



Medicine Hat
The Gas City

2014

CITY OF MEDICINE HAT
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Medicine Hat, Alberta, Canada

City of Medicine Hat, Alberta, Canada

2014 FINANCIAL REPORT

For the year ended December 31, 2014

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



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

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Back row: 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

M. Heggelund, Chief Administrative Officer – Municipal Services, Chair
 G. Labas, Chief Operating Officer – Energy Services, Vice-Chair
 K. Charlton, Public Services Commissioner
 B. Mastel, Corporate Services Commissioner
 S. Schwanzenberger, Development & Infrastructure Commissioner
 R. Schmitt, City Solicitor
 A. Cruickshank, City Clerk
 T. Clugston, Mayor

SPECIAL COMMITTEES

Canadian Badlands – Councillor B. Varga

CCDA Downtown Planning Councillor J. McIntosh

Chamber of Commerce – Councillor J. Turner

Civic Functions - Councillor L. Pearson, Chair

Economic Development Agency of SE AB – Councillor J. Turner

Entre-Corp - K. Crush, Business Support Officer

Friends of Medalta Society – Councillor J. McIntosh

Medicine Hat Community Housing – Councillor C. Symmonds

Medicine Hat Exhibition & Stampede – Mayor T. Clugston

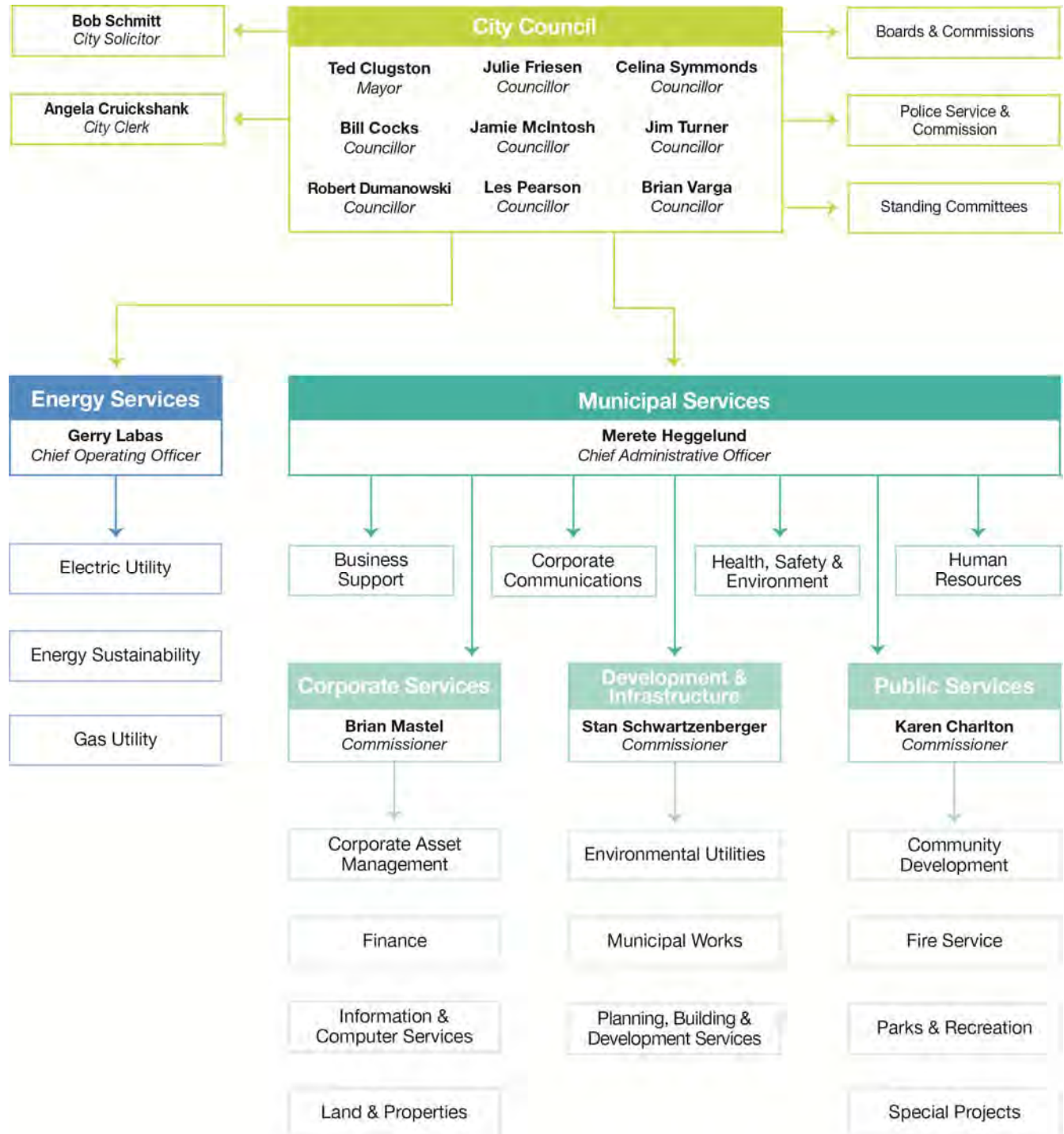
Palliser Economic Partnership – Councillor J. Turner

Shortgrass Library System – Councillor C. Symmonds

Tourism Medicine Hat – Councillor L. Pearson

Organizational Structure

As at December 31, 2014



Treasurer's Report



Treasurer's Report

For the year ending December 31, 2014

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2014. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 20, 2015.

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

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

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

- Land and property development,
- Natural gas exploration, production and distribution services (Gas Utility),
- Electric generation and distribution (Electric Utility).

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

The purpose of the Financial Report is to present the users and readers with clear insight of the financial results for the City for the fiscal year ended December 31, 2014. 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, 2014. 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 20, 2015

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2013, the twelfth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

RISK MANAGEMENT

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

(a) Operational Risk Management

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

(b) Public Safety

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

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergencies, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommend changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city.

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



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Medicine Hat
Alberta**

For its Annual
Financial Report
for the Year Ended

December 31, 2013

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

Executive Director/CEO

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

(c) Treasury Management

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

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

(d) Environmental

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

MANAGEMENT REPORTING AND CONTROL

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

(a) Strategic Planning and Budgeting

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

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

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

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

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



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

(b) Accounting

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

(c) Auditing

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

The financial data below provides an overview of key financial information over the past three years. Readers should read this report in conjunction with the accompanying Consolidated Financial Statements and Note Disclosures located on the City's website at <http://www.medicinehat.ca/index.aspx?page=929>.

The City has endured a series of floods in 2010, 2011, 2013 and 2014. As a consequence City expenses have increased due to the recovery from these disasters. Fortunately, much, but not all, of the recovery costs have been offset by Disaster Recovery Programs as well as insurance proceeds.

The 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.

TREASURER'S REPORT

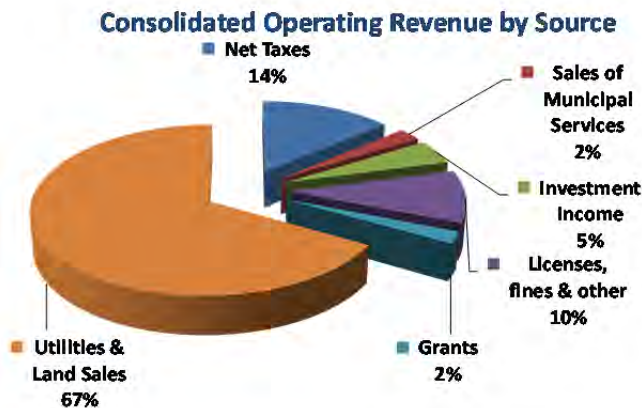
FOR THE YEAR ENDED DECEMBER 31, 2014

In thousands of dollars

Consolidated Financial Position	2014	2013	2012
Assets	\$ 610,058	\$ 632,274	\$ 561,697
Liabilities	526,228	508,656	466,719
Net financial assets	83,830	123,618	94,978
Non-financial assets	105,474	101,474	98,282
Net tangible capital assets	1,151,530	1,085,295	1,088,824
Total non-financial assets	1,257,004	1,186,769	1,187,106
Accumulated surplus	\$1,340,834	\$1,310,387	\$1,282,084

2014 Operating Results	Revenue	Expenses	Annual Surplus
General Fund	\$ 206,722	\$ 158,160	\$ 48,562
Utilities	336,814	391,790	(54,976)
Consolidation adjustments	(140,409)	(145,094)	4,685
Subtotal	403,127	404,856	(1,729)
Capital contributions and grants	33,575	-	33,575
Consolidation adjustments	(1,399)	-	(1,399)
Subtotal	32,176	-	32,176
Total	\$ 435,303	\$ 404,856	\$ 30,447

Revenue



Revenue before capital contributions and grants was \$403.1 million versus budget of \$386.4 million. This variance was due to other revenues being higher than budget by \$18.1 million as a result of increased electric ancillary sales due to higher market prices; higher investment income due to larger cash reserve balances; higher insurance income due to flood claims; and higher charitable gifts. This was offset by lower revenues in sale of services of \$1.6 million mainly due to gas and electric revenues being lower as a result of lower volumes than budget.

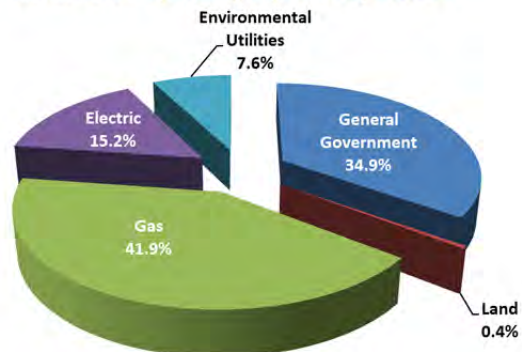
2014 revenues were lower than 2013 actual revenues mainly due to receiving a settlement of a claim on a power purchase agreement in 2013.

Expenses

Overall the City operating expenses for the year were \$33.1 million higher than budget mainly due to an asset impairment being recognized. Less optimistic forecasts for natural gas and oil prices and higher than expected well abandonment and reclamation costs have resulted in an impairment being recognized for some of the City's natural gas and oil assets.

Overall actual 2014 expenses are lower than 2013 actual expenses by \$20.7 million mainly due to a lower impairment recognized in 2014.

Consolidated Operating Expenses by Division



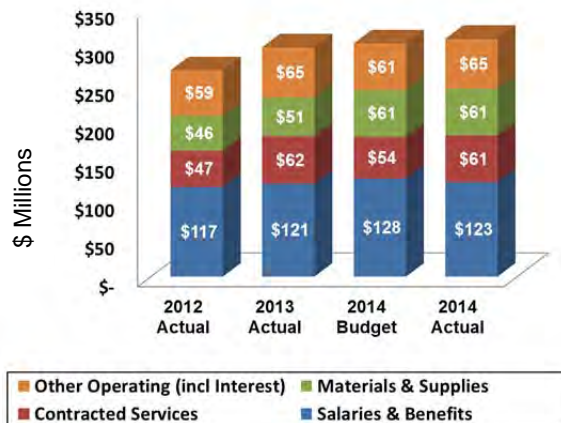
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Expenses by Type

The Consolidated Expenses by Object Schedule details 2014 actual (\$404.9 million) and budgeted (\$371.8 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, higher contracted services due to costs from the recent flood event and lower salaries and benefits due to staff vacancies.

The 2014 actual expenses by type are higher than 2013 in materials and supplies and salaries and benefits mainly due to inflation.

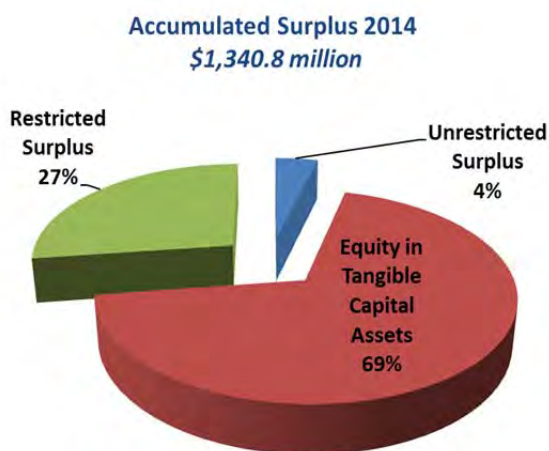


2014 Capital

Capital expenditures were \$160.1 million plus contributions from developers of \$1.2 million. While the City's approved 2014 budget for capital was \$124.7 million, the current expenditures include \$126.0 million for projects carried forward from previous budget years.

The 2014 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 2014 the consolidated fund and equity balances increased by \$30.4 million to \$1,340.8 million.

\$53.2 million of the accumulated surplus is unrestricted. This is used as working capital to fund day to day operating activities of the City. \$364.4 million is restricted and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets increased by \$49.0 million to \$923.2 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

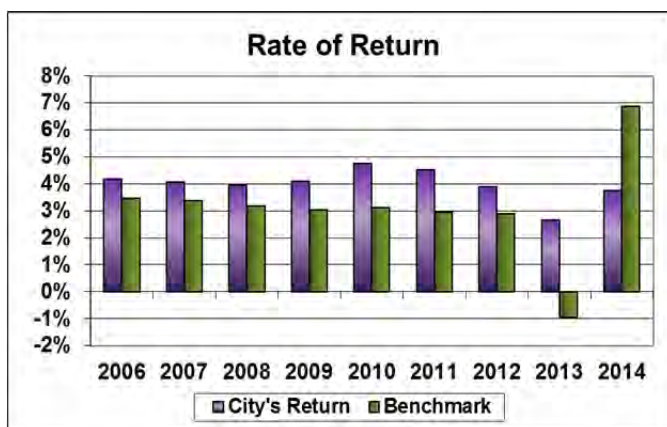
Investments

Investments, Loans and Advances decreased \$23.5 million from 2013 to \$459.0 million due to decreased cash flow largely as a result of the funds being used for projects such as the event center and family leisure center. Also, funds for the 2014 Disaster Recovery Program were not received as at December 31, 2014.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

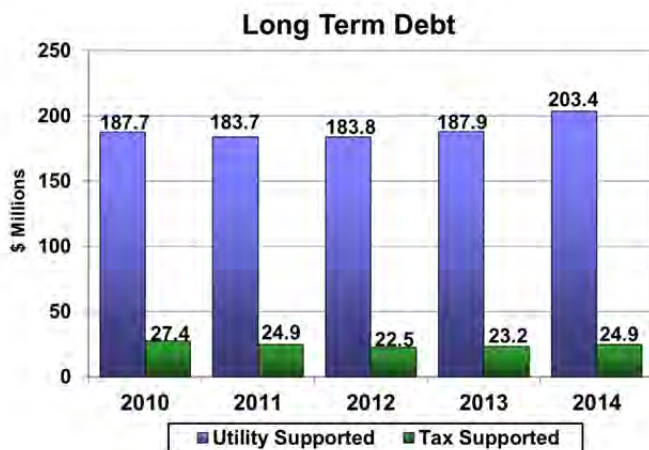


The City of Medicine Hat's investment return for the year ended December 31, 2014 averaged 3.76 per cent underperforming the DEX (formerly ScotiaMcLeod) Universe Bond benchmark index of 6.87 per cent. This is the first time over the last nine years that the City's average portfolio return has underperformed the stated benchmark.

Long-Term Debt

During 2014, total Long Term Debt increased \$17.2 million to \$228.3 million as a result of new borrowings exceeding repayments. Total debt principal repayments were \$21.3 million and new debt was \$38.5 million. \$7.8 million was for improvements to Environmental Utility assets, \$10.7 million was related to Electric's assets, \$0.4 million was for the Gas Utility, and \$2.4 million was for municipal infrastructure.

The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is defined as two times revenue net of capital government transfers, and debt servicing limit is not to exceed 35 per cent of revenue. For purposes of these calculations included in the actual debt (long and short term) are loan guarantees in the amount of \$2.6 million.



The City's 2014 debt levels are as follows:

	2014	
Total Debt Limit	\$ 847.4	
Loan Guarantees	2.6	
Actual Total Debt	228.3	
Amount Under Limit	\$ 616.5	73%
Debt Servicing Limit	\$ 148.3	
Actual Debt Servicing	30.5	
Amount Under Limit	\$ 117.8	79%

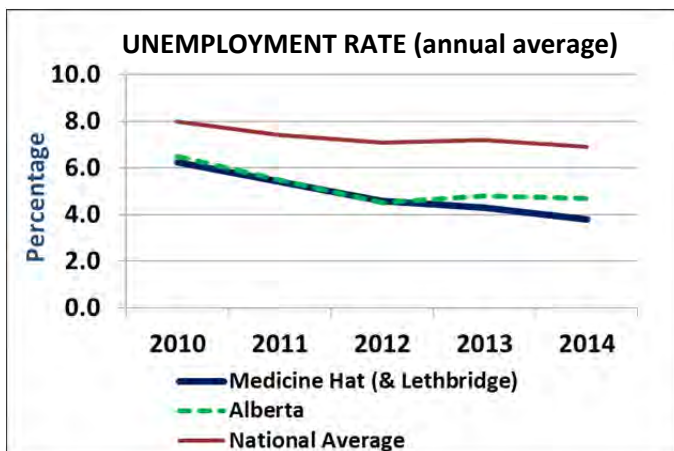
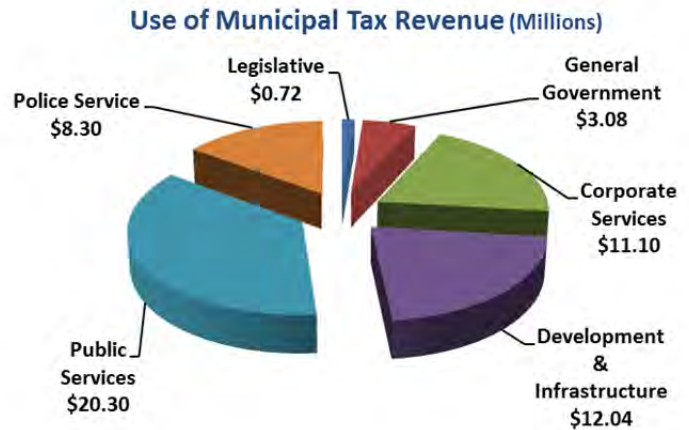
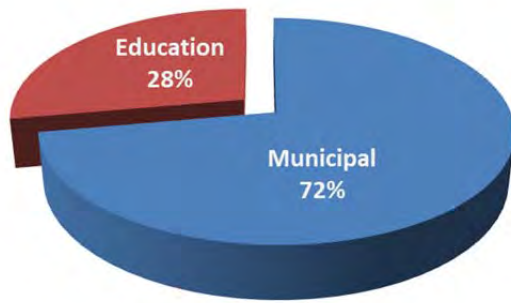
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Use of Municipal Tax Revenue (in thousands of dollars)

Property taxes contributed \$55.5 million (39.3%) of the consolidated General Fund operating expenses of \$141.3 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2014.

