



2010

CITY OF MEDICINE HAT **FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2010

City of Medicine Hat, Alberta Canada
2010 FINANCIAL REPORT
For the Year Ended December 31, 2010

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

CITY HALL

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



Medicine Hat Population 61,097

Land Area, Square Kilometers 112



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2010 Outgoing City Council

Served November 2007 thru October 2010



(L to R) **Back Row:** Alderman Ted Clugston, Alderman Ty Schneider, Mayor Normand Boucher, Alderman Graham Kelly, Alderman Robert Dumanowski, Alderman Jeremy Thompson

(L to R) **Front Row:** Alderman Jamie White, Alderman Julie Friesen, Alderman John Hamill

City council consists of a Mayor and eight Aldermen. Council is responsible for developing and evaluating the policies and programs of the municipality, and delegating the responsibility for carrying out those policies to Administration. The public is encouraged to attend regular Council meetings, which are held on the first and third Mondays of each month at City Hall.

City Council

Elected October 2010



(L to R) **Back Row:** Alderman Wayne Craven, Alderman Les Pearson, Alderman John Hamill
Alderman Graham Kelly,

(L to R) **Front Row:** Alderman Robert Dumanowski, Alderman Jeremy Thompson,
Mayor Norm Boucher, Alderman Ted Clugston, Alderman Phil Turnbull

STANDING COMMITTEES

Audit Committee

Alderman R. Dumanowski, Chair
Alderman P. Turnbull, Vice Chair
Alderman G. Kelly

Corporate Services Committee

Alderman W. Craven, Chair
Alderman T. Clugston, Vice Chair
Alderman J. Thompson

Development and Infrastructure Committee

Alderman J. Hamill, Chair
Alderman W. Craven, Vice Chair
Alderman T. Clugston

Energy Committee

Alderman T. Clugston, Chair
Alderman P. Turnbull, Vice Chair
Alderman J. Thompson

Public Services Committee

Alderman G. Kelly, Chair
Alderman L. Pearson, Vice Chair
Alderman R. Dumanowski

Administrative Committee

R. Barnard, Chief Administrative Officer - Municipal Services, Chair
G. Labas, Chief Operating Officer - Energy Services, Vice-Chair
R. Webb, Public Services Commissioner
A. Bizio, Corporate Services Commissioner
A. Khan, Development & Infrastructure Commissioner
J. Hughes, City Solicitor
D. Leflar, City Clerk
Mayor N. Boucher

SPECIAL COMMITTEES

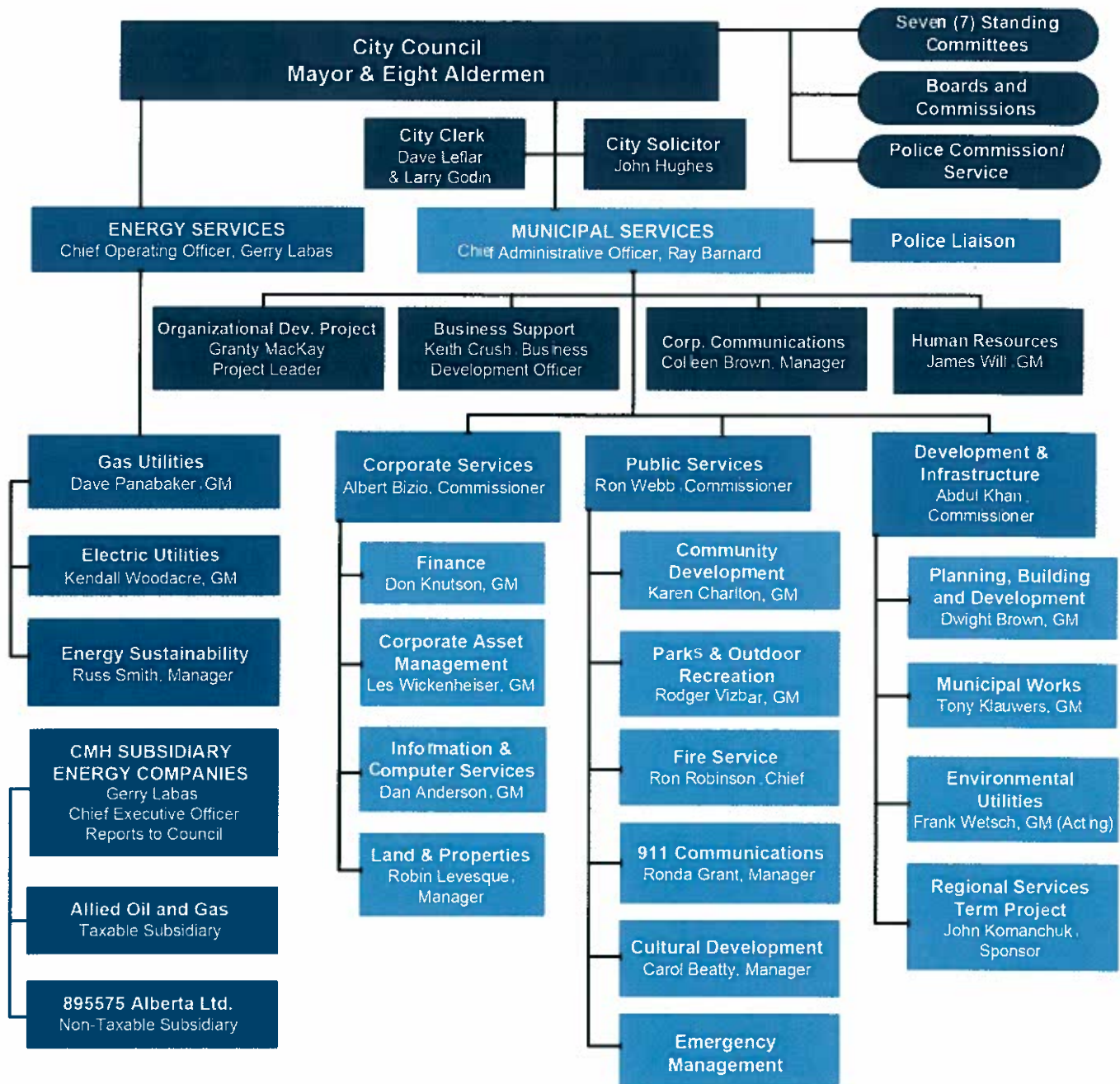
Event Centre Committee

Alderman J. Thompson, Chair
Alderman W. Craven, Vice Chair
Mayor N. Boucher

CCDA Downtown Planning Committee

Alderman R. Dumanowski, Chair

Organizational Structure



Treasurer's Report



Treasurer's Report

For the year ending December 31, 2010

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2010.

The City is responsible for both the accuracy of the data and the 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 of Medicine Hat for the fiscal year ended December 31, 2010. Administration strives to ensure that this report presents fairly the financial position of the City of Medicine Hat. The report compares how financial resources were used against budgets and past financial performance. The 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 Statement Discussion and Analysis - Presents a review of the City of Medicine Hat's financial activities and position for the fiscal year ended December 31, 2010. 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 2009 and 2008 restated for changes in accounting policy, and budget comparisons for operations.
- Financial and Statistical Schedules (unaudited) - Presents a variety of statistical and financial information on a multi-year comparative basis.

Canadian Award for Financial Reporting

Presented to

City of Medicine Hat
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units whose annual financial reports achieve the highest program standards for Canadian Government accounting and financial reporting.




President


Executive Director



Albert Bizio,
Corporate Services
Commissioner

April 6, 2011



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, 2009, the seventh 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 has kept pace with the growth in the community and the demand for services from residents. This has been accomplished through implementation of technology and equipment to more effectively utilize resources while maintaining officer and public safety. Continued training and development of the Police Service personnel maintains a sufficient level of expertise to enhance organizational strength. Funding to Police Service has continued to increase to ensure that the needs of the public are met.

The goal of Fire Services is to provide effective life and property protection to the community through the delivery of community inspection, education and safety programs, preplanning for disasters and emergencies, and to rapid response to fire and rescue emergencies, as well as natural or man-made disasters. Fire Services continues to monitor growth patterns and recommends changes or 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 our community 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 911 Communications Centre became the first Tri-Accredited (Fire, Police and Medical) center of excellence in the world, and in both 2009 and 2010 was one of only two Tri-Accredited centers in the world.

(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 in a secure methodology. 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 that focus 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. Effective for the 2009 – 2013 planning period, City Council has approved the adoption of a three year operating and capital budget with a two 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 expenditures for the planning periods that will be required to deliver City services.

A five-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 2009 - 2011 budget period, the City has 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 re-appointed KPMG LLP, as the external auditor for 2010 with the option of renewing for an additional four years (through to 2014).

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.

(d) Financial Report

The financial report contains the audited financial statements consistent with principles and standards for financial reporting established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, as required by the Alberta Municipal Government Act. In addition, it serves as an opportunity to communicate with taxpayers and other members of the public regarding the City's financial performance and significant financial events in 2010.

Financial statements in the public sector serve as a central feature of reporting and assessing the management of public financial affairs. They report the municipality's actual financial activities, in comparison to planned activities and the resulting financial condition of the municipality. They are only one factor in determining the financial condition of a government and do not replace a variety of other reports that are prepared. The financial statements serve as a means by which a

municipality provides a report of its administration of public funds and presents information that is useful in evaluating the municipality's financial condition at the end of a year and its financial performance through the year.

The information in this financial report is the responsibility of management.

City Council carries out its responsibility for the Consolidated Financial Statements through the Audit Committee.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

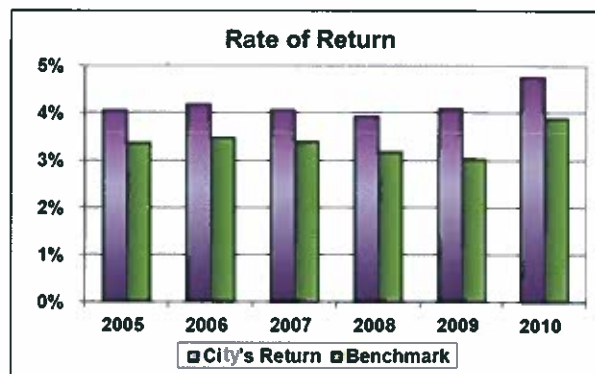
(a) Overview

Overall, the financial results for 2010 are:

- Total Financial Assets increased \$48.0 million from \$465.0 million in 2009 to \$513.0 million in 2010. This increase is primarily the result of an increase of \$62.2 million in cash and investments primarily due to cash from operating activities exceeding cash spent on capital by \$61.9 million primarily in the Gas Utility.
- Tangible Capital Assets decreased \$14.8 million. This decrease is primarily related to \$12.5 million from the disposal of a combustion turbine in Electric, and \$5.0 million for the disposal of Electric distribution infrastructure. There was a disposal of \$4.8 million of Tax Supported assets including Fleet disposals of \$2.6 million, the disposal of the Ambulance Building of \$0.9 million and the disposal of roadworks and bridges of \$0.8 million. This decrease was offset by the acquisition of assets including \$7.3 million for new roads and upgrades to existing roads and bridge rehabilitation, \$1.5 million in Parks infrastructure, \$4.6 million for building and equipment infrastructures, \$6.2 million for mobile equipment, an additional \$3.4 million for the completion of construction of the LM6000 combustion turbine #15, \$4.5 million for the substantial completion of the power boiler, \$1.2 million for the new administration building at the power plant, and \$8.3 million for improvements to water and sewer systems, upgrades to the water and waste water treatment plants, acquisition of a new environmental utilities building and the automated residential cart system. Additionally, the Natural Gas & Petroleum Resources capital program for 2010 was \$27.3 million. These increases were offset by amortization expense of \$91.3 million.
- Total Liabilities increased \$14.4 million in 2010. Deferred Revenue increased \$18.0 million primarily due to an increase in deferred grant revenue by \$17.7 million.
- Total Long Term Debt decreased \$1.2 million in 2010. For tax supported activities, long term debt decreased \$2.1 million. During 2010 the City borrowed \$15.6 million, including \$3.0 million related to the power boiler; \$1.1 million

related to the new administration building at the power plant, \$1.4 million related to gas main replacements and regulating stations, \$9.0 million related to Environmental Utilities activities including \$3.2 million for the environmental utilities building, \$2.1 million for expansions and upgrades of the water and wastewater treatment plants and \$2.8 million for lift station upgrades. Principal in the amount of \$16.8 million was repaid. Of this repayment, \$3.1 million relates to tax supported debentures while the balance relates to utilities.

- During 2010 tax supported debt per capita decreased from \$482 to \$448, Utilities supported debt per capital increased from \$3,057 to \$3,072.
- Excess of revenues over expenses were \$11.0 million compared to a budget of \$82.9 million. Gas Production sales were \$87.3 million below budget as a result of the average sales price being 26 per cent below budget (\$3.81 / Gigajoule (GJ) actual vs. \$5.17 / GJ budget), offset by a 12 per cent sales volume improvement (24.4 Billion Cubic Feet (BCF) vs. 21.7 BCF budgeted) due to a more gradual decline in production rates than expected.
- The City of Medicine Hat's investment return for the year ended December 31, 2010 averaged 4.76 per cent outperforming the DEX (formerly ScotiaMcLeod) Universe Bond benchmark index of 3.89 per cent. The City's average portfolio return has outperformed the stated benchmark the last six years.

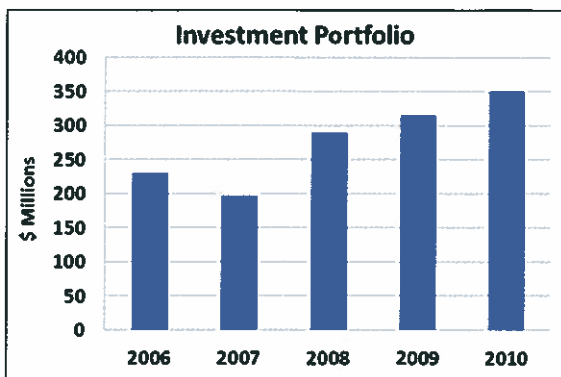


(b) Consolidated Statement of Financial Position

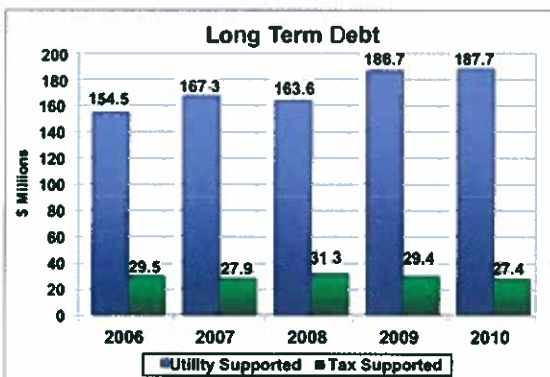
The Consolidated Statement of Financial Position reports the financial and non-financial assets of the City. The difference between the total financial assets and total liabilities are the Net Financial Assets. This figure provides the reader with an indicator of financial flexibility and of the City's future revenue requirements to finance activities and meet financial commitments. The non-financial assets of the City are assets that are, by nature, normally used in service provision and include purchased, constructed or developed physical assets, inventories for consumption, prepaid expenses, and land held for future development.

In 2010 the Net Financial Asset position increased \$33.7 million from \$41.0 million in 2009 to \$74.7

million in 2010. Investments, Loans and Advances increased \$38.1 million from 2009, of which \$35.6 million related specifically to the investment portfolio. These increases are primarily the result of net earnings and activities of the Energy Division.



Other Long Term Liabilities increased \$3.6 million. Half of this increase is due to the increase in the Gas Asset Retirement Obligation due to changes in cost estimates. The total liability for the Gas Asset Retirement Obligation at the end of 2010 is \$106.2 million. This obligation is related to liabilities associated with the future retirement of tangible long-lived petroleum and natural gas assets resulting from the acquisition, construction, development and normal use of petroleum and natural gas assets.



During 2010 total Long Term Debt decreased \$1.2 million to \$215.0 million as a result of repayments exceeding new borrowings. Total debt principal repayments were \$16.8 million and new debt was \$15.6 million. \$9.0 million was for improvements to environmental utility assets, \$4.5 million was related to Electric's assets and \$1.4 million was for Gas.

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. The City's 2010 debt levels are as follows:

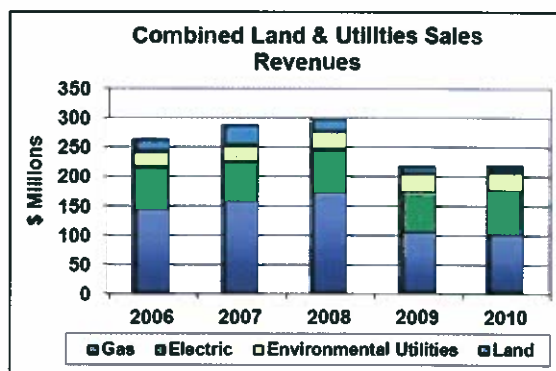
Total Debt Limit	657.9	
Actual Debt (long & short term)	217.4	
Amount Under Limit	440.5	67%
Debt Servicing Limit	115.1	
Actual Debt Servicing	28.9	
Amount Under Limit	86.2	75%

Total Non-Financial Assets decreased by \$22.7 million, primarily as a result of \$91.3 million in amortization of tangible capital assets as well as the disposal of \$25.8 million of assets and related amortization of \$23.6 million. New assets that were acquired during the year totaled \$78.8 million. Long Lived Assets decreased by \$7.5 million primarily due to changes in estimated future abandonment expenses.

(c) Consolidated Statement of Operations

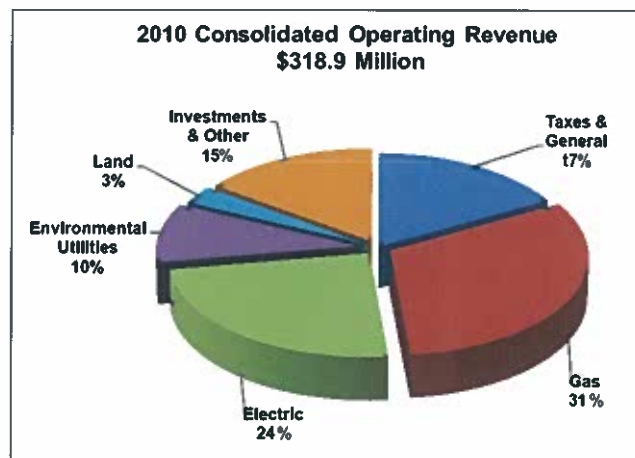
The Consolidated Statement of Operations reports the extent to which revenues raised in 2010 were sufficient to meet current year operating expenses.

The excess of revenues over expenses for 2010 were \$11 million compared to a budget of \$82.9 million. Of the total consolidated operating revenue of \$318.9 million, 68 per cent was derived from the sale of goods and services by Gas, Electric, Water, Sewer, Solid Waste and Land and Properties. Much of the revenue generated by Gas and Electric operations was achieved through sales of natural gas and electricity to external and local markets. Net municipal taxes provided \$44.4 million.



