to their oil and gas assets. The impairment is due to the continually declining current and forward market commodity price for natural gas and oil.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 16: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2015	Total 2014	Total 2013
Balance, beginning of year	\$ 53,174	\$ 364,399	\$ 923,261	\$1,340,834	\$1,310,387	\$1,282,084
Annual (deficit) surplus	(34,170)	-	-	(34,170)	30,447	28,303
Unrestricted funds designated for future use	(90,526)	90,526	-	-	-	-
Restricted funds used for operations	165,403	(165,403)	-	-	-	-
Funded tangible capital assets	(147,044)	-	147,044	-	-	-
Contributed tangible capital assets	(371)	-	371	-	-	-
Disposal of tangible capital assets	1,477	-	(1,477)	-	-	-
Impairment	55,388	-	(55,388)	-	-	-
Annual amortization expense	66,530	-	(66,530)	-	-	-
Long term debt repaid	(21,014)	-	21,014	-	-	-
BALANCE, END OF YEAR	\$ 48,847	\$ 289,522	\$ 968,295	\$1,306,664	\$1,340,834	\$1,310,387

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 2015 there were \$0.997 excess surplus funds designated restricted (2014 – \$3,200; 2013 – \$0.373).

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 2015, the Electric Utility reported an excess surplus of \$10,834 which was designated a restricted amount (2014 - \$2,529; 2013 – \$34,345).

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 2015, the Gas Utility did not have an excess surplus to designate as a restricted amount. Excess surplus designated as a restricted amount in 2014 was \$15,083 and in 2013 was \$10,974.

UNRESTRICTED SURPLUS	2015	2014	2013
General Government	\$ 10,656	\$ 10,640	\$10,216
Energy Sustainability	54	41	41
Gas	8,820	8,835	8,888
Electric	6,135	5,657	6,156
Water	4,623	3,585	3,011
Sewer	2,778	4,108	3,816
Solid Waste	5,170	6,447	6,451
Land	10,611	13,861	11,743
TOTAL	\$ 48,847	\$ 53,174	\$50,322

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

Restricted Surplus

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

	2015	2014	2013
Restricted Surplus - Capital	\$ 52,288	\$ 38,238	\$ 25,274
Restricted Surplus - Reserves	237,234	326,161	360,625
TOTAL	\$ 289,522	\$ 364,399	\$ 385,899

Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2015	2014	2013
General Government	\$ 12,082	\$ 14,964	\$ 2,270
Gas	3,781	5,033	8,408
Electric	10,945	14,524	13,701
Water	5,566	(423)	(2,414)
Sewer	15,384	2,309	(557)
Solid Waste	3,384	350	1,107
Land and Properties	1,146	1,481	2,759
TOTAL	\$ 52,288	\$ 38,238	\$ 25,274

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 2013	Balance 2014	2015 Additions	2015 Reductions	Balance 2015
Employee Development	\$ 1,186	\$ 1,533	\$ -	\$ 43	\$ 1,490
Victim Assistance	24	19	-	-	19
Second Street Properties	84	84	-	-	84
Fleet Replacement	6,837	3,444	4,175	6,281	1,338
Art Acquisitions	88	78	24	16	86
Infrastructure	28,658	21,759	9,118	7,701	23,176
Employee Benefits	7,708	6,782	290	540	6,532
Community Capital	38,278	41,324	1,060	11,812	30,572
Event Centre	51,767	12,536	316	12,778	74
Tax Rate Stabilization	-	42,813	1,262	22,345	21,730
Nature's Best	861	1,045	216	268	993
Electric Facility and Equipment	112,593	78,848	10,833	11,030	78,651
Gas Depletion	103,497	103,369	-	30,880	72,489
SUB TOTAL	351,581	313,634	27,294	103,694	237,234
Equity in Subsidiary	9,044	12,527	5,119	17,646	-
TOTAL	\$ 360,625	\$ 326,161	\$ 32,413	\$ 121,340	\$ 237,234

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

2. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2015	2014	2013
Tangible capital assets (Schedule 1)	\$ 2,606,121	\$ 2,477,278	\$ 2,354,191
Accumulated amortization (Schedule 1)	(1,369,366)	(1,325,748)	(1,268,896)
Long term debt (Note 12)	(268,460)	(228,269)	(211,129)
TOTAL	\$ 968,295	\$ 923,261	\$ 874,166

NOTE 17: 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, 2015 are \$3,292 (2014 - \$1,875; 2013 - \$1,751). 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 2013	Balance 2014	Additions	Interest Earned	Funds Released	Balance 2015
Cemetery - Perpetual Care	\$ 1,681	\$ 1,803	\$ 245	\$ 73	\$ 273	\$ 1,848
Seniors Foundation	44	45	8	-	-	53
Art Gallery Acquisitions	10	10	-	1	-	11
Donna MacLean Museum Trusts	6	7	1	-	7	1
Pitch Trust	1	1	-	-	-	1
Bell West	9	9	-	-	-	9
Museum Special Projects	-	-	81	-	-	81
Veiner Centre Renovation	-	-	1,288	-	-	1,288
TOTAL TRUST FUNDS	\$ 1,751	\$ 1,875	\$ 1,623	\$ 74	\$ 280	\$ 3,292

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 18: 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 2015	2014	2013
Mayor Normand Boucher	\$ -	\$ -	\$ -	\$ -	\$ 109
Mayor Ted Clugston	70	53	123	119	52
Councillor:					
Cocks, W	23	19	42	46	3
Craven, W	-	-	-	-	37
Dumanowski, R	23	18	41	40	43
Friesen, J	23	21	44	43	3
Hamill, J	-	-	-	-	39
Kelly, G	-	-	-	-	36
Mcintosh, J	22	20	42	37	5
Pearson, L	23	23	46	46	45
Symmonds, C	22	21	43	40	6
Thompson, J	-	-	-	-	22
Turnbull, P	-	-	-	-	35
Turner, J	22	23	45	40	6
Varga, B	22	24	46	44	6
CAO - Municipal Services	308	33	341	318	303
COO - Energy Services	198	23	221	474	443
Designated Officers (7 for 2015; 6 in prior years)	1,146	206	1,352	1,202	1,307

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

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 19: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP served about 237,612 people in 2014 (230,534 in 2013) and 423 employers in 2014 (418 in 2013). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 6,878 members in 2014 (6,712 in 2013) and 7 employers. The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2015 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 11.39 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84 per cent for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 per cent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2015 were \$12,286 (2014 - \$11,313, 2013 - \$9,983). Total current service contributions by the employees for 2015 were \$11,357 (2014 - \$10,451; 2013 - \$9,159).

At December 31, 2014 LAPP disclosed an actuarial deficit of \$2.45 billion

At December 31, 2014 SFPP disclosed an actuarial deficit of \$191.0 million

NOTE 20: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2015, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2014 with a projection for 2015. Information about the plan is as follows:

	2015	2014	2013
Accrued Benefit Obligation			
Balance, Beginning of Year	\$ 5,776	\$ 5,460	\$ 5,250
Current Service Cost	170	163	157
Interest Cost	238	221	213
Benefits Paid	(157)	(171)	(160)
Unrecognized Actuarial Losses (Gains)	-	103	-
BALANCE, END OF YEAR	\$ 6,027	\$ 5,776	\$ 5,460

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

	2015	2014	2013
Discount Rate	4.10%	4.05%	4.05%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	8.53 years	7.58 years	8.58 Years

NOTE 21: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2015 was \$354 (Gas) and \$8,725 (Electric) (2014 - \$681 and \$8,604; 2013 - \$327 and \$8,487).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

NOTE 22: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2015 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 23 provides the approved capital budget for 2015.

	2015 Budget
Revenue	
Approved operating budgets	\$ 511,507
Adjustments	(170,285)
	<u>341,222</u>
Expense	
Approved operating expenses	543,793
Adjustments	(184,684)
	<u>359,109</u>
Other revenue	
Contributed capital assets	6,849
Adjustments	(6,478)
Government transfers for capital	19,404
	<u>19,775</u>
ANNUAL SURPLUS	\$ 1,888

NOTE 23: CAPITAL COMMITMENTS

(A) 2015 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 2015 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$137,587 (2014 - \$126,001; 2013 - \$85,683) carried forward from previous budget years, as well as costs related to the 2015 Budget.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2015 a number of capital projects were in progress and will be completed in 2016 or subsequent years. The unexpended appropriation related to these projects is \$400,200 (2014 - \$368,866; 2013 - \$372,796). Significant projects are:

- **Gas Utility**

Oil and Gas Drilling (\$16,458), Oil and Gas Well Facilities (\$9,000), Oil and Gas Well Gathering (\$4,439), Well Repair and Abandonments (\$13,928), Mineral Acquisitions (\$6,726), Facility & Pipeline Repair & Abandonment (\$11,451), Surface Lease Abandonment (\$19,860) and Projects Operated by Third Parties (\$15,784).

- **Electric Utility**

Unit 16 - LM6000 Combustion Turbine (\$58,632), Blackstart Project (\$1,747), 13kV Distribution Systems (\$3,887), Distribution Substations (\$5,708), Control System Upgrades (\$4,558), and Distribution Transmission System (\$4,615).

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

- **Municipal Works**

Flood Mitigation Projects (\$14,000), Runway Rehabilitation (\$7,500), and South Railway Street Upgrades (\$989).

- **Parks**

Family Leisure Centre expansion (\$6,206).

- **Corporate Asset Management**

Fleet Services 2014 and 2015 Mobile Equipment Replacement Programs (\$7,074), Municipal Works Building (\$7,739), and Fire Station 2 Relocation (\$7,686).

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

ICS Data Centre (\$687).

- **Community Development**

9-1-1 Centre relocation and alarm monitoring (\$520).

- **Water Utility**

Water Treatment Plant River Water Intake (\$6,000), 2012 Downtown Upgrade Program (\$1,517), Water Treatment Plant Control Systems Upgrades (\$921), and 2012 to 2015 Water Main Replacements (\$6,412).

- **Sewer Utility**

Purmal Lift Station (\$4,902), Crescent Heights Lift Station (\$6,861), Balmoral Lift Station (\$2,968), and 2013 to 2015 Sewer Main Replacements (\$6,022).

- **Solid Waste Utility**

Landfill Capacity Study and Land Acquisition (\$8,500) and Materials Recycling Facility Expansion (\$8,389), and Landfill/Compost Facility Enhancements (\$1,450).

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Riverwalk (\$48,543), Ranchlands (\$13,104), Southlands (\$5,361), Burnside Heights (\$1,681) and Saamis Heights 7 (\$3,680).

(C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2015-2016 Capital Improvement Plans with projections for 2017 – 2022 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Land and Properties:

2015	173,361
2016	171,590
2017 - 2022 Projection	681,203
TOTAL	\$ 1,026,154

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

Financing sources identified:

	2015	2016
Government Grants	\$ 18,848	\$ 21,214
Current Revenues	85,849	62,808
Debentures		
Tax Supported	6,459	14,564
Utilities	29,922	26,005
Reserves	28,275	37,060
Direct Charges and Other	4,008	9,939
TOTAL	\$ 173,361	\$ 171,590

NOTE 24: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2015. 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.

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

NOTE 25: FINANCIAL INSTRUMENTS

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

NOTE 26: COMPARATIVE INFORMATION

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

NOTE 27: 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:

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

- 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 Mayoral and Aldermanic services.
 - General Government is comprised of corporate administration, City Clerk and Legal, Health Safety & Environment, and Corporate Communications.
 - Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services and Fleet Services) Human Resources.
 - Development & Infrastructure is comprised of Planning, Building and Development, Municipal Works (municipal operations and airport) and Business Support.
 - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit and 9-1-1 Communications), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history), and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
 - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) 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.