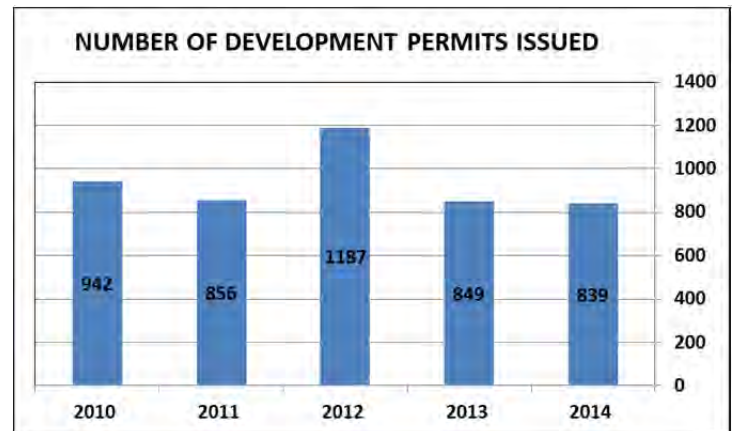


Economic Indicators

The unemployment rate in Medicine Hat at the end of 2014 was 2.7%, while the 2014 average was 4.0%. The average Alberta unemployment for 2014 was 4.7% compared to 6.9% for Canada.

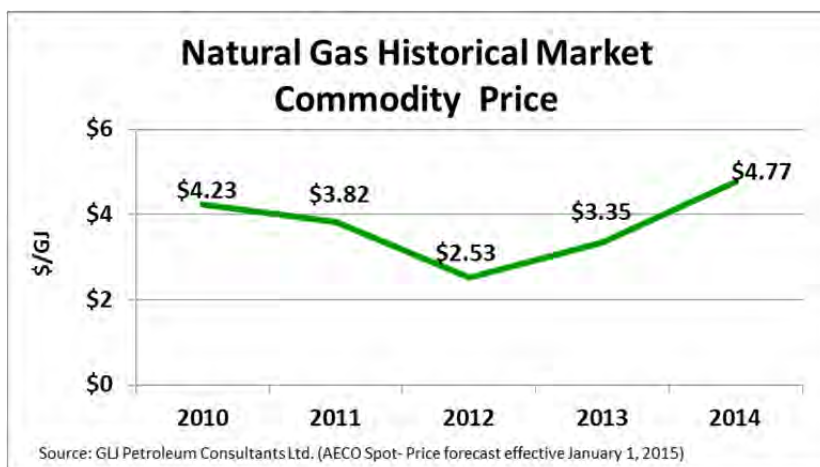
Number of Development Permits Issued

The number of development permits decreased in 2013 and 2014. The primary reason for this drop was the adoption of the new 2013 Land Use Bylaw (LUB). Under the new LUB permits are not required for many minor developments or they can be included in a larger permit. As a result, the new LUB and its simplified permitting system resulted in fewer permits issued.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

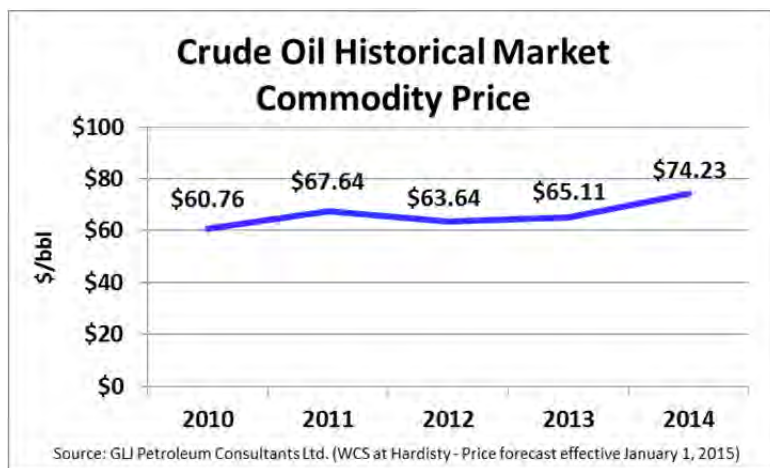


Gas

The increase in the natural gas price in 2014 was mainly due to storage deficits throughout the year. Prices started to drop near the end of the year due to higher than anticipated production in the United States. 2014 gas production for the City of Medicine Hat was 18,164,746 cubic feet.

Oil

During the first half of 2014, oil prices increased due to geopolitical issues throughout the Middle East decreasing and further threatening production. This led to uncertainty in supply despite the increased production in North America. During the second half of 2014, oil prices started to decline due to oversupply and decreased demand. 2014 oil production for the City of Medicine Hat was 405,513 barrels.



Financial Statements



RESPONSIBILITY FOR FINANCIAL REPORTING

MANAGEMENT'S REPORT

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

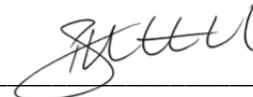
The consolidated financial statements are prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the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

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

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



Chief Administrative Officer



Commissioner of Corporate Services

April 21, 2015



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

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

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of City of Medicine Hat ("the Entity"), which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Medicine Hat as at December 31, 2014, and the results of its operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

April 20, 2015
Lethbridge, Canada

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

KPMG Confidential

CONSOLIDATED
Statement of Financial Position
As at December 31, 2014 (in thousands of dollars)

	2014	2013	2012
Financial assets			
Cash and temporary investments (Note 2)	\$ 59,753	\$ 65,050	\$ 43,612
Accounts receivable, net of allowances (Note 3)	58,055	60,386	49,520
Advances to subsidiary (Note 4)	10,166	10,669	11,204
Investment in subsidiary (Note 9)	12,533	9,050	4,078
Investments, loans and advances (Note 5)	458,971	482,542	446,651
Land held for resale	6,608	2,951	5,957
Inventories for resale (Note 6)	97	106	89
Deposits (Note 7)	3,875	1,520	586
Total financial assets	610,058	632,274	561,697
Liabilities			
Trade accounts payable	35,784	38,552	26,111
Accrued liabilities (Note 8)	19,184	19,557	13,844
Deferred revenue (Note 10)	41,335	55,990	47,409
Long term debt (Note 12)	228,269	211,129	206,254
Other long term liabilities (Note 13)	201,656	183,428	173,101
Total liabilities	526,228	508,656	466,719
Net financial assets	83,830	123,618	94,978
Non-financial assets			
Inventories for consumption	11,045	10,916	11,773
Prepaid assets	2,644	2,225	1,958
Land held for future development (Note 14)	13,316	16,583	13,880
Long lived assets	78,469	71,750	70,671
Tangible capital assets (Schedule 1) (Note 15)	1,151,530	1,085,295	1,088,824
Total non-financial assets	1,257,004	1,186,769	1,187,106
Operating commitments (Note 21)			
Capital commitments (Note 23)			
Contingent liabilities (Note 24)			
Accumulated surplus (Note 16)	\$ 1,340,834	\$ 1,310,387	\$ 1,282,084

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

CONSOLIDATED
Statement of Operations
For the year ended December 31, 2014 (in thousands of dollars)

	2014 Budget	2014	2013	2012
Revenue				
Municipal taxes (Schedule 2)	\$ 55,263	\$ 55,536	\$ 51,204	\$ 48,478
Sale of services				
General Government	9,828	9,756	9,812	9,733
Gas	130,518	129,588	107,722	92,122
Electric	91,431	89,548	113,268	105,744
Water	16,377	17,223	16,272	15,756
Sewer	13,860	14,178	13,219	12,717
Solid Waste	8,068	8,049	7,906	7,816
Land and Properties	10,380	10,533	9,626	7,706
Other income				
Investment income	10,407	15,347	13,087	14,485
Investment in subsidiary (Note 9)	7,291	3,483	4,972	3,194
Licenses, fines and penalties	6,961	6,395	6,092	7,327
Insurance recovery	92	3,490	7,791	466
Development levies	3,486	9,368	7,698	1,693
Charitable gifts (Note 9)	-	3,000	1,500	1,000
Government transfers for operating (Schedule 3)	5,001	9,061	13,507	9,143
Other	17,401	18,572	32,475	22,586
Total revenue	386,364	403,127	416,151	359,966
Expenses (Schedule 4 and Schedule 5)				
General Government	135,684	141,250	141,312	132,101
Gas	142,669	169,831	188,443	181,754
Electric	61,719	60,860	64,479	59,417
Energy Sustainability	705	531	858	947
Water	12,431	12,040	11,335	10,278
Sewer	10,066	11,323	11,070	10,586
Solid Waste	6,158	7,328	6,631	6,275
Land and Properties	2,354	1,693	1,387	1,491
Total expenses	371,786	404,856	425,515	402,849
Excess (deficiency) of revenue over expenses				
- before other revenue	14,578	(1,729)	(9,364)	(42,883)
Other revenue				
Contributed tangible capital assets	1,151	1,152	1,126	188
Government transfers for capital (Schedule 3) (Note 10)	7,552	31,024	36,541	29,668
Total other revenue	8,703	32,176	37,667	29,856
Annual surplus (deficit)	23,281	30,447	28,303	(13,027)
Accumulated surplus, beginning of year	1,310,387	1,310,387	1,282,084	1,295,111
Accumulated surplus, end of year	\$ 1,333,668	\$ 1,340,834	\$ 1,310,387	\$ 1,282,084

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

CONSOLIDATED

Statement of Change in Net Financial Assets For the year ended December 31, 2014 (in thousands of dollars)

	2014 Budget	2014	2013	2012
Annual surplus (deficit)	\$ 23,281	\$ 30,447	\$ 28,303	\$ (13,027)
Acquisition of tangible capital assets	(103,698)	(160,060)	(122,210)	(123,182)
Developers contribution of tangible capital assets	(2,133)	(1,152)	(1,126)	(188)
Increase in long lived assets	(16,926)	(6,719)	(1,079)	(4,514)
Amortization of tangible capital assets	68,273	65,071	72,151	77,573
Impairments	-	28,383	52,715	55,375
Loss on disposal of tangible capital assets	-	1,135	1,557	899
Proceeds from sale of tangible capital assets	309	388	442	205
	(30,894)	(42,507)	30,753	(6,859)
Acquisition of inventories and supplies	(3,700)	(6,956)	(6,681)	(6,297)
Net transfers (acquisition) of land held for future development	(3,641)	3,267	(2,703)	(376)
Acquisition of prepaid assets	(3,000)	(3,759)	(3,041)	(3,118)
Consumption of inventories and supplies	3,700	6,827	7,538	6,665
Use of prepaid assets	3,000	3,340	2,774	3,102
	(3,641)	2,719	(2,113)	(24)
Increase (decrease) in net financial assets	(34,535)	(39,788)	28,640	(6,883)
Net financial assets, beginning of year	123,618	123,618	94,978	101,861
Net financial assets, end of year	\$ 89,083	\$ 83,830	\$ 123,618	\$ 94,978

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2014 (in thousands of dollars)

	2014	2013	2012
Net inflow (outflow) of cash related to the following activities:			
Operating			
Annual surplus (deficit)	\$ 30,447	\$ 28,303	\$ (13,027)
Non-cash items included in excess (deficiency) of revenues over expenses:			
Amortization of tangible capital assets	65,071	72,151	77,573
Impairments	28,383	52,715	55,375
Loss on disposal of tangible capital assets	1,135	1,557	899
Developers contribution of tangible capital assets	(1,152)	(1,126)	(188)
Income from subsidiary	(3,483)	(4,972)	(3,194)
Non-cash changes to operations (net change):			
Decrease (increase) in accounts receivable	2,331	(10,866)	(6,855)
Decrease (increase) in inventories for resale	9	(17)	24
Decrease (increase) in land held for resale	(3,657)	3,006	360
Decrease (Increase) in land held for future development	3,267	(2,703)	(376)
Decrease (increase) in inventories for consumption	(129)	857	368
Increase in deposits	(2,355)	(934)	(331)
Increase in prepaid assets	(419)	(267)	(16)
Increase (decrease) in trade accounts payable	(2,768)	12,441	(3,638)
Increase (decrease) in accrued liabilities	(373)	5,713	289
Increase (decrease) in deferred revenue	(14,655)	8,581	(6,635)
Increase in other long term liabilities	18,228	10,327	19,797
Cash provided by operating transactions	119,880	174,766	120,425
Capital			
Acquisition of tangible capital assets	(160,060)	(122,210)	(123,182)
Proceeds from sale of tangible capital assets	388	442	205
Increase in long lived assets	(6,719)	(1,079)	(4,514)
Cash applied to capital transactions	(166,391)	(122,847)	(127,491)
Investing			
Decrease (increase) in restricted cash and temporary investments	12,640	(8,353)	6,867
Decrease (increase) in investments, loans and advances	23,571	(35,891)	(10,316)
Decrease in advances to subsidiary	503	535	316
Cash applied to investing transactions	36,714	(43,709)	(3,133)
Financing			
Long term debt issued and assumed	38,462	24,890	16,224
Long term debt repaid	(21,322)	(20,015)	(18,606)
Cash provided by (applied to) financing transactions	17,140	4,875	(2,382)
Change in cash and equivalents during the year	7,343	13,085	(12,581)
Cash and cash equivalents, beginning of year	13,432	347	12,928
Cash and cash equivalents, end of year	\$ 20,775	\$ 13,432	\$ 347
Cash and cash equivalents consist of the following:			
Cash	\$ 59,753	\$ 65,050	\$ 43,612
Less: restricted portion of cash and temporary investments	(38,978)	(51,618)	(43,265)
Total	\$ 20,775	\$ 13,432	\$ 347

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

CONSOLIDATED
TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2014 (in thousands of dollars)

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2014	2013	2012
Cost:										
Balance, beginning of year	\$ 45,015	\$ 65,672	\$ 208,497	\$ 1,078,622	\$ 845,913	\$ 67,086	\$ 43,386	\$ 2,354,191	\$ 2,295,406	\$ 2,233,601
Acquisition of tangible capital assets	1,887	2,204	26,449	51,627	16,424	18,585	8,915	126,091	73,057	120,549
Construction-in-progress	-	3,309	31,780	5,996	(395)	(4,014)	(1,555)	35,121	50,279	2,821
Disposal of tangible capital assets	-	-	(177)	(3,164)	-	(4,088)	(2,313)	(9,742)	(11,836)	(6,190)
Write down of tangible capital assets	-	-	-	-	(28,383)	-	-	(28,383)	(52,715)	(55,375)
Balance, end 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
Accumulated amortization:										
Balance, beginning of year	-	32,214	67,037	453,235	653,758	37,188	25,464	1,268,896	1,206,582	1,134,095
Annual amortization	-	2,235	4,189	30,500	21,243	3,425	3,479	65,071	72,151	77,573
Accumulated amortization on disposals	-	-	(137)	(2,778)	-	(3,020)	(2,284)	(8,219)	(9,837)	(5,086)
Balance, end of year	-	34,449	71,089	480,957	675,001	37,593	26,659	1,325,748	1,268,896	1,206,582
Net book value of tangible capital assets	\$ 46,902	\$ 36,736	\$ 195,460	\$ 652,124	\$ 158,558	\$ 39,976	\$ 21,774	\$ 1,151,530	\$ 1,085,295	\$ 1,088,824
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		
2012 net book value of tangible capital assets (Note 15)	\$ 44,308	\$ 30,075	\$ 111,912	\$ 605,528	\$ 257,273	\$ 20,666	\$ 19,062	\$ 1,088,824		

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

Schedule of Property and Other Taxes

For the year ended December 31, 2014

(in thousands of dollars)

	2014 Budget	2014	2013	2012
Taxation				
Real property taxes	\$ 76,181	\$ 76,119	\$ 71,934	\$ 69,235
Linear property taxes	947	947	877	966
Special assessments and local improvement taxes	356	356	356	357
	<hr/> 77,484	<hr/> 77,422	<hr/> 73,167	<hr/> 70,558
Requisitions				
Alberta School Foundation	17,935	17,741	17,807	17,935
Catholic Board of Education	3,392	3,337	3,374	3,378
Cypress View Foundation	894	808	782	767
	<hr/> 22,221	<hr/> 21,886	<hr/> 21,963	<hr/> 22,080
Municipal taxes	<hr/> \$ 55,263	<hr/> \$ 55,536	<hr/> \$ 51,204	<hr/> \$ 48,478

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

Schedule of Government Transfers

For the years ending December 31, 2012-2014(in thousands of dollars)

	2014				
	Provincial	Federal	Total	2013	2012
Unconditional transfers					
Payment in place of taxes	\$ 1,340	\$ 63	\$ 1,403	\$ 1,355	\$ 1,386
	1,340	63	1,403	1,355	1,386
Conditional operating					
Alberta Agriculture Rat Control	-	-	-	-	28
Alberta Emergency Services	-	-	-	93	-
Alberta Disaster Recovery	3,556	-	3,556	6,594	3,719
Alberta Employment Programs	3	-	3	28	29
Alberta Foundation for the Arts	33	-	33	28	28
Alberta Foundation of the Arts Travelling Exhibition Program	141	-	141	140	116
Alberta Municipal Infrastructure Program	-	-	-	131	77
Alberta Museums Association	25	-	25	33	25
Alberta Recycling Management Grant	-	-	-	-	25
Basic Capital Grant	122	-	122	121	107
Canadian Council of Archives	-	-	-	7	-
Canada Council for the Arts	-	41	41	41	41
Canadian Heritage Grant	-	45	45	45	45
Child and Family Services Alberta	112	-	112	107	102
Family and Community Support Services	1,333	-	1,333	1,333	1,333
Federal Gas Tax (FGT)	-	-	-	-	6
Historic Inventory	-	-	-	12	-
GreenTrip	3	-	3	123	1
Major Community Facilities Program	40	-	40	576	235
Municipal Internship Program for Administrators	-	-	-	-	47
Municipal Policing Assistance	979	-	979	979	978
Municipal Sustainability Initiative	532	-	532	1,094	258
New Horizon	-	-	-	19	16
Police Officer Grant	400	-	400	500	400
Victims of Crime Fund Grant	150	-	150	148	141
911 Mobility Grant	143	-	143	-	-
	7,572	86	7,658	12,152	7,757
Conditional capital					
Affordable Housing Grant	891	-	891	519	1,166
Alberta Disaster Recovery	852	-	852	862	754
Alberta Infrastructure Sanitary Sewer	-	-	-	86	-
Alberta Municipal Infrastructure Program	-	-	-	2,295	5,003
Basic Capital Grant	5,071	-	5,071	4,347	3,916
Canadian Cultural Spaces Fund (CCSF)	-	-	-	-	104
Community Infrastructure Improvement Fund	-	5	5	5	46
Federal Gas Tax (FGT)	6,683	-	6,683	1,411	5,150
Flood Recovery Erosion Control Program (FREC)	2,067	-	2,067	15	-
GreenTrip	646	-	646	-	-
Major Community Facilities Program	1,863	-	1,863	3,227	-
Municipal Sustainability Initiative	7,096	-	7,096	17,856	12,982
New Deals for Public Transit (NDPT)	409	-	409	65	14
Recreational Infrastructure Canada Program	-	1,863	1,863	-	-
Building Canada Fund	-	-	-	813	-
Climate Change & Emissions Management Corp (CCEMC)	-	-	-	2,520	266
Alberta Environment Eco Trust Funding Grant	-	-	-	2,520	267
Flood Recovery Erosion Control	2,207	-	2,207	-	-
Alberta Flood Readiness Grant	1,371	-	1,371	-	-
	29,156	1,868	31,024	36,541	29,668
Total government transfers	\$ 38,068	\$ 2,017	\$ 40,085	\$ 50,048	\$ 38,811