Prudent operations of the City's Utilities have allowed the City to maintain attractive rates for its customers. At the same time, the City has been able to direct dividends from the Utilities to offset annual requirements for property taxes. During 2007, City Council approved an Energy Division Dividend Policy. The City of Medicine Hat expects a dividend from its Energy Division business units that is fair and equitable. The Dividend Policy enables the energy utilities the opportunity to ensure long term financial sustainability and guarantees an annual fixed cash flow to the tax side of the corporation to offset property taxes.

(i) Revenues



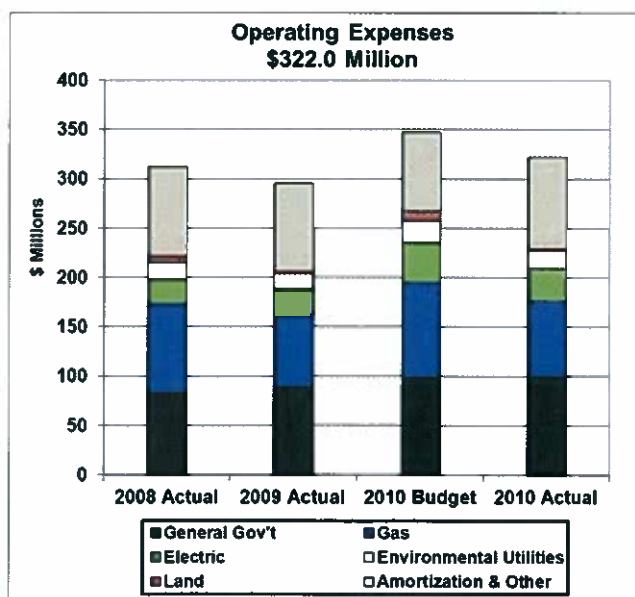
Revenues from taxes and general government operations of \$53.7 million were in line with the budget of \$54.1 million.

The Gas Utility sales revenue was \$100.9 million against a budget of \$172.1 million. The average natural gas sales price was \$3.81 / GJ compared to a budget of \$5.17 / GJ, a decrease of 26 per cent. Sales volume was 12 per cent above budget at 24.4 million BCF's due to a more gradual decline in production rates than expected.

The Electric Utility reported sales of \$76.1 million, against a budget of \$103.7 million as electric commodity prices in the market were 21.4 per cent lower than budgeted, and total volume was 1.3 per cent lower than budget.

Environmental Utilities (Water, Sewer, Solid Waste) considered as a whole, reported sales revenues of \$30.9 million against a budget of \$32.7 million as volumes were less than expected due to 2010 weather conditions. Land and Properties reported \$9.6 million in sales revenue compared to a budget of \$14.1 million primarily due to a decrease in residential lot sales.

(ii) Expenses

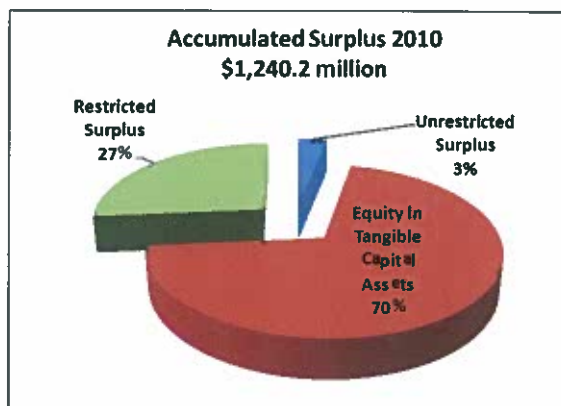


Expenses for General Government operations increased by \$11.5 million over 2009, and were \$0.4 million lower than budget. Wages and Benefits increased by \$5.4 million over 2009 due to new positions required to meet growth demands in the community and contract settlements. Expenses for the Gas Utility were \$32.0 million lower than budget as a result of decreased gas purchases due to lower gas price and decreased royalty expenses as a result of lower gas prices.

Expenses for Land and Subdivision Development were less than the budget by \$7.4 million due to the slow down in subdivision development.

(iii) 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 2010 the consolidated fund and equity balances increased by \$11.0 million to \$1,240.2 million. The increase is primarily a result of the earnings and activities of the Energy Division. Of the total \$1,240.2 million in accumulated surplus, only \$39.3 million is unrestricted.



\$22.7 million is set aside for previously approved capital expenditures that were incomplete at year end. \$306.1 million is set aside for future capital expenditures in various reserves. There are six major reserves: the Gas Depletion Reserve (\$192 million), which is intended for future acquiring, exploring for and developing natural gas reserves; the Electric Facility and Equipment Reserve (\$23.2 million), which is to provide funding for replacement of depreciated assets and investment in new Electric Utility assets; the Natures Best Reserve (\$4.3 million), for investment in alternative energy and education; the Community Capital Reserve (\$47.6 million), for funding of tax side community facilities and equipment; the Fleet Replacement Reserve (\$4.0 million), and the Infrastructure Reserve (\$25.7 million). The last two reserves are used to fund fleet purchases and future municipal infrastructure improvements, thereby reducing debenture-borrowing requirements.

The remaining \$872.1 million of accumulated surplus is the City's equity in its physical assets.

(d) Consolidated Statement of Change in Net Financial Assets

The Consolidated Statement of Change in Net Financial Assets provides a summary of the sources, allocation and consumption of the resources administered by the City in the period. This information is useful in gaining an understanding of and assessing the City's financial resource requirements. The statement informs users about the extent to which financial assets were required from current operations to pay for non-financial assets such as acquisition of tangible capital assets and activities related to inventories, pre-paid expenses and land held for future development.

The increase in Net Financial Assets over 2009 was \$33.7 million, and compares to a budgeted increase of \$103.6 million. Excess of revenues over expenses for 2010 were \$11.0 million compared to a budget of \$82.9 million. During the year the City acquired \$78.8 million of tangible capital assets compared to a budget of \$59.4 million. Amortization expense for 2010 was \$91.3 million, an increase of \$11.3 million over budget primarily due to increased natural gas production volume compared to budget, the Unit 15 LM6000 combustion turbine being capitalized a year ahead of original expectations, and a change in expected life of Unit 14 LM6000 combustion turbine engine from 20 years to 7 years.

(e) Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows provides information of the sources and uses of cash during the period. In 2010, operating activities generated \$130.7 million in cash flow, compared to \$159.2 million in 2009. The reduction from 2009 is primarily a result of lower natural gas prices and lower electric commodity prices in the utilities.

Cash used by capital activities was \$68.8 million compared to \$133.7 million in 2009. The significant capital expenses in 2010: \$7.3 million for roads in new subdivisions, upgrades to existing roads and bridge rehabilitation; \$1.5 million for Park infrastructure, \$4.6 million for building and equipment infrastructures, 6.2 million for mobile equipment; an additional \$3.4 million for the completion of construction of the LM6000 combustion turbine #15; \$4.5 million for the substantial completion of the power boiler; \$1.2 million for the new administration building at the power plant; and \$8.3 million for improvements to water, sewer and solid waste systems. Additionally, the Natural Gas & Petroleum Resources capital program for 2010 was \$27.3 million.

Cash used by investing activities was \$54.3 million during the year compared to \$39.4 million in 2009. This is a result of the cash remaining for investing after operating, capital, and financing activities during the year.

Cash applied to financing activities was \$1.2 million in 2010 compared to \$19.3 million of cash provided for financing activities in 2009. Debt issued in 2010 was \$15.6 million including \$3.0 million related to

the power boiler; \$1.1 million related to the new administration building at the power plant, and \$1.4 million related to gas main replacements and gas regulating stations, and \$9.0 million for the acquisition of water, sewer, and solid waste capital improvements. Debt principal repaid in 2010 totaled \$16.8 million compared to \$20.4 million in 2009.

As a result, cash and equivalents at the end of the year increased by \$6.5 million from 2009.

(f) Consolidated Schedule of Tangible Capital Assets Schedule 1

The Consolidated Schedule of Tangible Capital Assets details the changes in cost, accumulated amortization, and net book value of the capital assets for 2010. Although the City acquired tangible capital assets of \$78.8 million during the year, the net book value of tangible capital assets decreased \$14.8 million in 2010. This net decrease is specifically related to the disposal of assets and net 2010 amortization costs.

The total tangible capital assets at the beginning of the year was \$2,109.6 million. During 2010, there were net capital acquisitions of \$52.9 million resulting in total tangible capital assets at the end of 2010 of \$2,162.5 million.

Of the additions during 2010, \$4.9 million was spent on Land and Land Improvements, \$5.2 million was spent on buildings, \$33.2 million was spent on engineered structures, \$2.9 million was spent on machinery and equipment, \$6.1 million was spent on vehicles, and \$26.4 million was spent on Oil and Gas capital projects. The gross value of assets disposed or written down during the year was \$25.8 million.

Accumulated amortization at the beginning of the year was \$1,007.7 million. The City follows a policy whereby tangible capital assets are amortized based on their approximate remaining useful lives. During the year, total amortization expense was \$91.3 million and accumulated amortization on assets disposed was \$23.6 million resulting in accumulated amortization at the end of 2010 of \$1,075.4 million.

Over the next several years, City Council's priorities regarding sustainable utilities and sound infrastructure will require continued investment. The 2009 – 2013 Capital Improvement Plan calls for several major expenses. The energy division has budgeted \$122.0 million in capital expenses in 2011, including \$102.3 million budgeted for Natural Gas and Petroleum Resources. The environmental utilities departments have budgeted \$33.9 million in 2011 on improvements to the water, sewer, and solid waste systems including \$30.0 million budgeted for upgrades to the water treatment plant – residuals treatment facility. The Land department did not budget for subdivision development in 2011. Also included in the capital budget for 2011 is \$5.2 million in fleet upgrades, \$1.6 million in building and equipment upgrades, \$9.7 million for road infrastructure, \$2.6 million for parks and trails.

(g) Consolidated Taxes Levied Schedule 2

The Consolidated Taxes Levied Schedule details total taxes received from all sources and the amount of requisitions collected on behalf of the School Districts, Cypress View Foundation and Business Exchange Levies. Net taxes for 2010 were \$44.4 million as compared to a budget of \$45.2 million.

(h) Consolidated Schedule of Government Transfers Schedule 3

The Consolidated Schedule Government Transfers details the total government transfers received for operating and capital activities.

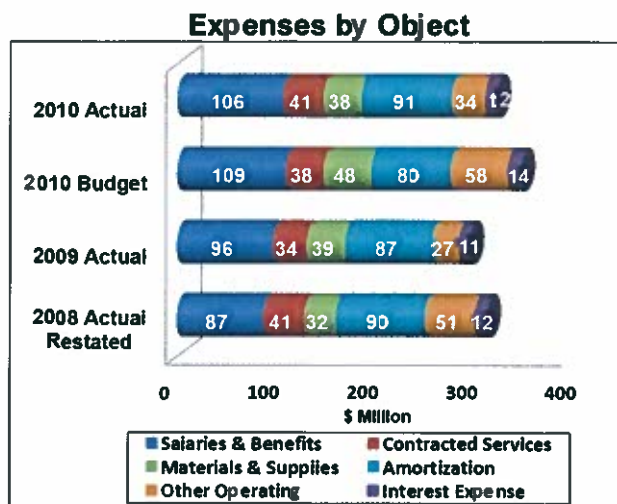
In 2010, the City received \$18.6 million in Government Grants. Of this amount, \$6.1 million was for operating activities and \$12.5 million was designated for capital activities. Some of the notable conditional transfers were Alberta Disaster Recovery as a result of damages incurred during the 2010 flood events, \$5.1 million, Alberta Municipal Infrastructure Program, \$3.1 million; the Basic Capital Grant for Transportation, \$3.8 million; Family and Community Support Services, \$1.3 million; the Police Assistance and Enforcement Grants, \$1.4 million, the Municipal Sustainability Initiative (operating and capital), \$1.7 million, Infrastructure Stimulus Fund, \$0.7 million, and the Recreational Infrastructure Canada Program, \$0.4 million.

(i) Schedule of Segment Disclosure Schedule 4

Consolidated Schedule of Segment Disclosures – Schedule 4 has been prepared in accordance with PSAB Handbook Section 2700 (PS2700) Segment Disclosures. Segment disclosures provide a clearer understanding of the major revenue and expense activities of the City by the different reporting divisions.

(ii) Consolidated Expenses by Object Schedule 5

The Consolidated Expenses by Object Schedule details 2010 actual (\$322.0 million) and budgeted (\$347.3 million) expenses by type and reconciles to the total expenses shown on the Consolidated Statement of Operations.



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 6, 2011

CONSOLIDATED
Statement of Financial Position
As at December 31, 2010 (in thousands of dollars)

	2010	2009	2008 Restated (Note 2)
Financial assets			
Cash and temporary investments (Note 3)	\$ 62,586	\$ 38,447	\$ 26,582
Accounts receivable (net of allowances) (Note 4)	41,933	45,659	48,085
Advances to subsidiary (Note 5)	13,419	14,911	15,945
Investments, loans & advances (Note 6)	381,630	343,547	309,604
Land held for resale	13,020	13,823	14,225
Inventories for resale (Note 7)	175	160	4,646
Deposits (Note 8)	348	8,445	3,461
Total financial assets	513,111	464,992	422,548
Liabilities			
Bank indebtedness	-	-	2,188
Trade accounts payable	21,344	24,042	19,888
Accrued liabilities (Note 9)	19,010	20,344	21,898
Liability in subsidiary (Note 10)	2,114	4,113	4,853
Deferred revenue (Note 11)	55,655	37,694	34,786
Long term debt - Alberta Capital Finance Authority (Note 13)	215,033	215,920	194,443
Other long term debt (Note 13, 14)	-	269	270
Other long term liabilities (Note 15)	125,236	121,617	91,348
Total liabilities	438,392	423,999	369,674
Net financial assets	74,719	40,993	52,874
Non-financial assets			
Inventories for consumption	15,023	16,558	17,069
Prepaid assets	1,906	1,614	1,388
Land held for future development (Note 16)	8,904	8,070	7,837
Long lived assets	52,563	60,085	36,804
Tangible capital assets (Schedule 1) (Note 17)	1,087,097	1,101,874	1,073,369
Total non-financial assets	1,165,493	1,188,201	1,136,467
Accumulated surplus (Note 18)	\$ 1,240,212	\$ 1,229,194	\$ 1,189,341

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, 2010 (in thousands of dollars)

	2010 Budget (Unaudited)	2010	2009	2008 Restated (Note 2)
Excess (shortfall) of revenues over expenses	\$ 82,928	\$ 11,018	\$ 39,853	\$ 114,639
Acquisition of tangible capital assets	(30,993)	(77,181)	(110,697)	(104,657)
Contributed tangible capital assets	(28,402)	(1,585)	(6,019)	(9,868)
Amortization of tangible capital assets	80,019	91,311	87,454	89,695
Loss on disposal of tangible capital assets	-	1,396	442	613
Proceeds from sale of tangible capital assets	-	836	314	720
	103,552	25,795	11,347	91,142
Acquisition of inventories and supplies	-	(5,488)	(6,159)	(8,997)
Acquisition of land held for future development	-	(834)	(233)	(336)
Acquisition of prepaid assets	-	(3,113)	(2,802)	(2,966)
Decrease (increase) in long lived assets	-	7,522	(23,281)	6,718
Consumption of inventories and supplies	-	7,023	6,671	7,425
Use of prepaid assets	-	2,821	2,576	2,609
	-	7,931	(23,228)	4,453
Increase (decrease) in net financial assets	103,552	33,726	(11,881)	95,595
Net financial assets (debt), beginning of year	40,993	40,993	52,874	(42,721)
Net financial assets, end of year	\$ 144,545	\$ 74,719	\$ 40,993	\$ 52,874

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

CONSOLIDATED
Statement of Operations
For the year ended December 31, 2010 (in thousands of dollars)

	2010 Budget (Unaudited)	2010	2009	2008 Restated (Note 2)
Revenue				
Net municipal taxes (Schedule 2)	\$ 45,179	\$ 44,428	\$ 41,769	\$ 38,853
Sale of services				
General Government	8,930	9,237	8,240	7,932
Gas	172,145	100,858	104,662	171,152
Electric	103,739	76,109	69,993	77,978
Water	13,834	12,549	13,205	11,587
Sewer	11,200	10,750	10,080	9,964
Solid Waste	7,625	7,589	7,557	6,760
Land and Properties	14,090	9,566	11,480	18,286
Other income				
Investment income	15,574	14,792	13,365	11,426
Investment in subsidiary (Note 10)	100	1,999	740	1,352
Licenses, fines and penalties	6,601	6,126	5,905	6,842
Insurance recovery	84	755	189	248
Development levies	2,005	1,430	1,966	3,194
Charitable gifts (Note 10)	-	2,500	2,000	4,000
Government transfers for operating (Schedule 3)	4,734	6,075	4,795	4,362
Other	-	14,171	11,680	20,566
Total revenue	405,840	318,934	307,626	394,502
Expenses (Schedule 4 and Schedule 5)				
General Government	120,411	118,618	107,079	98,893
Gas	140,796	122,340	122,940	147,933
Electric	54,051	53,682	41,289	36,224
Energy Sustainability	223	1,967	921	659
Water	10,221	9,413	8,410	8,941
Sewer	8,831	8,914	8,257	8,538
Solid Waste	5,850	4,931	3,993	5,190
Land and Properties	9,509	2,151	2,254	5,945
Total expenses	349,892	322,016	295,143	312,323
Excess (shortfall) of revenue over expenses				
- before other	55,948	(3,082)	12,483	82,179
Other				
Contributed assets	955	1,585	6,019	9,868
Government transfers for capital (Schedule 3)	26,025	12,515	21,351	22,592
Total other	26,980	14,100	27,370	32,460
Excess of revenue over expenses	82,928	11,018	39,853	114,639
Accumulated surplus, beginning of year	1,229,194	1,229,194	1,189,341	1,074,702
Accumulated surplus, end of year	\$1,312,122	\$1,240,212	\$1,229,194	\$1,189,341

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2010 (in thousands of dollars)