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

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

NOTES

For the year ended December 31, 2015

(In thousands of dollars)

- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time, and must eventually be replaced. Depreciation shows the cost of the “use of the asset” each year over the life of the asset.
- **Impairment** Is the expense recorded to reduce the value of assets when the assets are worth less on the market than the value listed on the company’s balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value then the asset is considered impaired and must be written down to its fair value.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

NOTE 28: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules

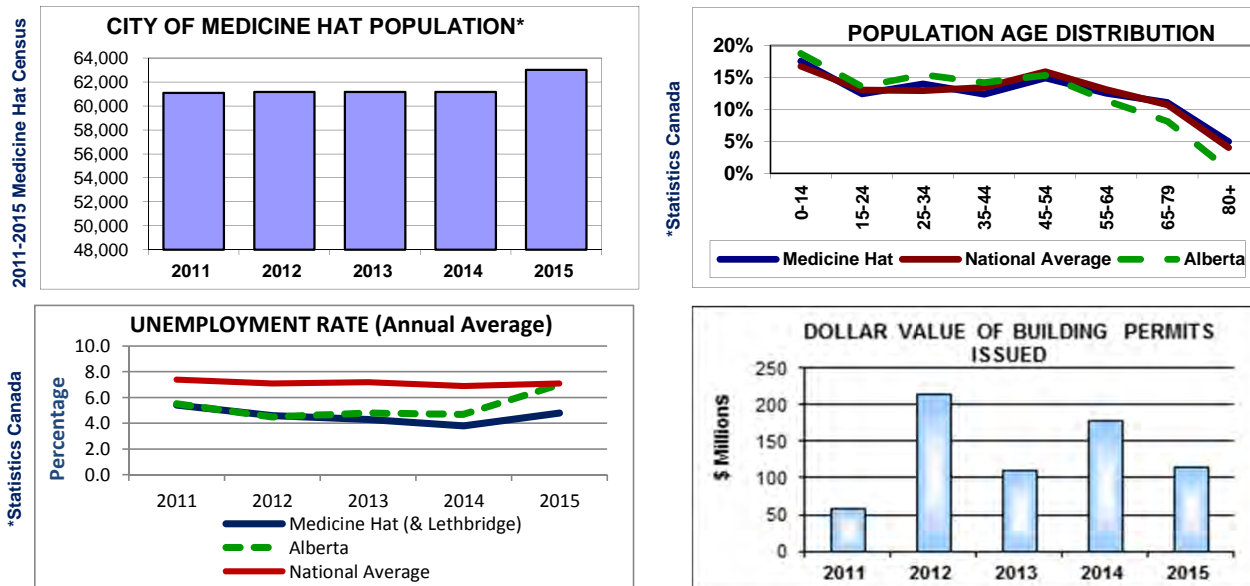
(unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

DEMOGRAPHICS & OTHER INFORMATION



OTHER

	2011	2012	2013	2014	2015
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	392	392	396	398	400
Km of water mains	424	425	429	428	429
Km of storm drainage mains	237	238	236	248	248

PRINCIPAL CORPORATE TAX PAYERS IN MEDICINE HAT

Primaris Management Inc. (Mall & Dunmore Rd Properties)	Mayfield Investments Ltd.
Wal-Mart Canada Corporation	Royop (Southlands) Development Ltd.
Boulevard Real Estate Equities Ltd.	Cancarb Limited
Southview Centre Medicine Hat (Southview Mall)	Canadian Tire Properties Inc.
Evangelical Missionary Church Canada (Chinook Village)	Medicine Hat Co-op Ltd

PRINCIPAL EMPLOYERS IN MEDICINE HAT

Public	Private
Medicine Hat Regional Hospital	Canadian Pacific Railway
Medicine Hat School District	Wal-Mart
City of Medicine Hat	The Real Canadian Superstore
Province of Alberta	Medicine Hat Co-op
Medicine Hat Catholic Board of Education	CF Industries

CITY OF MEDICINE HAT FULL TIME EQUIVALENT EMPLOYEES

	2011	2012	2013	2014	2015
	Restated	Restated	Restated	Restated	
Legislative	5.5	5.5	5.0	1.0	1.0
General Government	40.0	40.0	40.0	57.2	35.1
Corporate Services	139.5	142.5	137.1	139.1	166.1
Public Services	342.6	343.6	344.1	340.6	338.7
Police Service	156.5	157.0	157.0	157.0	153.5
Development & Infrastructure	96.1	94.9	96.7	97.1	98.6
Total Tax Supported Full Time Equivalent Employees:	780.2	783.5	779.9	792.0	793.0
Gas Utility	153.0	151.0	156.0	155.0	146.0
Electric Utility (& Energy Sustainability)	109.8	117.7	117.7	123.7	127.3
Water Utility	39.3	40.8	41.3	41.3	42.3
Sewer Utility	39.2	39.7	40.2	40.2	41.2
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 Utility Full Time Equivalent Employees:	380.7	388.6	394.6	399.6	396.2
Total Full Time Equivalent Employees:	1,160.9	1,172.1	1,174.5	1,191.6	1,189.2

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2011 - 2015

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2015	2014	2013	2012	2011
Financial assets					
Cash and temporary investments	\$ 40,366	\$ 59,753	\$ 65,050	\$ 43,612	\$ 63,060
Accounts receivable (net of allowances)	49,696	58,055	60,386	49,520	42,665
Advances to subsidiary	-	10,166	10,669	11,204	11,520
Investment in subsidiary	-	12,533	9,050	4,078	884
Investments, loans & advances	457,392	458,971	482,542	446,651	436,335
Land held for resale	6,544	6,608	2,951	5,957	6,317
Inventories for resale	66	97	106	89	113
Deposits	941	3,875	1,520	586	255
Total financial assets	\$ 555,005	\$ 610,058	\$ 632,274	\$ 561,697	\$ 561,149
Liabilities					
Trade accounts payable	\$ 34,826	\$ 35,784	\$ 38,552	\$ 26,111	\$ 29,749
Accrued liabilities	13,892	19,184	19,557	13,844	13,555
Deferred revenues	39,161	41,335	55,990	47,409	54,044
Long-term debt	268,460	228,269	211,129	206,254	208,636
Other long-term liabilities	263,856	201,656	183,428	173,101	153,304
Total liabilities	620,195	526,228	508,656	466,719	459,288
Net financial (debt) assets	(65,190)	83,830	123,618	94,978	101,861
Non-financial assets					
Inventories	11,489	11,045	10,916	11,773	12,141
Prepaid assets	2,181	2,644	2,225	1,958	1,942
Land held for future development	13,349	13,316	16,583	13,880	13,504
Long lived asset	108,080	78,469	71,750	70,671	66,157
Tangible capital assets	1,236,755	1,151,530	1,085,295	1,088,824	1,099,506
	1,371,854	1,257,004	1,186,769	1,187,106	1,193,250
	\$ 1,306,664	\$ 1,340,834	\$ 1,310,387	\$ 1,282,084	\$ 1,295,111

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2011 - 2015

(In thousands of dollars)

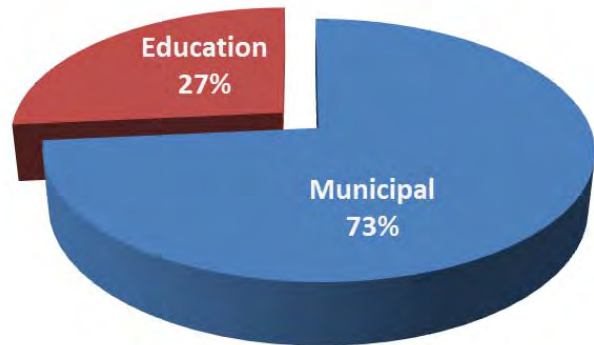
STATEMENT OF OPERATIONS

	2015	2014	2013	2012	2011
REVENUE FROM:					
Taxes	\$ 81,637	\$ 77,422	\$ 73,167	\$ 70,558	\$ 66,580
Less - requisitions	(22,010)	(21,886)	(21,963)	(22,080)	(20,867)
	59,627	55,536	51,204	48,478	45,713
Sale of services					
General Government	8,618	9,756	9,812	9,733	9,315
Gas	87,728	129,588	107,722	92,122	98,711
Electric	72,610	89,548	113,268	105,744	117,362
Water	19,123	17,223	16,272	15,756	15,084
Sewer	14,997	14,178	13,219	12,717	11,819
Solid Waste	8,207	8,049	7,906	7,816	7,854
Land and Properties	6,751	10,533	9,626	7,706	4,288
Other income					
Investment income	12,130	15,347	13,087	14,485	15,466
Investment in subsidiary	5,119	3,483	4,972	3,194	2,998
Licenses, fines and penalties	6,317	6,395	6,092	7,327	5,877
Insurance recovery (clawback)	(925)	3,490	7,791	466	134
Development levies	3,453	9,368	7,698	1,693	1,943
Charitable gifts	-	3,000	1,500	1,000	2,000
Government transfers for operating	7,503	9,061	13,507	9,143	10,406
Other	18,133	18,572	32,475	22,586	20,990
Total revenue	\$ 329,391	\$ 403,127	\$ 416,151	\$ 359,966	\$ 369,960
EXPENSES:					
General Government	\$ 143,113	\$ 141,250	\$ 141,312	\$ 132,101	\$ 129,505
Gas	175,640	169,831	188,443	181,754	114,388
Electric	52,224	60,860	64,479	59,417	60,961
Energy Sustainability	434	531	858	947	1,254
Water	11,881	12,040	11,335	10,278	10,097
Sewer	11,558	11,323	11,070	10,586	9,640
Solid Waste	6,479	7,328	6,631	6,275	4,394
Land and Properties	1,870	1,693	1,387	1,491	4,628
Total expenses	\$ 403,199	\$ 404,856	\$ 425,515	\$ 402,849	\$ 334,867
(Deficiency) Excess of revenue over expenses					
- before other revenue	\$ (73,808)	\$ (1,729)	\$ (9,364)	\$ (42,883)	\$ 35,093
Other					
Contributed tangible capital assets	371	1,152	1,126	188	915
Government transfers for capital	39,267	31,024	36,541	29,668	20,269
Total other	39,638	32,176	37,667	29,856	21,184
Annual (deficit) surplus	\$ (34,170)	\$ 30,447	\$ 28,303	\$ (13,027)	\$ 56,277