Schedule of Segment Disclosures (Note 27)

Schedule 4

For the Year Ended December 31, 2014 (in thousands of dollars)

	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	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)

Schedule 4

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

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

Schedule of Segment Disclosures (Note 27)
For the Year Ended December 31, 2012 (in thousands of dollars)

Schedule 4

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

CONSOLIDATED**Schedule 5****Expenses By Object****For the year ended December 31, 2014***(in thousands of dollars)*

	2014 Budget	2014	2013	2012
Expenses				
Salaries, wages and benefits	\$ 127,668	\$ 123,167	\$ 121,057	\$ 117,304
Contracted and general services	54,425	60,982	61,720	46,803
Materials, goods and utilities	60,995	61,431	51,264	45,927
Provisions for allowances	324	30	390	437
Bank charges and short term interest	145	168	134	157
Interest on long term debt	9,924	9,399	9,697	10,231
Total grants and other transfers	3,196	4,100	2,370	3,347
Other operating expenses	47,259	50,990	52,460	44,796
Amortization of tangible capital assets	67,850	65,071	72,151	77,573
Impairments	-	28,383	52,715	55,375
Loss on disposal of tangible capital assets	-	1,135	1,557	899
Total expenses	\$ 371,786	\$ 404,856	\$ 425,515	\$ 402,849

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the City of Medicine Hat (the "City") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the City of Medicine Hat are as follows:

(A) BASIS OF CONSOLIDATION

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

1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Corporate Services (Finance, Information and Computer Services, Corporate Asset Management and Land and Properties), Public Services (Fire Services, 9-1-1 Communications, Community Development, Cultural Development, Parks & Recreation), Development & Infrastructure Services (Municipal Works, Planning, Building & Development and Environmental Utilities) and Police Service (Police Service and Bylaw Enforcement).

2. Energy Services

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

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

Interdepartmental and organizational transactions and balances are eliminated.

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

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

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

The statements exclude trust assets that are administered for the benefit of external parties. A schedule of these trust assets is included in Note 17.

(B) BASIS OF ACCOUNTING

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

1. Revenues

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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

2. 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 or the local improvement tax rate bylaw is passed. Taxes receivable are measured at their net realizable value. Net realizable value excludes individually identified taxes in arrears considered uncollectable through the tax recovery process. Taxes received in advance of the next tax year are recorded as a customer credit and liability until the bylaw is passed.

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.

(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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

(G) JOINT VENTURE ACCOUNTING

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

(H) OVER-LEVIES AND UNDER-LEVIES

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

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

(I) DECOMMISSIONING OBLIGATION

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

(J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

(K) NON-FINANCIAL ASSETS

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

1. Tangible Capital Assets

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

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

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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)

The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties; historically, the City has been reporting its oil and gas assets under the same guideline that existed under Part V of the Canadian Institute of Chartered Accountants (CICA) handbook. To better reflect the operations of the oil and gas properties and to provide more financial transparency, the City has elected to adopt the guidance provided under International Financial Reporting Standards (IFRS).

(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).

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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

Depletion and Depreciation

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

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

(iv) Impairment

E&E Assets:

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

PP&E:

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

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

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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 generally accepted accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies and prior year tangible capital asset historical costs and related amortization.

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

1. Gas Utility

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

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

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

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

(M) ADOPTION OF NEW ACCOUNTING STANDARDS

There was no new accounting Standards within the Public Sector Accounting Standards (PSAS) that were required to be adopted for the year-ended December 31, 2014.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

(N) FUTURE ACCOUNTING CHANGES

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

PSAS 3450 comes into effect for fiscal years beginning on or after April 1, 2015. This includes adoption of PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation and PS 1201 Financial Statement Presentation. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601 Foreign Currency Translation includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. The City has not yet adopted these standards or determined the effect on the Financial Statements.

2. Portfolio Investments

PSAS 3041 comes into effect for fiscal years beginning on or after April 1, 2015. Early adoption is permitted, however this standard must be adopted at the same time as PSAS Section 2601 and PSAS Section 3450. This section is to be adopted prospectively. This section replaces the existing PSAS Section 3040 Portfolio Investments. This section is similar to PSAS Section 3040 with amendments to conform with PSAS Section 3450 referred to above. This new sections provides for the removal of the distinction between temporary and portfolio investments, with the implication that when temporary investments are not cash equivalents they are accounted for as portfolio investments. This section also provides for pooled investment funds to be included within this section. When the City adopts PSAS Section 3450, it will need to account for any interest in pooled investment funds in accordance with this section as well as Section 3450. This entails an examination of the rights associated with units within a pooled investment fund, rather than the funds underlying the investment.

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

3. Liability for Contaminated Sites

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

NOTE 2: CASH AND TEMPORARY INVESTMENTS

	2014	2013	2012
Cash	\$ 20,775	\$ 13,432	\$ 347
Temporary Investments	38,978	51,618	43,265
TOTAL	\$ 59,753	\$ 65,050	\$ 43,612

The temporary investments represent restricted amounts aggregating \$25,847 (2013 - \$33,640; 2012 - \$43,319) 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 \$13,131 (2013 - \$17,969; 2012 - \$946) for Alberta Disaster Recovery program funding for the 2010, 2011 and 2013 flood damages and mitigation works.

These investments have an average yield of 1.68 (2013 – 2.08; 2012 – 1.65) per cent and an average term of 292 (2013 – 488; 2012 – 116) days to maturity.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 3: ACCOUNTS RECEIVABLE, Net of Allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2014	2013	2012
Current Taxes Receivable	\$ 2,523	\$ 2,626	\$ 2,264
City Centre Development Agency	7	9	8
Less: Allowance for Tax Adjustments	(3)	(5)	(4)
SUB-TOTAL	\$ 2,527	\$ 2,630	\$ 2,268

(B) ACCOUNTS RECEIVABLE

	2014	2013	2012
Trade Accounts Receivable	\$ 56,395	\$ 67,273	\$ 56,595
Less: Allowance for Doubtful Accounts	(867)	(9,517)	(9,343)
SUB-TOTAL	\$ 55,528	\$ 57,756	\$ 47,252
TOTAL	\$ 58,055	\$ 60,386	\$ 49,520

NOTE 4: ADVANCES TO SUBSIDIARY

	2014	2013	2012
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ 69	\$ 72	\$ 107
Unsecured note, bearing interest at prime plus 1% due on demand	10,097	10,597	11,097
TOTAL	\$10,166	\$10,669	\$ 11,204

The prime interest rate in 2014 was 3 per cent; 2013 was 3 per cent; 2012 was 3 per cent.

NOTE 5: INVESTMENTS, LOANS AND ADVANCES

	2014		2013		2012	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 16,897	\$ 20,268	\$ 17,559	\$ 19,344	\$ 20,244	\$ 23,581
Provincial Government and Agencies	26,353	26,771	22,670	23,510	33,356	34,925
Canadian Banks	265,126	267,734	223,760	226,510	297,295	302,748
Others	150,595	151,770	218,553	220,066	95,756	96,850
TOTAL	\$ 458,971	\$ 466,543	\$ 482,542	\$ 489,430	\$ 446,651	\$ 458,104

These investments are fixed income and bonds that yield interest rates from 1.65 per cent to 9.98 per cent and mature in periods 2015 through 2108. The investments have an average expected yield of 2.85 per cent and an average term of 6.84 years to maturity.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 6: INVENTORIES FOR RESALE

	2014	2013	2012
Gas Inventory	\$ 1	\$ 1	\$ 4
Concessions	96	105	85
TOTAL	\$ 97	\$ 106	\$ 89

NOTE 7: DEPOSITS

	2014	2013	2012
Tax Requisition Over Levies	\$ -	\$ 24	\$ -
Postage	28	60	32
Refundable Containers	34	28	28
Operating Deposits	1,192	1,338	401
Gas Royalty Deposits	2,621	70	125
TOTAL	\$3,875	\$ 1,520	\$ 586

NOTE 8: ACCRUED LIABILITIES

	2014	2013	2012
Accrued Wages and Salaries	\$ 7,638	\$ 8,130	\$ 2,525
Vacation Pay	6,436	6,323	6,379
Accrued Interest on Long-Term Debt	1,515	1,642	1,848
Deferred Charges	941	852	732
Accrued Royalties	141	159	164
Other Accrued Liabilities	2,513	2,451	2,196
TOTAL	\$ 19,184	\$ 19,557	\$ 13,844

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 9: 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.

	2014	2013 Restated	2012 Restated
Financial position			
Current assets	\$ 5,983	\$ 5,432	\$ 4,293
Deferred income tax asset	-	-	86
Tangible capital assets	24,353	21,549	16,474
Total assets	30,336	26,981	20,853
Current liabilities	1,360	2,033	1,099
Advances from City of Medicine Hat	10,166	10,669	11,204
Decommissioning obligation	2,277	1,673	1,419
Deferred income tax Liability	947	503	-
Other liabilities	6	6	6
Total liabilities	14,756	14,884	13,728
NET ASSETS	\$15,580	\$12,097	\$ 7,125

Net Assets are comprised of a surplus of \$12,356 and contributed surplus of \$3,224 (Net Assets for 2013 – a surplus of \$8,873 and contributed surplus of \$3,224; Net Assets for 2011 – a surplus of \$3,901 and contributed surplus of \$3,224).

The restatement in Allied in 2013 and 2012 was to adjust for an immaterial amount of \$6 to reclassify the redeemable Class A Preferred Shares from equity to other liabilities. The redeemable Class A Preferred Shares were held by the City and due to their nature should be recorded as a liability rather than equity. The effect of this change reduced Allied's equities by \$6 and increased liabilities by \$6

	2014	2013	2012
Revenues	\$24,132	\$21,426	\$17,530
Operating expenses	12,639	11,013	9,675
Cash flow from operations	11,493	10,413	7,855
Charitable gift	3,000	1,500	1,025
Depletions and accretion	3,698	2,428	2,547
Net income before income tax	4,795	6,485	4,283
Income tax expense	1,312	1,513	1,089
Net income	3,483	4,972	3,194
Earnings (deficit), beginning of year	9,044	4,072	878
Retained earnings (deficit), end of year	12,527	9,044	4,072
Preferred Shares	6	6	6
INVESTMENT IN SUBSIDIARY	\$12,533	\$ 9,050	\$ 4,078

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

During the year the City received \$3,000 (2013 – \$1,500; 2012 – \$1,000) from Allied as a gift as described under section 110.1 of the Income Tax Act. During the year the City, by agreement, received management fees from Allied in the amount of \$372 (2013 – \$368; 2012 – \$364). During the year the City bought solution gas from Allied in the amount of \$100 (2013 – \$57; 2012 – \$38). These transactions are measured at the exchange amount, being the amount determined and agreed upon by the parties.

NOTE 10: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2012	Balance 2013	Additions 2014	Reductions 2014	Balance 2014
Deposits	\$ 182	\$ 516	\$ 761	\$ 1,061	\$ 216
Deferred Revenue	3,962	3,865	6,866	8,590	2,141
Alberta Municipal Infrastructure Program	2,380	-	-	-	-
Alberta Cities Transportation Program	6,280	5,664	12,883	17,176	1,371
Alberta Emergency Disaster Program	946	17,969	1,683	6,521	13,131
Federal Gas Tax Fund	1,583	7,087	154	6,706	535
GreenTrip	575	462	13	475	-
Municipal Sustainability Initiative	25,260	18,250	26,332	26,716	17,866
New Deal for Cities and Communities	458	401	9	410	-
Public Housing Grant	229	234	5	1	238
Major Community Facilities Program	2,935	-	6,667	2,662	4,005
Regional Emergency Management	-	166	1,436	1,470	132
Affordable Housing Grant	1,859	1,376	30	896	510
Alberta Environment Eco Trust Funding Grant	760	-	3,806	2,616	1,190
TOTAL	\$ 47,409	\$ 55,990	\$ 60,645	\$ 75,300	\$ 41,335

Funds from Alberta Municipal Infrastructure Program, Alberta Cities Transportation Program, Municipal Sustainability Initiative, New Deals for Cities and Communities, Public Housing Grant, Major Community Facilities Program, the Affordable Housing Grant, Green Transit Incentives Program, 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 \$25,847 (2013 – \$33,640; 2012 – \$42,319) held exclusively for these projects. An additional \$13,131 (2013 – \$17,969; 2012 - \$946) from Alberta Emergency Disaster Program is held for flood damage repairs.

(B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Municipal Transportation Grant (used primarily for roadworks); Municipal Sustainability Initiative Capital Grant (used primarily for the construction of the Police Service Building, 9-1-1 Dispatch upgrade, relocation of the Fire Station and roadworks), Municipal Sustainability Initiative Operating Grant (used primarily for storm sewer and sidewalk maintenance, and support to not for profit organizations), Affordable Housing Grant, Federal Gas Tax Grant (used primarily for Maple Avenue Bridge and Connaught Subdivision Road Upgrade), GreenTRIP (used for Transit); Regional Emergency Management (used for the regional emergency collaboration program), Major Community Facilities Program (used for the Regional Event Centre and the Family Leisure Centre expansion), Building Canada Fund (used for the Family Leisure Centre expansion), and Alberta Disaster Program (used to rebuild City assets destroyed in the 2010, 2011 and 2013 floods. Application for the 2014 flood has been submitted and approved however no funds have been received yet.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(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, 2014, there were Letters of Credit issued in the amount of \$18,466 (2013 – \$8,367; 2012 – \$8,367).

NOTE 12: LONG-TERM DEBT

(A)

	2014	2013	2012
Tax Supported	\$ 24,901	\$ 23,243	\$ 22,464
Utilities			
- Electric	68,151	70,049	75,933
- Gas	14,340	11,357	8,404
- Water	70,152	59,975	51,538
- Sewer	47,891	43,307	44,369
- Solid Waste	2,834	3,198	3,546
Total Utilities	203,368	187,886	183,790
TOTAL	\$ 228,269	\$ 211,129	\$ 206,254

	2014	2013	2012
Comprised of:			
- Alberta Capital Finance Authority	\$ 228,269	\$ 211,129	\$ 206,254
TOTAL	\$ 228,269	\$ 211,129	\$ 206,254

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

	Principal	Interest
2015	\$ 21,012	\$ 9,497
2016	20,235	8,477
2017	17,760	7,578
2018	18,076	6,788
2019	16,753	5,987
2020-2042	134,433	32,304
TOTAL	\$ 228,269	\$ 70,631

The debentures have interest payable at rates ranging from 1.6610 per cent to 10.1250 per cent per annum before Provincial Subsidy, and mature in periods 2015 through 2042. The average annual interest rate is 4.68 per cent for 2014 (2013 – 4.53 per cent; 2012 – 4.80 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 2014 was \$9,399 (2013 – \$9,697; 2012 – \$10,231).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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

	2014	2013	2012
Tax Supported Debentures	\$ 407	\$ 380	\$ 367
Rate Supported Debentures	3,324	3,071	3,004
TOTAL	\$ 3,731	\$ 3,451	\$ 3,371

Debt per capita is based on the official census of 61,180 for 2014, (61,180 for 2013; 61,180 for 2012) 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.

	2014	2013	2012
Total Debt Limit	\$ 847,382	\$ 865,099	\$ 748,605
Loan Guarantees (Note 12 (E))	2,640	2,640	2,475
Actual Total Debt	228,269	211,129	206,254
AMOUNT UNDER LIMIT	\$ 616,473	\$ 651,330	\$ 539,875
Debt Servicing Limit	\$ 148,292	\$ 151,392	\$ 131,006
Actual Debt Servicing (Long and Short-Term Debt)	30,509	30,258	29,626
AMOUNT UNDER LIMIT	\$ 117,783	\$ 121,134	\$ 101,380

(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, 2014.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 13: OTHER LONG-TERM LIABILITIES

(A)

	2014	2013	2012
Offsite Contributions	\$ 3,088	\$ 7,128	\$ 10,332
Asset Retirement Obligation - Gas	186,069	164,921	150,741
Risk Management	-	-	185
Deferred Charges	1,732	2,147	2,821
Employee Retirement Benefits Liability (Note 21)	5,776	5,460	5,250
Sanitary Landfill - Site Abandonment and Restoration	4,991	3,772	3,772
TOTAL	\$ 201,656	\$183,428	\$ 173,101

(B) At December 31, 2014 the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$314,349 (2013 – \$292,211; 2012 – \$262,990), calculated using an inflation rate of 2.26 per cent (2013 – 2.14 per cent; 2012 – 2.44 per cent) per annum. The estimated fair value of this liability was \$186,069 (2013 – \$164,921; 2012 – \$150,741) after discounting the estimated cash flows at a rate of 5.36 per cent (2013 – 6.27 per cent; 2012 – 5.40 per cent). At December 31, 2014, the expected timing of payment for settlement of the obligations ranges from 2 to 31 years.

(C) The risk management is used by the Gas Utility to manage economic exposure to market risks from fluctuations relating to commodity prices. The company's policy is not to utilize these instruments for speculative purposes. The risk management liability is recorded at its estimated fair value at December 31, 2014 using quoted market prices.

(D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 3.18 (2013 – 3.91; 2012 – 3.19) per cent assuming inflation of 2.26 per cent (2013 – 2.14; 2012 – 2.44).