	2010	2009	2008 Restated (Note 2)
Net inflow (outflow) of cash related to the following activities:			
Operating			
Excess of revenues over expenses	\$ 11,018	\$ 39,853	\$ 114,639
Non-cash items included in excess (shortfall) of revenues over expenses:			
Amortization of tangible capital assets	91,311	87,454	89,695
Loss on disposal of tangible capital assets	1,396	442	613
Developers contribution of tangible capital assets	(1,585)	(6,019)	(9,868)
Income from subsidiary	(1,999)	(740)	(1,352)
Non-cash changes to operations (net change):			
Decrease (increase) in accounts receivable	3,726	2,426	(544)
Decrease (increase) in inventories for resale	(15)	4,486	(2,058)
Decrease (increase) in land held for resale	803	402	(2,549)
Decrease (increase) in land held for future development	(834)	(233)	(336)
Decrease (increase) in inventories for consumption	1,535	511	(1,572)
Decrease (increase) in deposits	8,097	(4,984)	(1,541)
Decrease (increase) in prepaid assets	(292)	(226)	(357)
Increase (decrease) in accounts payable and accrued liabilities	(4,032)	2,600	(2,218)
Increase (decrease) in deferred revenue	17,961	2,908	15,166
Increase (decrease) in other long term liabilities	3,619	30,270	6,564
Cash provided by operating transactions	130,709	159,150	204,282
Capital			
Acquisition of tangible capital assets	(77,181)	(110,697)	(104,657)
Proceeds from sale of tangible capital assets	836	314	720
Decrease (increase) in long lived assets	7,522	(23,282)	6,718
Cash applied to capital transactions	(68,823)	(133,665)	(97,219)
Investing			
Decrease (increase) in restricted cash & temporary investments	(17,682)	(6,496)	(12,652)
Decrease (increase) in investments, loans & advances	(38,083)	(33,943)	(90,861)
Decrease in advances to subsidiary	1,492	1,034	2,071
Cash applied to investing transactions	(54,273)	(39,405)	(101,442)
Financing			
Debt issued and assumed	15,644	39,639	16,373
Short term debt repaid	-	(2,188)	(5,740)
Long term debt repaid	(16,800)	(18,162)	(16,912)
Cash provided by (applied to) financing transactions	(1,156)	19,289	(6,279)
Change in cash and equivalents during the year	6,457	5,369	(658)
Cash and cash equivalents, beginning of year	5,488	119	777
Cash and cash equivalents, end of year	\$ 11,945	\$ 5,488	\$ 119
Cash consists of the following:			
Cash	\$ 62,586	\$ 38,447	\$ 26,582
Less: restricted portion of cash and temporary investments	(50,641)	(32,959)	(24,275)
Bank indebtedness	-	-	(2,188)
Total	\$ 11,945	\$ 5,488	\$ 119

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

CONSOLIDATED

Tangible Capital Assets

For the year ended December 31, 2010 (in thousands of dollars)

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Gas Oil & Properties	Machinery & Equipment	Vehicles	2010	2009	2008 Restated (Note 2)
Cost:										
Balance, beginning of year	\$ 41,083	\$ 49,743	\$ 156,485	\$ 956,929	\$ 815,175	\$ 48,782	\$ 41,394	\$ 2,109,591	\$ 1,998,452	\$ 1,888,186
Acquisition of tangible capital assets	924	3,401	2,739	20,933	24,374	3,087	5,656	61,114	93,924	58,821
Construction-in-progress	-	593	2,504	12,237	2,032	(195)	481	17,652	22,834	56,529
Disposal of tangible capital assets	(19)	(74)	(1,859)	(19,874)	-	(2,286)	(1,718)	(25,830)	(5,512)	(5,084)
Write down of tangible capital assets	-	-	-	-	-	-	-	-	(107)	-
Balance, end of year	41,988	53,663	159,869	970,225	841,581	49,388	45,813	2,162,527	2,109,591	1,998,452
Accumulated amortization:										
Balance, beginning of year	-	25,943	53,350	357,916	515,455	30,049	25,003	1,007,716	925,083	839,486
Annual amortization	-	1,574	3,697	35,572	44,366	3,002	3,100	91,311	87,454	89,695
Accumulated amortization on disposals	-	(70)	(1,544)	(18,935)	-	(1,384)	(1,664)	(23,597)	(4,820)	(4,098)
Balance, end of year	-	27,447	55,503	374,553	559,821	31,667	26,439	1,075,430	1,007,717	925,083
Net book value of tangible capital assets	\$ 41,988	\$ 26,216	\$ 104,366	\$ 595,672	\$ 281,760	\$ 17,721	\$ 19,374	\$ 1,087,097	\$ 1,101,874	\$ 1,073,369
2009 net book value of tangible capital assets	\$ 41,083	\$ 23,839	\$ 106,750	\$ 595,524	\$ 299,720	\$ 18,567	\$ 16,391	\$ 1,101,874		
2008 net book value of tangible capital assets (Restated - Note 2)	\$ 40,507	\$ 21,026	\$ 99,101	\$ 554,013	\$ 328,303	\$ 17,778	\$ 12,641	\$ 1,073,369		

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

CONSOLIDATED**Schedule 2****Taxes Levied****For the year ended December 31, 2010 (in thousands of dollars)**

	2010 Budget (Unaudited)	2010	2009	2008 Restated (Note 2)
Taxation				
Real property taxes	\$ 65,542	\$ 64,952	\$ 61,562	\$ 59,071
Linear property taxes	894	894	722	553
Government grants in lieu of property taxes	1,305	1,305	1,259	1,295
Special assessments and local improvements	600	480	381	348
	68,341	67,631	63,924	61,267
Requisitions				
Alberta School Foundation	16,567	16,597	16,480	17,116
Catholic Board of Education	3,166	3,174	3,070	3,158
Cypress View Foundation	1,539	1,542	839	482
Medicine Hat Public Library	1,780	1,780	1,656	1,558
Business exchange levies	110	110	110	100
	23,162	23,203	22,155	22,414
Net municipal taxes	\$ 45,179	\$ 44,428	\$ 41,769	\$ 38,853

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

CONSOLIDATED

Schedule 3

Schedule of Government Transfers

For the year ended December 31, 2010 (in thousands of dollars)

	Provincial	2010 Federal	Total	2009	2008
Unconditional transfers					
Municipal Assistance	\$ -	\$ -	\$ -	\$ 875	\$ 875
Transit	-	-	-	-	100
Urban Parks	45	-	45	53	60
	45	-	45	928	1,035
Payments in lieu of taxes	-	-	-	-	-
	45	-	45	928	1,035
Conditional operating					
Alberta Disaster Recovery	1,501	-	1,501	-	(34)
Alberta Employment Programs	24	-	24	27	21
Alberta Foundation for the Arts	68	-	68	105	105
Alberta Foundation of the Arts Travelling Exhibition Program	162	-	162	186	100
Alberta Municipal Infrastructure Program	341	-	341	-	-
Alberta Museums Association	18	-	18	-	-
Alberta Theatre Grant	-	-	-	53	15
Basic Capital Grant	97	-	97	210	45
Canadian Council of Archives	-	8	8	6	9
Canada Council for the Arts	-	30	30	31	31
Canadian Heritage Grant	-	95	95	47	-
Child and Family Services Alberta	99	-	99	168	22
Community Initiative Program	22	-	22	-	-
Ewart Duggan House Grant	-	-	-	14	-
Family and Community Support Services	1,333	-	1,333	1,309	1,226
Municipal Internship Program for Administrators	57	-	57	-	-
Municipal Policing Assistance	978	-	978	967	912
Municipal Sustainability Initiative	677	-	677	190	571
Natural Gas Rebate Program	10	-	10	41	31
New Deals for Public Transit	17	-	17	48	-
Police Officer Grant	330	-	330	300	203
Victims of Crime Fund Grant	128	-	128	122	70
Solar Power	35	-	35	-	-
Wind Power Development	-	-	-	43	-
	5,897	133	6,030	3,867	3,327
Conditional capital					
Affordable Housing Grant	5	-	5	-	-
Airport Capital Assistance Program	-	160	160	1	-
Alberta Disaster Recovery	3,631	-	3,631	-	1,154
Alberta Municipal Infrastructure Program	2,773	-	2,773	6,557	8,220
Basic Capital Grant	3,754	-	3,754	4,160	4,964
Canada-Alberta Municipal Rural Infrastructure Fund	7	7	14	3,654	2,098
Infrastructure Stimulus Fund	354	354	708	-	-
Major Community Facilities Program	-	-	-	-	-
Municipal Sustainability Initiative	1,015	-	1,015	679	5,095
New Deals for Public Transit	50	-	50	6,287	1,057
Recreational Infrastructure Canada Program	-	405	405	13	4
	11,589	926	12,515	21,351	22,592
Total government transfers	\$ 17,531	\$ 1,059	\$ 18,590	\$ 26,146	\$ 26,954

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

Schedule of Segment Disclosures (Note 28)

Schedule 4

For the Year Ended December 31, 2010 (in thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2010 Consolidated
Revenues										
Net municipal taxes	\$ 47,662	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,462)	\$ 44,428
Sales of services	9,237	127,785	80,240	-	12,694	10,840	7,744	9,494	(31,376)	226,658
Investment income	4,301	10,437	640	69	-	-	-	-	(655)	14,792
Investment in subsidiary	-	1,999	-	-	-	-	-	-	-	1,999
Licenses, fines and penalties	6,014	-	-	-	-	-	-	112	-	6,126
Insurance recovery	755	-	-	-	-	-	-	-	-	755
Development levies	652	321	457	-	-	-	-	-	-	1,430
Charitable gifts	2,500	-	-	-	-	-	-	-	-	2,500
Government transfers for operating	5,798	22	92	36	41	36	50	-	-	6,075
Other	6,957	349	3,970	1	1,127	1,046	52	213	456	14,171
Internal recoveries	25,960	41	3,267	733	757	252	536	-	(31,546)	-
Transfer from Utilities and Land	41,775	-	-	-	-	-	-	-	(41,775)	-
	151,611	140,954	88,666	839	14,733	12,288	8,382	9,819	(108,358)	318,934
Expenses										
Salaries, wages and benefits	71,340	13,869	11,391	167	3,784	3,405	2,516	530	(1,105)	105,897
Contracted and general services	17,448	17,264	3,538	98	871	667	1,117	57	(239)	40,821
Materials, goods and utilities	8,690	17,029	7,335	3	1,408	1,371	797	6,662	(5,134)	38,161
Provisions for allowances	25	133	129	-	44	42	15	3	-	391
Bank charges and short term interest	111	11	-	-	-	-	-	-	-	122
Interest on long term debt	2,158	203	4,846	-	2,628	1,918	157	-	(655)	11,255
Total grants and other transfers	1,067	-	-	-	-	-	-	-	-	1,067
Other operating expenses	521	27,536	4,047	1,488	6	10	311	-	(2,324)	31,595
Amortization of tangible capital assets	18,983	45,842	21,787	1	2,404	1,920	349	25	-	91,311
Loss on disposal of tangible capital assets	57	35	1,285	-	10	-	9	-	-	1,396
Internal charges and transfers	16,575	40,857	37,744	337	3,510	2,261	1,888	1,716	(104,888)	-
	136,975	162,779	92,102	2,094	14,665	11,594	7,159	8,993	(114,345)	322,016
Excess (shortfall) of revenues over expenses	14,636	(21,825)	(3,436)	(1,255)	68	694	1,223	826	5,987	(3,082)
Other										
Contributed assets	7,441	-	417	-	185	328	1	492	(7,279)	1,585
Government transfers for capital	11,557	-	-	-	710	13	-	107	-	12,387
Total other	18,998	-	417	-	895	341	1	599	(7,279)	13,972
Excess (shortfall) of revenues over expenses	33,634	(21,825)	(3,019)	(1,255)	963	1,035	1,224	1,425	(1,292)	10,890

Schedule of Segment Disclosures (Note 28)

Schedule 4

For the Year Ended December 31, 2009 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2009 Consolidated
Revenues										
Net municipal taxes	\$ 45,179	\$ -	\$ -	\$ -	\$ 110	\$ 110	\$ -	\$ -	\$ (3,630)	\$ 41,769
Sales of services	8,240	130,254	73,993	-	13,345	10,160	7,660	8,413	(26,848)	225,217
Investment income	3,147	10,205	488	92	-	-	-	-	(567)	13,365
Investment in subsidiary	-	740	-	-	-	-	-	-	-	740
Licenses, fines and penalties	5,780	-	-	-	-	-	-	125	-	5,905
Insurance recovery	189	-	-	-	-	-	-	-	-	189
Development levies	490	264	1,029	-	183	-	-	-	-	1,966
Charitable gifts	2,000	-	-	-	-	-	-	-	-	2,000
Government transfers for operating	4,746	-	3	43	-	-	3	-	-	4,795
Other	5,131	1,701	2,357	-	1,133	1,069	73	188	28	11,680
Internal recoveries	24,601	27	3,870	635	837	231	441	-	(30,642)	-
Transfer from Utilities and Land	43,135	-	-	1,000	-	-	-	-	(44,135)	-
	142,638	143,191	81,740	1,770	15,608	11,570	8,177	8,726	(105,794)	307,626
Expenses										
Salaries, wages and benefits	65,963	13,386	10,015	159	3,371	2,865	2,299	498	(2,608)	95,948
Contracted and general services	14,524	14,289	3,703	48	655	340	963	52	(324)	34,250
Materials, goods and utilities	8,526	14,361	7,587	3	1,210	1,155	787	5,626	(368)	38,887
Provisions for allowances	-	84	125	-	44	40	15	3	-	311
Bank charges and short term interest	138	48	-	-	-	-	-	-	-	186
Interest on long term debt	2,142	214	4,376	-	2,750	1,848	125	-	(568)	10,887
Total grants and other transfers	799	-	-	-	-	-	-	-	-	799
Other operating expenses	280	30,178	1,379	718	1	6	164	-	(6,747)	25,979
Amortization of tangible capital assets	17,766	50,627	14,369	1	1,942	2,353	395	4	(3)	87,454
Loss on disposal of tangible capital assets	146	129	143	-	20	2	2	-	-	442
Internal charges and transfers	16,455	41,715	37,160	149	3,260	2,196	1,842	1,636	(104,413)	-
	126,739	165,031	78,857	1,078	13,253	10,805	6,592	7,819	(115,031)	295,143
Excess (shortfall) of revenues over expenses	15,899	(21,840)	2,883	692	2,355	765	1,585	907	9,237	12,483
Other										
Contributed assets	8,414	272	673	-	2,100	2,435	-	-	(7,875)	6,019
Government transfers for capital	21,351	-	-	-	721	-	-	-	(721)	21,351
Total other	29,765	272	673	-	2,821	2,435	-	-	(8,596)	27,370
Excess (shortfall) of revenues over expenses	\$ 45,664	\$ (21,568)	\$ 3,556	\$ 692	\$ 5,176	\$ 3,200	\$ 1,585	\$ 907	\$ 641	\$ 39,853

Schedule of Segment Disclosures (Note 28)

Schedule 4

For the Year Ended December 31, 2008 (in thousands of dollars)

RESTATE

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2008 Consolidated
Revenues										
Net municipal taxes	\$ 42,530	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,905)	\$ 38,853
Sales of services	7,931	223,824	82,550	-	11,719	10,049	6,865	19,403	(58,682)	303,659
Investment income	3,035	8,036	795	117	-	-	-	-	(557)	11,426
Investment in subsidiary	-	1,352	-	-	-	-	-	-	-	1,352
Licenses, fines and penalties	6,394	-	-	-	-	-	-	447	1	6,842
Insurance recovery	248	-	-	-	-	-	-	-	-	248
Development levies	400	563	1,861	-	-	-	-	-	370	3,194
Charitable gifts	4,000	-	-	-	-	-	-	-	-	4,000
Government transfers for operating	5,078	127	678	11	2,200	6,194	-	-	(9,926)	4,362
Other	5,629	1,527	4,335	2	911	1,235	89	139	6,699	20,566
Internal recoveries	22,434	1,271	4,349	685	701	241	367	-	(30,048)	-
Transfer from Utilities and Land	30,538	-	11,923	1,500	-	-	-	-	(43,961)	-
	128,217	236,700	106,491	2,315	15,645	17,833	7,321	19,989	(140,009)	394,502
Expenses										
Salaries, wages and benefits	58,831	11,986	9,616	270	3,044	2,663	2,312	467	(2,389)	86,800
Contracted and general services	14,391	21,251	2,925	147	421	388	1,055	323	71	40,972
Materials, goods and utilities	8,406	9,205	5,900	340	1,220	1,000	680	10,053	(5,093)	31,711
Provisions for allowances	-	11,285	88	-	44	37	15	3	(2,905)	8,567
Bank charges and short term interest	117	60	-	-	-	-	-	-	-	177
Interest on long term debt	2,102	446	4,638	-	2,641	1,853	93	-	(667)	11,106
Total grants and other transfers	793	-	-	-	-	-	-	-	-	793
Other operating expenses	1,773	35,723	-	(95)	769	217	159	-	3,343	41,889
Amortization of tangible capital assets	16,042	66,507	11,621	1	2,154	2,279	298	4	(9,211)	89,695
Loss on disposal of tangible capital assets	793	213	43	-	-	-	-	-	(436)	613
Internal charges and transfers	18,335	31,667	63,291	31	2,979	1,947	1,952	4,902	(125,104)	-
	121,583	188,343	98,122	694	13,272	10,384	6,564	15,752	(142,391)	312,323
Excess (shortfall) of revenues over expenses	6,634	48,357	8,369	1,621	2,373	7,449	757	4,237	2,382	82,179
Other										
Contributed assets	13,513	318	539	-	2,808	5,228	-	-	(12,538)	9,868
Government transfers for capital	12,681	-	-	-	-	-	-	-	9,911	22,592
Total other	26,194	318	539	-	2,808	5,228	-	-	(2,627)	32,460
Excess (shortfall) of revenues over expenses	\$ 32,828	\$ 48,675	\$ 8,908	\$ 1,621	\$ 5,181	\$ 12,677	\$ 757	\$ 4,237	\$ (245)	\$ 114,639

CONSOLIDATED

Schedule 5

Expenses By Object

For the year ended December 31, 2010 (in thousands of dollars)

	2010 Budget (Unaudited)	2010	2009	2008 Restated (Note 2)
Expenses				
Salaries, wages and benefits	\$ 108,943	\$ 105,897	\$ 95,948	\$ 86,800
Contracted and general services	38,576	40,821	34,250	40,972
Materials, goods and utilities	47,933	38,161	38,887	31,711
Provisions for allowances	341	391	311	8,567
Bank charges and short term interest	114	122	186	177
Interest on long term debt	13,231	11,255	10,887	11,106
Total grants and other transfers	883	1,067	799	793
Other operating expenses	57,214	31,595	25,979	41,889
Amortization of tangible capital assets (Note 2, 27)	80,019	91,311	87,454	89,695
Loss on disposal of tangible capital assets	-	1,396	442	613
Total expenses	\$ 347,254	\$ 322,016	\$ 295,143	\$ 312,323

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(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), Public Services (Fire Services, 911 Communications, Community Development, Cultural Development, Parks and Outdoor Recreation), Infrastructure and Development Services (Municipal Works, Planning, Building & Development and Environmental Utilities) and Police Service (Police Service and Bylaw Enforcement). Land and Properties operations are treated as a business entity for financial statement purposes.
2. **Energy Services** – self supporting activities which provide Electricity (Generation, Distribution and Retail) and Natural Gas (Production, Distribution, and Marketing) and Environment (energy sustainability and alternative energy, and environmental education and outreach).