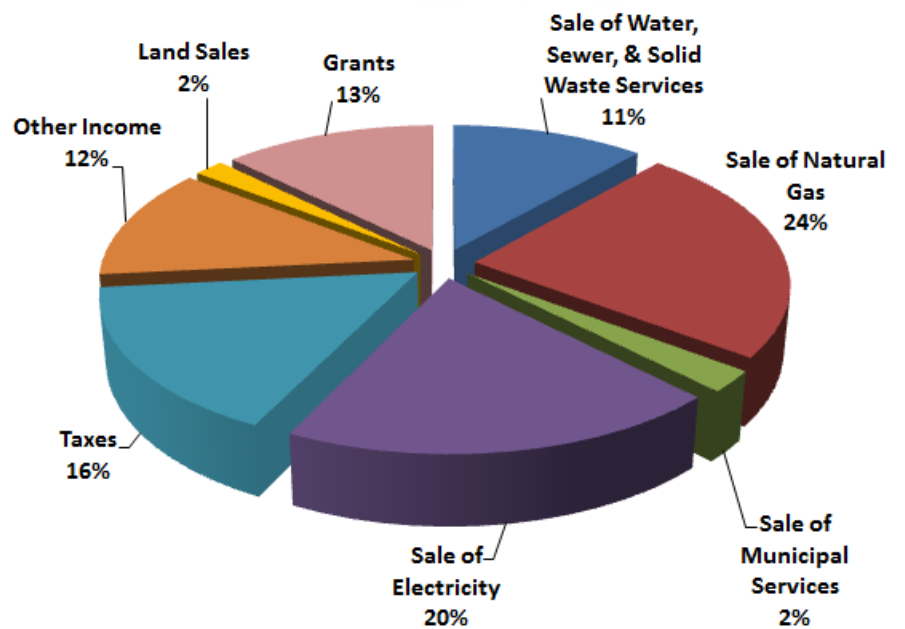
FINANCIAL SYNOPSIS 2015

Operating Activities

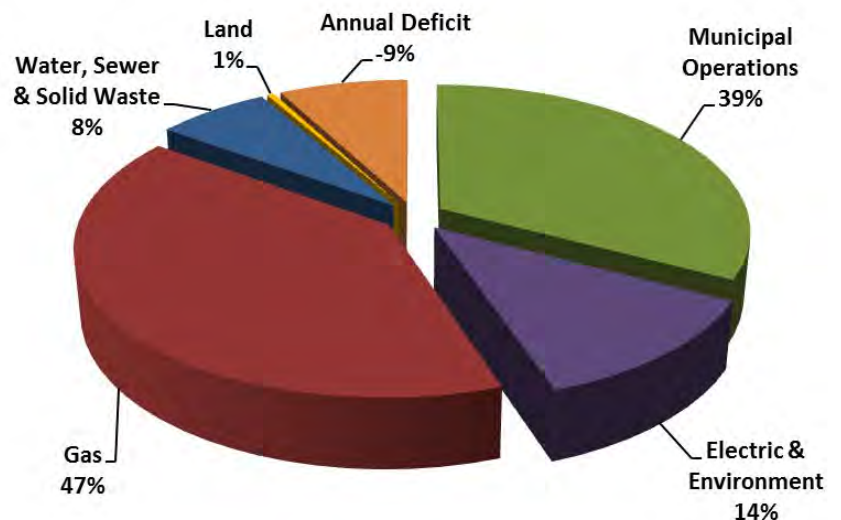
Where our tax dollars went in 2015
Education / Municipal
Property Tax



Where the money comes
from \$369 Million



Where the money goes
\$369 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

TAXATION & ASSESSMENT

MILL RATES

	2015	2014	2013	2012	2011
MUNICIPAL					
Single family	6.0257	6.0536	5.6662	5.2292	4.9859
Apartments	7.1917	7.2300	6.6854	6.3365	6.0426
Farmland	27.7597	26.2393	24.3444	23.0108	22.0029
Commercial and industrial	13.5598	13.6415	13.0669	14.3528	13.7647
EDUCATION					
Single family	2.3602	2.5121	2.5971	2.7165	2.5837
Apartments	2.3602	2.5121	2.5971	2.7165	2.5837
Farmland	2.3602	2.5121	2.5971	2.7165	2.5837
Commercial and industrial	3.4391	3.8626	3.5509	3.7519	3.6139
OTHER					
Single family	0.0957	0.1035	0.1012	0.1027	0.1136
Apartments	0.0957	0.1035	0.1012	0.1027	0.1136
Farmland	0.0957	0.1035	0.1012	0.1027	0.1136
Commercial and industrial	0.0957	0.1035	0.1012	0.1027	0.1136

PROPERTY TAXES LEVIED

(In thousands of dollars)

PROPERTY TAX LEVY	2015	2014	2013	2012	2011
Municipal	\$ 58,210	\$ 54,233	\$ 49,971	\$ 47,155	\$ 44,448
Education	21,214	21,078	21,181	21,313	20,030
Other	796	808	782	767	837
TOTAL REAL PROPERTY	\$ 80,220	\$ 76,119	\$ 71,934	\$ 69,235	\$ 65,315
Current taxes collected	78,979	74,548	70,185	67,929	63,839
% of current taxes collected	97.16%	96.73%	96.39%	96.76%	96.40%
OTHER MAJOR TAXES LEVIED	2015	2014	2013	2012	2011
Linear property taxes	\$ 1,067	\$ 947	\$ 877	\$ 966	\$ 909
local improvements	350	356	356	357	356
TOTAL MAJOR TAX LEVIED	\$ 1,417	\$ 1,303	\$ 1,233	\$ 1,323	\$ 1,265

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2015	2014	2013	2012	2011
Residential	\$ 6,327,792,004	\$ 5,894,794,196	\$ 5,811,948,992	\$ 5,756,285,834	\$ 5,691,105,516
Multi-family	252,347,841	253,713,060	267,260,081	238,931,193	248,615,445
Farmland	7,428,524	3,148,194	4,532,224	4,547,194	5,838,504
Commercial and industrial	1,776,602,802	1,696,172,475	1,642,661,593	1,509,509,856	1,480,003,582
TOTAL TAXABLE ASSESSMENT	\$ 8,364,171,171	\$ 7,847,827,925	\$ 7,726,402,890	\$ 7,509,274,077	\$ 7,425,563,047

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2015	2014	2013	2012	2011
General	\$ 10,656	\$ 10,640	\$ 10,216	\$ 9,156	\$ 9,156
Energy Sustainability	54	41	41	21	-
Gas	8,820	8,835	8,888	8,396	7,945
Electric	6,135	5,657	6,156	5,959	5,658
Water	4,623	3,585	3,011	1,722	(19)
Sewer	2,778	4,108	3,816	3,505	3,701
Solid Waste	5,170	6,447	6,451	5,029	4,531
Land & Properties	10,611	13,861	11,743	13,047	8,870
TOTAL UNRESTRICTED SURPLUS	48,847	53,174	50,322	46,835	39,842
RESTRICTED SURPLUS - RESERVES					
Employee development	1,490	1,533	1,186	873	789
Victim assistance	19	19	24	22	19
Second street properties	84	84	84	84	84
Fleet replacement	1,338	3,444	6,837	4,485	2,471
Art acquisitions	86	78	88	65	82
Infrastructure	23,176	21,759	28,658	27,402	23,090
Employee benefits	6,532	6,782	7,708	8,512	11,111
Community capital	30,572	41,324	38,278	44,371	44,527
Event Centre	74	12,536	51,767	35,922	20,326
Tax Rate Stabilization Reserve	21,730	42,813	-	-	-
Natures Best Reserve	993	1,045	861	3,479	3,783
Electric facilities and equipment	78,651	78,848	112,593	81,191	63,792
Gas depletion	72,489	103,369	103,497	114,198	173,868
Equity in subsidiary company	-	12,527	9,044	4,072	878
SUB-TOTAL RESERVES	237,234	326,161	360,625	324,676	344,820
Internal loans contra	-	-	-	-	-
TOTAL RESTRICTED SURPLUS - RESERVES	237,234	326,161	360,625	324,676	344,820
TOTAL RESERVES & SURPLUS	\$ 286,081	\$ 379,335	\$ 410,947	\$ 371,511	\$ 384,662

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

LONG TERM DEBT

LONG TERM DEBT

	2015	2014	2013	2012	2011
Debt supported by taxes	\$ 38,805	\$ 24,901	\$ 23,243	\$ 22,464	\$ 24,907
Debt supported by utilities	229,655	203,368	187,886	183,790	183,729
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 268,460	\$ 228,269	\$ 211,129	\$ 206,254	\$ 208,636

DEBT PER CAPITA

(not in thousands of dollars)

	2015	2014	2013	2012	2011
Tax supported	\$ 616	\$ 407	\$ 380	\$ 367	\$ 408
Utility supported	3,644	3,324	3,071	3,004	3,007
TOTAL DEBT PER CAPITA	\$ 4,260	\$ 3,731	\$ 3,451	\$ 3,371	\$ 3,415

2014 population 61,180 municipal census

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

	2015	2014	2013	2012	2011
Actual debt servicing (short and long term)	\$ 33,047	\$ 30,509	\$ 30,258	\$ 29,626	\$ 28,996
Total operating expenses	403,199	404,856	425,515	402,849	334,867
PERCENTAGE	8.20%	7.54%	7.11%	7.35%	8.66%

LEGAL DEBT LIMIT

	2015	2014	2013	2012	2011
Total debt limit	\$ 671,261	\$ 847,382	\$ 865,099	\$ 748,605	\$ 763,936
Loan guarantees	2,640	2,640	2,640	2,475	2,600
Actual debt	268,460	228,269	211,129	206,254	208,636
AMOUNT UNDER LIMIT	\$ 400,161	\$ 616,473	\$ 651,330	\$ 539,875	\$ 552,701
Percentage used	40.39%	27.25%	24.71%	27.88%	27.65%

DEBT SERVICING LIMIT

	2015	2014	2013	2012	2011
Debt servicing limit	\$ 117,471	\$ 148,292	\$ 151,392	\$ 131,006	\$ 133,689
Actual debt servicing (short and long term)	33,047	30,509	30,258	29,626	28,996
AMOUNT UNDER LIMIT	\$ 84,424	\$ 117,783	\$ 121,134	\$ 101,380	\$ 104,693
Percentage used	28.13%	20.57%	19.99%	22.61%	21.69%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2015	2015	2014	2013	2012	2011
	Budget	Actual	Actual	Actual	Actual	Actual
Salaries, wages and benefits	\$ 129,622	\$ 125,450	\$ 123,167	\$ 121,057	\$ 117,304	\$ 111,324
Contracted and general services	56,309	52,547	60,982	61,720	46,803	44,265
Materials, goods and utilities	58,105	42,510	61,431	51,264	45,927	
Provisions for allowances	252	670	30	390	437	367
Bank charges and short-term interest	217	205	168	134	157	189
Interest on long-term debt	10,006	9,648	9,399	9,697	10,231	10,871
Grants and other transfers	3,450	3,391	4,100	2,370	3,347	3,103
Other operating expenses	39,378	46,358	50,990	52,460	44,796	40,861
Amortization of tangible capital assets	62,070	66,530	65,071	72,151	77,573	73,917
Impairment	-	55,388	28,383	52,715	55,375	591
Loss (gain) on disposal of tangible capital assets	(300)	502	1,135	1,557	899	2,385
TOTAL EXPENSES	\$ 359,109	\$ 403,199	\$ 404,856	\$ 425,515	\$ 402,849	\$ 287,873

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	3,002	3,068	2,891	2,380	1,983	1,871
Corporate Services	97,918	100,804	164,807	133,122	124,081	121,274
Development & Infrastructure	8,187	10,817	15,204	15,024	10,729	9,083
Public Services	12,217	14,055	16,850	18,472	14,646	16,590
Police Services	7,709	7,567	6,970	8,146	8,125	8,037
TOTAL REVENUE	129,033	136,311	206,722	177,144	159,564	156,855
EXPENSES						
Legislative	640	643	628	577	565	448
General Government	6,103	5,945	4,896	4,642	3,848	3,941
Corporate Services	40,919	38,688	35,453	37,045	34,646	34,024
Development & Infrastructure	34,284	35,049	36,592	36,256	34,114	33,472
Public Services	58,064	59,084	56,946	56,559	53,727	54,962
Police Services	24,948	24,756	23,645	23,516	22,972	22,181
TOTAL EXPENSES	164,958	164,165	158,160	158,595	149,872	149,028
Excess (deficiency) of revenue over expenses	\$ (35,925)	\$ (27,854)	\$ 48,562	\$ 18,549	\$ 9,692	\$ 7,827