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

	2014	2013	2012
Estimated Closure Costs	\$ 8,935	\$ 7,320	\$ 7,320
Estimated Post Closure Costs	3,718	1,511	1,511
Estimated Total Costs	12,653	8,831	8,831
Estimated Capacity remaining m ³ (000's)	2,026	2,112	2,214
Portion of Total Liability remaining to be recognized	7,662	5,059	5,059
Estimated Capacity used m ³ (000's)	2,499	2,413	2,311
ACCRUED LIABILITY PORTION	\$ 4,991	\$ 3,772	\$ 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 2,052,890 (2013 – 2,112,105; 2012 – 2,214,157) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2033. The City has not designated assets for settling closure or post closure liabilities.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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

	2014 Net Book Value	2013 Net Book Value	2012 Net Book Value
Land	\$ 46,902	\$ 45,015	\$ 44,308
Land Improvements	36,736	33,458	30,075
Buildings	195,460	141,460	111,912
Engineering Structures	652,124	625,387	605,528
Gas and Oil Properties	158,558	192,155	257,273
Machinery, Equipment and Furnishings	39,976	29,898	20,666
Vehicles	21,774	17,922	19,062
TOTAL	\$ 1,151,530	\$ 1,085,295	\$ 1,088,824

The net book value of capital assets not being amortized and under construction is \$35,121 (2013 – \$50,279; 2012 – \$2,821). Contributed capital assets received and recognized in the year from developers for various infrastructure works and related land and parks, and recorded on the consolidated financial statements is \$1,152 (2013 – \$1,126; 2012 – \$188). 2014 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, curbs and sidewalks.

In 2014, the City recognized an impairment of \$28.4 million (2013 - \$52.7 million; 2012 - \$55.4 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.

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 2014	Total 2013	Total 2012
Balance, beginning of year	\$ 50,322	\$ 385,899	\$ 874,166	\$1,310,387	\$1,282,084	\$1,295,111
Annual surplus (deficit)	30,447	-	-	30,447	28,303	(13,027)
Unrestricted funds designated for future use	(63,512)	63,512	-	-	-	-
Restricted funds used for operations	85,012	(85,012)	-	-	-	-
Current year funds used for tangible capital assets	(121,598)	-	121,598	-	-	-
Contributed tangible capital assets	(1,152)	-	1,152	-	-	-
Disposal of tangible capital assets	1,523	-	(1,523)	-	-	-
Impairment	28,383	-	(28,383)	-	-	-
Annual amortization expense	65,071	-	(65,071)	-	-	-
Long term debt repaid	(21,322)	-	21,322	-	-	-
BALANCE, END OF YEAR	\$ 53,174	\$ 364,399	\$ 923,261	\$1,340,834	\$1,310,387	\$1,282,084

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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 2014 there were \$3,200 excess surplus funds designated restricted (2013 – \$0.373; 2012 – \$3,220).

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 2014, the Electric Utility reported an excess surplus of \$2,529, which was designated a restricted amount (2013 – \$34,345; 2012 – \$31,223).

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 2014, the Gas Utility reported an excess surplus of \$15,083, which was designated a restricted amount (2013 – \$10,974; 2012 – \$3,194).

UNRESTRICTED SURPLUS	2014	2013	2012
General Government	\$ 10,640	\$ 10,216	\$ 9,156
Energy Sustainability	41	41	21
Gas	8,835	8,888	8,396
Electric	5,657	6,156	5,959
Water	3,585	3,011	1,722
Sewer	4,108	3,816	3,505
Solid Waste	6,447	6,451	5,029
Land	13,861	11,743	13,047
TOTAL	\$ 53,174	\$ 50,322	\$ 46,835

Restricted Surplus

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

	2014	2013	2012
Restricted Surplus - Capital	\$ 38,238	\$ 25,274	\$ 28,003
Restricted Surplus - Reserves	326,161	360,625	324,676
TOTAL	\$ 364,399	\$ 385,899	\$ 352,679

Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2014	2013	2012
General Government	\$ 14,964	\$ 2,270	\$ 1,616
Gas	5,033	8,408	9,231
Electric	14,524	13,701	12,910
Water	(423)	(2,414)	187
Sewer	2,309	(557)	2,103
Solid Waste	350	1,107	532
Land and Properties	1,481	2,759	1,424
TOTAL	\$ 38,238	\$ 25,274	\$ 28,003

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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 2012	Balance 2013	2014 Additions	2014 Reductions	Balance 2014
Employee development	\$ 873	\$ 1,186	\$ 1,018	\$ 671	\$ 1,533
Victim assistance	22	24	1	6	19
Second Street properties	84	84	-	-	84
Fleet replacement	4,485	6,837	3,958	7,351	3,444
Art acquisitions	65	88	24	34	78
Infrastructure	27,402	28,658	9,462	16,361	21,759
Employee benefits	8,512	7,708	1,221	2,147	6,782
Community capital	44,371	38,278	52,239	49,193	41,324
Event centre	35,922	51,767	1,724	40,955	12,536
Tax Rate Stabilization	-	-	67,313	24,500	42,813
Nature's Best	3,479	861	564	380	1,045
Electric facility and equipment	81,191	112,593	3,536	37,281	78,848
Gas depletion	114,198	103,497	34,048	34,176	103,369
SUB TOTAL	320,604	351,581	175,108	213,055	313,634
Equity in subsidiary	4,072	9,044	3,483	-	12,527
TOTAL	\$ 324,676	\$ 360,625	\$ 178,591	\$ 213,055	\$ 326,161

2. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2014	2013	2012
Tangible capital assets (Schedule 1)	\$ 2,477,278	\$ 2,354,191	\$ 2,295,406
Accumulated amortization (Schedule 1)	(1,325,748)	(1,268,896)	(1,206,582)
Long term debt (Note 13)	(228,269)	(211,129)	(206,254)
TOTAL	\$ 923,261	\$ 874,166	\$ 882,570

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, 2014 are \$1,875 (2013 – \$ 1,751; 2012 – \$1,632). Trust investments and liabilities are not included in the City's financial statements.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

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

	Balance 2012	Balance 2013	Additions	Interest Earned	Funds Released	Balance 2014
Cemetery - Perpetual Care	\$ 1,556	\$ 1,681	\$ 238	\$ 67	\$ 183	\$ 1,803
Seniors Foundation	49	44	-	1	-	45
Art Gallery Acquisitions	10	10	-	-	-	10
Donna MacLean Museum Trusts	8	6	1	-	-	7
Pitch Trust	1	1	-	-	-	1
Bell West	8	9	-	-	-	9
TOTAL TRUST FUNDS	\$ 1,632	\$ 1,751	\$ 239	\$ 68	\$ 183	\$ 1,875

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 2014	2013	2012
Mayor Normand Boucher	\$ -	\$ -	\$ -	\$ 109	\$ 121
Mayor Ted Clugston	65	54	119	52	41
Councillor:					
Cocks, W	22	24	46	3	-
Craven, W	-	-	-	37	37
Dumanowski, R	22	18	40	43	39
Friesen, J	22	21	43	3	-
Hamill, J	-	-	-	39	39
Kelly, G	-	-	-	36	36
Mcintosh, J	21	16	37	5	-
Pearson, L	22	24	46	45	44
Symmonds, C	21	19	40	6	-
Thompson, J	-	-	-	22	42
Turnbull, P	-	-	-	35	37
Turner, J	21	19	40	6	-
Varga, B	21	23	44	6	-
CAO - Municipal Services	245	73	318	303	288
COO - Energy Services	346	128	474	443	437
Designated Officers (6)	994	208	1,202	1,307	1,208

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, 2014

(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*. In 2013, LAPP served about 230,534 people and 418 employers (2012 – 223,643 and 428). The Police Officers are members of the Special Forces Pension Plan (SFPP) and in 2013 served about 6,712 members and 7 employers (2012 – 6,584 and 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2014, 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 2014 were \$11,313 (2013 – \$9,983; 2012 – \$9,347). Total current service contributions by the employees for 2014 were \$10,451 (2013 – \$9,159; 2012 – \$8,543).

At December 31, 2013 LAPP disclosed an actuarial deficit of \$4.86 billion.

At December 31, 2013 SFPP disclosed an actuarial deficit of \$220.5 million.

NOTE 20: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 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:

	2014	2013	2012
Accrued Benefit Obligation			
Balance, Beginning of Year	\$ 5,460	\$ 5,250	\$ 4,621
Current Service Cost	163	157	166
Interest Cost	221	213	220
Benefits Paid	(171)	(160)	(125)
Unrecognized Actuarial Losses (Gains)	103	-	368
BALANCE, END OF YEAR	\$ 5,776	\$ 5,460	\$ 5,250

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

	2014	2013	2012
Discount Rate	4.05%	4.05%	4.75%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	7.58 years	8.58 years	7.33 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 2014 was \$681 (Gas) and \$8,604 (Electric) (2013 – \$327 and \$8,487; 2012 – \$161 and \$8,372).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

NOTE 22: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2014 operating budget approved by Council. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 23 provides the approved capital budget for 2014.

	2014 Budget
Revenue	
Approved operating budgets	\$ 474,457
Adjustments	(88,093)
	<u>386,364</u>
Expense	
Approved operating expenses	482,785
Adjustments	(110,999)
	<u>371,786</u>
Other revenue	
Contributed capital assets	2,491
Adjustments	(1,340)
Government transfers for capital	7,552
	<u>8,703</u>
ANNUAL SURPLUS	\$ 23,281

NOTE 23: CAPITAL COMMITMENTS

(A) 2014 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 2014 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$126,001 (2013 – \$85,683; 2012 – \$30,872) carried forward from previous budget years, as well as costs related to the 2014 Budget.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2014 a number of capital projects were in progress and will be completed in 2015 or subsequent years. The unexpended appropriation related to these projects is \$368,866 (2013 – \$372,796; 2012 – \$361,813). Significant projects are:

- **Gas Utility**

Oil and Gas Drilling (\$68,618), Oil and Gas Well Facilities (\$16,816), Oil and Gas Well Gathering (\$11,167), Well Repair and Abandonments (\$26,477), Mineral Acquisitions (\$9,104), Gas Distribution Projects (\$4,295) and Projects Operated by Third Parties (\$13,687).

- **Electric Utility**

13kV Distribution Systems (\$3,199), Blackstart Project (\$1,757), Substation Transformers (\$1,833), Combustion Turbines (\$1,374), Control System Upgrades (\$4,260), Tools & Equipment (\$1,165), Distribution Transmission System (\$8,034), Distribution Substations (\$10,545) and Brier Park Building Renovations (\$1,250).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

- **Municipal Works**

Parkview Drive Extension (\$750), South Railway Storm Trunk (\$5,000), Maple Avenue Bridge Rehabilitation & Intersection Improvements (\$1,565), Infrastructure Rehabilitation Program (\$1,133) and Airport Terminal Building Extension (\$1,833).

- **Parks**

Family Leisure Centre expansion (\$28,062) and Regional Event Centre (\$22,631).

- **Corporate Asset Management**

Fleet Services 2009, 2010, 2011, 2012 and 2013 Mobile Equipment Replacement Programs (\$8,657), Municipal Works Building (\$13,969), Fleet and Transit Bus Storage (\$4,307) and Fire Station 2 Relocation (\$7,879).

- **Finance**

Enterprise Resource Planning System (ERP) (\$2,301).

- **Community Development**

2008 - 2010 Affordable Housing Projects (\$310) and 9-1-1 Centre relocation (\$471).

- **Water Utility**

2012, 2013, and 2014 Water Main Replacements (\$2,565), Water Treatment Plant Upgrades (\$1,876) and Residual Treatment Facility (\$563).

- **Sewer Utility**

Purmal Lift Station (\$4,942), Sanitary Sewer Lift Station Upgrades (\$988) and Sewer Main Replacements (\$3,020).

- **Solid Waste Utility**

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

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$20,465), Southlands (\$5,181), Burnside Heights (\$1,681) and Saamis Heights 7 (\$8,821).

(C) CAPITAL IMPROVEMENT PLAN

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

Financing sources identified:

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

NOTE 24: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2014. If proven, it is possible that these claims may have a materially adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

NOTE 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:

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - Legislative is comprised of City Clerk, Mayoral and Aldermanic services.
 - General Government is comprised of corporate administration, Legal, Business Support, Corporate Communications and Human Resources.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

- Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services and Fleet Services) and general municipal services.
 - Development & Infrastructure is comprised of Planning, Building and Development and Municipal Works (municipal operations and airport).
 - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit and 9-1-1 Communications), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history) and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
 - Police Service comprised of all police services and bylaw 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.

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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

- **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** include contributions from Utilities and Land and Properties to tax supported operations.

B) EXPENSES

- **Salaries wages and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, supplies and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long term debt** includes interest charge on the principle portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time, and must eventually be replaced. Depreciation shows the cost of the "use of the asset" each year over the 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2014

(In thousands of dollars)

- **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.

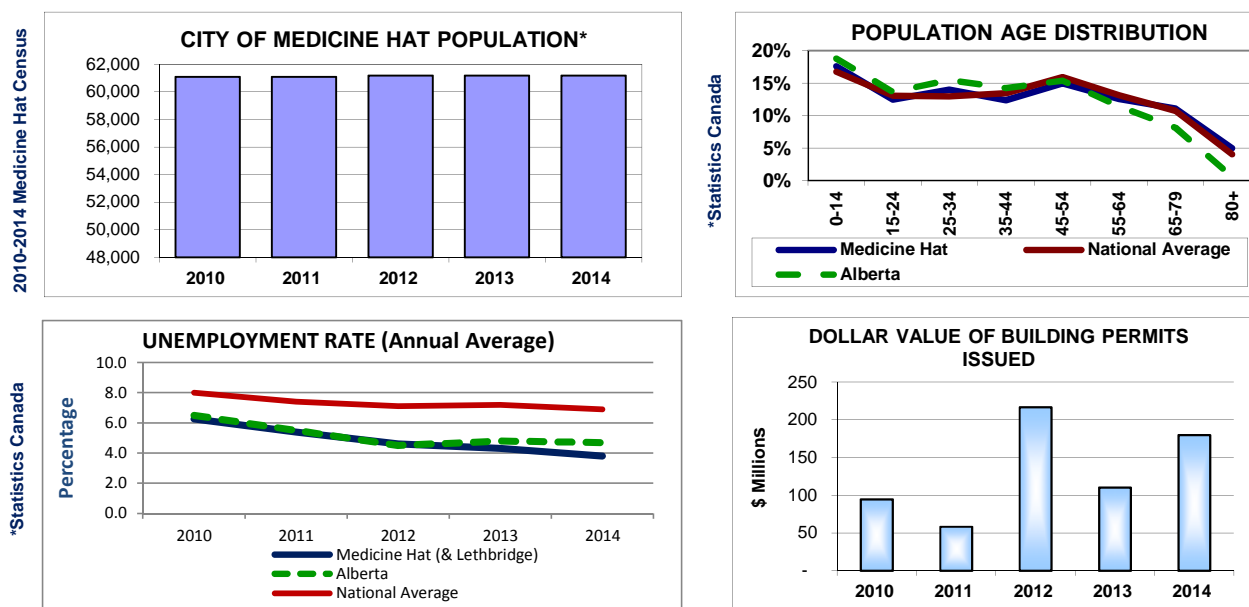
Financial and Statistical Schedules (unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

DEMOGRAPHICS & OTHER INFORMATION



OTHER	2010	2011	2012	2013	2014
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	393	392	392	396	398
Km of water mains	424	424	425	429	428
Km of storm drainage mains	238	237	238	236	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)	Fortis Properties Corporation

Principal Employers in Medicine Hat

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

City of Medicine Hat Full Time Equivalent Employees

	2010	2011	2012	2013	2014
Legislative	5.5	5.5	7.0	6.5	6.5
General Government	40.0	40.0	40.0	40.0	40.0
Corporate Services	139.5	139.5	140.0	134.6	130.6
Public Services	343.1	342.6	350.4	349.4	349.4
Police Service	153.5	156.5	165.0	168.0	165.0
Development & Infrastructure	94.1	96.1	96.3	98.0	98.5
Total Tax Supported Full Time Equivalent Employees:	775.7	780.2	798.7	796.5	790.0
Gas Utility	151.0	153.0	151.0	156.0	155.0
Electric Utility (& Energy Sustainability)	110.8	109.8	117.7	117.7	123.7
Water Utility	38.3	39.3	40.8	41.3	41.3
Sewer Utility	38.2	39.2	39.7	40.2	40.2
Solid Waste Utility	34.4	34.4	34.4	34.4	34.4
Land & Properties	5.0	5.0	5.0	5.0	5.0
Total Utility Full Time Equivalent Employees:	377.7	380.7	388.6	394.6	399.6
Total Full Time Equivalent Employees:	1,153.4	1,160.9	1,187.3	1,191.1	1,189.6

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2010 - 2014

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2014	2013	2012	2011	2010
Financial assets					
Cash and temporary investments	\$ 59,753	\$ 65,050	\$ 43,612	\$ 63,060	\$ 62,586
Accounts receivable (net of allowances)	58,055	60,386	49,520	42,665	41,933
Advances to subsidiary	10,166	10,669	11,204	11,520	13,419
Investment in subsidiary	12,533	9,050	4,078	884	-
Investments, loans & advances	458,971	482,542	446,651	436,335	381,630
Land held for resale	6,608	2,951	5,957	6,317	8,512
Inventories for resale	97	106	89	113	175
Deposits	3,875	1,520	586	255	348
Total financial assets	\$ 610,058	\$ 632,274	\$ 561,697	\$ 561,149	\$ 508,603
Liabilities					
Trade accounts payable	\$ 35,784	\$ 38,552	\$ 26,111	\$ 29,749	\$ 21,344
Accrued liabilities	19,184	19,557	13,844	13,555	15,506
Liability in subsidiary	-	-	-	-	2,114
Deferred revenues	41,335	55,990	47,409	54,044	55,655
Long-term debt	228,269	211,129	206,254	208,636	215,033
Other long-term liabilities	201,656	183,428	173,101	153,304	125,236
Total liabilities	526,228	508,656	466,719	459,288	434,888
Net financial assets	83,830	123,618	94,978	101,861	73,715
Non-financial assets					
Inventories	11,045	10,916	11,773	12,141	15,023
Prepaid assets	2,644	2,225	1,958	1,942	1,906
Land held for future development	13,316	16,583	13,880	13,504	13,504
Long lived asset	78,469	71,750	70,671	66,157	52,563
Tangible capital assets	1,151,530	1,085,295	1,088,824	1,099,506	1,082,123
	1,257,004	1,186,769	1,187,106	1,193,250	1,165,119
	\$ 1,340,834	\$ 1,310,387	\$ 1,282,084	\$ 1,295,111	\$ 1,238,834