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 deemed necessary 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 only 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 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 19.

Interdepartmental and organizational transactions and balances are eliminated.

Allied Oil & Gas Corp., a wholly-owned subsidiary of the City, is accounted for by using the modified equity basis, consistent with generally accepted accounting principles for government business enterprises.

(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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

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

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

2. 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

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.

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

(D) INVENTORIES FOR RESALE

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

(E) LAND HELD FOR RESALE

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

(F) PENSION EXPENSES

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

(G) PREPAID LOCAL IMPROVEMENT CHARGES

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

(H) 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

(I) 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 and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(J) ASSET RETIREMENT OBLIGATION

The City records the fair value of its petroleum and natural gas asset retirement obligation as a liability in the period in which it incurs an obligation associated with the retirement of tangible long-lived petroleum and natural gas assets that result from the acquisition, construction, development, and normal use of petroleum and natural gas assets. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived assets and depleted using the unit-of-production method over estimated gross proven reserves. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

(K) 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.

(L) 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 a revenue source 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, 2010

(In thousands of dollars)

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

The City follows the full cost method of accounting for its petroleum and natural gas properties, whereby all costs associated with acquisition and development of petroleum and natural gas reserves are capitalized. Such costs include those related to lease acquisition, geological and geophysical activities, cost of drilling both productive and non-productive wells, equipment cost and technical consulting costs directly related to development. The City does not capitalize interest or administrative costs.

Petroleum and natural gas properties are depleted following the CICA Accounting Guideline AcG-16 "Oil and Gas Accounting – Full Cost". Capitalized costs are depreciated on the unit-of-production method based on estimated proven reserves as determined by external engineers. For purposes of this calculation, oil is converted to gas on an energy equivalent basis (1 Bbl: 6 Mcf). The costs of unproven properties are excluded from this calculation until proven reserves are established or until impairment occurs.

Proceeds from the disposition of petroleum and natural gas properties are accounted for as adjustments to the net book value of resource properties, with no gain or loss recognized, unless the disposition would significantly alter the rate of depletion.

This guideline requires the cost centres be tested for recoverability using discounted future cash flows from proven reserves which are determined by using forward indexed prices. When the carrying amount of a cost centre is not recoverable, the cost centre would be written down to its fair value. Fair values are estimated using accepted present value techniques which incorporate risks and other uncertainties when determining expected cash flows. No write down was required for 2010.

2. 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.

3. Historical Assets

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

4. Inventories for Consumption

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

5. Land Held for Future Development

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

(M) USE OF ESTIMATES

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

Amounts recorded for depletion and amounts used for the ceiling test calculations, are based on estimates of oil and natural gas reserves and future costs required to develop those reserves. The City's reserve estimates are reviewed a minimum of every three years by independent engineering firms. The last reserve analysis was carried out as of September 1, 2008. By their nature, these estimates of reserves and the related future cash flows are subject to measurement uncertainty, and the impact on the financial statements of future periods may be material.

NOTE 2: CHANGE IN ACCOUNTING POLICY

Effective January 1, 2009, the City of Medicine Hat changed its method of recording tangible capital assets to accept the recommendations of the CICA Public Sector Accounting Handbook. The handbook requires the accrual of these assets that were previously expensed. These assets are now on the statement of financial position as non-financial assets. The changes have been applied retroactively.

The change in reporting has resulted in the following changes to the 2008 comparative values:

Change in Operating Surplus, ending December 31, 2008

Operating Surplus, as previously reported	\$ 91,142
Effect of change due to Tangible Capital Assets	23,497
Excess of Revenues over expenses, as restated	\$ 114,639

Statement of Operations

Impact on Revenues:

	Reported In 2009 for 2008	Reported In 2008 for 2008	Change
Proceeds from Sale of Tangible Capital Assets	\$ -	\$ 720	\$ (720)
Developer Contributions for Tangible Capital Assets	9,868	-	9,868
Subtotal	9,868	720	9,148

Impact on Expenses:

Capital Expenditures	-	105,040	105,040
Operating Expenses	223,700	223,317	(383)
Amortization	89,695	-	(89,695)
Loss on Sale of Tangible Capital Assets	613	-	(613)
Subtotal	314,008	328,357	14,349

Changes in Statement of Operations, Surplus increased by: **23,497**

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

Change in Accumulated Surplus, December 31, 2008

Accumulated Surplus, as previously reported	\$ 1,268,975
Effect of change due to Tangible Capital Assets	(79,634)
Accumulated Surplus, as restated	<u>\$ 1,189,341</u>

Statement of Financial Position

	Reported In 2009 for 2008	Reported in 2008 for 2008	Change
Tangible Capital Assets	\$1,073,369	\$1,156,355	\$(82,986)
Inventory for Consumption	17,069	13,717	3,352
Changes in Statement of Financial Position decreased Accumulated Surplus by:			<u>(79,634)</u>

The opening balance for Accumulated Surplus changed as follows:

Accumulated Surplus, January 1, 2008, previously reported	1,148,994
Change in accounting for Tangible Capital Assets	(74,292)
Accumulated Surplus, January 1, 2008, restated	<u>1,074,702</u>

NOTE 3: CASH AND TEMPORARY INVESTMENTS

	2010	2009	2008
Cash	\$ 11,945	\$ 5,488	\$ 119
Temporary Investments	50,641	32,959	26,463
TOTAL CASH & TEMPORARY INVESTMENTS	<u>\$ 62,586</u>	<u>\$ 38,447</u>	<u>\$ 26,582</u>

The temporary investments represent a restricted amount for the Alberta Cities Transportation Program, Alberta Municipal Infrastructure Program, Municipal Sustainability Initiative Capital Fund Program, New Deal for Cities and Communities, New Deal for Public Transit, Major Community Facility Program, Federal Gas Tax Fund and Public Housing Grants, which are held exclusively for eligible capital projects, Municipal Sustainability Initiative Operating Grant Program funding for operating activities, and Alberta Disaster Recovery program funding for the 2010 flood damages.

These investments have an average yield of 1.62 per cent and an average term of 159 days to maturity.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 4: ACCOUNTS RECEIVABLE

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2010	2009	2008
Current Taxes Receivable	\$ 2,374	\$ 2,025	\$ 1,380
City Centre Development Agency	31	11	15
Less: Allowance for Tax Adjustments	-	-	(1)
SUB-TOTAL	\$ 2,405	\$ 2,036	\$ 1,394

(B) ACCOUNTS RECEIVABLE

	2010	2009	2008
Trade Accounts Receivable	\$ 48,720	\$ 52,666	\$ 55,812
Less: Allowance for Doubtful Accounts	(9,192)	(9,043)	(9,121)
SUB-TOTAL	\$ 39,528	\$ 43,623	\$ 46,691
TOTAL	\$ 41,933	\$ 45,659	\$ 48,085

NOTE 5: ADVANCES TO SUBSIDIARY

	2010	2009	2008
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ 72	\$ 64	\$ 98
Unsecured note, bearing interest at prime plus 1% due on demand	13,347	14,847	15,847
TOTAL	\$ 13,419	\$ 14,911	\$ 15,945

NOTE 6: INVESTMENTS, LOANS AND ADVANCES

	2010		2009		2008	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government & Agencies	\$ 14,155	\$ 16,657	\$ 16,454	\$ 18,076	\$ 20,718	\$ 21,896
Provincial Government & Agencies	53,048	55,404	49,605	51,381	74,871	77,667
Canadian Banks	197,866	204,310	168,705	176,480	128,447	125,174
Others	116,561	117,663	108,783	110,092	85,568	85,242
TOTAL	\$ 381,630	\$ 394,034	\$ 343,547	\$ 356,029	\$ 309,604	\$ 309,979

These investments yield interest rates from 1.25 per cent to 7.12 per cent and mature in periods 2011 through 2105. The investments have an average expected yield of 4.76 per cent and an average term of 5.18 years to maturity.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 7: INVENTORIES FOR RESALE

	2010	2009	Restated 2008
Concessions	\$ 175	\$ 160	\$ 137
Gas in Storage	-	-	4,509
TOTAL	\$ 175	\$ 160	\$ 4,646

NOTE 8: DEPOSITS AND OTHER ASSETS

	2010	2009	Restated 2008
Tax Requisition Over Levies	\$ 58	\$ 57	\$ 197
Postage	8	3	18
Refundable Containers	36	48	48
Operating Deposits	-	47	296
Gas Commodity Purchase Deposits	-	7,488	1,991
Gas Royalty Deposits	246	802	911
TOTAL	\$ 348	\$ 8,445	\$ 3,461

NOTE 9: ACCRUED LIABILITIES

	2010	2009	Restated 2008
Accrued Wages and Salaries	\$ 2,617	\$ 2,418	\$ 1,604
Vacation Pay	6,203	4,382	4,178
Accrued Interest on Long-Term Debt	1,894	2,415	2,724
Deferred Charges	6,146	6,031	7,381
Accrued Royalties	66	506	793
Other Accrued Liabilities	2,084	4,592	5,218
TOTAL	\$ 19,010	\$ 20,344	\$ 21,898

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 10: SUBSIDIARY OPERATIONS

The following table provides condensed supplementary financial information reported separately by Allied Oil & Gas Corp. (Allied) at December 31.

	2010	2009	2008
Financial Position			
Current Assets	\$ 8,578	\$ 9,413	\$ 9,180
Future Income Tax Asset	747	972	996
Resource Properties	7,856	5,202	5,689
Total Assets	17,181	15,587	15,865
Current Liabilities	2,115	938	1,108
Advances from City of Medicine Hat	13,347	14,847	15,847
Asset Retirement Obligation	780	861	710
Total Liabilities	16,242	16,646	17,665
Net Assets (Liabilities)	\$ 939	\$ (1,059)	\$ (1,800)

Net Assets are comprised of a deficit of \$2,291, share capital of \$6, and contributed surplus of \$3,224 (Net Liabilities for 2009 – a deficit of \$4,289, share capital of \$6, contributed surplus of \$3,224; 2008 – a deficit of \$5,030, share capital of \$6, contributed surplus of \$3,224).

Results of Operations	2010	2009	2008
Revenues	\$ 12,014	\$ 8,946	\$ 13,199
Operating Expenses	5,296	4,521	6,105
Cash Flow from Operations	6,718	4,425	7,094
Charitable Gift	2,575	2,000	4,000
Depletions and Accretion	1,320	1,351	1,253
Net Income before Income Tax	2,823	1,074	1,841
Income Tax Expense	(824)	(334)	(489)
Net Income	1,999	740	1,352
Deficit, Beginning of Year	(4,119)	(4,859)	(6,211)
Deficit, End of Year	(2,120)	(4,119)	(4,859)
Share Capital	6	6	6
Loss In Subsidiary	\$ (2,114)	\$ (4,113)	\$ (4,853)

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

During the year the City received \$2,500 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 \$247 (2009 – \$251; 2008 – \$242). During the year the City bought solution gas from Allied in the amount of \$53 (2009 – \$51; 2008 – \$72). These transactions are measured at the exchange amount, being the amount determined and agreed upon by the parties.

Allied also made a donation of \$75 to Southern Alberta MedicAir Society for the Helicopter Air Lift Operation (H.A.L.O.).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 11: DEFERRED REVENUE

	2010	2009	Restated 2008
Deposits	\$ 21	\$ 606	\$ 5,214
Deferred Revenue	4,992	4,129	3,338
Alberta Municipal Infrastructure Program	7,292	10,248	6,686
Alberta Cities Transportation Program	5,369	5,392	4,874
Alberta Emergency Disaster Program	8,922	-	-
Municipal Sustainability Initiative	20,136	10,020	5,203
New Deal for Cities and Communities	905	905	3,896
New Deal for Public Transit	632	613	1,777
Public Housing Grant	273	309	3,798
New Deal for Public Transit Trust	567	623	-
Major Community Facilities Program	3,360	3,288	-
Affordable Housing Grant	3,186	1,561	-
TOTAL	\$ 55,655	\$ 37,694	\$ 34,786

Funds from Alberta Municipal Infrastructure Program, Alberta Cities Transportation Program, Municipal Sustainability Initiative, New Deals for Cities and Communities, New Deals for Public Transit, Public Housing Grant, New Deal for Public Transit Trust, Major Community Facilities Program and the Affordable Housing Grant are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments of \$41,037 held exclusively for these projects. An additional \$8,922 from Alberta Emergency Disaster Program is held for flood damage repairs.

NOTE 12: SHORT-TERM DEBT

A combined Municipal Operating Loan Facility (Revolving) and Letter of Credit Facility are available to the City up to a maximum of \$20 million, by way of prime rate based loans and/or Letters of Credit (in Canadian dollars). This facility is secured by Bylaw No. 3978.

At December 31, 2010, there were Letters of Credit issued in the amount of \$8,488 (2009 – \$1,772; 2008 – \$1,727).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 13: LONG-TERM DEBT

(A)

	2010	2009	2008
Tax Supported	\$ 27,363	\$ 29,439	\$ 31,133
Utilities			
- Electric	89,567	93,782	72,565
- Gas	5,498	4,297	7,240
- Water	50,187	49,725	51,329
- Sewer	39,012	35,551	31,011
- Solid Waste	3,406	3,395	1,435
Total Utilities	187,670	186,750	163,580
TOTAL	\$ 215,033	\$ 216,189	\$ 194,713

	2010	2009	2008
Comprised of:			
- Alberta Capital Finance Authority	\$ 215,033	\$ 215,920	\$ 194,443
- Other Long Term-Debt	-	269	270
TOTAL	\$ 215,033	\$ 216,189	\$ 194,713

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

	Principal	Interest
2011	17,816	11,081
2012	18,138	10,041
2013	18,733	8,984
2014	18,589	7,886
2015	17,317	6,823
2016-2040	124,440	33,566
TOTAL	\$ 215,033	\$ 78,381

The debentures have interest payable at rates ranging from 2.875 per cent to 10.875 per cent per annum before Provincial Subsidy, and mature in periods 2011 through 2040. The average annual interest rate is 5.20 per cent for 2010 (5.32 per cent for 2009; 5.36 per cent for 2008). 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 2010 was \$11,255 (2009 – \$10,887; 2008 – \$11,106).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

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

	2010	2009	2008
Tax Supported Debentures	\$ 448	\$ 482	\$ 515
Utilities Supported Debentures	3,072	3,057	2,707
TOTAL	\$ 3,520	\$ 3,539	\$ 3,222

Debt per capita is based on the official census of 61,097 for 2010 and 2009 (2008 - 60,429) 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.

	2010
Total Debt Limit	\$657,898
Actual Debt (Long and Short-Term Debt)	217,383
AMOUNT UNDER LIMIT	\$ 440,515
Debt Servicing Limit	115,132
Actual Debt Servicing (Long and Short-Term Debt)	28,897
AMOUNT UNDER LIMIT	\$ 86,235

NOTE 14: OTHER LONG-TERM DEBT

The City of Medicine Hat had an obligation to Alberta Health Services of \$269 as at December 31, 2009 for the construction of ambulance facilities at the Medicine Hat Regional Hospital. During 2010 the City and Alberta Health Services negotiated an outcome to this obligation. The obligation has been settled and the asset transferred to Alberta Health Services.

NOTE 15: OTHER LONG-TERM LIABILITIES

(A)

	2010	2009	2008
Offsite Contributions	\$ 11,548	\$ 11,025	\$ 11,688
Asset Retirement Obligation - Gas	106,240	104,121	73,520
Employee Retirement Benefits Liability (Note 22)	4,403	3,717	3,543
Sanitary Landfill - Site Abandonment and Restoration	3,045	2,754	2,597
TOTAL OTHER LONG-TERM LIABILITIES	\$ 125,236	\$ 121,617	\$ 91,348

(B) 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 4.17 per cent assuming inflation of 2.60 per cent.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

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

	2010	2009	2008
Estimated Closure Costs	\$ 7,241	\$ 7,055	\$ 6,855
Estimated Post Closure Costs	1,463	1,326	1,289
Estimated Total Costs	\$ 8,704	\$ 8,381	\$ 8,144
Estimated Capacity remaining %	52.7%	54.8%	59.2%
Portion of Total Liability remaining to be recognized	\$ 5,659	\$ 5,627	\$ 5,547
Estimated Capacity used %	47.3%	45.2%	40.8%
ACCRUED LIABILITY PORTION	\$ 3,045	\$ 2,754	\$ 2,597

The total capacity of the site is estimated at 4,525,000 cubic meters. The estimated remaining capacity of the landfill site is 2,385,434 (2009 – 2,481,434) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2030. The City has not designated assets for settling closure or post closure liabilities.

- (D) At December 31, 2010 the estimated undiscounted cash flows required to settle the asset retirement obligations with respect to the Gas Utility were \$239,186 (2009 – \$206,886; 2008 – \$176,768), calculated using an inflation rate of 2.48 per cent (2009 – 2.72 per cent; 2008 – 4.20 per cent) per annum. The estimated fair value of this liability was \$106,240 (2009 – \$104,121; 2008 – \$73,520) after discounting the estimated cash flows at a rate of 6.57 per cent (2009 – 7.10 per cent; 2008 – 6.48 per cent). At December 31, 2010, the expected timing of payment for settlement of the obligations ranges from 6 to 36 years.

NOTE 16: 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 17: TANGIBLE CAPITAL ASSETS

	2010 Net Book Value	2009 Net Book Value	Restated 2008 Net Book Value
Land	\$ 41,988	\$ 41,083	\$ 40,507
Land Improvements	26,216	23,839	21,026
Buildings	104,366	106,750	99,101
Engineering Structures	595,672	595,524	554,013
Gas and Oil Properties	281,760	299,720	328,303
Machinery, Equipment and Furnishings	17,721	18,567	17,778
Vehicles	19,374	16,391	12,641
TOTAL	\$1,087,097	\$1,101,874	\$ 1,073,369

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

The net book value of capital assets not being amortized and under construction is \$17,652 (2009 – \$22,834; 2008 – \$56,529). 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 \$1,585 (2009 – \$6,019; 2008 – \$9,868).

NOTE 18: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity In Tangible Capital Assets	Total 2010	Total 2009	Total 2008 (restated)
Balance, beginning of year	\$ 38,979	\$ 304,530	\$ 885,685	\$ 1,229,194	\$ 1,189,341	\$ 1,074,702
Excess (shortfall) of revenues over expenses	11,018	-	-	11,018	39,853	114,639
Unrestricted funds designated for future use	(53,339)	53,339	-	-	-	-
Restricted funds used for operations	28,985	(28,985)	-	-	-	-
Current year funds used for tangible capital assets	(61,537)	-	61,537	-	-	-
Contributed tangible capital assets	(1,585)	-	1,585	-	-	-
Disposal of tangible capital assets	2,232	-	(2,232)	-	-	-
Annual amortization expense	91,311	-	(91,311)	-	-	-
Long term debt repaid	(16,800)	-	16,800	-	-	-
Balance, End of Year	\$ 39,264	\$ 328,884	\$ 872,064	\$ 1,240,212	\$ 1,229,194	\$ 1,189,341

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 2010 there were no excess surplus funds designated restricted (2009 – \$1,247; 2008 – \$3,331).