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Aldermen

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Mayor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aldermen	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Mayor	290	304	281	229	243	135
Aldermen	350	339	347	348	322	313
TOTAL EXPENSES	640	643	628	577	565	448
Excess (deficiency) of revenue over expenses	\$ (640)	\$ (643)	\$ (628)	\$ (577)	\$ (565)	\$ (448)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, ALDERMAN

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
EXPENSES						
Salaries, wages and benefits	\$ 553	\$ 578	\$ 552	\$ 491	\$ 506	\$ 389
Other personnel costs	46	26	37	39	21	25
Contracted and general services	21	20	23	25	24	20
Materials and supplies	5	6	8	11	6	7
Internal charges	15	13	8	11	8	7
TOTAL EXPENSES	640	643	628	577	565	448
Excess (deficiency) of revenue over expenses	\$ (640)	\$ (643)	\$ (628)	\$ (577)	\$ (565)	\$ (448)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

CAO & Commissioners, Legislative, City Solicitor & City Clerk; Corporate Communications; HS&E

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
CAO & Commissioners	\$ 412	\$ 412	\$ 381	\$ 368	\$ 363	\$ 345
City Solicitor & City Clerk	1,189	1,201	1,370	1,380	1,257	1,163
Corporate Communications	323	359	337	337	330	327
Health, Safety & Environment	1,078	1,096	803	295	33	36
TOTAL REVENUE	3,002	3,068	2,891	2,380	1,983	1,871
EXPENSES						
CAO & Commissioners	1,686	1,732	1,619	1,825	1,638	1,616
City Solicitor & City Clerk	1,830	1,722	1,602	1,949	1,679	1,684
Corporate Communications	617	555	495	419	416	530
Health, Safety & Environment	1,970	1,936	1,180	449	115	111
TOTAL EXPENSES	6,103	5,945	4,896	4,642	3,848	3,941
Excess (deficiency) of revenue over expenses	\$ (3,101)	\$ (2,877)	\$ (2,005)	\$ (2,262)	\$ (1,865)	\$ (2,070)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO & COMMISSIONERS

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Other income						
Internal recovery	\$ 412	\$ 412	\$ 379	\$ 364	\$ 362	\$ 329
Other revenue	-	-	2	4	1	1
Government transfers						
Government transfers for operating	-	-	-	-	-	15
TOTAL REVENUE	412	412	381	368	363	345
EXPENSES						
Salaries, wages and benefits	1,354	1,483	1,329	1,475	1,360	1,284
Other personnel costs	42	13	42	21	27	33
Contracted and general services	66	35	76	145	86	119
Materials and Supplies	43	26	28	41	27	34
Internal charges	181	175	144	143	138	146
TOTAL EXPENSES	1,686	1,732	1,619	1,825	1,638	1,616
Excess (deficiency) of revenue over expenses	\$ (1,274)	\$ (1,320)	\$ (1,238)	\$ (1,457)	\$ (1,275)	\$ (1,271)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CITY SOLICITOR, CITY CLERK & BOARDS & COMMITTEES

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Other income						
Internal recovery	\$ 1,182	\$ 1,194	\$ 1,364	\$ 1,347	\$ 1,234	\$ 1,161
Other revenue	7	7	6	33	23	2
TOTAL REVENUE	1,189	1,201	1,370	1,380	1,257	1,163
EXPENSES						
Salaries, wages and benefits	1,222	1,265	1,332	1,367	1,236	1,302
Other personnel costs	90	75	78	70	58	68
Contracted and general services	248	288	31	387	281	206
Materials and Supplies	51	38	58	47	41	48
Interest on long-term debt - infrastructure	18	8	5	-	-	2
Amortization	107	41	40	22	5	13
Internal charges	94	7	58	56	58	45
TOTAL EXPENSES	1,830	1,722	1,602	1,949	1,679	1,684
Excess (deficiency) of revenue over expenses	\$ (641)	\$ (521)	\$ (232)	\$ (569)	\$ (422)	\$ (521)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Other income						
Internal recovery	\$ 323	\$ 358	\$ 332	\$ 327	\$ 330	\$ 324
Other revenue	-	1	-	2	-	-
Government transfers						
Government transfers for operating	-	-	5	8	-	3
TOTAL REVENUE	323	359	337	337	330	327
EXPENSES						
Salaries, wages and benefits	458	427	396	316	340	437
Other personnel costs	8	5	5	3	4	8
Contracted and general services	112	78	62	69	44	54
Materials and supplies	12	11	11	9	5	16
Internal charges	27	34	21	22	23	15
TOTAL EXPENSES	617	555	495	419	416	530
Excess (deficiency) of revenue over expenses	\$ (294)	\$ (196)	\$ (158)	\$ (82)	\$ (86)	\$ (203)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HEALTH, SAFETY & ENVIRONMENT

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Sales and user charges						
Internal recovery	\$ 1,041	\$ 967	\$ 76	\$ -	\$ -	\$ -
Other revenue	31	31	30	32	31	36
Government transfers						
Government transfers for operating	1	93	697	94	2	-
Flood Assistance	5	5	-	169	-	-
TOTAL REVENUE	1,078	1,096	803	295	33	36
EXPENSES						
Salaries, wages and benefits	1,659	1,465	338	242	84	79
Other personnel costs	44	40	13	10	4	4
Contracted and general services	146	150	68	167	11	7
Materials and supplies	33	34	662	8	15	7
Amortization of tangible capital assets	5	139	69	-	-	-
Internal charges	83	108	30	22	1	14
TOTAL EXPENSES	1,970	1,936	1,180	449	115	111
Excess (deficiency) of revenue over expenses	\$ (892)	\$ (840)	\$ (377)	\$ (154)	\$ (82)	\$ (75)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance; ICS; Corporate Asset Management; Human Resources; General Municipal Revenues

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Finance	\$ 6,348	\$ 6,478	\$ 6,639	\$ 6,614	\$ 6,148	\$ 5,852
Information & Computer Services	4,903	5,062	2,954	2,610	2,861	2,519
Corporate Asset Management	13,770	13,477	12,384	15,269	11,704	11,126
Human Resources	1,712	1,798	1,820	2,131	1,701	1,685
General Municipal Revenues	71,185	73,989	141,010	106,498	101,667	100,092
TOTAL REVENUE	97,918	100,804	164,807	133,122	124,081	121,274
EXPENSES						
Finance	10,207	8,630	10,183	9,833	9,847	9,504
Information & Computer Services	5,857	5,675	3,626	3,167	3,049	3,289
Corporate Asset Management	20,560	19,705	17,418	18,348	15,821	16,917
Human Resources	3,533	3,357	3,150	3,695	3,449	3,418
General Municipal Revenues	762	1,321	1,076	2,002	2,480	896
TOTAL EXPENSES	40,919	38,688	35,453	37,045	34,646	34,024
Excess of revenue over expenses	\$ 56,999	\$ 62,116	\$ 129,354	\$ 96,077	\$ 89,435	\$ 87,250

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Net taxes	\$ 63,240	\$ 62,980	\$ 58,865	\$ 54,628	\$ 52,228	\$ 49,299
Other income						
Investment income	2,990	4,235	6,009	4,784	5,346	5,416
Licences, fines and penalties	263	262	279	232	232	249
Internal recovery	-	68	138	91	80	74
Other revenue	497	648	663	677	1,861	2,308
Charitable gifts	-	-	3,000	1,500	1,000	2,000
Contributions from utilities	4,195	4,988	70,653	43,231	39,667	39,566
Government transfers						
Government transfers for operating	-	808	1,403	1,355	1,253	1,180
TOTAL REVENUE	\$71,185	73,989	141,010	106,498	101,667	100,092
EXPENSES						
Salaries, wages and benefits	117	246	323	1,446	2,021	233
Contracted and general services	316	307	273	330	264	249
Materials and supplies	-	122	80	91	88	122
Other expenses	329	246	278	108	92	222
Internal charges	-	400	122	27	15	70
TOTAL EXPENSES	762	1,321	1,076	2,002	2,480	896
Excess of revenue over expenses	\$ 70,423	\$ 72,668	\$ 139,934	\$ 104,496	\$ 99,187	\$ 99,196

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Other income						
Internal recovery	\$ 5,672	\$ 5,730	\$ 5,898	\$ 5,874	\$ 5,441	\$ 5,142
Insurance recovery	-	-	-	15	-	-
Other revenue	676	708	717	706	707	708
Government transfers						
Grants - federal and provincial	-	20	-	-	-	-
Government transfers for operating	-	20	24	19	-	2
TOTAL REVENUE	6,348	6,478	6,639	6,614	6,148	5,852
EXPENSES						
Salaries, wages and benefits	7,390	7,619	7,861	7,462	7,228	6,916
Other personnel costs	133	113	133	117	105	115
Contracted and general services	581	402	377	605	695	639
Materials and supplies	259	252	261	304	228	229
Provision for allowances	27	27	50	26	25	25
Bank charges	60	(1,482)	46	(11)	55	69
Interest on long-term debt - infrastructure	80	52	37	27	37	44
Other operating expenses	26	340	(17)	20	101	84
Amortization of tangible capital assets	302	46	124	205	205	207
Loss on disposal of tangible capital assets	-	-	-	-	-	18
Internal charges	1,349	1,261	1,311	1,078	1,168	1,158
TOTAL EXPENSES	10,207	8,630	10,183	9,833	9,847	9,504
Excess (deficiency) of revenue over expenses	\$ (3,859)	\$ (2,152)	\$ (3,544)	\$ (3,219)	\$ (3,699)	\$ (3,652)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Other income						
Internal recovery	\$ 4,856	\$ 5,054	\$ 2,934	\$ 2,588	\$ 2,859	\$ 2,514
Insurance recovery	-	(1)	-	14	-	-
Other revenue	47	9	15	8	2	5
Government transfers						
Government transfers for operating	-	-	5	-	-	-
TOTAL REVENUE	4,903	5,062	2,954	2,610	2,861	2,519
EXPENSES						
Salaries, wages and benefits	3,479	3,315	2,102	2,114	2,092	2,289
Other personnel costs	104	71	57	55	58	63
Contracted and general services	1,261	1,370	1,195	780	627	594
Materials and supplies	412	365	40	(6)	56	74
Interest on long-term debt - infrastructure	58	15	9	9	12	13
Other operating expenses	-	5	-	4	-	-
Amortization of tangible capital assets	308	289	130	122	117	136
Loss on disposal of tangible capital assets	-	-	-	-	-	35
Internal charges	235	245	93	89	87	85
TOTAL EXPENSES	5,857	5,675	3,626	3,167	3,049	3,289
Excess (deficiency) of revenue over expenses	\$ (954)	\$ (613)	\$ (672)	\$ (557)	\$ (188)	\$ (770)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 221	\$ 208	\$ 230	\$ 227	\$ 225	\$ 213
Other income						
Internal recovery	13,406	12,764	10,453	10,934	11,341	10,691
Insurance recovery	84	(44)	1,598	4,044	98	83
Other revenue	59	95	68	44	25	34
Government transfers						
Grants - federal and provincial	-	454	-	-	-	-
Government transfers for operating	-	-	35	20	15	105
TOTAL REVENUE	13,770	13,477	12,384	15,269	11,704	11,126
EXPENSES						
Salaries, wages and benefits	4,431	4,320	3,413	3,506	3,068	2,930
Other personnel costs	85	66	79	37	40	50
Contracted and general services	4,136	4,509	4,820	5,942	3,632	3,906
Materials and supplies	876	1,244	588	550	557	613
Interest on long-term debt - infrastructure	393	276	205	223	474	525
Other operating expenses	-	(69)	41	(10)	6	(6)
Amortization of tangible capital assets	9,485	8,284	7,403	7,020	7,186	7,068
Loss (gain) on disposal of tangible capital assets	(300)	(221)	(260)	(7)	(205)	497
Internal charges	1,454	1,296	1,129	1,087	1,063	1,334
TOTAL EXPENSES	20,560	19,705	17,418	18,348	15,821	16,917
Excess (deficiency) of revenue over expenses	\$ (6,790)	\$ (6,228)	\$ (5,034)	\$ (3,079)	\$ (4,117)	\$ (5,791)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Other income						
Internal recovery	\$ 1,692	\$ 1,781	\$ 1,783	\$ 1,739	\$ 1,683	\$ 1,591
Other revenue	20	17	20	81	16	21
Government transfers						
Government transfers for operating	-	-	17	311	2	73
TOTAL REVENUE	1,712	1,798	1,820	2,131	1,701	1,685
EXPENSES						
Salaries, wages and benefits	2,377	2,451	2,237	2,645	2,519	2,432
Other personnel costs	47	27	25	33	37	44
Contracted and general services	566	399	339	481	348	414
Materials and supplies	108	80	149	136	89	78
Interest on long-term debt - infrastructure	12	12	15	18	26	37
Amortization of tangible capital assets	150	150	160	160	159	158
Internal charges	273	238	225	222	271	255
TOTAL EXPENSES	3,533	3,357	3,150	3,695	3,449	3,418
Excess (deficiency) of revenue over expenses	\$ (1,821)	\$ (1,559)	\$ (1,330)	\$ (1,564)	\$ (1,748)	\$ (1,733)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Business Support, Planning, Building & Development; Municipal Works