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2010 - 2014

(In thousands of dollars)

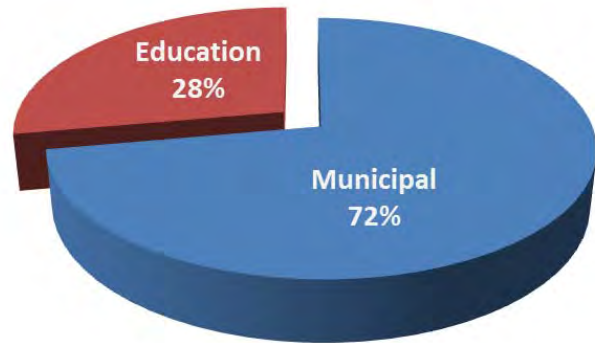
STATEMENT OF OPERATIONS

	2014	2013	2012	2011	2010
REVENUE FROM:					
Taxes	\$ 77,422	\$ 73,167	\$ 70,558	\$ 66,580	\$ 67,631
Less - requisitions	(21,886)	(21,963)	(22,080)	(20,867)	(23,203)
	55,536	51,204	48,478	45,713	44,428
Sale of services					
General Government	9,756	9,812	9,733	9,315	9,237
Gas	129,588	107,722	92,122	98,711	100,858
Electric	89,548	113,268	105,744	117,362	76,109
Water	17,223	16,272	15,756	15,084	12,549
Sewer	14,178	13,219	12,717	11,819	10,750
Solid Waste	8,049	7,906	7,816	7,854	7,589
Land and Properties	10,533	9,626	7,706	4,288	9,707
Other income					
Investment income	15,347	13,087	14,485	15,466	14,792
Investment in subsidiary	3,483	4,972	3,194	2,998	1,999
Licenses, fines and penalties	6,395	6,092	7,327	5,877	6,126
Insurance recovery	3,490	7,791	466	134	755
Development levies	9,368	7,698	1,693	1,943	1,430
Charitable gifts	3,000	1,500	1,000	2,000	2,500
Government transfers for operating	9,061	13,507	9,143	10,406	6,075
Other	18,572	32,475	22,586	20,990	14,171
Total revenue	\$ 403,127	\$ 416,151	\$ 359,966	\$ 369,960	\$ 319,075
EXPENSES:					
General Government	\$ 141,250	\$ 141,312	\$ 132,101	\$ 129,505	\$ 118,618
Gas	169,831	188,443	181,754	114,388	127,314
Electric	60,860	64,479	59,417	60,961	53,682
Energy Sustainability	531	858	947	1,254	1,967
Water	12,040	11,335	10,278	10,097	9,413
Sewer	11,323	11,070	10,586	9,640	8,914
Solid Waste	7,328	6,631	6,275	4,394	4,931
Land and Properties	1,693	1,387	1,491	4,628	2,126
Total expenses	\$ 404,856	\$ 425,515	\$ 402,849	\$ 334,867	\$ 326,965
Excess (deficiency) of revenue over expenses					
- before other revenue	\$ (1,729)	\$ (9,364)	\$ (42,883)	\$ 35,093	\$ (7,890)
Other					
Contributed tangible capital assets	1,152	1,126	188	915	1,585
Government transfers for capital	31,024	36,541	29,668	20,269	12,515
Total other	32,176	37,667	29,856	21,184	14,100
Annual surplus (deficit)	\$ 30,447	\$ 28,303	\$ (13,027)	\$ 56,277	\$ 6,210

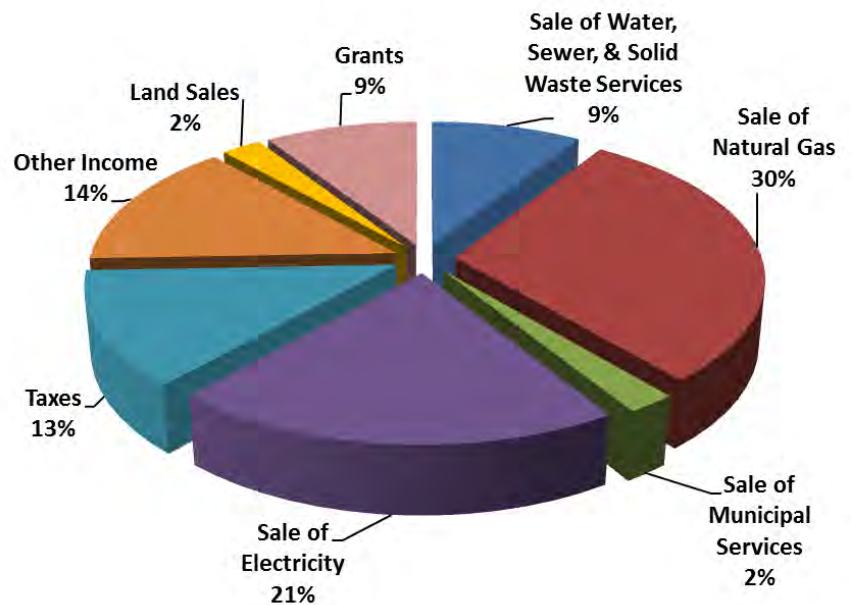
FINANCIAL SYNOPSIS 2014

Operating Activities

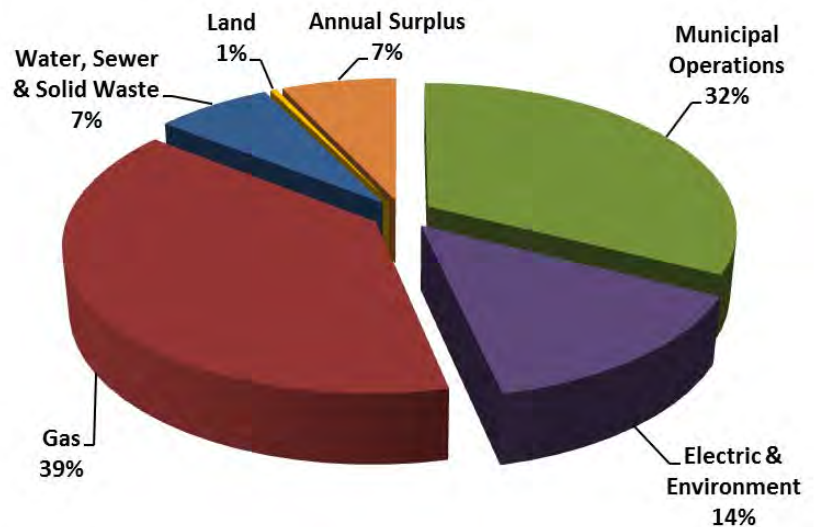
Where our tax dollars went in 2014
Education / Municipal
Property Tax



Where the money comes
from \$435 Million



Where the money goes
\$435 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

TAXATION & ASSESSMENT

MILL RATES

	2014	2013	2012	2011	2010
MUNICIPAL					
Single family	6.0536	5.6662	5.2292	4.9859	4.9342
Apartments	9.8456	9.3837	6.3365	6.0426	5.9799
Farmland	28.8549	27.0427	23.0108	22.0029	21.8495
Commercial and industrial	17.6076	16.7190	14.3528	13.7647	13.6288
EDUCATION					
Single family	2.5121	2.5971	2.7165	2.5837	2.5854
Apartments	2.5121	2.5971	2.7165	2.5837	2.5854
Farmland	2.5121	2.5971	2.7165	2.5837	2.5854
Commercial and industrial	3.8626	3.5509	3.7519	3.6139	3.4559
OTHER					
Single family	0.1035	0.1012	0.1027	0.1136	0.2105
Apartments	0.1035	0.1012	0.1027	0.1136	0.2105
Farmland	0.1035	0.1012	0.1027	0.1136	0.2105
Commercial and industrial	0.1035	0.1012	0.1027	0.1136	0.2105

PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2014	2013	2012	2011	2010
Municipal	\$ 54,233	\$ 49,971	\$ 47,155	\$ 44,448	\$ 43,639
Education	21,078	21,181	21,313	20,030	19,771
Other	808	782	767	837	1,542
TOTAL REAL PROPERTY	\$ 76,119	\$ 71,934	\$ 69,235	\$ 65,315	\$ 64,952
Current taxes collected	74,548	70,185	67,929	63,839	63,490
% of current taxes collected	96.73%	96.39%	96.76%	96.40%	96.42%
OTHER MAJOR TAXES LEVIED	2014	2013	2012	2011	2010
Linear property taxes	\$ 947	\$ 877	\$ 966	\$ 909	\$ 894
local improvements	356	356	357	356	363
TOTAL MAJOR TAX LEVIED	\$ 1,303	\$ 1,233	\$ 1,323	\$ 1,265	\$ 1,257

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2014	2013	2012	2011	2010
Residential	\$ 5,894,794,196	\$ 5,811,948,992	\$ 5,756,285,834	\$ 5,691,105,516	\$ 5,614,924,146
Multi-family	253,713,060	267,260,081	238,931,193	248,615,445	255,552,523
Farmland	3,148,194	4,532,224	4,547,194	5,838,504	2,263,484
Commercial and industrial	1,696,172,475	1,642,661,593	1,509,509,856	1,480,003,582	1,738,050,296
TOTAL TAXABLE ASSESSMENT	\$ 7,847,827,925	\$ 7,726,402,890	\$ 7,509,274,077	\$ 7,425,563,047	\$ 7,610,790,449

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2014	2013	2012	2011	2010
General	\$ 10,640	\$ 10,216	\$ 9,156	\$ 9,156	\$ 9,200
Energy Sustainability	41	41	21	-	32
Gas	8,835	8,888	8,396	7,945	8,309
Electric	5,657	6,156	5,959	5,658	6,543
Water	3,585	3,011	1,722	(19)	(1,901)
Sewer	4,108	3,816	3,505	3,701	3,662
Solid Waste	6,447	6,451	5,029	4,531	2,981
Land & Properties	13,861	11,743	13,047	8,870	10,438
TOTAL UNRESTRICTED SURPLUS	53,174	50,322	46,835	39,842	39,264
RESTRICTED SURPLUS - RESERVES					
Employee development	1,533	1,186	873	789	761
Victim assistance	19	24	22	19	18
Second street properties	84	84	84	84	84
Fleet replacement	3,444	6,837	4,485	2,471	4,011
Art acquisitions	78	88	65	82	94
Infrastructure	21,759	28,658	27,402	23,090	25,737
Employee benefits	6,782	7,708	8,512	11,111	10,805
Community capital	41,324	38,278	44,371	44,527	47,618
Event Centre	12,536	51,767	35,922	20,326	-
Tax Rate Stabilization Reserve	42,813	-	-	-	-
Natures Best Reserve	1,045	861	3,479	3,783	4,323
Electric facilities and equipment	78,848	112,593	81,191	63,792	23,166
Gas depletion	103,369	103,497	114,198	173,868	191,974
Equity (deficit) in subsidiary company	12,527	9,044	4,072	878	(2,120)
SUB-TOTAL RESERVES	326,161	360,625	324,676	344,820	306,471
Internal loans contra	-	-	-	-	(325)
TOTAL RESTRICTED SURPLUS - RESERVES	326,161	360,625	324,676	344,820	306,146
TOTAL RESERVES & SURPLUS	\$ 379,335	\$ 410,947	\$ 371,511	\$ 384,662	\$ 345,410

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

LONG TERM DEBT

	2014	2013	2012	2011	2010
LONG TERM DEBT					
Debt supported by taxes	\$ 24,901	\$ 23,243	\$ 22,464	\$ 24,907	\$ 27,363
Debt supported by utilities	203,368	187,886	183,790	183,729	187,670
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 228,269	\$ 211,129	\$ 206,254	\$ 208,636	\$ 215,033

DEBT PER CAPITA

(not in thousands of dollars)

	2014	2013	2012	2011	2010
Tax supported	\$ 407	\$ 380	\$ 367	\$ 408	\$ 448
Utility supported	3,324	3,071	3,004	3,007	3,072
TOTAL DEBT PER CAPITA	\$ 3,731	\$ 3,451	\$ 3,371	\$ 3,415	\$ 3,520

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

Actual debt servicing (short and long term)

Total operating expenses

PERCENTAGE

	2014	2013	2012	2011	2010
Actual debt servicing (short and long term)	\$ 30,509	\$ 30,258	\$ 29,626	\$ 28,996	\$ 28,897
Total operating expenses	404,856	425,515	402,849	334,867	326,965
PERCENTAGE	7.54%	7.11%	7.35%	8.66%	8.84%

LEGAL DEBT LIMIT

Total debt limit

Loan guarantees

Actual debt

AMOUNT UNDER LIMIT

Percentage used

	2014	2013	2012	2011	2010
Total debt limit	\$ 847,382	\$ 865,099	\$ 748,605	\$ 763,936	\$ 658,180
Loan guarantees	\$ 2,640	\$ 2,640	\$ 2,475	\$ 2,600	\$ 2,350
Actual debt	228,269	211,129	206,254	208,636	215,033
AMOUNT UNDER LIMIT	\$ 616,473	\$ 651,330	\$ 539,875	\$ 552,701	\$ 440,797
Percentage used	27.25%	24.71%	27.88%	27.65%	33.03%

DEBT SERVICING LIMIT

Debt servicing limit

Actual debt servicing (short and long term)

AMOUNT UNDER LIMIT

Percentage used

	2014	2013	2012	2011	2010
Debt servicing limit	\$ 148,292	\$ 151,392	\$ 131,006	\$ 133,689	\$ 115,182
Actual debt servicing (short and long term)	30,509	30,258	29,626	28,996	28,897
AMOUNT UNDER LIMIT	\$ 117,783	\$ 121,134	\$ 101,380	\$ 104,693	\$ 86,285
Percentage used	20.57%	19.99%	22.61%	21.69%	25.09%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2014	2014	2013	2012	2011	2010
	Budget	Actual	Actual	Actual	Actual	Actual
Salaries, wages and benefits	\$ 127,668	\$ 123,167	\$ 121,057	\$ 117,304	\$ 111,324	\$ 105,897
Contracted and general services	54,425	60,982	61,720	46,803	44,265	40,821
Materials, goods and utilities	60,995	61,431	51,264	45,927	46,994	38,136
Provisions for allowances	324	30	390	437	367	391
Bank charges and short-term interest	145	168	134	157	189	122
Interest on long-term debt	9,924	9,399	9,697	10,231	10,871	11,255
Grants and other transfers	3,196	4,100	2,370	3,347	3,103	1,067
Other operating expenses	47,259	50,990	52,460	44,796	40,861	31,595
Amortization of tangible capital assets	67,850	65,071	72,151	77,573	73,917	91,311
Impairment	-	28,383	52,715	55,375	591	4,974
Loss on disposal of tangible capital assets	-	1,135	1,557	899	2,385	1,396
TOTAL EXPENSES	\$ 371,786	\$ 404,856	\$ 425,515	\$ 402,849	\$ 334,867	\$ 326,965

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2014 Budget	2014 Actual	2013 Actual	2012 Restated	2011 Restated	2010 Restated
REVENUE						
Legislative	\$ 747	\$ 990	\$ 833	\$ 756	\$ 620	\$ 686
General Government	3,352	3,297	3,504	3,066	3,128	3,084
Corporate Services	112,670	162,707	130,884	122,210	119,468	119,137
Development & Infrastructure	9,007	15,202	15,023	10,729	8,976	8,711
Public Services	14,914	17,556	18,754	14,678	16,626	14,168
Police Services	7,671	6,970	8,146	8,125	8,037	7,606
TOTAL REVENUE	148,361	206,722	177,144	159,564	156,855	153,392
EXPENSES						
Legislative	1,866	1,994	2,002	1,637	1,460	1,679
General Government	8,199	8,673	8,301	7,750	7,424	7,714
Corporate Services	31,512	31,612	33,030	30,911	30,422	28,323
Development & Infrastructure	33,295	34,338	34,817	32,828	32,475	28,403
Public Services	55,641	57,898	56,929	53,774	55,066	51,207
Police Services	24,297	23,645	23,516	22,972	22,181	21,430
TOTAL EXPENSES	154,810	158,160	158,595	149,872	149,028	138,756
Excess (deficiency) of revenue over expenses	\$ (6,449)	\$ 48,562	\$ 18,549	\$ 9,692	\$ 7,827	\$ 14,636

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Aldermen, Mailroom & City Clerk

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
City Clerk	\$ 682	\$ 685	\$ 701	\$ 586	\$ 499	\$ 576
Mailroom	40	280	107	170	121	110
Boards and committees	25	25	25	-	-	-
TOTAL REVENUE	747	990	833	756	620	686
EXPENSES						
Mayor	255	281	229	243	135	143
Aldermen	415	347	348	322	313	306
City Clerk	721	637	854	633	661	890
Mailroom	291	577	394	307	268	340
Boards and Committees	184	152	177	132	83	-
TOTAL EXPENSES	1,866	1,994	2,002	1,637	1,460	1,679
Excess (deficiency) of revenue over expenses	\$ (1,119)	\$ (1,004)	\$ (1,169)	\$ (881)	\$ (840)	\$ (993)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, ALDERMAN, MAILROOM & CITY CLERK

Legislative

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other Income						
Internal recovery	\$ 722	\$ 963	\$ 790	\$ 751	\$ 619	\$ 597
Insurance recovery	-	-	1	-	-	-
Other revenue	-	6	29	5	1	2
Government transfers						
Government transfers for operating	25	21	13	-	-	87
TOTAL REVENUE	747	990	833	756	620	686
EXPENSES						
Salaries, wages and benefits	1,137	1,173	1,187	1,072	1,013	1,097
Other personnel costs	123	95	92	62	76	61
Contracted and general services	412	564	576	392	256	395
Materials and supplies	50	49	60	44	52	59
Interest on long-term debt - infrastructure	19	6	2	2	2	4
Amortization of tangible capital assets	72	53	28	12	19	19
Internal charges	53	54	57	53	42	44
TOTAL EXPENSES	1,866	1,994	2,002	1,637	1,460	1,679
Excess (deficiency) of revenue over expenses	\$ (1,119)	\$ (1,004)	\$ (1,169)	\$ (881)	\$ (840)	\$ (993)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