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 2010, the Electric Utility reported an excess surplus of \$9,674, which was designated a restricted amount (2009 – \$8,938; 2008 – \$12,574).

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 2010, the Gas Utility reported an excess surplus of \$20,579, which was designated a restricted amount (2009 – \$19,951; 2008 – \$90,974).

UNRESTRICTED SURPLUS	2010	2009	2008
General Government	\$ 9,200	\$ 8,766	\$ 7,964
Energy Sustainability	32	(10)	10
Gas	8,309	7,250	6,844
Electric	6,543	6,682	6,934
Water	(1,901)	1,301	1,137
Sewer	3,662	2,096	1,573
Solid Waste	2,981	587	(328)
Land	10,438	12,307	13,289
TOTAL	\$ 39,264	\$ 38,979	\$ 37,423

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

2. Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2010	2009	2008
General Government	\$ 1,175	\$ 1,122	\$ 2,113
Energy Sustainability	-	-	30
Gas	19,487	28,548	16,437
Electric	(641)	1,152	5,679
Water	891	(1,301)	(725)
Sewer	709	(1,270)	(2,767)
Solid Waste	802	2,350	1,051
Land and Properties	315	-	-
TOTAL	\$ 22,738	\$ 30,601	\$ 21,818

3. 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 2008	Balance 2009	2010 Additions	2010 Reductions	Balance 2010
Employee Development	\$ 861	\$ 837	\$ -	\$ 76	\$ 761
Victim Assistance	17	18	-	-	18
Second Street Properties	84	84	-	-	84
Fleet Replacement	6,479	6,097	2,693	4,779	4,011
Art Acquisitions	66	76	24	6	94
Infrastructure	18,485	21,900	9,286	5,449	25,737
Employee Benefits	7,092	9,700	1,105	-	10,805
Community Capital	9,819	27,668	19,960	10	47,618
Nature's Best	4,875	5,619	396	1,692	4,323
Electric Facility & Equipment	10,617	17,464	9,674	3,972	23,166
Gas Depletion	199,294	189,249	18,581	15,856	191,974
SUB TOTAL	257,689	278,712	61,719	31,840	308,591
Equity (Deficit) in Subsidiary	(4,859)	(4,119)	1,999	-	(2,120)
Internal Loan Contra Account	(1,386)	(664)	-	(339)	(325)
TOTAL	\$251,444	\$273,929	\$ 63,718	\$ 31,501	\$ 306,146

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

Restricted Surplus – Capital	\$ 22,738
Restricted Surplus – Reserves	<u>\$306,146</u>
Total Restricted Surplus	<u>\$328,884</u>

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

4. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2010	2009	Restated 2008
Tangible capital assets (Schedule 1)	\$ 2,162,527	\$ 2,109,591	\$ 1,998,450
Accumulated amortization (Schedule 1)	(1,075,430)	(1,007,717)	(925,081)
Long-term debt (Note 13)	(215,033)	(216,189)	(194,713)
Equity in Tangible Capital Assets	\$ 872,064	\$ 885,685	\$ 878,656

NOTE 19: 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, 2010 are \$1,816 (2009 – \$1,887; 2008 – \$1,849). Trust investments and liabilities are not included in the City's financial statements.

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

	Balance 2008	Balance 2009	Additions	Interest Earned	Funds Released	Balance 2010
Cemetery - Perpetual Care	\$ 1,329	\$ 1,368	\$ 175	\$ 64	\$ 190	\$ 1,417
Seniors Foundation	50	52	35	1	42	46
Police Department Exhibit Recovery	20	-	-	-	-	-
Art Gallery Acquisitions	10	10	-	-	-	10
Donna MacLean Museum Trusts	5	6	-	-	-	6
Pitch Trust	2	1	-	-	-	1
Medicine Hat Sport Culture	1	-	-	-	-	-
Bell West	225	229	-	3	224	8
Saamis Heights Town Center Park	133	152	114	3	-	269
Centennial Grant	6	-	-	-	-	-
A B Clark Development Agreement	11	11	-	-	11	-
Northlands Waterline Warranty	57	58	-	1	-	59
TOTAL TRUST FUNDS	\$ 1,849	\$ 1,887	\$ 324	\$ 72	\$ 467	\$ 1,816

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

NOTE 20: 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 2010	2009	2008
Mayor Normand Boucher	\$ 62	\$ 52	\$ 114	\$ 108	\$ 112
Alderman:					
Clugston, K	20	17	37	41	43
Craven, W	3	3	6	-	-
Dumanowski, R	20	16	36	40	40
Friesen, J	18	14	32	39	40
Hamill, J	20	18	38	46	43
Kelly, G	20	15	35	36	34
Pearson, L	3	4	7	-	-
Schneider, T	17	14	31	39	48
Thompson, J	20	19	39	44	50
Tumbull, P	3	3	6	-	-
White, J	18	13	31	44	41
CAO - Municipal Services	210	49	259	253	-
COO - Energy Services	329	84	413	454	-
CAO - (January 1 - May 5, 2008)					100
CAO/COO (May 6 - December 31, 2008) ³					339
Designated Officers (7)	934	185	1,119	1,016	1,086

(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.

(3) On May 6, 2008 City Council approved a new position, the Chief Operating Officer (COO) of Energy Services. The powers, duties and functions of the Chief Administrative Officer (CAO) position were divided between the positions of CAO Municipal Services and COO Energy Services.

NOTE 21: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves about 199,800 people and 418 employers. The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 6,200 members and 7 employers. The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2010 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 9.06 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.53 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 11.11 per cent to June 30, 2010 and 14.55% after that date.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2010 were \$7,861 (2009 – \$6,479; 2008 – \$5,552). Total current service contributions by the employees for 2010 were \$7,116 (2009 – \$5,810; 2008 – \$4,931).

At December 31, 2009 LAPP disclosed an actuarial deficit of \$3,998,614 (2008 – \$4,413,971 deficit).

At December 31, 2009 SFPP disclosed an actuarial deficit of \$374,927 (2008 – \$429,966 deficit).

NOTE 22: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2011 an actuarial accounting valuation for the plan was performed for the year ended December 31, 2010. Information about the plan is as follows:

	2010	2009	2008
Accrued Benefit Obligation			
Balance, Beginning of Year	\$ 3,717	\$ 3,543	\$ 3,362
Current Service Cost	111	105	102
Interest Cost	203	193	193
Benefits Paid	(113)	(124)	(100)
Unrecognized Actuarial Losses (Gains)	485	-	(14)
Balance, End of Year, Benefit Plan Deficit	\$ 4,403	\$ 3,717	\$ 3,543

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

	2010	2009	2008
Discount Rate	4.75%	5.45%	5.75%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	7.11 Years	8.11 Years	9.07 Years

NOTE 23: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2010 was \$182 (Gas) and \$8,251 (Electric).

NOTE 24: CAPITAL COMMITMENTS

(A) 2010 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 2010 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$73,350 carried forward from previous budget years, as well as costs related to the 2010 Budget.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2010 a number of capital projects were in progress and will be completed in 2011 or subsequent years. The unexpended appropriation related to these projects is \$171,029. Significant projects are:

- **Gas Utility**

Gas Well Drilling (\$8,708), Gas Well Facilities (\$3,155), Gas Well Gathering (\$3,460).

- **Electric Utility**

Solar Thermal Power Project (\$8,807), 69KV Transformer (\$1,962); 69KV Transmission System (\$1,111); Automated Metering Infrastructure (\$2,465).

- **Municipal Works**

South Ridge Drive Road Rehabilitation (\$5,000); Connaught Subdivision Roadway Upgrades (\$1,338).

- **Parks**

Water Playground Redevelopment (\$1,902); Leisure Trail System Rehabilitation (\$1,031); Cemetery Land Acquisition (\$3,325).

- **Corporate Asset Management**

Fleet Services 2009 & 2010 Mobile Equipment Replacement Programs (\$4,904), Environmental Utilities / Municipal Works Building (\$17,117), Transit Bus Storage (\$3,000); Police Service Building (\$17,000).

- **Community Development**

Affordable housing project (\$2,218).

- **Water Utility**

Water Treatment Plant Residuals Treatment Facility (\$30,000), South West Sector Water System (\$12,039), Primrose Drive Watermain Replacement (\$1,827), Water Plant Enhancements and Expansion (\$1,391).

- **Sewer Utility**

Primrose Drive Sanitary Sewer Replacement (\$1,827), North Flats Trunk Upgrades (\$2,042) Southwest Trunk (\$1,400), Waste Water Treatment Plant P2 Upgrade (\$1,390).

- **Solid Waste Utility**

Landfill capacity study and land acquisition (\$8,500).

(C) CAPITAL IMPROVEMENT PLAN

In November 2008, City Council approved the Gas Distribution 2009 – 2013 Capital Improvement Plan. During December 2008 City Council approved the Environmental Utilities 2009 – 2013 Capital Improvement Plans. Subsequent to December 31, 2008, City Council approved the 2009 – 2011 Electric Utility Capital Improvement Plan and the 2009 Natural Gas & Petroleum Resources Capital Improvement Plan. On March 16, 2009 City Council approved the 2009 – 2011 General Government and the Land and Properties Capital Improvement Plans. On August 4, 2009 City Council approved the 2010 Natural Gas & Petroleum Resources Capital Improvement Plan.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

The total for all projects is as follows:

2009	\$ 96,782
2010	47,695
2011	32,610
2012-2013 Projection	60,637
TOTAL	\$ 237,724

Financing sources identified:

	2009	2010	2011
Government Grants	\$ 24,095	\$ 26,025	\$ 12,236
Current Revenues	8,188	1,506	1,265
Debentures			
Tax Supported	1,370	396	965
Utilities	10,010	9,151	9,149
Reserves	41,678	4,535	3,239
Direct Charges and Other	11,441	6,082	5,756
TOTAL	\$ 96,782	\$ 47,695	\$ 32,610

NOTE 25: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2010. If proven, it is possible that these claims may have a materially adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

NOTE 26: FINANCIAL INSTRUMENTS

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

NOTE 27: COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement adopted in the current year.

NOTE 28: SEGMENT DISCLOSURES

The Consolidated Schedule of Segment Disclosures – Schedule 4 has been prepared in accordance with PSAB Handbook Section 2700 (PS2700) Segment Disclosures. Segment disclosures 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

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

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - Legislative is comprised of City Clerk, Mayoral and Aldermanic services.
 - General Government is comprised of corporate administration, Legal, Business Support, Corporate Communications and Human Resources.
 - Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services, Treasury & Risk Management, Purchasing and Stores, and Fleet Services) and general municipal services.
 - Development & Infrastructure is comprised of Planning, Building and Development and Municipal Works (municipal operations and airport).
 - Public Services is comprised of 9-1-1 Communications, Fire Services, Community Development (social development, senior services, transit and indoor recreation and leisure), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history) and Parks and Outdoor Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery).
 - Police Service comprised of all police services and bylaw.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

- h) Land & 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 revenues and expenses sorted by object code. The City's object codes are defined as follows:

A) REVENUES:

- **Net municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.
- **Investment income** includes all investment revenue received on account of short term and long term deposits and investments.
- **Investment in subsidiary** represents the net income from subsidiary operations.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets, and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.
- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Charitable gifts** refer to a gift from the City's wholly owned subsidiary as described under section 110.1 of the Income Tax Act.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Transfers from Utilities and Land** include contributions from Utilities and Land and Properties to tax supported operations.

B) EXPENSES:

- **Salaries wages & 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long term debt** includes interest charge on the principle portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time, and must eventually be replaced. Depreciation shows the cost of the "use of the asset" each year over the asset's lifetime.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules

(unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2010	2009	2008 (restated)	2007	2006
Salaries, wages and benefits	\$ 105,897	\$ 95,948	\$ 86,800	\$ 79,255	\$ 73,963
Contracted and general services	40,821	34 250	40,972	41,987	35,769
Materials, goods and utilities	38,161	38 887	31,711	42,067	37,193
Provisions for allowances	391	311	8,567	222	219
Bank charges and short-term interest	122	186	177	1,577	81
Interest on long-term debt	11,255	10,887	11,106	11,149	9,969
Other operating expenses	31,595	25,979	41,889	31,662	30,044
Grants and other transfers	1,067	799	793	823	585
Amortization of tangible capital assets	91,311	87,454	89,695	67,519	48,242
Loss on disposal of tangible capital assets	1 396	442	613	4 315	13 310
TOTAL EXPENSES	\$ 322,016	\$ 295,143	\$ 312,323	\$ 280,576	\$ 249,375

Effective 2009, the City adopted the new Canadian Institute of Chartered Accountant standards and guidelines for tangible capital assets, and restated 2008 accordingly. Therefore, the expenses for 2007 and prior do not include amortization expense for general municipal government capital assets.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

LONG TERM DEBT

	2010	2009	2008	2007	2006
LONG TERM DEBT					
Debt supported by taxes	\$ 27,363	\$ 29,439	\$ 31,133	\$ 27,947	\$ 29,450
Debt supported by utilities	187,670	186,750	163,580	167,305	154,521
TOTAL DEBT	\$ 215,033	\$ 216,189	\$ 194,713	\$ 195,252	\$ 183,971
DEBT PER CAPITA (not in thousands of dollars)					
Tax supported	\$ 448	\$ 482	\$ 515	\$ 490	\$ 517
Utility supported	3,072	3,057	2,707	2,935	2,711
TOTAL DEBT PER CAPITA	\$ 3,520	\$ 3,539	\$ 3,222	\$ 3,425	\$ 3,228

2010 population 61,097 municipal census

2009 population 61,097 municipal census

2008 population 60,429 municipal census

2006-2007 population 56,997 Statistics Canada census

2005 population 56,048 municipal census

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

	2010	2009	2008 (restated)	2007	2006
Debt charges	\$ 28,897	\$ 27,997	\$ 28,937	\$ 28,311	\$ 26,259
Total operating expenses	322,016	295,143	312,323	280,576	249,375
PERCENTAGE	8.97%	9.49%	9.27%	10.09%	10.53%

LEGAL DEBT LIMIT

	2010	2009	2008	2007	2006
Total debt limit	\$ 657,898	\$ 582,031	\$ 809,430	\$ 757,224	\$ 691,629
Actual debt and loan guarantees	217,383	218,539	196,863	202,402	184,819
AMOUNT UNDER LIMIT	\$ 440,515	\$ 363,492	\$ 612,567	\$ 554,822	\$ 506,810
Percentage used	33.04%	37.55%	24.32%	26.73%	26.72%

DEBT SERVICING LIMIT

	2010	2009	2008	2007	2006
Debt servicing limit	\$ 115,132	\$ 101,855	\$ 141,650	\$ 132,514	\$ 121,035
Actual debt servicing	28,897	27,997	28,937	28,311	26,259
AMOUNT UNDER LIMIT	\$ 86,235	\$ 73,858	\$ 112,713	\$ 104,203	\$ 94,776
Percentage used	25.10%	27.49%	20.43%	21.36%	21.70%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SUMMARY OF OPERATING AND RESERVE FUND BALANCES

OPERATING FUNDS	2010	2009	2008	2007	2006
General	\$ 9,200	\$ 8,766	\$ 7,964	\$ 6,814	\$ 6,649
Environmental Management	32	(10)	10	-	-
Gas	8,309	7,250	6,844	6,928	5,756
Electric	6,543	6,682	6,934	7,243	5,058
Water	(1,901)	1,301	1,137	1,472	112
Sewer	3,662	2,096	1,573	63	(3,057)
Solid Waste	2,981	587	(328)	(698)	426
Land & Subdivision Development	10,438	12,307	13,289	14,978	9,371
TOTAL OPERATING FUNDS	39,264	38,979	37,423	36,800	24,315
RESERVE FUNDS					
Employee development	761	837	861	742	534
Victim assistance	18	18	17	17	17
Second street properties	84	84	84	84	84
Fleet replacement	4,011	6,097	6,479	5,484	4,196
Art acquisitions	94	76	66	57	33
Infrastructure	25,737	21,900	18,485	15,919	12,894
Employee benefits	10,805	9,700	7,092	4,703	1,561
Community capital reserve	47,618	27,668	9,819	747	-
Natures Best Reserve	4,323	5,619	4,875	3,263	1,402
Electric facilities and equipment	23,166	17,464	10,617	10,969	16,487
Gas depletion	191,974	189,249	199,294	123,295	180,275
Equity in subsidiary company	(2,120)	(4,119)	(4,859)	(6,211)	(7,316)
SUB-TOTAL RESERVES	306,471	274,593	252,830	159,069	210,167
Internal loans contra	(325)	(664)	(1,386)	(2,509)	(3,968)
TOTAL RESERVES	306,146	273,929	251,444	156,560	206,199
TOTAL RESERVES & SURPLUS	\$ 345,410	\$ 312,908	\$ 288,867	\$ 193,360	\$ 230,514

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

TAXATION & ASSESSMENT

MILL RATES

	2010	2009	2008	2007	2006
MUNICIPAL					
Single family	4.9342	4.4322	4.3942	4.7025	5.1498
Apartments	5.9799	5.3421	5.5132	6.0786	7.3945
Farmland	21.8495	18.5674	17.5278	14.7060	17.8493
Commercial and industrial	13.6288	12.9789	13.8957	13.9737	14.2262
EDUCATION					
Single family	2.5854	2.4167	2.6073	3.1289	3.6984
Apartments	2.5854	2.4167	2.6073	3.1289	3.6984
Farmland	2.5854	2.4167	2.6073	3.1289	3.6984
Commercial and industrial	3.4559	3.4214	4.3781	5.1587	5.8889
OTHER					
Single family	0.2105	0.1090	0.0678	0.0705	0.085
Apartments	0.2105	0.1090	0.0678	0.0705	0.085
Farmland	0.2105	0.1090	0.0678	0.0705	0.085
Commercial and industrial	0.2105	0.1090	0.0678	0.0705	0.085

PROPERTY TAXES LEVIED (In Thousands of Dollars)