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Business Support	\$ -	\$ -	\$ 2	\$ 1	\$ -	\$ 107
Planning, Building & Development	2,240	2,406	3,347	2,606	3,034	2,337
Municipal Works	5,947	8,411	11,855	12,417	7,695	6,639
TOTAL REVENUE	8,187	10,817	15,204	15,024	10,729	9,083
EXPENSES						
Business Support	1,209	1,268	2,254	1,439	1,286	997
Planning, Building & Development	4,792	4,473	4,777	4,925	4,803	5,651
Municipal Works	28,283	29,308	29,561	29,892	28,025	26,824
TOTAL EXPENSES	34,284	35,049	36,592	36,256	34,114	33,472
Excess (deficiency) of revenue over expenses	\$ (26,097)	\$ (24,232)	\$ (21,388)	\$ (21,232)	\$ (23,385)	\$ (24,389)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

BUSINESS SUPPORT

General Government

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Other income						
Internal recovery	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
Other revenue	-	-	-	1	-	107
TOTAL REVENUE	-	-	2	1	-	107
EXPENSES						
Salaries, wages and benefits	124	154	138	134	126	114
Other personnel costs	4	2	2	2	1	1
Contracted and general services	970	1,002	2,029	1,206	1,063	782
Materials and supplies	4	2	3	3	11	3
Other transfers	17	20	2	19	13	-
Interest on long-term debt - infrastructure	-	-	-	-	-	2
Amortization of tangible capital assets	11	10	18	18	18	18
Internal charges	79	78	62	57	54	77
TOTAL EXPENSES	1,209	1,268	2,254	1,439	1,286	997
Excess (deficiency) of revenue over expenses	\$ (1,209)	\$ (1,268)	\$ (2,252)	\$ (1,438)	\$ (1,286)	\$ (890)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Other income						
Licences, fines and penalties	\$ 1,952	\$ 2,013	\$ 2,614	\$ 1,781	\$ 2,457	\$ 1,184
Internal recovery	2	50	403	228	149	242
Insurance recovery	-	2	32	20	1	1
Other revenue	286	297	292	356	351	227
Government transfers						
Government transfers for operating	-	44	6	221	41	683
Flood assistance	-	-	-	-	35	-
TOTAL REVENUE	2,240	2,406	3,347	2,606	3,034	2,337
EXPENSES						
Salaries, wages and benefits	4,000	3,720	3,505	3,673	3,769	3,877
Other personnel costs	96	66	56	49	56	58
Contracted and general services	168	270	724	662	443	1,176
Materials and supplies	140	79	79	102	102	96
Other expenses	-	-	5	49	-	-
Interest on long-term debt - infrastructure	-	-	-	-	-	16
Amortization of tangible capital assets	36	11	15	36	65	74
Loss on disposal of tangible capital assets	-	-	-	-	-	20
Internal charges	352	327	393	354	368	334
TOTAL EXPENSES	4,792	4,473	4,777	4,925	4,803	5,651
Excess (deficiency) of revenue over expenses	\$ (2,552)	\$ (2,067)	\$ (1,430)	\$ (2,319)	\$ (1,769)	\$ (3,314)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 514	\$ 464	\$ 515	\$ 484	\$ 480	\$ 486
Taxes	127	131	135	-	135	135
Other income						
Internal recovery	4,343	4,974	4,228	3,621	3,829	3,512
Insurance recovery	-	112	44	141	53	-
Developer levies	-	1,410	4,928	4,687	100	344
Other revenue	537	674	699	671	566	325
Government transfers						
Government transfers for operating	426	646	1,306	1,243	367	754
Flood assistance	-	-	-	1,570	2,165	1,083
TOTAL REVENUE	5,947	8,411	11,855	12,417	7,695	6,639
EXPENSES						
Salaries, wages and benefits	5,382	5,069	4,895	4,812	4,320	4,312
Other personnel costs	57	32	50	46	56	40
Contracted and general services	3,430	3,635	3,572	5,650	5,212	4,304
Materials and supplies	1,961	2,190	3,745	2,249	2,368	1,947
Interest on long-term debt - ACFA	607	594	654	656	696	751
Interest on long-term debt - infrastructure	46	65	53	5	-	131
Interest on long-term debt - internal	-	-	-	-	-	8
Other operating expenses	-	68	20	-	67	50
Amortization of tangible capital assets	11,320	12,066	11,218	10,575	9,990	9,614
Loss (gain) on disposal of tangible capital assets	-	190	344	54	743	557
Internal charges	5,480	5,399	5,010	5,000	4,573	5,110
Transfer to other government	-	-	-	845	-	-
TOTAL EXPENSES	28,283	29,308	29,561	29,892	28,025	26,824
Excess (deficiency) of revenue over expenses	\$ (22,336)	\$ (20,897)	\$ (17,706)	\$ (17,475)	\$ (20,330)	\$ (20,185)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

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

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Community Development	\$ 6,554	\$ 6,622	\$ 6,897	\$ 7,927	\$ 6,984	\$ 7,053
Parks & Recreation	5,301	7,008	9,537	10,036	7,230	9,182
Fire Services	362	425	416	509	432	355
Public Organizations	-	-	-	-	-	-
TOTAL REVENUE	12,217	14,055	16,850	18,472	14,646	16,590
EXPENSES						
Community Development	19,678	18,649	18,913	19,001	18,567	19,765
Parks & Recreation	21,727	24,001	21,966	22,872	20,475	20,759
Fire Services	13,705	13,709	13,222	12,021	12,050	12,221
Public Organizations	2,954	2,725	2,845	2,665	2,635	2,217
TOTAL EXPENSES	58,064	59,084	56,946	56,559	53,727	54,962
Excess (deficiency) of revenue over expenses	\$ (45,847)	\$ (45,029)	\$ (40,096)	\$ (38,087)	\$ (39,081)	\$ (38,372)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Sale of services	\$ 4,030	\$ 3,638	\$ 3,894	\$ 4,080	\$ 4,359	\$ 3,786
Other income						
Internal recovery	142	142	139	128	118	119
Insurance recovery	-	28	5	223	23	25
Other revenue	550	554	759	593	661	749
Government transfers						
Government transfers for operating	1,832	2,260	2,100	1,991	1,823	2,344
Flood Assistance	-	-	-	912	-	30
TOTAL REVENUE	6,554	6,622	6,897	7,927	6,984	7,053
EXPENSES						
Salaries, wages and benefits	10,302	10,013	9,974	9,643	9,576	9,544
Other personnel costs	181	93	88	98	93	89
Contracted and general services	3,280	2,950	3,378	3,532	3,430	3,628
Materials and supplies	2,380	2,148	2,447	2,493	2,165	2,178
Other expenses	114	129	1	30	20	22
Bank charges	61	58	63	63	62	53
Interest on long-term debt - ACFA	-	-	5	-	-	176
Interest on long-term debt - infrastructure	22	12	-	-	-	61
Grants and other transfers	220	173	187	192	179	547
Amortization of tangible capital assets	431	369	260	302	319	497
Loss on disposal of tangible capital assets	-	-	(2)	-	6	375
Internal charges	2,687	2,704	2,512	2,648	2,717	2,595
TOTAL EXPENSES	19,678	18,649	18,913	19,001	18,567	19,765
Excess (deficiency) of revenue over expenses	\$ (13,124)	\$ (12,027)	\$ (12,016)	\$ (11,074)	\$ (11,583)	\$ (12,712)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & RECREATION

Public Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 3,684	\$ 3,886	\$ 4,707	\$ 4,635	\$ 4,277	\$ 4,473
Other income						
Internal recovery	1,048	1,120	1,034	992	1,004	1,044
Insurance recovery	11	(628)	1,741	1,687	9	-
Developer levies	-	-	-	-	-	547
Other revenue	558	1,730	766	879	547	1,231
Government transfers						
Government transfers for operating	-	900	1,289	581	248	55
Flood assistance	-	-	-	1,262	1,145	1,832
TOTAL REVENUE	5,301	7,008	9,537	10,036	7,230	9,182
EXPENSES						
Salaries, wages and benefits	8,757	8,834	8,463	8,070	8,040	8,057
Other personnel costs	142	108	51	64	57	66
Contracted and general services	1,921	3,042	3,926	5,185	3,143	3,770
Materials and supplies	1,718	1,856	2,069	1,991	1,869	1,817
Bank charges	25	35	30	30	28	36
Other expenses	217	204	4	110	8	85
Interest on long-term debt - ACFA	319	224	165	181	196	101
Interest on long-term debt - infrastructure	30	27	12	4	-	127
Interest on long-term debt - internal	-	-	-	-	-	1
Grants and other transfers	-	-	207	201	197	188
Amortization of tangible capital assets	3,561	4,147	2,301	2,148	2,048	1,657
Loss on disposal of tangible capital assets	-	32	(9)	-	-	71
Internal charges	5,037	5,492	4,747	4,888	4,889	4,783
TOTAL EXPENSES	21,727	24,001	21,966	22,872	20,475	20,759
Excess (deficiency) of revenue over expenses	\$ (16,426)	\$ (16,993)	\$ (12,429)	\$ (12,836)	\$ (13,245)	\$ (11,577)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 345	\$ 392	\$ 380	\$ 355	\$ 361	\$ 327
Other income						
Internal recovery	1	5	6	25	41	11
Insurance recovery	-	3	3	16	-	1
Other revenue	16	25	12	50	30	15
Government transfers						
Government transfers for operating	-	-	15	63	-	1
TOTAL REVENUE	362	425	416	509	432	355
EXPENSES						
Salaries, wages and benefits	11,465	11,662	11,187	9,970	10,008	10,400
Other personnel costs	287	286	290	308	261	199
Contracted and general services	158	123	130	134	183	100
Materials and supplies	327	337	312	357	313	278
Interest on long-term debt - ACFA	4	4	6	8	10	12
Interest on long-term debt - infrastructure	-	-	1	1	-	18
Amortization of tangible capital assets	198	144	175	161	139	140
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	8
Internal charges	1,266	1,153	1,121	1,082	1,136	1,066
TOTAL EXPENSES	13,705	13,709	13,222	12,021	12,050	12,221
Excess (deficiency) of revenue over expenses	\$ (13,343)	\$ (13,284)	\$ (12,806)	\$ (11,512)	\$ (11,618)	\$ (11,866)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS