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

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
CAO, Commissioners & City Solicitor	\$ 1,108	\$ 1,062	\$ 1,035	\$ 1,035	\$ 1,009	\$ 1,014
Business Support	-	2	1	-	107	11
Corporate Communications	333	337	337	330	327	366
Human Resources	1,746	1,820	2,131	1,701	1,685	1,693
Health, Safety	165	76	-	-	-	-
TOTAL REVENUE	3,352	3,297	3,504	3,066	3,128	3,084
EXPENSES						
CAO, Commissioners & City Solicitor	2,647	2,612	2,748	2,599	2,479	2,684
Business Support	1,199	2,254	1,439	1,286	997	959
Corporate Communications	557	495	419	416	530	551
Human Resources	3,623	3,150	3,695	3,449	3,418	3,520
Health, Safety & Emergency Services	173	162	-	-	-	-
TOTAL EXPENSES	8,199	8,673	8,301	7,750	7,424	7,714
Excess (deficiency) of revenue over expenses	\$ (4,847)	\$ (5,376)	\$ (4,797)	\$ (4,684)	\$ (4,296)	\$ (4,630)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ 1,105	\$ 1,059	\$ 1,028	\$ 1,015	\$ 1,006	\$ 1,012
Other revenue	3	3	7	20	3	2
TOTAL REVENUE	1,108	1,062	1,035	1,035	1,009	1,014
EXPENSES						
Salaries, wages and benefits	2,193	2,174	2,279	2,159	2,085	2,156
Other personnel costs	64	64	39	45	51	58
Contracted and general services	175	161	214	202	138	174
Materials and Supplies	55	54	58	39	46	35
Internal charges	160	159	158	154	159	261
TOTAL EXPENSES	2,647	2,612	2,748	2,599	2,479	2,684
Excess (deficiency) of revenue over expenses	\$ (1,539)	\$ (1,550)	\$ (1,713)	\$ (1,564)	\$ (1,470)	\$ (1,670)

BUSINESS SUPPORT

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	1	-	107	11
TOTAL REVENUE	-	2	1	-	107	11
EXPENSES						
Salaries, wages and benefits	121	138	134	126	114	115
Other personnel costs	5	2	2	1	1	3
Contracted and general services	947	2,029	1,206	1,063	782	734
Materials and supplies	5	3	3	11	3	5
Other transfers	17	2	19	13	-	-
Interest on long-term debt - infrastructure	-	-	-	-	2	1
Amortization of tangible capital assets	18	18	18	18	18	16
Internal charges	86	62	57	54	77	85
TOTAL EXPENSES	1,199	2,254	1,439	1,286	997	959
Excess (deficiency) of revenue over expenses	\$ (1,199)	\$ (2,252)	\$ (1,438)	\$ (1,286)	\$ (890)	\$ (948)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ 332	\$ 332	\$ 327	\$ 330	\$ 324	\$ 316
Other revenue	1	-	2	-	-	-
Government transfers						
Government transfers for operating	-	5	8	-	3	50
TOTAL REVENUE	333	337	337	330	327	366
EXPENSES						
Salaries, wages and benefits	426	396	316	340	437	344
Other personnel costs	9	5	3	4	8	12
Contracted and general services	95	62	69	44	54	138
Materials and supplies	8	11	9	5	16	27
Internal charges	19	21	22	23	15	30
TOTAL EXPENSES	557	495	419	416	530	551
Excess (deficiency) of revenue over expenses	\$ (224)	\$ (158)	\$ (82)	\$ (86)	\$ (203)	\$ (185)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ 1,725	\$ 1,783	\$ 1,739	\$ 1,683	\$ 1,591	\$ 1,593
Other revenue	21	20	81	16	21	17
Government transfers						
Government transfers for operating	-	17	311	2	73	83
TOTAL REVENUE	1,746	1,820	2,131	1,701	1,685	1,693
EXPENSES						
Salaries, wages and benefits	2,471	2,237	2,645	2,519	2,432	2,442
Other personnel costs	51	25	33	37	44	42
Contracted and general services	559	339	481	348	414	456
Materials and supplies	96	149	136	89	78	114
Interest on long-term debt - infrastructure	15	15	18	26	37	47
Amortization of tangible capital assets	158	160	160	159	158	158
Internal charges	273	225	222	271	255	261
TOTAL EXPENSES	3,623	3,150	3,695	3,449	3,418	3,520
Excess (deficiency) of revenue over expenses	\$ (1,877)	\$ (1,330)	\$ (1,564)	\$ (1,748)	\$ (1,733)	\$ (1,827)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HEALTH, SAFETY & ENVIRONMENT

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sales and user charges						
Internal recovery	\$ 165	\$ 76	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	165	76	-	-	-	-
EXPENSES						
Salaries, wages and benefits	173	122	-	-	-	-
Other personnel costs	-	4	-	-	-	-
Contracted and general services	-	3	-	-	-	-
Materials and supplies	-	33	-	-	-	-
TOTAL EXPENSES	173	162	-	-	-	-
Excess (deficiency) of revenue over expenses	\$ (8)	\$ (86)	\$ -	\$ -	\$ -	\$ -

CORPORATE SERVICES

Finance; ICS; Corporate Asset Management; General Municipal Revenues

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Finance	\$ 6,491	\$ 6,639	\$ 6,614	\$ 6,148	\$ 5,852	\$ 5,874
Information & Computer Services	2,641	2,674	2,503	2,691	2,398	2,489
Corporate Asset Management	12,589	12,384	15,269	11,704	11,126	10,521
General Municipal Revenues	90,949	141,010	106,498	101,667	100,092	100,253
TOTAL REVENUE	112,670	162,707	130,884	122,210	119,468	119,137
EXPENSES						
Finance	9,814	10,183	9,833	9,847	9,504	8,936
Information & Computer Services	2,902	2,935	2,847	2,763	3,105	3,053
Corporate Asset Management	17,622	17,418	18,348	15,821	16,917	15,691
General Municipal Revenues	1,174	1,076	2,002	2,480	896	643
TOTAL EXPENSES	31,512	31,612	33,030	30,911	30,422	28,323
Excess of revenue over expenses	\$ 81,158	\$ 131,095	\$ 97,854	\$ 91,299	\$ 89,046	\$ 90,814

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ 5,862	\$ 5,898	\$ 5,874	\$ 5,441	\$ 5,142	\$ 5,163
Insurance recovery	-	-	15	-	-	1
Other revenue	629	717	706	707	708	698
Government transfers						
Government transfers for operating	-	24	19	-	2	12
TOTAL REVENUE	6,491	6,639	6,614	6,148	5,852	5,874
EXPENSES						
Salaries, wages and benefits	7,601	7,861	7,462	7,228	6,916	6,736
Other personnel costs	170	133	117	105	115	141
Contracted and general services	343	377	605	695	639	469
Materials and supplies	235	261	304	228	229	221
Provision for allowances	27	50	26	25	25	25
Bank charges	60	46	(11)	55	69	12
Interest on long-term debt - infrastructure	30	37	27	37	44	53
Other operating expenses	26	(17)	20	101	84	21
Amortization of tangible capital assets	127	124	205	205	207	201
Loss on disposal of tangible capital assets	-	-	-	-	18	-
Internal charges	1,195	1,311	1,078	1,168	1,158	1,057
TOTAL EXPENSES	9,814	10,183	9,833	9,847	9,504	8,936
Excess (deficiency) of revenue over expenses	\$ (3,323)	\$ (3,544)	\$ (3,219)	\$ (3,699)	\$ (3,652)	\$ (3,062)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Internal recovery	\$ 2,594	\$ 2,654	\$ 2,481	\$ 2,689	\$ 2,393	\$ 2,482
Insurance recovery	-	-	22	-	-	-
Other revenue	47	15	-	2	5	6
Government transfers						
Government transfers for operating	-	5	-	-	-	1
TOTAL REVENUE	2,641	2,674	2,503	2,691	2,398	2,489
EXPENSES						
Salaries, wages and benefits	1,959	2,006	2,017	1,993	2,198	2,157
Other personnel costs	74	57	55	58	63	33
Contracted and general services	527	621	504	452	515	538
Materials and supplies	61	34	55	53	70	75
Interest on long-term debt - infrastructure	11	9	9	12	13	11
Other operating expenses	-	-	4	-	-	-
Amortization of tangible capital assets	178	117	116	110	128	135
Loss on disposal of tangible capital assets	-	-	-	-	35	-
Internal charges	92	91	87	85	83	104
TOTAL EXPENSES	2,902	2,935	2,847	2,763	3,105	3,053
Excess (deficiency) of revenue over expenses	\$ (261)	\$ (261)	\$ (344)	\$ (72)	\$ (707)	\$ (564)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 105	\$ 230	\$ 227	\$ 225	\$ 213	\$ 189
Other income						
Internal recovery	12,356	10,453	10,934	11,341	10,691	10,173
Insurance recovery	82	1,598	4,044	98	83	113
Other revenue	46	68	44	25	34	41
Government transfers						
Government transfers for operating	-	35	20	15	105	5
TOTAL REVENUE	12,589	12,384	15,269	11,704	11,126	10,521
EXPENSES						
Salaries, wages and benefits	3,620	3,413	3,506	3,068	2,930	2,735
Other personnel costs	67	79	37	40	50	53
Contracted and general services	3,780	4,820	5,942	3,632	3,906	3,677
Materials and supplies	655	588	550	557	613	529
Interest on long-term debt - infrastructure	218	205	223	474	525	558
Other operating expenses	-	41	(10)	6	(6)	270
Amortization of tangible capital assets	7,936	7,403	7,020	7,186	7,068	6,803
Loss (gain) on disposal of tangible capital assets	-	(260)	(7)	(205)	497	(50)
Internal charges	1,346	1,129	1,087	1,063	1,334	1,116
TOTAL EXPENSES	17,622	17,418	18,348	15,821	16,917	15,691
Excess (deficiency) of revenue over expenses	\$ (5,033)	\$ (5,034)	\$ (3,079)	\$ (4,117)	\$ (5,791)	\$ (5,170)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Net taxes	\$ 59,994	\$ 58,865	\$ 54,628	\$ 52,228	\$ 49,299	\$ 48,137
Other income						
Investment income	2,927	6,009	4,784	5,346	5,416	4,301
Licences, fines and penalties	268	279	232	232	249	540
Internal recovery	-	138	91	80	74	63
Other revenue	524	663	677	1,861	2,308	1,766
Charitable gifts	-	3,000	1,500	1,000	2,000	2,500
Contributions from utilities	27,236	70,653	43,231	39,667	39,566	41,775
Government transfers						
Government transfers for operating	-	1,403	1,355	1,253	1,180	1,171
TOTAL REVENUE	90,949	141,010	106,498	101,667	100,092	100,253
EXPENSES						
Salaries, wages and benefits	762	323	1,446	2,021	233	236
Contracted and general services	313	273	330	264	249	310
Materials and supplies	-	80	91	88	122	63
Grants and other transfers	-	-	-	-	-	25
Other expenses	99	278	108	92	222	-
Internal charges	-	122	27	15	70	9
TOTAL EXPENSES	1,174	1,076	2,002	2,480	896	643
Excess of revenue over expenses	\$ 89,775	\$ 139,934	\$ 104,496	\$ 99,187	\$ 99,196	\$ 99,610

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Planning, Building & Development	\$ 3,002	\$ 3,347	\$ 2,606	\$ 3,034	\$ 2,337	\$ 2,753
Municipal Works	6,005	11,855	12,417	7,695	6,639	5,958
TOTAL REVENUE	9,007	15,202	15,023	10,729	8,976	8,711
EXPENSES						
Planning, Building & Development	5,006	4,777	4,925	4,803	5,651	4,657
Municipal Works	28,289	29,561	29,892	28,025	26,824	23,746
TOTAL EXPENSES	33,295	34,338	34,817	32,828	32,475	28,403
Excess (deficiency) of revenue over expenses	\$ (24,288)	\$ (19,136)	\$ (19,794)	\$ (22,099)	\$ (23,499)	\$ (19,692)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Licences, fines and penalties	\$ 2,465	\$ 2,614	\$ 1,781	\$ 2,457	\$ 1,184	\$ 1,444
Internal recovery	165	403	228	149	242	315
Insurance recovery	-	32	20	1	1	2
Other revenue	372	292	356	351	227	758
Government transfers						
Government transfers for operating	-	6	221	41	683	228
Flood assistance	-	-	-	35	-	6
TOTAL REVENUE	3,002	3,347	2,606	3,034	2,337	2,753
EXPENSES						
Salaries, wages and benefits	4,121	3,505	3,673	3,769	3,877	3,721
Other personnel costs	116	56	49	56	58	71
Contracted and general services	221	724	662	443	1,176	381
Materials and supplies	145	79	102	102	96	63
Other expenses	-	5	49	-	-	-
Interest on long-term debt - infrastructure	5	-	-	-	16	16
Amortization of tangible capital assets	36	15	36	65	74	70
Loss on disposal of tangible capital assets	-	-	-	-	20	-
Internal charges	362	393	354	368	334	335
TOTAL EXPENSES	5,006	4,777	4,925	4,803	5,651	4,657
Excess (deficiency) of revenue over expenses	\$ (2,004)	\$ (1,430)	\$ (2,319)	\$ (1,769)	\$ (3,314)	\$ (1,904)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 487	\$ 515	\$ 484	\$ 480	\$ 486	\$ 413
Taxes	129	135	-	135	135	135
Other income						
Internal recovery	4,036	4,228	3,621	3,829	3,512	3,007
Insurance recovery	-	44	141	53	-	251
Developer levies	-	4,928	4,687	100	344	629
Other revenue	482	699	671	566	325	425
Government transfers						
Government transfers for operating	871	1,306	1,243	367	754	734
Flood assistance	-	-	1,570	2,165	1,083	364
TOTAL REVENUE	6,005	11,855	12,417	7,695	6,639	5,958
EXPENSES						
Salaries, wages and benefits	5,111	4,895	4,812	4,320	4,312	3,977
Other personnel costs	54	50	46	56	40	36
Contracted and general services	3,638	3,572	5,650	5,212	4,304	3,051
Materials and supplies	1,959	3,745	2,249	2,368	1,947	1,936
Interest on long-term debt - ACFA	620	654	656	696	751	822
Interest on long-term debt - infrastructure	78	53	5	-	131	113
Interest on long-term debt - internal	-	-	-	-	8	10
Other operating expenses	97	20	-	67	50	34
Amortization of tangible capital assets	11,326	11,218	10,575	9,990	9,614	9,335
Loss (gain) on disposal of tangible capital assets	-	344	54	743	557	125
Internal charges	5,406	5,010	5,000	4,573	5,110	4,307
Transfer to other government	-	-	845	-	-	-
TOTAL EXPENSES	28,289	29,561	29,892	28,025	26,824	23,746
Excess (deficiency) of revenue over expenses	\$ (22,284)	\$ (17,706)	\$ (17,475)	\$ (20,330)	\$ (20,185)	\$ (17,788)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

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

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Community Development	\$ 4,058	\$ 3,774	\$ 5,229	\$ 4,048	\$ 4,426	\$ 3,907
Parks & Recreation	7,445	9,537	10,036	7,230	9,182	7,772
Fire Services	366	416	509	432	355	431
Public Organizations	-	-	-	-	-	-
Emergency Services	47	727	295	33	36	32
Cultural Development	2,998	3,102	2,685	2,935	2,627	2,026
TOTAL REVENUE	14,914	17,556	18,754	14,678	16,626	14,168
EXPENSES						
Community Development	12,973	12,577	13,131	12,352	13,238	12,238
Parks & Recreation	19,908	21,966	22,872	20,475	20,759	19,653
Fire Services	13,308	13,222	12,021	12,050	12,221	11,677
Public Organizations	2,785	2,845	2,665	2,635	2,217	2,051
Emergency Services	547	1,018	449	115	111	162
Cultural Development	6,120	6,270	5,791	6,147	6,520	5,426
TOTAL EXPENSES	55,641	57,898	56,929	53,774	55,066	51,207
Excess (deficiency) of revenue over expenses	\$ (40,727)	\$ (40,342)	\$ (38,175)	\$ (39,096)	\$ (38,440)	\$ (37,039)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 2,300	\$ 1,791	\$ 2,198	\$ 2,238	\$ 2,100	\$ 2,026
Other income						
Internal recovery	121	117	112	109	105	116
Insurance recovery	-	5	219	23	25	15
Developer levies	-	-	-	-	-	57
Other revenue	102	110	112	116	171	106
Government transfers						
Government transfers for operating	1,535	1,751	1,676	1,562	1,995	1,552
Flood Assistance	-	-	912	-	30	35
TOTAL REVENUE	4,058	3,774	5,229	4,048	4,426	3,907
EXPENSES						
Salaries, wages and benefits	7,848	7,729	7,449	7,442	7,342	7,366
Other personnel costs	116	68	80	76	77	90
Contracted and general services	825	832	1,447	863	1,516	583
Materials and supplies	1,837	2,125	2,214	1,787	1,749	1,621
Other expenses	10	5	27	20	22	14
Bank charges	1	4	4	3	2	1
Interest on long-term debt - ACFA	-	5	-	-	114	121
Interest on long-term debt - infrastructure	-	-	-	-	32	32
Grants and other transfers	161	122	127	119	325	378
Amortization of tangible capital assets	395	152	194	221	407	413
Loss on disposal of tangible capital assets	-	(2)	-	6	-	-
Internal charges	1,780	1,537	1,589	1,815	1,652	1,619
TOTAL EXPENSES	12,973	12,577	13,131	12,352	13,238	12,238
Excess (deficiency) of revenue over expenses	\$ (8,915)	\$ (8,803)	\$ (7,902)	\$ (8,304)	\$ (8,812)	\$ (8,331)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & OUTDOOR RECREATION