PROPERTY TAX LEVY	2010	2009	2008	2007	2006
Municipal	\$ 41,749	\$ 39,407	\$ 36,657	\$ 31,371	\$ 27,321
Education	19,771	19,550	20,274	20,123	19,258
Other	3,322	2,495	2,040	2,069	2,025
TOTAL REAL PROPERTY	64,842	61,452	58,971	53,563	48,604
Business taxes (BRZ)	110	110	100	100	100
TOTAL TAXES LEVIED	\$ 64,952	\$ 61,562	\$ 59,071	\$ 53,663	\$ 48,704
Current taxes collected	63,490	60,266	58,229	53,733	48,377
% of current taxes collected	96.42%	96.76%	97.66%	98.31%	98.33%
OTHER MAJOR TAXES LEVIED	2010	2009	2008	2007	2006
Linear property taxes	\$ 894	\$ 722	\$ 553	\$ 995	\$ 494
Special assessments and local improvements	480	381	348	348	369
Government grants in lieu of property taxes	1,305	1,259	1,295	1,251	1,219
TOTAL MAJOR TAX LEVIED	\$ 2,679	\$ 2,362	\$ 2,196	\$ 2,594	\$ 2,082

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

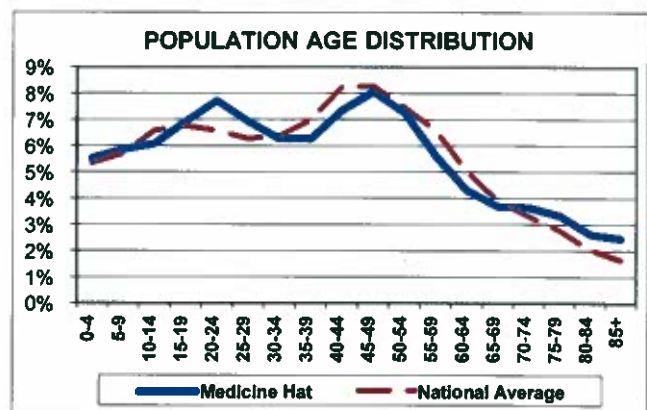
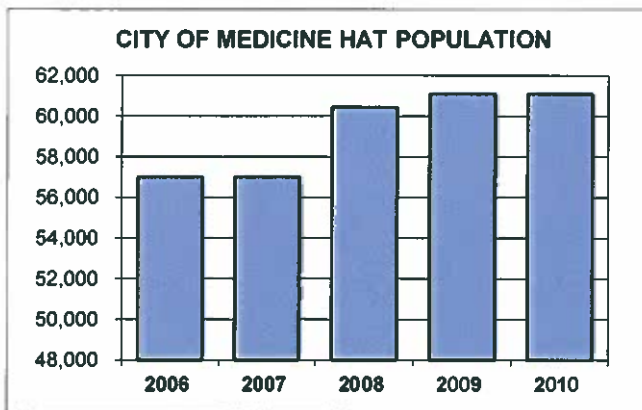
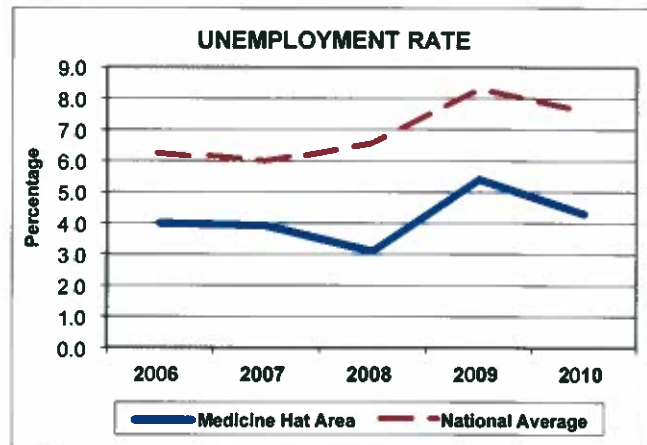
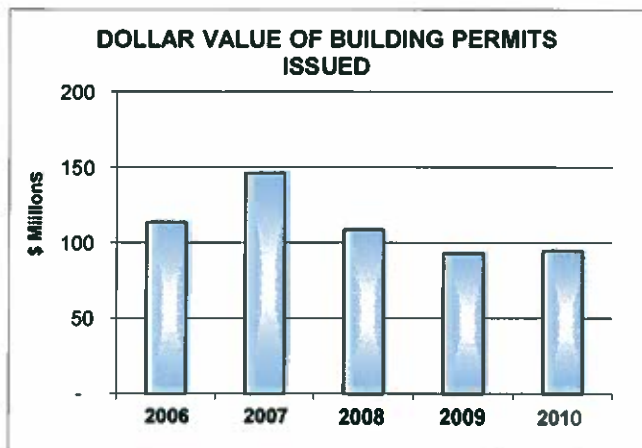
	2010	2009	2008	2007	2006
Residential	\$ 5,614,924,146	\$ 5,970,035,800	\$ 5,627,759,697	\$ 4,624,882,819	\$ 3,711,323,182
Multi-family	255,552,523	274,249,115	244,983,746	195,412,522	158,534,513
Farmland	2,263,484	2,276,144	2,237,134	2,344,954	4,140,114
Commercial and industrial	1,738,050,296	1,463,126,680	1,255,738,907	1,098,206,629	951,303,478
TOTAL TAXABLE ASSESSMENT	\$ 7,610,790,449	\$ 7,709,687,739	\$ 7,130,719,484	\$ 5,920,846,924	\$ 4,825,301,287

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

DEMOGRAPHICS & OTHER INFORMATION



OTHER	2006	2007	2008	2009	2010
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	387	386	391	394	393
Km of water mains	417	424	428	430	424
KM of storm drainage mains	225	232	235	236	238

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Legislative	\$ 614	\$ 576	\$ 466	\$ 423	\$ 386	\$ 368
General Government	2,953	3,084	2,688	2,152	3,212	3,084
Corporate Services	96,905	117,466	114,430	100,035	47,130	44,155
Development & Infrastructure	8,494	8,711	5,937	6,376	6,246	6,088
Public Services	12,297	14,168	12,252	11,762	11,579	11,497
Police Services	7,530	7,606	6,865	7,469	5,585	5,250
TOTAL REVENUE	128,793	151,611	142,638	128,217	74,138	70,442
EXPENSES						
Legislative	\$ 1,294	\$ 1,339	\$ 1,138	\$ 1,194	\$ 951	\$ 921
General Government	7,523	7,714	6,737	5,360	6,836	6,397
Corporate Services	28,920	28,663	27,609	28,592	16,022	14,736
Development & Infrastructure	28,649	28,403	25,429	24,140	14,042	13,235
Public Services	48,483	49,426	45,960	44,106	38,107	36,216
Police Services	21,783	21,430	19,866	18,191	16,387	15,273
TOTAL EXPENSES	136,652	136,975	126,739	121,583	92,345	86,778
Excess (shortfall) of revenue over expenses	\$ (7,859)	\$ 14,636	\$ 15,899	\$ 6,634	\$ (18,207)	\$ (16,336)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Aldermen & City Clerk

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
City Clerk	\$ 614	\$ 576	\$ 466	\$ 423	\$ 386	\$ 368
TOTAL REVENUE	614	576	466	423	386	368
EXPENSES						
Mayor	\$ 149	\$ 143	\$ 130	\$ 131	\$ 110	\$ 103
Aldermen	385	306	341	365	313	297
City Clerk	760	890	525	466	484	469
Boards and committees	-	-	142	232	44	52
TOTAL EXPENSES	1,294	1,339	1,138	1,194	951	921
Excess (shortfall) of revenue over expenses	\$ (680)	\$ (763)	\$ (672)	\$ (771)	\$ (565)	\$ (553)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, ALDERMAN & CITY CLERK

Legislative

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other Income						
Internal recovery	\$ 487	\$ 487	\$ 466	\$ 419	\$ 384	\$ 366
Other revenue	2	2	-	4	2	2
Government transfers						
Grants - federal and provincial	125	87	-	-	-	-
TOTAL REVENUE	614	576	466	423	386	368
EXPENSES						
Salaries, wages and benefits	\$ 890	\$ 999	\$ 896	\$ 969	\$ 789	\$ 688
Other personnel costs	105	61	84	97	63	72
Contracted and general services	216	176	72	73	60	121
Materials and supplies	28	54	44	23	-	5
Interest on long-term debt - infrastructure	4	2	-	-	2	-
Amortization	5	5	5	-	-	-
Internal charges	46	42	37	32	37	35
TOTAL EXPENSES	1,294	1,339	1,138	1,194	951	921
Excess (shortfall) of revenue over expenses	\$ (680)	\$ (763)	\$ (672)	\$ (771)	\$ (565)	\$ (553)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

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

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
CAO, Commissioners & City Solicitor	\$ 985	\$ 1,014	\$ 906	\$ 733	\$ 725	\$ 695
Business Support	-	11	1	-	4	5
Corporate Communications	370	366	303	171	173	120
Energy Sustainability and other	-	-	-	-	1,177	1,235
Human Resources	1,598	1,693	1,478	1,248	1,133	1,029
TOTAL REVENUE	2,953	3,084	2,688	2,152	3,212	3,084
EXPENSES						
CAO, Commissioners & City Solicitor	2,546	2,684	2,287	1,498	1,711	1,575
Business Support	1,003	959	846	907	901	874
Corporate Communications	592	551	415	392	299	293
Energy Sustainability and other	-	-	-	-	1,643	1,518
Human Resources	3,382	3,520	3,189	2,563	2,282	2,137
TOTAL EXPENSES	7,523	7,714	6,737	5,360	6,836	6,397
Excess (shortfall) of revenue over expenses	\$ (4,570)	\$ (4,630)	\$ (4,049)	\$ (3,208)	\$ (3,624)	\$ (3,313)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ 982	\$ 984	\$ 905	\$ 725	\$ 715	\$ 685
Other revenue	3	2	1	8	10	10
Government transfers						
Grants - federal and provincial	-	28	-	-	-	-
TOTAL REVENUE	985	1,014	906	733	725	695
EXPENSES						
Salaries, wages and benefits	\$ 2,051	\$ 2,156	\$ 1,825	\$ 1,638	\$ 1,434	\$ 1,193
Other personnel costs	69	58	36	59	37	22
Contracted and general services	168	174	247	141	153	290
Materials and Supplies	52	35	37	74	48	41
Gain \ loss on sale of assets	-	-	-	(546)	-	-
Internal charges	206	261	142	132	39	29
TOTAL EXPENSES	2,546	2,684	2,287	1,498	1,711	1,575
Excess (shortfall) of revenue over expenses	\$ (1,561)	\$ (1,670)	\$ (1,381)	\$ (765)	\$ (986)	\$ (880)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

BUSINESS SUPPORT

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 4
Other revenue	-	11	1	-	1	1
TOTAL REVENUE	-	11	1	-	4	5
EXPENSES						
Salaries, wages and benefits	\$ 114	\$ 115	\$ 112	\$ 104	\$ 97	\$ 112
Other personnel costs	6	3	4	9	3	16
Contracted and general services	786	734	641	732	716	706
Materials and supplies	13	5	14	6	20	7
Interest on long-term debt - infrastructure	-	1	-	-	1	2
Amortization	17	16	14	-	-	-
Internal charges	67	85	61	56	64	31
TOTAL EXPENSES	1,003	959	846	907	901	874
Excess (shortfall) of revenue over expenses	\$ (1,003)	\$ (948)	\$ (845)	\$ (907)	\$ (897)	\$ (869)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ 316	\$ 316	\$ 303	\$ 171	\$ 169	\$ 120
Other revenue	-	-	-	-	4	-
Government transfers						
Grants - federal and provincial	54	50	-	-	-	-
TOTAL REVENUE	370	366	303	171	173	120
EXPENSES						
Salaries, wages and benefits	\$ 382	\$ 344	\$ 295	\$ 256	\$ 216	\$ 174
Other personnel costs	8	12	4	11	5	4
Contracted and general services	186	138	92	110	63	93
Materials and supplies	5	27	13	8	3	6
Internal charges	11	30	11	7	12	16
TOTAL EXPENSES	592	551	415	392	299	293
Excess (shortfall) of revenue over expenses	\$ (222)	\$ (185)	\$ (112)	\$ (221)	\$ (126)	\$ (173)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ 1,579	\$ 1,593	\$ 1,453	\$ 1,216	\$ 1,115	\$ 1,011
Other revenue	19	17	22	28	17	18
Government transfers						
Grants - federal and provincial	-	83	3	4	1	-
TOTAL REVENUE	1,598	1,693	1,478	1,248	1,133	1,029
EXPENSES						
Salaries, wages and benefits	\$ 2,250	\$ 2,442	\$ 2,228	\$ 1,892	\$ 1,728	\$ 1,606
Other personnel costs	42	42	35	32	26	29
Contracted and general services	440	456	336	292	250	254
Materials and supplies	82	114	75	127	92	67
Interest on long-term debt - infrastructure	60	47	51	33	12	2
Amortization	231	158	113	-	-	-
Internal charges	277	261	351	187	174	179
TOTAL EXPENSES	3,382	3,520	3,189	2,563	2,282	2,137
Excess (shortfall) of revenue over expenses	\$ (1,784)	\$ (1,827)	\$ (1,711)	\$ (1,315)	\$ (1,149)	\$ (1,108)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance; ICS; Corporate Asset Management; General Municipal Revenues

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Finance	\$ 5,046	\$ 5,010	\$ 4,877	\$ 4,392	\$ 4,039	\$ 3,685
Information & Computer Services	2,808	2,599	2,532	2,318	2,230	2,057
Corporate Asset Management	13,039	11,385	10,833	10,595	10,019	9,262
General Municipal Revenues	76,012	98,472	96,188	82,730	30,842	29,151
TOTAL REVENUE	96,905	117,466	114,430	100,035	47,130	44,155
EXPENSES						
Finance	\$ 7,841	\$ 7,678	\$ 7,443	\$ 6,726	\$ 5,567	\$ 5,262
Information & Computer Services	3,282	3,393	3,089	2,873	2,407	2,296
Corporate Asset Management	17,336	16,949	14,999	15,228	7,631	6,775
General Municipal Revenues	461	643	2,078	3,765	417	403
TOTAL EXPENSES	28,920	28,663	27,609	28,592	16,022	14,736
Excess (shortfall) of revenue over expenses	\$ 67,985	\$ 88,803	\$ 86,821	\$ 71,443	\$ 31,108	\$ 29,419

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ 4,562	\$ 4,367	\$ 4,228	\$ 3,763	\$ 3,468	\$ 3,143
Insurance recovery	-	1	-	-	-	-
Other revenue	484	630	609	591	538	490
Government transfers						
Grants - federal and provincial	-	12	40	38	33	52
TOTAL REVENUE	5,046	5,010	4,877	4,392	4,039	3,685
EXPENSES						
Salaries, wages and benefits	\$ 5,559	\$ 5,638	\$ 5,373	\$ 4,722	\$ 3,987	\$ 3,676
Other personnel costs	109	119	91	92	70	71
Contracted and general services	502	466	462	540	367	393
Materials and supplies	194	185	219	205	176	187
Provision for allowances	25	25	-	-	-	-
Bank charges	64	12	-	-	-	-
Interest on long-term debt - infrastructure	87	53	156	156	174	168
Other operating expenses	26	21	-	-	-	-
Amortization	253	189	232	209	-	-
Internal charges	1,022	970	910	802	793	767
TOTAL EXPENSES	7,841	7,678	7,443	6,726	5,567	5,262
Excess (shortfall) of revenue over expenses	\$ (2,795)	\$ (2,668)	\$ (2,566)	\$ (2,334)	\$ (1,528)	\$ (1,577)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Internal recovery	\$ 2,801	\$ 2,592	\$ 2,529	\$ 2,303	\$ 2,210	\$ 2,029
Other revenue	7	6	3	15	20	28
Government transfers						
Grants - federal and provincial	-	1	-	-	-	-
TOTAL REVENUE	2,808	2,599	2,532	2,318	2,230	2,057
EXPENSES						
Salaries, wages and benefits	\$ 2,166	\$ 2,255	\$ 2,165	\$ 1,994	\$ 1,825	\$ 1,626
Other personnel costs	79	33	40	47	47	43
Contracted and general services	682	663	605	581	396	356
Materials and supplies	95	81	84	80	66	79
Interest on long-term debt - infrastructure	23	13	4	8	6	-
Other operating expenses	-	83	-	-	-	-
Amortization	159	150	116	95	-	-
Gain \ loss on sale of assets	-	-	4	-	-	-
Internal charges	78	115	71	68	67	192
TOTAL EXPENSES	3,282	3,393	3,089	2,873	2,407	2,296
Excess (shortfall) of revenue over expenses	\$ (474)	\$ (794)	\$ (557)	\$ (555)	\$ (177)	\$ (239)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 130	\$ 189	\$ 101	\$ -	\$ -	\$ -
Other income						
Internal recovery	12,540	10,969	10,498	10,342	9,415	8,865
Insurance recovery	74	113	-	-	-	-
Other revenue	295	109	231	253	604	397
Government transfers						
Grants - federal and provincial	-	5	3	-	-	-
TOTAL REVENUE	13,039	11,385	10,833	10,595	10,019	9,262
EXPENSES						
Salaries, wages and benefits	\$ 3,887	\$ 3,833	\$ 3,343	\$ 3,136	\$ 2,900	\$ 2,735
Other personnel costs	52	75	49	38	40	35
Contracted and general services	3,274	3,680	2,939	3,460	3,046	2,464
Materials and supplies	466	565	431	504	384	334
Interest on long-term debt - infrastructure	693	558	604	226	185	182
Other operating expenses	-	270	-	-	-	-
Amortization	7,759	6,815	6,414	5,985	-	-
Gain \ loss on sale of assets	-	(50)	44	594	-	-
Internal charges	1,205	1,203	1,175	1,285	1,076	1,025
TOTAL EXPENSES	17,336	16,949	14,999	15,228	7,631	6,775
Excess (shortfall) of revenue over expenses	\$ (4,297)	\$ (5,564)	\$ (4,166)	\$ (4,633)	\$ 2,388	\$ 2,487

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Net taxes	\$ 47,668	\$ 47,527	\$ 45,179	\$ 42,530	-	-
Other Income						
Investment income	2,188	4,301	3,147	3,035	-	-
Licences, fines and penalties	251	540	-	-	-	-
Internal recovery	-	63	75	37	-	-
Other revenue	439	1,766	1,777	1,715	29,967	28,276
Charitable gifts	-	2,500	2,000	4,000	-	-
Contributions from utilities	25,466	41,775	43,135	30,538	-	-
Government transfers						
Grants - federal and provincial	-	-	875	875	875	875
TOTAL REVENUE	76,012	98,472	96,188	82,730	30,842	29,151
EXPENSES						
Salaries, wages and benefits	\$ 196	\$ 236	\$ 266	\$ 164	\$ 143	\$ 178
Other personnel costs	-	-	-	-	-	-
Contracted and general services	300	310	324	269	245	177
Materials and supplies	26	63	75	39	20	27
Grants and other transfers	-	25	-	-	-	-
Other expenditures	(61)	-	1,413	1,501	-	-
Internal charges	-	9	-	1,792	9	21
TOTAL EXPENSES	461	643	2,078	3,765	417	403
Excess (shortfall) of revenue over expenses	\$ 75,551	\$ 97,829	\$ 94,110	\$ 78,965	\$ 30,425	\$ 28,748