Public Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income						
Internal recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Government transfers						
Grants - federal and provincial	-	-	-	-	-	-
Flood assistance	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	-	1,892	-	-	-	-
Contracted and general services	-	39	-	-	-	-
Interest on long-term debt - ACFA	50	50	53	56	59	-
Grants and other transfers	2,904	578	2,792	2,609	2,576	2,217
Internal charges	-	166	-	-	-	-
TOTAL EXPENSES	2,954	2,725	2,845	2,665	2,635	2,217
Excess (deficiency) of revenue over expenses	\$ (2,954)	\$ (2,725)	\$ (2,845)	\$ (2,665)	\$ (2,635)	\$ (2,217)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Other income						
Licences, fines and penalties	\$ 4,204	\$ 4,015	\$ 3,497	\$ 4,078	\$ 4,554	\$ 4,403
Internal recovery	159	183	199	160	151	101
Insurance recovery	-	58	7	166	39	31
Other revenue	1,819	1,784	1,733	1,875	1,850	1,983
Government transfers						
Government transfers for operating	1,527	1,527	1,534	1,867	1,531	1,519
Flood assistance	-	-	-	-	-	-
TOTAL REVENUE	7,709	7,567	6,970	8,146	8,125	8,037
EXPENSES						
Salaries, wages and benefits	19,548	19,128	18,928	18,794	18,474	17,686
Other personnel costs	612	707	597	571	601	513
Contracted and general services	1,919	2,399	1,827	1,742	1,471	1,290
Materials and supplies	1,189	914	995	1,148	1,118	1,170
Other expenses	6	13	38	86	56	35
Interest on long-term debt - ACFA	-	-	-	1	5	11
Interest on long-term debt - infrastructure	2	2	1	-	-	9
Amortization of tangible capital assets	85	97	105	134	182	215
Loss on disposal of tangible capital assets	-	-	-	-	-	-
Internal charges	1,587	1,496	1,154	1,040	1,065	1,252
TOTAL EXPENSES	24,948	24,756	23,645	23,516	22,972	22,181
Excess (deficiency) of revenue over expenses	\$ (17,239)	\$ (17,189)	\$ (16,675)	\$ (15,370)	\$ (14,847)	\$ (14,144)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 122,047	\$ 106,184	\$ 157,701	\$ 131,361	\$ 110,424	\$ 123,952
Investment in subsidiary	2,485	5,119	3,483	4,972	3,194	2,998
Other income						
Investment income	5,310	5,806	6,518	5,665	6,640	9,465
Internal recoveries	384	32,455	531	636	281	172
Development levies	844	365	642	504	194	225
Other revenue	1,794	1,563	(643)	252	760	1,635
Government transfers for operating	-	(3)	17	192	4	27
TOTAL REVENUE	132,864	151,489	168,249	143,582	121,497	138,474
EXPENSES						
Salaries, wages and benefits	17,444	16,382	16,754	17,050	16,560	15,127
Contracted and general services	25,641	21,131	24,704	23,385	18,997	15,200
Materials, goods and utilities	28,011	17,780	31,079	21,979	19,053	18,611
Provisions for allowances	72	482	(249)	116	104	54
Bank charges and short term interest	69	55	27	23	11	30
Interest on long term debt	586	523	439	334	310	251
Other operating expenses	36,573	45,966	47,396	43,002	37,020	30,837
Amortization of tangible capital assets	17,044	19,482	22,968	31,394	34,986	33,192
Impairment	-	55,376	28,383	52,715	55,375	591
Loss on disposal of tangible capital assets	-	88	172	457	50	76
Internal charges and transfers	7,783	38,651	6,297	6,349	6,061	7,077
TOTAL EXPENSES	133,223	215,916	177,970	196,804	188,527	121,046
Excess (deficiency) of revenue over expenses before Contribution	(359)	(64,427)	(9,721)	(53,222)	(67,030)	17,428
Contribution to General	1,215	1,251	23,621	18,627	19,785	32,674
Excess (deficiency) of revenue over expenses after Contribution	\$ (1,574)	\$ (65,678)	\$ (33,342)	\$ (71,849)	\$ (86,815)	\$ (15,246)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 77,870	\$ 77,126	\$ 94,494	\$ 118,502	\$ 110,725	\$ 122,542
Other income						
Investment income	2,193	2,288	2,955	2,653	2,533	1,207
Internal recoveries	3,073	2,960	4,908	7,991	4,828	3,929
Development levies	739	923	2,692	1,123	434	827
Government transfers for operating	-	231	131	60	23	47
Other revenue	5,098	5,867	7,298	21,691	10,583	9,749
TOTAL REVENUE	88,973	89,395	112,478	152,020	129,126	138,301
EXPENSES						
Salaries, wages and benefits	14,914	13,764	14,762	14,447	12,911	11,923
Contracted and general services	7,847	7,218	10,086	8,367	4,734	5,399
Materials, goods and utilities	11,442	10,001	14,898	14,681	12,953	11,741
Provisions for allowances	104	104	118	136	133	125
Interest on long term debt	2,869	2,959	3,186	3,626	4,038	4,516
Other operating expenses	1,971	2,827	3,331	8,968	7,727	10,212
Amortization of tangible capital assets	13,756	15,133	14,478	14,556	17,122	17,041
Loss on disposal of tangible capital assets	-	420	411	197	90	311
Internal charges and transfers	27,635	24,998	33,902	29,675	24,118	31,114
TOTAL EXPENSES	80,538	77,424	95,172	94,653	83,826	92,382
Excess (deficiency) of revenue over expenses before Contribution	8,435	11,971	17,306	57,367	45,300	45,919
Contribution to General	5,778	1,552	40,123	21,287	17,554	5,731
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,657	\$ 10,419	\$ (22,817)	\$ 36,080	\$ 27,746	\$ 40,188

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ENERGY SUSTAINABILITY

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Investment income	\$ -	\$ 16	\$ 16	\$ 67	\$ 61	\$ 70
Internal recoveries	658	486	614	572	512	737
Other revenue	-	-	-	1	1	-
Transfer from Utilities and Land	-	-	200	200	200	-
TOTAL REVENUE	658	502	830	840	774	807
EXPENSES						
Salaries, wages and benefits	107	121	107	92	98	190
Contracted and general services	136	43	37	65	38	57
Materials, goods and utilities	8	1	4	2	1	3
Other operating expenses	300	268	380	698	537	922
Amortization of tangible capital assets	-	1	1	1	1	1
Internal charges and transfers	107	108	117	2,581	383	207
TOTAL EXPENSES	658	542	646	3,439	1,058	1,380
Excess (deficiency) of revenue over expenses	\$ -	\$ (40)	\$ 184	\$ (2,599)	\$ (284)	\$ (573)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Taxes	\$ 114	\$ 113	\$ 114	\$ 114	\$ 114	\$ 114
Sale of services	17,089	19,304	17,421	16,481	15,955	15,291
Other income						
Internal recovery	842	1,246	702	1,061	920	1,113
Other revenue	265	(15)	525	756	258	1,176
Developer levies	870	429	1,106	965	965	-
Government transfers						
Government transfers for operating	-	297	16	305	-	56
TOTAL REVENUE	19,180	21,374	19,884	19,682	18,212	17,750
EXPENSES						
Salaries, wages & benefits	4,932	4,208	4,670	4,317	4,912	4,056
Contracted and general services	917	1,360	771	1,285	840	680
Materials and supplies	1,457	1,622	1,890	1,678	1,466	1,590
Provisions for allowances	34	34	48	47	46	45
Interest on long-term debt	2,823	2,872	2,677	2,474	2,495	2,579
Other expenses	-	(4)	17	(3)	731	548
Amortization of tangible capital assets	2,784	3,132	2,829	2,588	2,544	2,501
Loss on disposal of tangible capital assets	-	41	472	8	-	336
Internal charges and transfers	3,965	3,577	3,497	3,753	1,566	3,169
TOTAL EXPENSES	16,912	16,842	16,871	16,147	14,600	15,504
Excess (deficiency) of revenue over expenses before Contribution	2,268	4,532	3,013	3,535	3,612	2,246
Contribution to General	920	920	852	786	723	546
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,348	\$ 3,612	\$ 2,161	\$ 2,749	\$ 2,889	\$ 1,700

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Taxes	\$ 114	\$ 113	\$ 114	\$ 114	\$ 114	\$ 114
Sale of services	14,125	15,117	14,310	13,359	12,850	11,957
Other income						
Internal recovery	-	(18)	-	273	276	334
Other revenue	7	30	58	943	144	130
Developer levies	540	326	-	-	-	-
Government transfers						
Government transfers for operating	-	34	455	22	246	378
TOTAL REVENUE	14,786	15,602	14,937	14,711	13,630	12,913
EXPENSES						
Salaries, wages & benefits	4,268	3,914	3,922	3,933	3,589	3,619
Contracted and general services	725	892	1,149	665	846	1,018
Materials and supplies	1,367	1,511	1,628	1,633	1,444	1,421
Provisions for allowances	29	29	45	44	43	42
Interest on long-term debt	1,958	2,051	1,914	2,010	2,016	2,019
Other expenses	8	15	7	5	602	191
Amortization of tangible capital assets	1,893	2,615	2,385	2,306	2,087	1,852
Loss on disposal of tangible capital assets	-	-	-	-	13	62
Internal charges and transfers	2,781	2,622	2,389	2,580	1,854	2,006
TOTAL EXPENSES	13,029	13,649	13,439	13,176	12,494	12,230
Excess (deficiency) of revenue over expenses before Contribution	1,757	1,953	1,498	1,535	1,136	683
Contribution to General	722	722	681	641	602	190
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,035	\$ 1,231	\$ 817	\$ 894	\$ 534	\$ 493

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
REVENUE						
Sale of services	\$ 8,373	\$ 8,388	\$ 8,247	\$ 8,115	\$ 8,015	\$ 8,061
Other income						
Internal recovery	712	874	768	706	660	873
Other revenue	26	25	36	550	96	(63)
Insurance recovery	-	-	-	19	235	-
Government transfers						
Government transfers for operating	-	(1)	4	1,239	110	101
TOTAL REVENUE	9,111	9,286	9,055	10,629	9,116	8,972
EXPENSES						
Salaries, wages & benefits	2,719	2,800	2,738	2,667	2,609	2,511
Contracted and general services	1,761	1,703	1,282	1,823	1,460	1,183
Materials and supplies	1,042	839	1,118	1,166	1,030	917
Provisions for allowances	(14)	(14)	18	19	16	76
Interest on long-term debt	128	132	129	146	154	154
Other expenses	142	204	1,219	24	539	630
Amortization of tangible capital assets	560	337	362	366	350	326
Loss on disposal of tangible capital assets	-	3	1	3	12	18
Internal charges and transfers	2,403	2,087	1,798	1,789	1,660	1,563
TOTAL EXPENSES	8,741	8,091	8,665	8,003	7,830	7,378
Excess (deficiency) of revenue over expenses before Contribution	370	1,195	390	2,626	1,286	1,594
Contribution to General	393	393	393	393	361	80
Excess (deficiency) of revenue over expenses after Contribution	\$ (23)	\$ 802	\$ (3)	\$ 2,233	\$ 925	\$ 1,514