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 4,934	\$ 4,707	\$ 4,635	\$ 4,277	\$ 4,473	\$ 5,008
Other income						
Internal recovery	1,061	1,034	992	1,004	1,044	1,031
Insurance recovery	10	1,741	1,687	9	-	337
Developer levies	-	-	-	-	547	(34)
Other revenue	1,433	766	879	547	1,231	636
Government transfers		-				
Government transfers for operating	7	1,289	581	248	55	55
Flood assistance	-	-	1,262	1,145	1,832	739
TOTAL REVENUE	7,445	9,537	10,036	7,230	9,182	7,772
EXPENSES						
Salaries, wages and benefits	8,405	8,463	8,070	8,040	8,057	7,947
Other personnel costs	90	51	64	57	66	68
Contracted and general services	1,902	3,926	5,185	3,143	3,770	3,415
Materials and supplies	1,973	2,069	1,991	1,869	1,817	2,028
Bank charges	31	30	30	28	36	41
Other expenses	11	4	110	8	85	36
Interest on long-term debt - ACFA	167	165	181	196	101	109
Interest on long-term debt - infrastructure	19	12	4	-	127	116
Interest on long-term debt - internal	-	-	-	-	1	2
Grants and other transfers	219	207	201	197	188	184
Amortization of tangible capital assets	2,209	2,301	2,148	2,048	1,657	1,391
Loss on disposal of tangible capital assets	-	(9)	-	-	71	4
Internal charges	4,882	4,747	4,888	4,889	4,783	4,312
TOTAL EXPENSES	19,908	21,966	22,872	20,475	20,759	19,653
Excess (deficiency) of revenue over expenses	\$ (12,463)	\$ (12,429)	\$ (12,836)	\$ (13,245)	\$ (11,577)	\$ (11,881)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 340	\$ 380	\$ 355	\$ 361	\$ 327	\$ 367
Other income						
Internal recovery	7	6	25	41	11	7
Insurance recovery	-	3	16	-	1	5
Other revenue	19	12	50	30	15	32
Government transfers						
Government transfers for operating	-	15	63	-	1	20
TOTAL REVENUE	366	416	509	432	355	431
EXPENSES						
Salaries, wages and benefits	11,174	11,187	9,970	10,008	10,400	10,005
Other personnel costs	265	290	308	261	199	168
Contracted and general services	164	130	134	183	100	137
Materials and supplies	311	312	357	313	278	337
Interest on long-term debt - ACFA	6	6	8	10	12	14
Interest on long-term debt - infrastructure	1	1	1	-	18	14
Amortization of tangible capital assets	156	175	161	139	140	140
Loss (gain) on disposal of tangible capital assets	-	-	-	-	8	(22)
Internal charges	1,231	1,121	1,082	1,136	1,066	884
TOTAL EXPENSES	13,308	13,222	12,021	12,050	12,221	11,677
Excess (deficiency) of revenue over expenses	\$ (12,942)	\$ (12,806)	\$ (11,512)	\$ (11,618)	\$ (11,866)	\$ (11,246)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income						
Internal recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Government transfers						
Grants - federal and provincial	-	-	-	-	-	-
Flood assistance	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Interest on long-term debt - ACFA	54	53	56	59	-	-
Grants and other transfers	2,731	2,792	2,609	2,576	2,217	2,051
TOTAL EXPENSES	2,785	2,845	2,665	2,635	2,217	2,051
Excess (deficiency) of revenue over expenses	\$ (2,785)	\$ (2,845)	\$ (2,665)	\$ (2,635)	\$ (2,217)	\$ (2,051)

EMERGENCY MANAGEMENT

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Other income						
Sales and user charges	\$ 42	\$ 30	\$ 31	\$ 31	\$ 31	\$ 31
Other revenue	5	-	1		5	1
Government transfers						
Government transfers for operating	-	697	94	2	-	-
Flood Assistance	-	-	169	-	-	-
TOTAL REVENUE	47	727	295	33	36	32
EXPENSES						
Salaries, wages and benefits	509	216	242	84	79	122
Other personnel costs	4	9	10	4	4	5
Contracted and general services	7	65	167	11	7	2
Materials and supplies	10	629	8	15	7	23
Amortization of tangible capital assets	-	69	-	-	-	2
Internal charges	17	30	22	1	14	8
TOTAL EXPENSES	547	1,018	449	115	111	162
Excess (deficiency) of revenue over expenses	\$ (500)	\$ (291)	\$ (154)	\$ (82)	\$ (75)	\$ (130)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CULTURAL DEVELOPMENT

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 1,620	\$ 2,103	\$ 1,882	\$ 2,121	\$ 1,686	\$ 1,203
Other income						
Internal recovery	-	22	16	9	14	8
Insurance recovery	-	-	4	-	-	-
Other revenue	343	649	481	545	578	456
Government Transfers						
Government transfers for operating	1,035	328	302	260	349	359
TOTAL REVENUE	2,998	3,102	2,685	2,935	2,627	2,026
EXPENSES						
Salaries, wages and benefits	2,025	2,207	2,158	2,105	2,202	2,003
Other personnel costs	27	19	18	17	12	14
Contracted and general services	2,620	2,522	2,047	2,535	2,108	1,661
Materials and supplies	281	319	277	372	426	385
Bank charges	32	59	59	59	51	57
Other expenses	-	(4)	3	-	-	-
Interest on long-term debt - ACFA	-	-	-	-	62	65
Interest on long-term debt - infrastructure	-	-	-	-	20	6
Interest on long-term debt - internal	-	-	-	-	9	16
Grants and other transfers	66	65	65	60	222	210
Amortization of tangible capital assets	105	108	108	98	90	92
Loss on disposal of tangible capital assets	-	-	-	-	375	-
Internal charges	964	975	1,056	901	943	917
TOTAL EXPENSES	6,120	6,270	5,791	6,147	6,520	5,426
Excess (deficiency) of revenue over expenses	\$ (3,122)	\$ (3,168)	\$ (3,106)	\$ (3,212)	\$ (3,893)	\$ (3,400)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income						
Licences, fines and penalties	4,203	3,497	4,078	4,554	4,403	4,030
Internal recovery	154	199	160	151	101	105
Insurance recovery	-	7	166	39	31	31
Other revenue	1,786	1,733	1,875	1,850	1,983	2,000
Government transfers						
Government transfers for operating	1,528	1,534	1,867	1,531	1,519	1,435
Flood assistance	-	-	-	-	-	5
TOTAL REVENUE	7,671	6,970	8,146	8,125	8,037	7,606
EXPENSES						
Salaries, wages and benefits	19,142	18,928	18,794	18,474	17,686	16,691
Other personnel costs	589	597	571	601	513	634
Contracted and general services	1,950	1,827	1,742	1,471	1,290	1,422
Materials and supplies	1,185	995	1,148	1,118	1,170	1,168
Other expenses	16	38	86	56	35	63
Interest on long-term debt - ACFA	-	-	1	5	11	18
Interest on long-term debt - infrastructure	2	1	-	-	9	10
Amortization of tangible capital assets	127	105	134	182	215	207
Internal charges	1,286	1,154	1,040	1,065	1,252	1,217
TOTAL EXPENSES	24,297	23,645	23,516	22,972	22,181	21,430
Excess (deficiency) of revenue over expenses	\$ (16,626)	\$ (16,675)	\$ (15,370)	\$ (14,847)	\$ (14,144)	\$ (13,824)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2014 Budget	2014 Actual	2013 Actual	2012 Restated	2011 Restated	2010 Restated
REVENUE						
Sale of services	\$ 152,051	\$ 157,701	\$ 131,361	\$ 110,424	\$ 123,952	\$ 127,785
Investment in subsidiary	7,291	3,483	4,972	3,194	2,998	1,999
Other income						
Investment income	5,015	6,518	5,665	6,640	9,465	10,437
Internal recoveries	381	531	636	281	172	41
Development levies	716	642	504	194	225	321
Other revenue	1,458	(643)	252	760	1,635	349
Government transfers for operating	-	17	192	4	27	22
TOTAL REVENUE	166,912	168,249	143,582	121,497	138,474	140,954
EXPENSES						
Salaries, wages and benefits	18,443	16,754	17,050	16,560	15,127	13,869
Contracted and general services	26,293	24,704	23,385	18,997	15,200	17,264
Materials, goods and utilities	28,054	31,079	21,979	19,053	18,611	17,029
Provisions for allowances	65	(249)	116	104	54	133
Bank charges and short term interest	19	27	23	11	30	11
Interest on long term debt	500	439	334	310	251	203
Other operating expenses	43,457	47,396	43,002	37,020	30,837	27,536
Amortization of tangible capital assets	25,838	22,968	31,394	34,986	33,192	45,842
Impairment	-	28,383	52,715	55,375	591	4,974
Loss on disposal of tangible capital assets	-	172	457	50	76	35
Internal charges and transfers	7,441	6,297	6,349	6,061	7,077	6,772
TOTAL EXPENSES	150,110	177,970	196,804	188,527	121,046	133,668
Excess (deficiency) of revenue over expenses before Contribution	16,802	(9,721)	(53,222)	(67,030)	17,428	7,286
Contribution to General	27,797	23,621	18,627	19,785	32,674	34,085
Excess (deficiency) of revenue over expenses after Contribution	\$ (10,995)	\$ (33,342)	\$ (71,849)	\$ (86,815)	\$ (15,246)	\$ (26,799)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 91,431	\$ 94,494	\$ 118,502	\$ 110,725	\$ 122,542	\$ 80,240
Other income						
Investment income	2,465	2,955	2,653	2,533	1,207	640
Internal recoveries	6,031	4,908	7,991	4,828	3,929	3,267
Development levies	739	2,692	1,123	434	827	457
Government transfers for operating	-	131	60	23	47	92
Other revenue	4,349	7,298	21,691	10,583	9,749	3,970
TOTAL REVENUE	105,015	112,478	152,020	129,126	138,301	88,666
EXPENSES						
Salaries, wages and benefits	16,133	14,762	14,447	12,911	11,923	11,391
Contracted and general services	6,257	10,086	8,367	4,734	5,399	3,538
Materials, goods and utilities	18,548	14,898	14,681	12,953	11,741	7,335
Provisions for allowances	117	118	136	133	125	129
Interest on long term debt	3,507	3,186	3,626	4,038	4,516	4,846
Other operating expenses	2,918	3,331	8,968	7,727	10,212	4,047
Amortization of tangible capital assets	14,239	14,478	14,556	17,122	17,041	21,787
Loss on disposal of tangible capital assets	-	411	197	90	311	1,285
Internal charges and transfers	29,392	33,902	29,675	24,118	31,114	31,846
TOTAL EXPENSES	91,111	95,172	94,653	83,826	92,382	86,204
Excess (deficiency) of revenue over expenses before Contribution	13,904	17,306	57,367	45,300	45,919	2,462
Contribution to General	10,076	40,123	21,287	17,554	5,731	5,898
Excess (deficiency) of revenue over expenses after Contribution	\$ 3,828	\$ (22,817)	\$ 36,080	\$ 27,746	\$ 40,188	\$ (3,436)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ENERGY SUSTAINABILITY

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Investment income	\$ -	\$ 16	\$ 67	\$ 61	\$ 70	\$ 69
Internal recoveries	631	614	572	512	737	733
Other revenue	-	-	1	1	-	1
Government transfers for operating	-	-	-	-	-	36
Transfer from Utilities and Land	200	200	200	200	-	-
TOTAL REVENUE	831	830	840	774	807	839
EXPENSES						
Salaries, wages and benefits	266	107	92	98	190	167
Contracted and general services	30	37	65	38	57	98
Materials, goods and utilities	9	4	2	1	3	3
Other operating expenses	400	380	698	537	922	1,488
Amortization of tangible capital assets	-	1	1	1	1	1
Internal charges and transfers	126	117	2,581	383	207	337
TOTAL EXPENSES	831	646	3,439	1,058	1,380	2,094
Excess (deficiency) of revenue over expenses	\$ -	\$ 184	\$ (2,599)	\$ (284)	\$ (573)	\$ (1,255)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Taxes	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114
Sale of services	16,377	17,421	16,481	15,955	15,291	12,694
Other income						
Internal recovery	1,143	702	1,061	920	1,113	757
Other revenue	274	525	756	258	1,176	1,127
Developer levies	1,372	1,106	965	965	-	-
Government transfers						
Government transfers for operating	-	16	305	-	56	41
TOTAL REVENUE	19,280	19,884	19,682	18,212	17,750	14,733
EXPENSES						
Salaries, wages & benefits	5,043	4,670	4,317	4,912	4,056	3,784
Contracted and general services	811	771	1,285	840	680	871
Materials and supplies	1,435	1,890	1,678	1,466	1,590	1,408
Provisions for allowances	48	48	47	46	45	44
Interest on long-term debt	2,531	2,677	2,474	2,495	2,579	2,628
Other expenses	-	17	(3)	731	548	6
Amortization of tangible capital assets	2,563	2,829	2,588	2,544	2,501	2,404
Loss on disposal of tangible capital assets	-	472	8	-	336	10
Internal charges and transfers	3,551	3,497	3,753	1,566	3,169	2,964
TOTAL EXPENSES	15,982	16,871	16,147	14,600	15,504	14,119
Excess (deficiency) of revenue over expenses before Contribution	3,298	3,013	3,535	3,612	2,246	614
Contribution to General	852	852	786	723	546	546
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,446	\$ 2,161	\$ 2,749	\$ 2,889	\$ 1,700	\$ 68

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Taxes	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114	\$ 114
Sale of services	13,860	14,310	13,359	12,850	11,957	10,840
Other income						
Internal recovery	-	-	273	276	334	252
Other revenue	6	58	943	144	130	1,046
Developer levies	659	-	-	-	-	-
Government transfers						
Government transfers for operating	-	455	22	246	378	36
TOTAL REVENUE	14,639	14,937	14,711	13,630	12,913	12,288
EXPENSES						
Salaries, wages & benefits	4,280	3,922	3,933	3,589	3,619	3,405
Contracted and general services	639	1,149	665	846	1,018	667
Materials and supplies	1,389	1,628	1,633	1,444	1,421	1,371
Provisions for allowances	45	45	44	43	42	42
Interest on long-term debt	1,943	1,914	2,010	2,016	2,019	1,918
Other expenses	8	7	5	602	191	10
Amortization of tangible capital assets	1,762	2,385	2,306	2,087	1,852	1,920
Loss on disposal of tangible capital assets	-	-	-	13	62	-
Internal charges and transfers	2,766	2,389	2,580	1,854	2,006	2,071
TOTAL EXPENSES	12,832	13,439	13,176	12,494	12,230	11,404
Excess (deficiency) of revenue over expenses before Contribution	1,807	1,498	1,535	1,136	683	884
Contribution to General	681	681	641	602	190	190
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,126	\$ 817	\$ 894	\$ 534	\$ 493	\$ 694

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
REVENUE						
Sale of services	\$ 8,068	\$ 8,247	\$ 8,115	\$ 8,015	\$ 8,061	\$ 7,744
Other income						
Internal recovery	720	768	706	660	873	536
Other revenue	31	36	550	96	(63)	52
Insurance recovery	-	-	19	235	-	-
Government transfers						
Government transfers for operating	-	4	1,239	110	101	50
TOTAL REVENUE	8,819	9,055	10,629	9,116	8,972	8,382
EXPENSES						
Salaries, wages & benefits	2,858	2,738	2,667	2,609	2,511	2,516
Contracted and general services	1,270	1,282	1,823	1,460	1,183	1,117
Materials and supplies	1,057	1,118	1,166	1,030	917	797
Provisions for allowances	18	18	19	16	76	15
Interest on long-term debt	197	129	146	154	154	157
Other expenses	189	1,219	24	539	630	311
Amortization of tangible capital assets	569	362	366	350	326	349
Loss on disposal of tangible capital assets	-	1	3	12	18	9
Internal charges and transfers	2,345	1,798	1,789	1,660	1,563	1,808
TOTAL EXPENSES	8,503	8,665	8,003	7,830	7,378	7,079
Excess (deficiency) of revenue over expenses before Contribution	316	390	2,626	1,286	1,594	1,303
Contribution to General	393	393	393	361	80	80
Excess (deficiency) of revenue over expenses after Contribution	\$ (77)	\$ (3)	\$ 2,233	\$ 925	\$ 1,514	\$ 1,223

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & PROPERTIES

	2014 Budget	2014 Actual	2013 Actual	2012 Restated	2011 Restated	2010
REVENUE						
Sale of services	\$ 10,380	\$ 10,533	\$ 9,626	\$ 7,826	\$ 4,288	\$ 9,494
Other income						
Licences fines and penalties	25	5	1	84	41	112
Other revenue	195	841	376	359	295	213
Government transfers						
Flood assistance	-	2	3	-	1	-
TOTAL REVENUE	10,600	11,381	10,006	8,269	4,625	9,819
EXPENSES						
Salaries, wages and benefits	545	644	567	548	541	530
Contracted and general services	81	111	103	76	117	57
Materials and supplies	7,418	6,662	5,458	4,962	2,751	6,662
Other expenses	-	1	28	-	-	-
Provisions for allowances	3	-	-	-	-	3
Amortization of tangible capital assets	31	38	36	40	37	25
Internal charges and transfers	729	868	716	694	677	890
TOTAL EXPENSES	8,807	8,324	6,908	6,320	4,123	8,167
Excess (deficiency) of revenue over expenses before Contribution	1,793	3,057	3,098	1,949	502	1,652
Contribution to General	-	5,033	1,549	692	194	826
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,793	\$ (1,976)	\$ 1,549	\$ 1,257	\$ 308	\$ 826

The above represents actual transactions before consolidation eliminations.