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Planning, Building & Development	\$ 2,934	\$ 2,753	\$ 2,289	\$ 2,769	\$ 2,666	\$ 2,422
Municipal Works	5,560	5,958	3,648	3,607	3,580	3,666
TOTAL REVENUE	8,494	8,711	5,937	6,376	6,246	6,088
EXPENSES						
Planning, Building & Development	\$ 4,755	\$ 4,657	\$ 4,406	\$ 3,913	\$ 3,277	\$ 2,718
Municipal Works	23,894	23,746	21,023	20,227	10,765	10,517
TOTAL EXPENSES	28,649	28,403	25,429	24,140	14,042	13,235
Excess (shortfall) of revenue over expenses	\$ (20,155)	\$ (19,692)	\$ (19,492)	\$ (17,764)	\$ (7,796)	\$ (7,147)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Licences, fines and penalties	\$ 2,148	\$ 1,444	\$ 1,706	\$ 2,276	\$ 2,177	\$ 1,892
Internal recovery	370	315	351	168	156	161
Insurance recovery	-	2	-	-	-	-
Other revenue	416	758	229	325	333	363
Government transfers						
Grants - federal and provincial	-	228	3	-	-	6
Flood assistance	-	6	-	-	-	-
TOTAL REVENUE	2,934	2,753	2,289	2,769	2,666	2,422
EXPENSES						
Salaries, wages and benefits	\$ 3,773	\$ 3,721	\$ 3,553	\$ 3,178	\$ 2,686	\$ 2,292
Other personnel costs	129	71	79	87	66	44
Contracted and general services	258	381	324	163	101	63
Materials and supplies	148	63	73	129	160	71
Other expenses	-	-	-	11	-	-
Interest on long-term debt - ACFA	-	-	-	2	6	11
Interest on long-term debt - infrastructure	32	16	-	6	1	1
Amortization	66	70	70	74	-	-
Internal charges	349	335	307	263	257	236
TOTAL EXPENSES	4,755	4,657	4,406	3,913	3,277	2,718
Excess (shortfall) of revenue over expenses	\$ (1,821)	\$ (1,904)	\$ (2,117)	\$ (1,144)	\$ (611)	\$ (296)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 478	\$ 413	\$ 448	\$ 347	\$ 868	\$ 716
Taxes	135	135	-	-	-	-
Other income						
Internal recovery	3,195	3,007	2,606	2,092	1,859	1,753
Insurance recovery	-	251	-	-	-	-
Developer levies	79	629	-	-	-	-
Other revenue	450	425	36	94	96	64
Government transfers						
Grants - federal and provincial	1,223	734	558	1,074	679	749
Flood assistance	-	364	-	-	78	384
TOTAL REVENUE	5,560	5,958	3,648	3,607	3,580	3,666
EXPENSES						
Salaries, wages and benefits	\$ 4,313	\$ 3,977	\$ 3,676	\$ 3,529	\$ 3,189	\$ 2,938
Other personnel costs	72	36	30	24	35	48
Contracted and general services	2,589	3,051	1,909	1,112	1,050	1,699
Materials and supplies	1,887	1,936	2,026	2,195	1,864	1,695
Interest on long-term debt - ACFA	825	822	843	645	646	604
Interest on long-term debt - infrastructure	155	113	57	82	67	28
Interest on long-term debt - internal	11	10	13	37	36	50
Other operating expenses	-	34	-	-	-	-
Amortization	9,433	9,335	8,631	7,401	-	-
Gain \ loss on sale of assets	-	125	(72)	1,281	-	-
Internal charges	4,609	4,307	3,910	3,921	3,878	3,455
TOTAL EXPENSES	23,894	23,746	21,023	20,227	10,765	10,517
Excess (shortfall) of revenue over expenses	\$ (18,334)	\$ (17,788)	\$ (17,375)	\$ (16,620)	\$ (7,185)	\$ (6,851)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development; Parks and Outdoor Recreation; Fire Services; 911 Communications; Culture

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Community Development	\$ 6,725	\$ 7,671	\$ 6,975	\$ 6,501	\$ 6,595	\$ 5,720
Parks and Outdoor Recreation	2,241	3,248	2,123	2,118	2,208	3,448
Fire Services	426	463	373	407	425	384
911 Communications	881	760	722	623	573	565
Cultural Development	2,024	2,026	2,059	2,113	1,778	1,380
TOTAL REVENUE	12,297	14,168	12,252	11,762	11,579	11,497
EXPENSES						
Community Development	\$ 17,792	\$ 18,763	\$ 17,445	\$ 15,953	\$ 14,803	\$ 13,438
Parks and Outdoor Recreation	10,214	10,903	9,546	10,299	7,567	8,356
Fire Services	12,119	11,839	11,122	10,336	9,176	8,501
911 Communications	2,520	2,234	2,160	2,079	1,971	1,871
Cultural Development	5,838	5,687	5,687	5,439	4,590	4,050
TOTAL EXPENSES	48,483	49,426	45,960	44,106	38,107	36,216
Excess (shortfall) of revenue over expenses	\$ (36,186)	\$ (35,258)	\$ (33,708)	\$ (32,344)	\$ (26,528)	\$ (24,719)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 5,197	\$ 5,492	\$ 4,831	\$ 4,680	\$ 4,958	\$ 4,093
Other income						
Internal recovery	9	14	2	2	9	8
Insurance recovery	-	15	-	-	-	-
Developer levies	-	57	-	-	-	-
Other revenue	165	507	389	364	350	270
Government transfers						
Grants - Federal and Provincial	1,354	1,552	1,753	1,455	1,278	1,349
Flood Assistance	-	34	-	-	-	-
TOTAL REVENUE	6,725	7,671	6,975	6,501	6,595	5,720
EXPENSES						
Salaries, wages and benefits	\$ 8,858	\$ 9,791	\$ 8,864	\$ 8,054	\$ 7,700	\$ 7,253
Other personnel costs	135	112	147	129	85	84
Contracted and general services	1,311	1,696	1,709	1,218	1,130	763
Materials and supplies	3,024	2,746	2,764	2,681	2,444	2,217
Other expenses	8	29	52	17	17	13
Bank charges	10	27	21	11	19	10
Interest on long-term debt - ACFA	122	121	128	209	227	239
Interest on long-term debt - infrastructure	23	23	6	26	23	34
Interest on long-term debt - internal	-	-	-	2	4	6
Grants and other transfers	372	557	347	193	196	176
Amortization	339	343	340	332	-	-
Gain \ loss on sale of assets	-	-	-	10	-	-
Internal charges	3,590	3,318	3,067	3,071	2,958	2,643
TOTAL EXPENSES	17,792	18,763	17,445	15,953	14,803	13,438
Excess (shortfall) of revenue over expenses	\$ (11,067)	\$ (11,092)	\$ (10,470)	\$ (9,452)	\$ (8,208)	\$ (7,718)

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS AND OUTDOOR RECREATION

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 861	\$ 893	\$ 820	\$ 707	\$ 738	\$ 659
Other income						
Internal recovery	1,104	1,031	986	967	904	912
Insurance recovery	10	337	-	-	-	-
Developer levies	-	(34)	-	-	-	-
Other revenue	217	229	255	263	418	284
Government transfers						
Grants - federal and provincial	49	55	62	181	77	165
Debenture interest subsidy	-	-	-	-	-	1
Flood assistance	-	737	-	-	71	1,427
TOTAL REVENUE	2,241	3,248	2,123	2,118	2,208	3,448
EXPENSES						
Salaries, wages and benefits	\$ 3,607	\$ 3,642	\$ 3,471	\$ 3,348	\$ 3,230	\$ 2,963
Other personnel costs	39	22	33	37	35	24
Contracted and general services	1,237	2,172	1,180	1,085	897	2,167
Materials and supplies	733	858	764	619	647	736
Bank charges	9	15	11	8	10	10
Other expenses	6	21	18	15	-	-
Interest on long-term debt - ACFA	110	109	111	118	128	142
Interest on long-term debt - infrastructure	168	118	96	114	38	7
Interest on long-term debt - internal	2	2	3	6	10	10
Grants and other transfers	12	14	14	126	220	5
Amortization	1,463	1,391	1,285	1,299	-	-
Gain \ loss on sale of assets	-	4	-	1,118	-	-
Internal charges	2,828	2,535	2,560	2,406	2,352	2,292
TOTAL EXPENSES	10,214	10,903	9,546	10,299	7,567	8,356
Excess (shortfall) of revenue over expenses	\$ (7,973)	\$ (7,655)	\$ (7,423)	\$ (8,181)	\$ (5,359)	\$ (4,908)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 330	\$ 398	\$ 325	\$ 304	\$ 309	\$ 293
Other Income						
Internal recovery	73	7	10	67	67	61
Insurance recovery		5				
Other revenue	23	33	38	36	49	30
Government transfers						
Grants - federal and provincial	-	20	-	-	-	-
TOTAL REVENUE	426	463	373	407	425	384
EXPENSES						
Salaries, wages and benefits	\$ 10,201	\$ 10,128	\$ 9,675	\$ 8,688	\$ 7,860	\$ 7,297
Other personnel costs	164	173	172	208	98	112
Contracted and general services	209	138	77	76	76	82
Materials and supplies	273	360	251	331	231	186
Interest on long-term debt - ACFA	14	14	16	-	-	-
Interest on long-term debt - infrastructure	22	14	9	173	196	169
Amortization	152	142	141	122	-	-
Gain \ loss on sale of assets	-	(22)	-	-	-	-
Internal charges	1,084	892	781	738	715	655
TOTAL EXPENSES	12,119	11,839	11,122	10,336	9,176	8,501
Excess (shortfall) of revenue over expenses	\$ (11,693)	\$ (11,376)	\$ (10,749)	\$ (9,929)	\$ (8,751)	\$ (8,117)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

911 COMMUNICATIONS

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 685	\$ 649	\$ 617	\$ 526	\$ 478	\$ 474
Other income						
Internal recovery	103	102	97	83	84	81
Other revenue	3	6	8	14	11	10
Government transfers						
Grants - federal and provincial	90	-	-	-	-	-
Flood assistance	-	3	-	-	-	-
TOTAL REVENUE	881	760	722	623	573	565
EXPENSES						
Salaries, wages and benefits	\$ 2,055	\$ 1,880	\$ 1,772	\$ 1,745	\$ 1,691	\$ 1,561
Other personnel costs	22	24	14	13	21	20
Contracted and general services	242	130	178	144	132	142
Materials and supplies	52	45	52	30	40	53
Interest on long-term debt - ACFA	-	-	-	1	1	2
Interest on long-term debt - infrastructure	4	7	6	9	11	2
Interest on long-term debt - internal	-	-	-	1	1	3
Amortization	65	70	62	59	-	-
Internal charges	80	78	76	77	74	88
TOTAL EXPENSES	2,520	2,234	2,160	2,079	1,971	1,871
Excess (shortfall) of revenue over expenses	\$ (1,639)	\$ (1,474)	\$ (1,438)	\$ (1,456)	\$ (1,398)	\$ (1,306)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CULTURAL DEVELOPMENT

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 1,249	\$ 1,203	\$ 1,098	\$ 1,367	\$ 1,236	\$ 932
Other income						
Internal recovery	-	8	-	-	-	-
Other revenue	334	456	512	480	401	241
Government Transfers						
Grants - federal and provincial	441	359	449	266	141	207
TOTAL REVENUE	2,024	2,026	2,059	2,113	1,778	1,380
EXPENSES						
Salaries, wages and benefits	\$ 2,034	\$ 2,003	\$ 1,970	\$ 1,687	\$ 1,503	\$ 1,393
Other personnel costs	25	14	14	17	15	10
Contracted and general services	1,798	1,661	1,800	1,852	1,506	1,191
Materials and supplies	375	385	427	370	321	285
Bank charges	30	57	28	34	32	21
Interest on long-term debt - ACFA	65	65	52	49	44	34
Interest on long-term debt - infrastructure	17	6	5	28	2	2
Interest on long-term debt - internal	16	16	23	30	36	42
Grants and other transfers	474	471	452	430	403	401
Amortization	89	92	88	83	-	-
Internal charges	915	917	828	859	728	671
TOTAL EXPENSES	5,838	5,687	5,687	5,439	4,590	4,050
Excess (shortfall) of revenue over expenses	\$ (3,814)	\$ (3,661)	\$ (3,628)	\$ (3,326)	\$ (2,812)	\$ (2,670)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Other income						
Licences, fines and penalties	4,153	4,030	4,073	4,118	3,708	3,478
Internal recovery	84	105	91	79	71	65
Insurance recovery	-	31	-	-	-	-
Other revenue	1,895	2,000	1,701	2,087	824	746
Government transfers						
Grants - federal and provincial	1,398	1,435	1,000	1,185	982	961
Flood assistance	-	5	-	-	-	-
TOTAL REVENUE	7,530	7,606	6,865	7,469	5,585	5,250
EXPENSES						
Salaries, wages and benefits	\$ 17,042	\$ 16,691	\$ 15,075	\$ 13,812	\$ 12,680	\$ 11,709
Other personnel costs	613	634	541	653	616	472
Contracted and general services	1,554	1,422	1,286	991	1,003	1,090
Materials and supplies	1,044	1,168	1,253	1,161	933	865
Other expenses	16	63	91	62	-	-
Interest on long-term debt - ACFA	18	18	26	95	164	221
Interest on long-term debt - infrastructure	13	10	5	8	6	4
Interest on long-term debt - internal	-	-	-	1	6	12
Amortization	208	207	253	-	-	-
Gain \ loss on sale of assets	-	-	170	-	-	-
Internal charges	1,275	1,217	1,166	1,409	979	900
TOTAL EXPENSES	21,783	21,430	19,866	18,191	16,387	15,273
Excess (shortfall) of revenue over expenses	\$ (14,253)	\$ (13,824)	\$ (13,001)	\$ (10,722)	\$ (10,802)	\$ (10,023)

*The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.*

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 215,268	\$ 127,785	\$ 130,254	\$ 223,824	\$ 194,009	\$ 177,853
Investment in subsidiary	100	1,999	740	1,352	1,105	776
Other Income						
Investment income	12,598	10,437	10,205	8,036	9,250	9,304
Internal recoveries	398	41	27	1,271	848	725
Development levies	839	321	264	563	-	-
Other revenue	43	349	1,701	1,527	3,186	1,107
Government transfers for operating	-	22	-	127	-	-
TOTAL REVENUE	229,246	140,954	143,191	236,700	208,398	189,765
EXPENSES						
Salaries, wages and benefits	15,511	13,869	13,386	11,986	10,009	8,797
Contracted and general services	16,233	17,264	14,289	21,251	23,109	18,688
Materials, goods and utilities	24,622	17,029	14,361	9,205	14,880	12,599
Provisions for allowances	83	133	84	11,285	46	38
Bank charges and short term interest	-	11	48	60	1,458	-
Interest on long term debt	212	203	214	446	550	713
Other operating expenses	45,927	27,536	30,178	35,723	26,316	27,558
Amortization of tangible capital assets	43,263	45,842	50,627	66,507	58,661	39,361
Loss on disposal of tangible capital assets	-	35	129	213	-	-
Internal charges and transfers	48,896	40,857	41,715	31,667	37,598	28,917
TOTAL EXPENSES	194,747	162,779	165,031	188,343	172,627	136,671
Excess (shortfall) of revenue over expenses	\$ 34,499	\$ (21,825)	\$ (21,840)	\$ 48,357	\$ 35,771	\$ 53,094

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 103,739	\$ 80,240	\$ 73,993	\$ 82,550	\$ 72,208	\$ 74,589
Other Income						
Investment income	788	640	488	795	715	707
Internal recoveries	4,152	3,267	3,870	4,349	3,934	3,700
Development levies	1,087	457	1,029	1,861	2,900	1,412
Government transfers from operating	-	92	3	678	-	69
Other revenue	1,940	3,970	2,357	4,335	2,271	5,672
Transfer from Utilities and Land	-	-	-	11,923	11,657	12,101
TOTAL REVENUE	111,706	88,666	81,740	106,491	93,685	98,250
EXPENSES						
Salaries, wages and benefits	11,326	11,391	10,015	9,616	9,413	8,833
Contracted and general services	3,832	3,538	3,703	2,925	4,322	1,927
Materials, goods and utilities	2,776	7,335	7,587	5,900	11,097	16,213
Provisions for allowances	129	129	125	88	86	85
Interest on long term debt	5,301	4,846	4,376	4,638	4,854	5,059
Other operating expenses	17,423	4,047	1,379	-	-	-
Amortization of tangible capital assets	13,264	21,787	14,369	11,621	11,471	10,324
Loss on disposal of tangible capital assets	-	1,285	143	43	1,809	8,735
Internal charges and transfers	53,273	37,744	37,160	63,291	45,247	46,977
TOTAL EXPENSES	107,324	92,102	78,857	98,122	88,299	98,153
Excess (shortfall) of revenue over expenses	\$ 4,382	\$ (3,436)	\$ 2,883	\$ 8,369	\$ 5,386	\$ 97

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ENERGY SUSTAINABILITY

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Investment income	\$ -	\$ 69	\$ 92	\$ 117	\$ -	\$ -
Internal recoveries	354	733	635	685	-	-
Other revenue	-	1	-	2	-	-
Government transfers for operating	-	36	43	11	-	-
Transfer from Utilities and Land	-	-	1,000	1,500	-	-
TOTAL REVENUE	354	839	1,770	2,315	-	-
EXPENSES						
Salaries, wages and benefits	155	167	159	270	-	-
Contracted and general services	60	98	48	147	-	-
Materials, goods and utilities	8	3	3	340	-	-
Other operating expenses	-	1,488	718	(95)	-	-
Amortization of tangible capital assets	-	1	1	1	-	-
Internal charges and transfers	131	337	149	31	-	-
TOTAL EXPENSES	354	2,094	1,078	694	-	-
Excess (shortfall) of revenue over expenses	\$ -	\$ (1,255)	\$ 692	\$ 1,621	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Taxes	\$ 118	\$ 114	\$ 110	\$ 114	\$ 118	\$ 113
Sale of services	13,834	12,694	13,345	11,719	11,283	9,886
Other income						
Internal recovery	878	757	837	701	674	594
Other revenue	811	1,127	1,133	911	962	1,172
Developer levies	-	-	183	-	-	-
Government transfers						
Debenture interest subsidy	-	-	-	-	-	1
Government transfers for operating	-	41	-	2,200	-	-
TOTAL REVENUE	15,641	14,733	15,608	15,645	13,037	11,766
EXPENSES						
Salaries, wages & benefits	3,913	3,784	3,371	3,044	3,044	2,618
Contracted and general services	615	871	655	421	418	374
Materials and supplies	1,153	1,408	1,210	1,220	1,062	948
Provisions for allowances	44	44	44	44	42	34
Interest on long-term debt	2,823	2,628	2,750	2,641	2,045	1,430
Other expenses	-	6	1	769	-	-
Amortization	1,672	2,404	1,942	2,154	1,969	1,767
Gain \ loss on sale of assets	-	10	20	-	-	-
Internal charges and transfers	4,016	3,510	3,260	2,979	3,044	2,816
TOTAL EXPENSES	14,236	14,665	13,253	13,272	11,624	9,987
Excess (shortfall) of revenue over expenses	\$ 1,405	\$ 68	\$ 2,355	\$ 2,373	\$ 1,413	\$ 1,779