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & PROPERTIES

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
REVENUE						
Sale of services	\$ 11,450	\$ 6,751	\$ 10,533	\$ 9,626	\$ 7,826	\$ 4,288
Other income						
Licences fines and penalties	-	26	5	1	84	41
Other revenue	232	1,172	841	376	359	295
Government transfers						
Flood assistance	-	7	2	3	-	1
TOTAL REVENUE	11,682	7,956	11,381	10,006	8,269	4,625
EXPENSES						
Salaries, wages and benefits	640	434	644	567	548	541
Contracted and general services	122	259	111	103	76	117
Materials and supplies	7,887	3,969	6,662	5,458	4,962	2,751
Other expenses	3	1	1	28	-	-
Amortization of tangible capital assets	35	38	38	36	40	37
Impairment	-	12	-	-	-	-
Gain \ loss on sale of assets	-	(51)	-	-	-	-
Internal charges and transfers	860	803	868	716	694	677
TOTAL EXPENSES	9,547	5,465	8,324	6,908	6,320	4,123
Excess (deficiency) of revenue over expenses before Contribution	2,135	2,491	3,057	3,098	1,949	502
Contribution to General	-	-	5,033	1,549	692	194
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,135	\$ 2,491	\$ (1,976)	\$ 1,549	\$ 1,257	\$ 308

The above represents actual transactions before consolidation eliminations.

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2015 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2015 Consolidated
Financing										
Contributed assets - private	\$ 371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371
Debt - ACFA	16,450	2,000	6,950	-	8,751	15,100	1,050	-	-	50,301
Debt - infrastructure reserve	4,180	-	-	-	-	-	104	-	-	4,284
Developer levies	-	390	923	-	429	326	-	-	-	2,068
Government transfers for capital	38,428	-	31	-	(51)	858	-	-	-	39,266
Land Sales	6,046	-	125	-	460	485	-	(392)	-	6,724
Operations	4,025	1,410	13,771	-	1,921	2,270	2,065	130	-	25,592
Other	2,468	(564)	(788)	-	(429)	-	-	-	-	687
Reserves	30,596	6,066	11,030	-	-	(224)	-	-	-	47,468
	102,564	9,302	32,042	-	11,081	18,815	3,219	(262)	-	176,761
Expenses										
Engineered structures	32,109	8,783	32,961	-	3,339	4,160	(6)	944	-	82,290
Buildings	45,342	-	997	-	-	-	126	89	-	46,554
Machinery and equipment	10,170	1,771	1,442	-	610	53	46	82	-	14,174
Land Improvements	8,681	-	221	-	1,123	1,527	19	517	-	12,088
Land	650	-	-	-	20	-	-	(1,559)	-	(889)
Mobile equipment	8,495	-	-	-	-	-	-	-	-	8,495
Major operating expenses	-	-	-	-	-	-	-	-	-	-
	105,447	10,554	35,621	-	5,092	5,740	185	73	-	162,712
Change in Capital Fund	\$ (2,883)	\$ (1,252)	\$ (3,579)	\$ -	\$ 5,989	\$ 13,075	\$ 3,034	\$ (335)	\$ -	\$ 14,049

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
General Government	\$ 249	\$ 502	\$ 1,395	\$ -	\$ 18	\$ -
Corporate Services	6,591	21,035	19,985	20,504	10,054	9,046
Development & Infrastructure	20,286	27,150	30,654	23,084	21,456	17,413
Public Services	2,840	53,590	55,570	19,245	4,491	8,705
Police Services	265	287	166	103	78	35
TOTAL FINANCING	30,231	102,564	107,770	62,936	36,097	35,199
EXPENSES						
General Government	249	394	1,395	-	18	-
Corporate Services	6,591	20,424	16,365	20,860	10,548	8,778
Development & Infrastructure	20,286	32,664	21,080	21,716	21,669	17,087
Public Services	2,840	51,717	56,043	19,629	4,893	7,749
Police Services	265	248	193	77	92	21
TOTAL EXPENSES	30,231	105,447	95,076	62,282	37,220	33,635
CHANGE IN CAPITAL FUND	\$ -	\$ (2,883)	\$ 12,694	\$ 654	\$ (1,123)	\$ 1,564

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

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

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - internal	\$ 141	\$ 368	\$ 23	\$ -	\$ -	\$ -
Government transfers	-	26	1,372	-	-	-
Operations	108	108	-	-	18	-
TOTAL FINANCING	249	502	1,395	-	18	-
EXPENSES						
Buildings	\$ 108	\$ 26	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	141	368	1,395	-	18	-
TOTAL EXPENSES	249	394	1,395	-	18	-
CHANGE IN CAPITAL FUND	\$ -	\$ 108	\$ -	\$ -	\$ -	\$ -

CAO & COMMISSIONERS

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CITY SOLICITOR & CITY CLERK

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - internal	\$ 141	\$ 368	\$ 23	\$ -	\$ -	\$ -
TOTAL FINANCING	141	368	23	-	-	-
EXPENSES						
Engineered Structures						
Machinery and equipment	141	368	23	-	-	-
TOTAL EXPENSES	141	368	23	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORPORATE COMMUNICATIONS

General Government

No Capital

HEALTH, SAFETY & ENVIRONMENT

General Government

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Operations	\$ 108	\$ 108	\$ -	\$ -	\$ -	\$ -
Government transfers	-	26	1,372	-	-	-
TOTAL FINANCING	108	134	1,372	-	-	-
EXPENSES						
Engineered Structures						
Buildings	108	26	-	-	-	-
TOTAL EXPENSES	108	26	1,372	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ 108	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

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

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - ACFA	\$ 2,700	\$ 6,450	\$ 3,550	\$ 500	\$ -	\$ 240
Debt - internal	1,408	1,367	1,860	1,009	144	127
Government transfers	1,475	6,006	5,716	14,093	6,139	2,501
Operations	892	970	790	1,094	1,114	18
Other	116	-	1,236	1,595	29	10
Reserves	-	6,242	6,833	2,213	2,628	6,150
TOTAL FINANCING	6,591	21,035	19,985	20,504	10,054	9,046
EXPENSES						
Buildings	4,700	7,853	5,323	16,736	7,151	3,553
Machinery and equipment	1,891	4,076	1,624	1,592	869	1,185
Mobile equipment	-	8,495	9,418	2,532	2,528	4,040
TOTAL EXPENSES	6,591	20,424	16,365	20,860	10,548	8,778
CHANGE IN CAPITAL FUND	\$ -	\$ 611	\$ 3,620	\$ (356)	\$ (494)	\$ 268

CORPORATE ASSET MANAGEMENT

Corporate Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - ACFA	\$ 2,000	\$ 2,450	\$ 3,550	\$ -	\$ -	\$ 240
Debt - internal	400	1,105	342	172	94	-
Government transfers	1,400	6,006	5,716	14,093	6,139	2,501
Other	116	-	1,236	1,595	29	10
Operations	784	895	752	1,065	821	16
Reserves	-	6,239	6,833	2,212	2,643	6,192
TOTAL FINANCING	4,700	16,695	18,429	19,137	9,726	8,959
EXPENSES						
Buildings	4,700	7,853	5,323	16,736	7,151	3,553
Machinery and equipment	-	-	246	201	504	933
Mobile equipment	-	8,495	9,418	2,532	2,528	4,040
TOTAL EXPENSES	4,700	16,348	14,987	19,469	10,183	8,526
CHANGE IN CAPITAL FUND	\$ -	\$ 347	\$ 3,442	\$ (332)	\$ (457)	\$ 433

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ -	\$ 2,000	\$ -	\$ 500	\$ -	\$ -
Debt - internal	325	39	1,376	448	27	88
Reserves	-	-	-	-	-	3
TOTAL FINANCING	325	2,039	1,376	948	27	91
EXPENSES						
Machinery and equipment	325	1,831	1,198	876	27	91
TOTAL EXPENSES	325	1,831	1,198	876	27	91
CHANGE IN CAPITAL FUND	\$ -	\$ 208	\$ 178	\$ 72	\$ -	\$ -

HUMAN RESOURCES

Corporate Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Operations	\$ 108	\$ -	\$ -	\$ -	\$ 18	\$ -
TOTAL FINANCING	108	-	-	-	18	-
EXPENSES						
Machinery and equipment	108	-	-	-	18	-
TOTAL EXPENSES	108	-	-	-	18	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - ACFA	\$ 700	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Debt - internal	683	223	142	389	23	39
Government transfers	75	-	-	-	-	-
Reserves	-	3	-	1	(15)	(45)
Operations	-	75	38	29	275	2
TOTAL FINANCING	1,458	2,301	180	419	283	(4)
EXPENSES						
Machinery and equipment	1,458	2,245	180	515	320	161
TOTAL EXPENSES	1,458	2,245	180	515	320	161
CHANGE IN CAPITAL FUND	\$ -	\$ 56	\$ -	\$ (96)	\$ (37)	\$ (165)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Business Support; Planning, Building & Development; & Municipal Works

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Contributed assets - private	\$ -	\$ 269	\$ 448	\$ 1,082	\$ -	\$ -
Debt - ACFA	-	-	500	2,500	-	-
Debt - internal	-	1,729	597	1,341	97	-
Developers levies	-	-	4,928	236	100	266
Government transfers	16,843	19,675	14,814	10,024	20,705	12,961
Land sales	-	2,400	233	2,280	-	2,089
Operations	1,650	1,650	1,730	1,170	511	-
Other	1,793	1,410	-	4,451	-	-
Reserves	-	17	7,404	-	43	2,097
TOTAL FINANCING	20,286	27,150	30,654	23,084	21,456	17,413
EXPENSES						
Engineered structures	20,286	32,109	18,213	622	21,332	16,412
Buildings	-	-	2,813	20,858	34	37
Machinery and equipment	-	555	54	143	44	449
Land improvements	-	-	-	93	163	74
Land	-	-	-	-	89	114
Major operating expenses	-	-	-	-	7	1
TOTAL EXPENSES	20,286	32,664	21,080	21,716	21,669	17,087
CHANGE IN CAPITAL FUND	\$ -	\$ (5,514)	\$ 9,574	\$ 1,368	\$ (213)	\$ 326

BUSINESS SUPPORT

Development & Infrastructure

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -
Reserves	-	-	225	-	-	(28)
TOTAL FINANCING	-	-	225	15	-	(28)
EXPENSES						
Machinery and equipment	-	180	-	15	-	2
TOTAL EXPENSES	-	180	-	15	-	2
CHANGE IN CAPITAL FUND	\$ -	\$ (180)	\$ 225	\$ -	\$ -	\$ (30)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Contributed assets - private	\$ -	\$ 269	\$ 448	\$ 1,082	\$ -	\$ -
Debt - ACFA	-	-	500	2,500	-	-
Debt - internal	-	1,729	597	1,326	97	-
Developers levies	-	-	4,928	236	100	266
Government transfers	16,843	19,675	14,814	10,024	20,705	12,961
Land sales	-	2,400	233	2,280	-	2,089
Operating fund	1,650	1,650	1,730	1,170	511	-
Other	1,793	1,410	-	4,451	-	-
Reserves	-	17	7,179	-	43	2,125
TOTAL FINANCING	20,286	27,150	30,429	23,069	21,456	17,441
EXPENSES						
Engineered structures	20,286	32,109	18,213	622	21,332	16,412
Buildings	-	-	2,813	20,858	34	37
Machinery and equipment	-	375	54	128	44	447
Land improvements	-	-	-	93	163	74
Land	-	-	-	-	89	114
Major operating expenses	-	-	-	-	7	1
TOTAL EXPENSES	20,286	32,484	21,080	21,701	21,669	17,085
CHANGE IN CAPITAL FUND	\$ -	\$ (5,334)	\$ 9,349	\$ 1,368	\$ (213)	\$ 356