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2014 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	2014 Consolidated
Financing									
Contributed assets - private	\$ 1,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,152
Debt - ACFA	4,050	3,460	8,792	-	14,760	7,400	-	-	38,462
Debt - infrastructure reserve	3,462	-	-	-	-	-	414	-	3,876
Developer levies	5,346	642	2,692	-	1,106	-	-	-	9,786
Government transfers for capital	28,957	-	-	-	1,887	180	-	-	31,024
Land Sales	967	-	62	-	186	184	-	-	1,399
Operations	3,277	1,970	4,359	-	300	95	-	(129)	9,872
Other	1,241	65	(3,287)	-	(1,106)	-	-	-	(3,087)
Reserves	57,946	11,727	11,924	-	-	-	-	-	81,597
	106,398	17,864	24,542	-	17,133	7,859	414	(129)	174,081
Expenses									
Engineered structures	18,213	18,471	18,473	-	11,949	4,865	-	-	71,971
Buildings	57,436	-	1,844	-	18	18	541	-	59,857
Machinery and equipment	3,962	2,768	3,018	-	3,175	110	222	16	13,271
Land Improvements	4,675	-	(171)	-	-	-	408	-	4,912
Land	-	-	555	-	-	-	-	1,133	1,688
Mobile equipment	9,418	-	-	-	-	-	-	-	9,418
	93,704	21,239	23,719	-	15,142	4,993	1,171	1,149	161,117
Change in Capital Fund	12,694	(3,375)	823	-	1,991	2,866	(757)	(1,278)	12,964

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Legislative	\$ 200	\$ 140	\$ 180	\$ -	\$ 399	\$ -
General Government	250	-	-	18	-	55
Corporate Services	12,468	19,868	20,324	10,036	8,647	7,962
Development & Infrastructure	8,710	30,654	23,084	21,456	17,413	15,712
Public Services	6,644	55,570	19,245	4,491	8,705	5,517
Police Services	100	166	103	78	35	89
TOTAL FINANCING	28,372	106,398	62,936	36,079	35,199	29,335
EXPENSES						
Legislative	200	140	276	275	28	-
General Government	250	-	-	18	-	55
Corporate Services	12,468	16,248	20,584	10,255	8,750	7,813
Development & Infrastructure	8,710	21,080	21,716	21,669	17,087	16,130
Public Services	6,644	56,043	19,629	4,893	7,749	5,195
Police Services	100	193	77	92	21	89
TOTAL EXPENSES	28,372	93,704	62,282	37,202	33,635	29,282
CHANGE IN CAPITAL FUND	\$ -	\$ 12,694	\$ 654	\$ (1,123)	\$ 1,564	\$ 53

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Alderman & City Clerk

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ 179	\$ -	\$ -	\$ -
Debt - internal	200	140	-	-	-	-
Reserves	-	-	1	-	399	-
TOTAL FINANCING	200	140	180	-	399	-
EXPENSES						
Machinery and equipment	200	140	276	275	28	-
TOTAL EXPENSES	200	140	276	275	28	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (96)	\$ (275)	\$ 371	\$ -

GENERAL GOVERNMENT

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

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ 36
Government transfers	-	-	-	-	-	19
Operations	-	-	-	18	-	-
TOTAL FINANCING	250	-	-	18	-	55
EXPENSES						
Machinery and equipment	250	-	-	18	-	-
Land improvements	-	-	-	-	-	55
TOTAL EXPENSES	250	-	-	18	-	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	250	-	-	-	-	-
EXPENSES						
Machinery and equipment	250	-	-	-	-	-
TOTAL EXPENSES	250	-	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BUSINESS SUPPORT

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36
Government transfers	-	-	-	-	-	19
TOTAL FINANCING	-	-	-	-	-	55
EXPENSES						
Land Improvements	-	-	-	-	-	55
TOTAL EXPENSES	-	-	-	-	-	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE COMMUNICATIONS

General Government

No Capital

HUMAN RESOURCES

General Government

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -
TOTAL FINANCING	-	-	-	18	-	-
EXPENSES						
Machinery and equipment	-	-	-	18	-	-
TOTAL EXPENSES	-	-	-	18	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HEALTH, SAFETY & ENVIRONMENT

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance, Information & Computer Services, Corporate Asset Management

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ 3,165	\$ 3,550	\$ 500	\$ -	\$ 240	\$ 800
Debt - internal	3,398	1,743	830	144	127	411
Government transfers	788	5,716	14,093	6,139	2,501	1,630
Operations	782	790	1,094	1,096	18	91
Other	-	1,236	1,595	29	10	56
Proceeds from sale of assets	309	-	-	-	-	-
Reserves	4,026	6,833	2,212	2,628	5,751	4,974
TOTAL FINANCING	12,468	19,868	20,324	10,036	8,647	7,962
EXPENSES						
Buildings	4,150	5,323	16,736	7,151	3,553	856
Machinery and equipment	30	1,507	1,316	576	1,157	639
Mobile equipment	8,288	9,418	2,532	2,528	4,040	6,137
Major operating expenses	-	-	-	-	-	181
TOTAL EXPENSES	12,468	16,248	20,584	10,255	8,750	7,813
CHANGE IN CAPITAL FUND	\$ -	\$ 3,620	\$ (260)	\$ (219)	\$ (103)	\$ 149

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -
Debt - internal	-	1,376	448	27	88	3
Reserves	-	-	-	-	3	(17)
TOTAL FINANCING	-	1,376	948	27	91	(14)
EXPENSES						
Machinery and equipment	-	1,198	876	27	91	48
TOTAL EXPENSES	-	1,198	876	27	91	48
CHANGE IN CAPITAL FUND	\$ -	\$ 178	\$ 72	\$ -	\$ -	\$ (62)

INFORMATION & COMPUTER SERVICES

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ -	\$ 25	\$ 210	\$ 23	\$ 39	\$ 82
Reserves	-	-	-	(15)	(444)	-
Operations	30	38	29	275	2	-
TOTAL FINANCING	30	63	239	283	(403)	82
EXPENSES						
Machinery and equipment	30	63	239	45	133	92
TOTAL EXPENSES	30	63	239	45	133	92
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ 238	\$ (536)	\$ (10)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ 3,165	\$ 3,550	\$ -	\$ -	\$ 240	\$ 800
Debt - internal	3,398	342	172	94	-	326
Government transfers	788	5,716	14,093	6,139	2,501	1,630
Other	-	1,236	1,595	29	10	56
Operations	752	752	1,065	821	16	91
Proceeds from sale of assets	309	-	-	-	-	-
Reserves	4,026	6,833	2,212	2,643	6,192	4,991
TOTAL FINANCING	12,438	18,429	19,137	9,726	8,959	7,894
EXPENSES						
Buildings	4,150	5,323	16,736	7,151	3,553	856
Machinery and equipment	-	246	201	504	933	499
Mobile equipment	8,288	9,418	2,532	2,528	4,040	6,137
Major operating expenses	-	-	-	-	-	181
TOTAL EXPENSES	12,438	14,987	19,469	10,183	8,526	7,673
CHANGE IN CAPITAL FUND	\$ -	\$ 3,442	\$ (332)	\$ (457)	\$ 433	\$ 221

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ 448	\$ 1,082	\$ -	\$ -	\$ 419
Debt - ACFA	-	500	2,500	-	-	-
Debt - internal	1,010	597	1,341	97	-	850
Developers levies	-	4,928	236	100	266	629
Government transfers	6,052	14,814	10,024	20,705	12,961	8,067
Land sales	-	233	2,280	-	2,089	5,464
Operations	1,648	1,730	1,170	511	-	271
Other	-	-	4,451	-	-	-
Reserves	-	7,404	-	43	2,097	12
TOTAL FINANCING	8,710	30,654	23,084	21,456	17,413	15,712
EXPENSES						
Engineered structures	5,710	18,213	622	21,332	16,412	14,993
Buildings	3,000	2,813	20,858	34	37	29
Machinery and equipment	-	54	143	44	449	287
Land improvements	-	-	93	163	74	65
Land	-	-	-	89	114	756
Major operating expenses	-	-	-	7	1	-
TOTAL EXPENSES	8,710	21,080	21,716	21,669	17,087	16,130
CHANGE IN CAPITAL FUND	\$ -	\$ 9,574	\$ 1,368	\$ (213)	\$ 326	\$ (418)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ 69
Reserves	-	225	-	-	(28)	-
TOTAL FINANCING	-	225	15	-	(28)	69
EXPENSES						
Machinery and equipment	-	-	15	-	2	69
TOTAL EXPENSES	-	-	15	-	2	69
CHANGE IN CAPITAL FUND	\$ -	\$ 225	\$ -	\$ -	\$ (30)	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ 448	\$ 1,082	\$ -	\$ -	\$ 419
Debt - ACFA	-	500	2,500	-	-	-
Debt - internal	1,010	597	1,326	97	-	781
Developers levies	-	4,928	236	100	266	629
Government transfers	6,052	14,814	10,024	20,705	12,961	8,067
Land sales	-	233	2,280	-	2,089	5,464
Operating fund	1,648	1,730	1,170	511	-	271
Other	-	-	4,451	-	-	-
Reserves	-	7,179	-	43	2,125	12
TOTAL FINANCING	8,710	30,429	23,069	21,456	17,441	15,643
EXPENSES						
Engineered structures	5,710	18,213	622	21,332	16,412	14,993
Buildings	3,000	2,813	20,858	34	37	29
Machinery and equipment	-	54	128	44	447	218
Land improvements	-	-	93	163	74	65
Land	-	-	-	89	114	756
Major operating expenses	-	-	-	7	1	-
TOTAL EXPENSES	8,710	21,080	21,701	21,669	17,085	16,061
CHANGE IN CAPITAL FUND	\$ -	\$ 9,349	\$ 1,368	\$ (213)	\$ 356	\$ (418)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development, Parks, Fire Services, 9-1-1 Communications, Cultural Development, Emergency Management

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ 704	\$ 44	\$ 188	\$ 400	\$ 662
Debt - internal	902	850	449	204	-	1,713
Developers levies	-	358	-	-	1,334	23
Government transfers	2,872	8,427	7,284	1,943	3,176	1,841
Land sales	-	734	363	274	307	896
Operations	770	757	292	765	-	65
Other	1,045	5	902	138	343	-
Reserves	1,055	43,735	9,911	979	3,145	317
TOTAL FINANCING	6,644	55,570	19,245	4,491	8,705	5,517
EXPENSES						
Engineered structures	-	-	-	473	585	692
Buildings	3,945	49,240	15,254	1,165	1,215	524
Machinery and equipment	1,949	2,128	141	519	204	357
Land	-	-	-	602	982	158
Land improvements	750	4,675	4,234	2,134	4,687	3,460
Major operating expenses	-	-	-	-	76	4
TOTAL EXPENSES	6,644	56,043	19,629	4,893	7,749	5,195
CHANGE IN CAPITAL FUND	\$ -	\$ (473)	\$ (384)	\$ (402)	\$ 956	\$ 322

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 390	\$ 152	\$ -	\$ -	\$ -	\$ 132
Government transfers	-	1,012	688	1,212	647	43
Other	-	-	-	-	343	-
Reserves	-	685	-	667	(203)	(7)
TOTAL FINANCING	390	1,849	688	1,879	787	168
EXPENSES						
Engineered structures	-	-	-	146	-	-
Buildings	390	1,576	217	970	620	6
Machinery and equipment	-	273	22	-	162	169
Land	-	-	-	602	-	-
Land improvements	-	-	449	161	-	-
TOTAL EXPENSES	390	1,849	688	1,879	782	175
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ (7)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & OUTDOOR RECREATION

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ 704	\$ 44	\$ 188	\$ 400	\$ 662
Debt - internal	162	575	351	163	-	976
Developers levies	-	356	-	-	1,334	(34)
Government transfers	1,500	5,765	5,452	628	2,513	1,798
Land sales	-	734	363	274	307	896
Operations	750	737	200	700	-	-
Other	1,045	5	899	127	-	-
Reserves	1,055	43,058	9,911	352	2,729	324
TOTAL FINANCING	4,512	51,934	17,220	2,432	7,283	4,622
EXPENSES						
Engineered structures	-	-	-	327	585	692
Buildings	3,555	47,537	13,803	71	459	(51)
Machinery and equipment	207	182	15	-	40	87
Land	-	-	-	-	982	158
Land improvements	750	4,673	3,782	1,973	4,687	3,460
Major operating expenses	-	-	-	-	76	4
TOTAL EXPENSES	4,512	52,392	17,600	2,371	6,829	4,350
CHANGE IN CAPITAL FUND	\$ -	\$ (458)	\$ (380)	\$ 61	\$ 454	\$ 272

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

EMERGENCY MANAGEMENT

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Government transfers	\$ 1,372	\$ 1,372	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	1,372	1,372	-	-	-	-
EXPENSES						
Engineered Structures						
Machinery and equipment	1,372	1,372	-	-	-	-
TOTAL EXPENSES	1,372	1,372	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FIRE SERVICES

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ 41	\$ -	\$ 206
Operations	20	20	92	27	-	-
Reserves	-	(8)	-	-	450	-
TOTAL FINANCING	20	12	92	68	450	206
EXPENSES						
Buildings	-	-	92	-	-	194
Machinery and equipment	20	27	4	496	2	12
Major operating expenses	-	-	-	-	-	-
TOTAL EXPENSES	20	27	96	496	2	206
CHANGE IN CAPITAL FUND	\$ -	\$ (15)	\$ (4)	\$ (428)	\$ 448	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

9-1-1 COMMUNICATIONS

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 200	\$ 123	\$ 84	\$ -	\$ -	\$ 24
Operations	-	-	-	23	-	65
Government Transfers	-	278	1,144	-	-	-
TOTAL FINANCING	200	401	1,228	23	-	89
EXPENSES						
Buildings	-	127	1,142	-	-	-
Machinery and equipment	200	274	86	23	-	89
TOTAL EXPENSES	200	401	1,228	23	-	89
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CULTURAL DEVELOPMENT

Public Services

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 150	\$ -	\$ 14	\$ -	\$ -	\$ 375
Operating	-	-	-	15	-	-
Government transfers	-	-	-	103	16	-
Other	-	-	-	11	-	-
Third Party Contribution	-	2	3	-	-	57
Reserves	-	-	-	(40)	169	-
TOTAL FINANCING	150	2	17	89	185	432
EXPENSES						
Buildings	-	-	-	124	136	375
Machinery and equipment	150	-	14	-	-	-
Land improvements	-	2	3	-	-	-
TOTAL EXPENSES	150	2	17	124	136	375
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (35)	\$ 49	\$ 57

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

POLICE SERVICE

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - internal	\$ 100	\$ 132	\$ 26	\$ -	\$ -	\$ 7
Operating fund	-	-	77	83	35	82
Third Party Contribution	-	60	-	-	-	-
Reserves	-	(26)	-	(5)	-	-
TOTAL FINANCING	100	166	103	78	35	89
EXPENSES						
Engineered Structures						
Buildings	-	60	-	-	-	-
Machinery and equipment	100	133	77	92	21	89
TOTAL EXPENSES	100	193	77	92	21	89
CHANGE IN CAPITAL FUND	\$ -	\$ (27)	\$ 26	\$ (14)	\$ 14	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ 3,281	\$ 3,460	\$ 3,300	\$ 1,150	\$ 2,250	\$ 1,350
Developers levies	491	642	504	194	225	321
Government transfers	-	-	-	178	-	128
Land Sales	221	-	12	-	-	-
Operations	2,610	1,970	541	2,108	(915)	2,062
Other	-	65	(143)	(292)	83	(121)
Reserves	32,703	11,727	16,703	57,318	32,051	15,856
TOTAL FINANCING	39,306	17,864	20,917	60,656	33,694	19,596
EXPENSES						
Engineered structures	36,694	18,471	19,265	67,855	35,926	28,286
Machinery and equipment	2,612	2,768	2,475	196	307	371
Major operating expenses	-	-	-	322	-	-
TOTAL EXPENSES	39,306	21,239	21,740	68,373	36,233	28,657
CHANGE IN CAPITAL FUND	\$ -	\$ (3,375)	\$ (823)	\$ (7,717)	\$ (2,539)	\$ (9,061)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ 14,400	\$ 8,792	\$ 4,545	\$ 3,724	\$ 1,608	\$ 4,469
Debt - internal	-	-	-	-	-	4
Developers levies	739	2,692	1,123	434	827	457
Government transfers	-	-	5,040	902	395	-
Land Sales	300	62	65	-	-	417
Operations	2,430	4,359	3,322	3,038	486	775
Other	-	(3,287)	1,395	301	(19)	186
Reserves	10,812	11,924	2,943	13,824	7,140	3,972
TOTAL FINANCING	28,681	24,542	18,433	22,223	10,437	10,280
EXPENSES						
Engineered structures	17,741	18,473	13,464	3,858	10,521	10,446
Buildings	9,989	1,844	300	947	27	730
Machinery and equipment	798	3,018	3,381	3,191	290	593
Land improvements	153	(171)	497	191	84	304
Land	-	555	-	-	-	-
TOTAL EXPENSES	28,681	23,719	17,642	8,187	10,922	12,073
CHANGE IN CAPITAL FUND	\$ -	\$ 823	\$ 791	\$ 14,036	\$ (485)	\$ (1,793)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ENERGY SUSTAINABILITY

No Capital

WATER

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10)
Debt - ACFA	6,300	14,760	12,175	4,560	3,114	3,215
Debt - internal	-	-	-	-	-	15
Developers levies	-	1,106	-	-	-	-
Government transfers	-	1,887	86	30	459	710
Land sales	-	186	583	-	16	195
Operations	300	300	300	374	(358)	2,847
Other	-	(1,106)	15	-	236	-
TOTAL FINANCING	6,600	17,133	13,159	4,964	3,467	6,972
EXPENSES						
Engineered structures	6,300	11,949	11,230	4,638	3,215	3,346
Buildings	-	18	536	961	28	1,317
Machinery and equipment	300	3,175	3,994	(420)	699	88
Land improvements	-	-	-	-	-	29
Land	-	-	-	-	14	-
TOTAL EXPENSES	6,600	15,142	15,760	5,179	3,956	4,780
CHANGE IN CAPITAL FUND	\$ -	\$ 1,991	\$ (2,601)	\$ (215)	\$ (489)	\$ 2,192

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22
Debt - ACFA	8,700	7,400	1,870	6,510	3,716	5,490
Government transfers	-	180	15	(229)	776	13
Land sales	-	184	454	-	16	306
Operations	100	95	201	254	76	(987)
TOTAL FINANCING	8,800	7,859	2,540	6,535	4,584	4,844
EXPENSES						
Engineered structures	8,700	4,865	4,413	3,254	5,382	1,449
Buildings	-	18	787	961	28	1,317
Machinery and equipment	100	110	-	-	100	99
TOTAL EXPENSES	8,800	4,993	5,200	4,215	5,510	2,865
CHANGE IN CAPITAL FUND	\$ -	\$ 2,866	\$ (2,660)	\$ 2,320	\$ (926)	\$ 1,979

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Debt - ACFA	\$ 650	\$ -	\$ -	\$ 280	\$ 500	\$ 320
Debt - infrastructure		414		-	-	-
Operations	-	-	832	450	(24)	(1,184)
TOTAL FINANCING	650	414	832	730	476	(864)
EXPENSES						
Engineered structures	650	-	-	(6)	6	2
Buildings	-	541	119	192	191	293
Machinery and equipment	-	222	-	26	534	369
Land improvement	-	408	138	61	472	20
TOTAL EXPENSES	650	1,171	257	273	1,203	684
CHANGE IN CAPITAL FUND	\$ -	\$ (757)	\$ 575	\$ 457	\$ (727)	\$ (1,548)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2010 - 2014

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & PROPERTIES

	2014 Budget	2014 Actual	2013	2012	2011	2010
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 337	\$ 492
Government transfers	-	-	-	-	-	107
Operations	9,000	(129)	1,409	750	1,658	325
TOTAL FINANCING	9,000	(129)	1,409	750	1,995	924
EXPENSES						
Engineered structures	-	-	-	16	540	361
Buildings	-	-	-	-	515	177
Machinery & Equipment	-	16	-	-	-	-
Land improvements	-	-	-	-	-	61
Land	9,000	1,133	74	68	497	10
TOTAL EXPENSES	9,000	1,149	74	84	1,552	609
CHANGE IN CAPITAL FUND	\$ -	\$ (1,278)	\$ 1,335	\$ 666	\$ 443	\$ 315

The above represents actual transactions before consolidation eliminations.

OUR VISION

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

OUR MISSION

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

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

OUR VALUES

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

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



Medicine Hat
The Gas City