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development; Parks & Fire Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Contributed assets - private	\$ -	\$ 102	\$ 704	\$ 44	\$ 188	\$ 400
Debt - ACFA	-	10,000	-	-	-	-
Debt - internal	185	531	850	449	204	-
Developers levies	-	-	356	-	-	1,334
Government transfers	1,086	12,721	8,427	7,284	1,943	3,176
Land sales	-	3,646	734	363	274	307
Operations	1,324	1,240	757	292	765	-
Other	245	1,012	5	899	138	343
Third party contribution	-	1	2	3	-	-
Reserves	-	24,337	43,735	9,911	979	3,145
TOTAL FINANCING	2,840	53,590	55,570	19,245	4,491	8,705
EXPENSES						
Engineered structures	-	-	-	-	473	585
Buildings	30	37,380	49,240	15,254	1,165	1,215
Machinery and equipment	985	5,006	2,128	141	519	204
Land	-	650	-	-	602	982
Land improvements	1,825	8,681	4,675	4,234	2,134	4,687
Major operating expenses	-	-	-	-	-	76
TOTAL EXPENSES	2,840	51,717	56,043	19,629	4,893	7,749
CHANGE IN CAPITAL FUND	\$ -	\$ 1,873	\$ (473)	\$ (384)	\$ (402)	\$ 956

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2015 Budget	2015 Actual	2014 Restated	2013 Restated	2012 Restated	2011 Restated
FINANCING						
Debt - internal	\$ 185	\$ 112	\$ 275	\$ 98	\$ -	\$ -
Government transfers	130	443	1,290	1,832	1,315	663
Operations	200	320	-	-	38	-
Other	-	-	-	-	11	343
Third party contribution	-	1	2	3	-	-
Reserves	-	297	685	-	627	(34)
TOTAL FINANCING	515	1,173	2,252	1,933	1,991	972
EXPENSES						
Engineered structures	-	-	-	-	146	-
Buildings	30	800	1,703	1,359	1,094	756
Machinery and equipment	485	126	547	122	23	162
Land	-	-	-	-	602	-
Land improvements	-	-	2	452	161	-
TOTAL EXPENSES	515	926	2,252	1,933	2,026	918
CHANGE IN CAPITAL FUND	\$ -	\$ 247	\$ -	\$ -	\$ (35)	\$ 54

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & RECREATION

Public Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Contributed assets - private	\$ -	\$ 102	\$ 704	\$ 44	\$ 188	\$ 400
Debt - ACFA	-	10,000	-	-	-	-
Debt - internal	-	419	575	351	163	-
Developers levies	-	-	356	-	-	1,334
Government transfers	656	12,278	5,765	5,452	628	2,513
Land sales	-	3,646	734	363	274	307
Operations	1,124	920	737	200	700	-
Other	245	1,012	5	899	127	-
Reserves	-	24,040	43,058	9,911	352	2,729
TOTAL FINANCING	2,025	52,417	51,934	17,220	2,432	7,283
EXPENSES						
Engineered structures	-	-	-	-	327	585
Buildings	-	36,580	47,537	13,803	71	459
Machinery and equipment	200	4,880	182	15	-	40
Land	-	650	-	-	-	982
Land improvements	1,825	8,681	4,673	3,782	1,973	4,687
Major operating expenses	-	-	-	-	-	76
TOTAL EXPENSES	2,025	50,791	52,392	17,600	2,371	6,829
CHANGE IN CAPITAL FUND	\$ -	\$ 1,626	\$ (458)	\$ (380)	\$ 61	\$ 454

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FIRE SERVICES

Public Services

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 41	\$ -
Operations	-	-	20	92	27	-
Government transfers	300	-	-	-	-	-
Reserves	-	-	(8)	-	-	450
TOTAL FINANCING	300	-	12	92	68	450
EXPENSES						
Buildings	-	-	-	92	-	-
Machinery and equipment	300	-	27	4	496	2
TOTAL EXPENSES	300	-	27	96	496	2
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (15)	\$ (4)	\$ (428)	\$ 448

POLICE SERVICE

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - internal	\$ 208	\$ 185	\$ 132	\$ 26	\$ -	\$ -
Operating fund	57	57	-	77	83	35
Third Party Contribution	-	45	60	-	-	-
Reserves	-	-	(26)	-	(5)	-
TOTAL FINANCING	265	287	166	103	78	35
EXPENSES						
Engineered Structures						
Buildings	50	83	60	-	-	-
Machinery and equipment	215	165	133	77	92	21
TOTAL EXPENSES	265	248	193	77	92	21
CHANGE IN CAPITAL FUND	\$ -	\$ 39	\$ (27)	\$ 26	\$ (14)	\$ 14

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ 1,550	\$ 2,000	\$ 3,460	\$ 3,300	\$ 1,150	\$ 2,250
Developers levies	844	390	642	504	194	225
Government transfers	-	-	-	-	178	-
Land Sales	-	-	-	12	-	-
Operations	2,794	1,410	1,970	541	2,108	(915)
Other	-	(564)	65	(143)	(292)	83
Proceeds from sale of assets	-	-	-	-	-	-
Reserves	25,347	6,066	11,727	16,703	57,318	32,051
TOTAL FINANCING	30,535	9,302	17,864	20,917	60,656	33,694
EXPENSES						
Engineered structures	29,676	8,783	18,471	19,265	67,855	35,926
Buildings	-	-	-	-	-	-
Machinery and equipment	859	1,771	2,768	2,475	196	307
Major operating expenses	-	-	-	-	322	-
TOTAL EXPENSES	30,535	10,554	21,239	21,740	68,373	36,233
CHANGE IN CAPITAL FUND	\$ -	\$ (1,252)	\$ (3,375)	\$ (823)	\$ (7,717)	\$ (2,539)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ 5,493	\$ 6,950	\$ 8,792	\$ 4,545	\$ 3,724	\$ 1,608
Developers levies	739	923	2,692	1,123	434	827
Government transfers	-	31	-	5,040	902	395
Land Sales	300	125	62	65	-	-
Operations	14,091	13,771	4,359	3,322	3,038	486
Other	-	(788)	(3,287)	1,395	301	(19)
Reserves	9,123	11,030	11,924	2,943	13,824	7,140
TOTAL FINANCING	29,746	32,042	24,542	18,433	22,223	10,437
EXPENSES						
Engineered structures	17,741	32,961	18,473	13,464	3,858	10,521
Buildings	9,989	997	1,844	300	947	27
Machinery and equipment	798	1,442	3,018	3,381	3,191	290
Land improvements	153	221	(171)	497	191	84
Land	-	-	555	-	-	-
TOTAL EXPENSES	28,681	35,621	23,719	17,642	8,187	10,922
CHANGE IN CAPITAL FUND	\$ 1,065	\$ (3,579)	\$ 823	\$ 791	\$ 14,036	\$ (485)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ENERGY SUSTAINABILITY

No Capital

WATER

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ 10,950	\$ 8,751	\$ 14,760	\$ 12,175	\$ 4,560	\$ 3,114
Developers levies	-	429	1,106	-	-	-
Government transfers	-	(51)	1,887	86	30	459
Land sales	-	460	186	583	-	16
Operations	2,600	1,921	300	300	374	(358)
Other	-	(429)	(1,106)	15	-	236
TOTAL FINANCING	13,550	11,081	17,133	13,159	4,964	3,467
EXPENSES						
Engineered structures	13,175	3,339	11,949	11,230	4,638	3,215
Buildings	-	-	18	536	961	28
Machinery and equipment	375	610	3,175	3,994	(420)	699
Land improvements	-	1,123	-	-	-	-
Land	-	20	-	-	-	14
TOTAL EXPENSES	13,550	5,092	15,142	15,760	5,179	3,956
CHANGE IN CAPITAL FUND	\$ -	\$ 5,989	\$ 1,991	\$ (2,601)	\$ (215)	\$ (489)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ 11,450	\$ 15,100	\$ 7,400	\$ 1,870	\$ 6,510	\$ 3,716
Developers levies	-	326	-	-	-	-
Government transfers	-	858	180	15	(229)	776
Land sales	-	485	184	454	-	16
Operations	1,350	2,270	95	201	254	76
Other	-	(224)	-	-	-	-
TOTAL FINANCING	12,800	18,815	7,859	2,540	6,535	4,584
EXPENSES						
Engineered structures	12,800	4,160	4,865	4,413	3,254	5,382
Buildings	-	-	18	787	961	28
Machinery and equipment	-	53	110	-	-	100
Land Improvements	-	1,527	-	-	-	-
TOTAL EXPENSES	12,800	5,740	4,993	5,200	4,215	5,510
CHANGE IN CAPITAL FUND	\$ -	\$ 13,075	\$ 2,866	\$ (2,660)	\$ 2,320	\$ (926)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Debt - ACFA	\$ 1,400	\$ 1,050	\$ -	\$ -	\$ 280	\$ 500
Debt - infrastructure	-	104	414	-	-	-
Operations	2,150	2,065	-	832	450	(24)
TOTAL FINANCING	3,550	3,219	414	832	730	476
EXPENSES						
Engineered structures	3,550	(6)	-	-	(6)	6
Buildings	-	126	541	119	192	191
Machinery and equipment	-	46	222	-	26	534
Land improvement	-	19	408	138	61	472
TOTAL EXPENSES	3,550	185	1,171	257	273	1,203
CHANGE IN CAPITAL FUND	\$ -	\$ 3,034	\$ (757)	\$ 575	\$ 457	\$ (727)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2011 - 2015

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & PROPERTIES

	2015 Budget	2015 Actual	2014	2013	2012	2011
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337
Operations	-	(262)	(129)	1,409	750	1,658
TOTAL FINANCING	-	(262)	(129)	1,409	750	1,995
EXPENSES						
Engineered structures	-	944	-	-	16	540
Buildings	-	89	-	-	-	515
Machinery & Equipment	-	82	16	-	-	-
Land improvements	-	517	-	-	-	-
Land	51,000	(1,559)	1,133	74	68	497
TOTAL EXPENSES	51,000	73	1,149	74	84	1,552
CHANGE IN CAPITAL FUND	\$ (51,000)	\$ (335)	\$ (1,278)	\$ 1,335	\$ 666	\$ 443

The above represents actual transactions before consolidation eliminations.

OUR VISION

Working together with the community, Council has articulated this vision for the City of Medicine Hat. It is a vision that sees 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 values of our services.

OUR VALUES

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

- Respect
- Integrity
- Accountability
- Courage
- Caring

MEDICINE HAT COUNCIL'S STRATEGIC PLAN 2014-2018

Six strategic priorities:

- Economic Development
- Infrastructure and amenities
- Social wellness
- Image and profile
- Fiscal management
- City government



 **Medicine Hat**
The Gas City