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Taxes	\$ 118	\$ 114	\$ 110	\$ 114	\$ 118	\$ 113
Sale of services	11,200	10,840	10,160	10,049	9,623	8,132
Other income						
Internal recovery	252	252	231	241	218	211
Other revenue	585	1,046	1,069	1,235	674	1,055
Government transfers						
Debenture interest subsidy	-	-	-	-	-	1
Government transfers for operating	-	36	-	6,194	-	-
TOTAL REVENUE	12,155	12,288	11,570	17,833	10,633	9,512
EXPENSES						
Salaries, wages & benefits	3,727	3,405	2,865	2,663	2,646	2,366
Contracted and general services	499	667	340	388	254	275
Materials and supplies	1,164	1,371	1,155	1,000	934	1,010
Provisions for allowances	42	42	40	37	32	27
Interest on long-term debt	2,233	1,918	1,848	1,853	1,716	1,708
Other expenses	-	10	6	217	-	-
Amortization	1,158	1,920	2,353	2,279	1,888	1,777
Gain \ loss on sale of assets	-	-	2	-	-	-
Internal charges and transfers	2,907	2,261	2,196	1,947	1,869	1,742
TOTAL EXPENSES	11,730	11,594	10,805	10,384	9,339	8,905
Excess (shortfall) of revenue over expenses	\$ 425	\$ 694	\$ 765	\$ 7,449	\$ 1,294	\$ 607

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 7,625	\$ 7,744	\$ 7,660	\$ 6,865	\$ 5,805	\$ 5,191
Other Income						
Internal recovery	996	536	441	367	288	280
Other revenue	62	52	73	89	545	365
Government transfers						
Government transfers to operating	-	50	3	-	-	-
TOTAL REVENUE	8,683	8,382	8,177	7,321	6,638	5,836
EXPENSES						
Salaries, wages & benefits	2,667	2,516	2,299	2,312	2,276	2,120
Contracted and general services	1,490	1,117	963	1,055	942	1,074
Materials and supplies	930	797	787	680	595	870
Provisions for allowances	15	15	15	15	13	11
Interest on long-term debt	184	157	125	93	110	117
Other expenses	145	311	164	159	315	268
Amortization	423	349	395	298	304	303
Gain \ loss on sale of assets	-	9	2	-	-	-
Internal charges and transfers	2,057	1,888	1,842	1,952	1,373	1,314
TOTAL EXPENSES	7,911	7,159	6,592	6,564	5,928	6,077
Excess (shortfall) of revenue over expenses	\$ 772	\$ 1,223	\$ 1,585	\$ 757	\$ 710	\$ (241)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & PROPERTIES

	2010 Budget	2010 Actual	2009	2008	2007	2006
REVENUE						
Sale of services	\$ 13,900	\$ 9,494	\$ 8,413	\$ 19,403	\$ 33,894	\$ 20,035
Other Income						
Investment income	-	-	-	-	3	3
Licences fines and penalties	49	112	125	447	33	195
Other revenue	190	213	188	139	42	16
Government transfers						
Flood assistance	-	-	-	-	-	10
TOTAL REVENUE	14,139	9,819	8,726	19,989	33,972	20,259
EXPENSES						
Salaries, wages and benefits	598	530	498	467	405	415
Contracted and general services	91	57	52	323	57	48
Materials and supplies	8,757	6,662	5,626	10,053	27,149	16,975
Other expenses	60	-	-	-	-	-
Provisions for allowances	3	3	3	3	2	2
Amortization	-	25	4	4	-	-
Internal charges	832	1,716	1,636	4,902	566	1,390
TOTAL EXPENSES	10,341	8,993	7,819	15,752	28,179	18,830
Excess (shortfall) of revenue over expenses	\$ 3,798	\$ 826	\$ 907	\$ 4,237	\$ 5,793	\$ 1,429

The above represents actual transactions before consolidation eliminations.
2007 and prior years do not include Amortization Expense.

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2010 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2010 Consolidated
FINANCING										
Contributed assets - private	\$ 1,081	\$ -	\$ -	\$ -	\$ (10)	\$ 22	\$ -	\$ 492	\$ -	\$ 1,585
Debt - ACFA	800	1,350	4,469	-	3,215	5,490	320	-	-	15,644
Debt - infrastructure reserve	3,017	-	4	-	15	-	-	-	(3,036)	-
Developer levies	652	321	457	-	-	-	-	-	-	1,430
Government transfers for capital	11,557	128	-	-	710	13	-	107	-	12,515
Land Sales	6,360	-	417	-	195	306	-	-	1	7,279
Operations	509	2,062	775	-	2,847	(987)	(1,184)	325	-	4,347
Other	56	(121)	186	-	-	-	-	-	-	121
Reserves	5,303	15,856	3,972	-	-	-	-	-	3,036	28,167
	29,335	19,596	10,280	-	6,972	4,844	(864)	924	1	71,088
EXPENSES										
Engineered structures	15,685	28,286	10,446	-	3,346	1,449	2	361	1	59,576
Buildings	1,409	-	730	-	1,317	1,317	293	177	-	5,243
Machinery and equipment	1,372	371	593	-	88	99	369	-	-	2,892
Land Improvements	3,580	-	304	-	29	-	20	61	-	3,994
Land	914	-	-	-	-	-	-	10	-	924
Mobile equipment	6,137	-	-	-	-	-	-	-	-	6,137
Major operating expenses	185	-	-	-	-	-	-	-	-	185
	29,282	28,657	12,073	-	4,780	2,865	684	609	1	78,951
CHANGE IN CAPITAL FUND	53	(9,061)	(1,793)	-	2,192	1,979	(1,548)	315	-	(7,863)

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Legislative	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -
General Government	300	55	79	595	586	392
Corporate Services	24,669	7,962	8,068	5,476	1,384	5,942
Development & Infrastructure	4,250	15,712	27,521	37,407	39,339	16,256
Public Services	6,010	5,517	3,607	4,529	7,986	3,824
Police Services	28	89	293	782	69	274
TOTAL FINANCING	35,257	29,335	39,568	48,795	49,364	26,688
EXPENSES						
Legislative	\$ -	\$ -	\$ -	\$ 25	\$ -	\$ -
General Government	300	55	79	675	736	492
Corporate Services	24,669	7,813	8,686	5,740	1,657	5,706
Development & Infrastructure	4,250	16,130	28,159	36,191	39,473	16,977
Public Services	6,010	5,195	3,336	4,051	7,792	5,581
Police Services	28	89	299	829	142	204
TOTAL EXPENSES	35,257	29,282	40,559	47,511	49,800	28,960
CHANGE IN CAPITAL FUND	\$ -	\$ 53	\$ (991)	\$ 1,284	\$ (436)	\$ (2,272)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Alderman & City Clerk

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Reserves	-	-	-	6	-	-
TOTAL FINANCING	-	-	-	6	-	-
EXPENSES						
Machinery and equipment	-	-	-	25	-	-
TOTAL EXPENSES	-	-	-	25	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (19)	\$ -	\$ -

GENERAL GOVERNMENT

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

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	200
Debt - infrastructure	300	36	79	636	558	-
Government transfers	-	19	-	-	14	136
Reserves	-	-	-	(41)	14	56
TOTAL FINANCING	300	55	79	595	586	392
EXPENSES						
Machinery and equipment	250	-	79	661	608	191
Land improvements	50	55	-	-	-	-
Major operating expenses	-	-	-	14	128	301
TOTAL EXPENSES	300	55	79	675	736	492
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (80)	\$ (150)	\$ (100)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ 250	\$ -	\$ -	\$ -	\$ 73	\$ -
Government transfers	-	-	-	-	14	136
Reserves	-	-	-	(35)	14	86
TOTAL FINANCING	250	-	-	(35)	101	222
EXPENSES						
Machinery and equipment	250	-	-	25	-	42
Major operating expenses	-	-	-	11	119	297
TOTAL EXPENSES	250	-	-	36	119	339
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (71)	\$ (18)	\$ (117)

BUSINESS SUPPORT

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ 50	\$ 36	\$ -	\$ -	\$ -	\$ -
Government transfers	-	19	-	-	-	-
TOTAL FINANCING	50	55	-	-	-	-
EXPENSES						
Land Improvements	50	55	-	-	-	-
TOTAL EXPENSES	50	55	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE COMMUNICATIONS

General Government

No Capital

HUMAN RESOURCES

General Government

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	200
Debt - infrastructure	-	-	79	636	485	-
Reserves	-	-	-	(6)	-	(30)
TOTAL FINANCING	-	-	79	630	485	170
EXPENSES						
Machinery and equipment	-	-	79	636	608	149
Major operating expenses	-	-	-	3	9	4
TOTAL EXPENSES	-	-	79	639	617	153
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (9)	\$ (132)	\$ 17

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance, ICS, Corporate Asset Management, General Municipal Revenues

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ 396	\$ 800	\$ -	\$ 380	\$ -	\$ 370
Debt - infrastructure	1,625	411	897	1,677	1,288	539
Government transfers	17,917	1,630	2,483	-	-	-
Land sales	-	-	6	-	-	-
Operations	251	91	1	550	-	-
Other	-	56	82	354	-	10
Proceeds from sale of assets	-	-	-	13	-	189
Reserves	4,480	4,974	4,599	2,502	96	4,834
TOTAL FINANCING	24,669	7,962	8,068	5,476	1,384	5,942
EXPENSES						
Buildings	18,275	856	570	235	464	52
Machinery and equipment	350	639	1,591	2,052	83	790
Mobile equipment	6,044	6,137	6,525	2,978	-	3,673
Major operating expenses	-	181	-	475	1,110	1,191
TOTAL EXPENSES	24,669	7,813	8,686	5,740	1,657	5,706
CHANGE IN CAPITAL FUND	\$ -	\$ 149	\$ (618)	\$ (264)	\$ (273)	\$ 236

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ 350	\$ 3	\$ 94	\$ 22	\$ 46	\$ -
Operations	-	-	1	550	-	-
Reserves	-	(17)	(87)	52	-	728
TOTAL FINANCING	350	(14)	8	624	46	728
EXPENSES						
Machinery and equipment	350	48	131	456	1	728
Major operating expenses	-	-	-	22	46	12
TOTAL EXPENSES	350	48	131	478	47	740
CHANGE IN CAPITAL FUND	\$ -	\$ (62)	\$ (123)	\$ 146	\$ (1)	\$ (12)

INFORMATION & COMPUTER SERVICES

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ -	\$ 82	\$ 267	\$ 24	\$ 50	\$ -
Other	-	-	-	-	-	10
Reserves	-	-	(6)	(112)	-	115
TOTAL FINANCING	-	82	261	(88)	50	125
EXPENSES						
Machinery and equipment	-	92	272	-	-	-
Major operating expenses	-	-	-	144	283	204
TOTAL EXPENSES	-	92	272	144	283	204
CHANGE IN CAPITAL FUND	\$ -	\$ (10)	\$ (11)	\$ (232)	\$ (233)	\$ (79)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ 396	\$ 800	\$ -	\$ 380	\$ -	\$ 370
Debt - infrastructure	1,275	326	536	1,631	1,192	539
Government transfers	17,917	1,630	2,483	-	-	-
Land sales	-	-	6	-	-	-
Other	-	56	82	354	-	-
Operations	251	91	-	-	-	-
Proceeds from sale of assets	-	-	-	13	-	189
Reserves	4,480	4,991	4,692	2,562	96	3,991
TOTAL FINANCING	24,319	7,894	7,799	4,940	1,288	5,089
EXPENSES						
Buildings	18,275	856	570	235	464	52
Machinery and equipment	-	499	1,188	1,596	82	62
Mobile equipment	6,044	6,137	6,525	2,978	-	3,673
Major operating expenses	-	181	-	309	781	975
TOTAL EXPENSES	24,319	7,673	8,283	5,118	1,327	4,762
CHANGE IN CAPITAL FUND	\$ -	\$ 221	\$ (484)	\$ (178)	\$ (39)	\$ 327

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 419	\$ 1,931	\$ -	\$ -	\$ -
Debt - ACFA	-	-	980	5,862	-	2,351
Debt - internal	-	-	-	-	22	14
Debt - infrastructure	862	850	872	1,025	693	928
Developers levies	-	629	241	521	1,540	433
Government transfers	3,188	8,067	18,706	22,589	28,964	2,974
Land sales	-	5,464	4,509	7,168	8,145	9,607
Operations	200	271	179	235	79	-
Other			103			
Reserves	-	12	-	7	(104)	(51)
TOTAL FINANCING	4,250	15,712	27,521	37,407	39,339	16,256
EXPENSES						
Engineered structures	4,250	14,993	26,050	31,854	37,583	15,982
Buildings	-	29	-	7	106	2
Machinery and equipment	-	287	223	210	283	761
Land improvements	-	65	1,309	-	-	-
Land	-	756	577	3,043	999	51
Major operating expenses	-	-	-	1,077	502	181
TOTAL EXPENSES	4,250	16,130	28,159	36,191	39,473	16,977
CHANGE IN CAPITAL FUND	\$ -	\$ (418)	\$ (638)	\$ 1,216	\$ (134)	\$ (721)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ -	\$ 69	\$ 30	\$ 226	\$ 111	\$ -
Land sales	-	-	30	-	-	-
Operating fund	-	-	-	-	79	-
Reserves	-	-	-	-	-	(32)
TOTAL FINANCING	-	69	60	226	190	(32)
EXPENSES						
Machinery and equipment	-	69	30	-	101	-
Major operating expenses	-	-	-	224	106	5
TOTAL EXPENSES	-	69	30	224	207	5
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ 30	\$ 2	\$ (17)	\$ (37)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 419	\$ 1,931	\$ -	\$ -	\$ -
Debt - ACFA	-	-	980	5,862	-	2,351
Debt - internal	-	-	-	-	22	14
Debt - infrastructure	862	781	842	799	582	928
Developers levies	-	629	241	521	1,540	433
Government transfers	3,188	8,067	18,706	22,589	28,964	2,974
Land sales	-	5,464	4,479	7,168	8,145	9,607
Operating fund	200	271	179	235	-	-
Other	-	-	103	-	-	-
Reserves	-	12	-	7	(104)	(19)
TOTAL FINANCING	4,250	15,643	27,461	37,181	39,149	16,288
EXPENSES						
Engineered structures	4,250	14,993	26,050	31,854	37,583	15,982
Buildings	-	29	-	7	106	2
Machinery and equipment	-	218	193	210	182	761
Land improvements	-	65	1,309	-	-	-
Land	-	756	577	3,043	999	51
Major operating expenses	-	-	-	853	396	176
TOTAL EXPENSES	4,250	16,061	28,129	35,967	39,266	16,972
CHANGE IN CAPITAL FUND	\$ -	\$ (418)	\$ (668)	\$ 1,214	\$ (117)	\$ (684)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development, Parks, Fire Services, 911 Communications, Culture

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 662	\$ 198	\$ -	\$ -	\$ -
Debt - ACFA	-	-	145	-	775	825
Debt - infrastructure	1,090	1,713	1,017	1,484	2,620	929
Debt - internal	-	-	-	-	2	78
Developers levies	-	23	249	433	551	378
Government transfers	4,920	1,841	162	4	144	344
Land sales	-	896	1,769	2,107	3,791	891
Operations	-	65	-	-	43	-
Other	-	-	67	304	35	282
Reserves	-	317	-	197	25	97
TOTAL FINANCING	6,010	5,517	3,607	4,529	7,986	3,824
EXPENSES						
Engineered structures	-	692	63	2,625	5,886	1,592
Buildings	-	524	102	374	602	1,867
Machinery and equipment	40	357	282	803	268	641
Land	3,325	158	-	-	-	-
Land improvements	2,645	3,460	2,889	-	-	-
Mobile equipment	-	-	-	60	-	-
Major operating expenses	-	4	-	189	1,036	1,481
TOTAL EXPENSES	6,010	5,195	3,336	4,051	7,792	5,581
CHANGE IN CAPITAL FUND	\$ -	\$ 322	\$ 271	\$ 478	\$ 194	\$ (1,757)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - infrastructure	\$ 40	\$ 132	\$ 117	\$ 601	\$ 211	\$ (124)
Government transfers	-	43	23	-	43	14
Operations	-	-	-	-	43	-
Other	-	-	67	304	35	184
Reserves	-	(7)	-	-	(3)	-
TOTAL FINANCING	40	168	207	905	329	74
EXPENSES						
Engineered structures	-	-	63	-	-	-
Buildings	-	6	-	75	24	354
Machinery and equipment	40	169	149	713	86	56
Mobile equipment	-	-	-	60	-	-
Major operating expenses	-	-	-	127	203	123
TOTAL EXPENSES	40	175	212	975	313	533
CHANGE IN CAPITAL FUND	\$ -	\$ (7)	\$ (5)	\$ (70)	\$ 16	\$ (459)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & OUTDOOR RECREATION

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 662	\$ 198	\$ -	\$ -	\$ -
Debt - ACFA	-	-	145	-	-	-
Debt - infrastructure	1,050	976	704	463	1,703	678
Debt - internal	-	-	-	-	2	67
Developers levies	-	(34)	-	174	90	65
Government transfers	4,920	1,798	139	4	41	7
Land sales	-	896	1,769	2,107	3,791	633
Other	-	-	-	-	-	98
Reserves	-	324	-	-	28	(19)
TOTAL FINANCING	5,970	4,622	2,955	2,748	5,655	1,529
EXPENSES						
Engineered structures	-	692	-	2,625	5,886	1,334
Buildings	-	(51)	39	-	(270)	1
Machinery and equipment	-	87	-	-	-	-
Land	3,325	158	-	-	-	-
Land improvements	2,645	3,460	2,889	-	-	-
Major operating expenses	-	4	-	89	19	469
TOTAL EXPENSES	5,970	4,350	2,928	2,714	5,635	1,804
CHANGE IN CAPITAL FUND	\$ -	\$ 272	\$ 27	\$ 34	\$ 20	\$ (275)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FIRE SERVICES

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	825
Debt - infrastructure	-	206	133	39	169	151
Debt - internal	-	-	-	-	-	11
Reserves	-	-	-	-	-	(30)
TOTAL FINANCING	-	206	133	39	169	957
EXPENSES						
Buildings	-	194	-	4	17	37
Machinery and equipment	-	12	133	6	142	556
Major operating expenses	-	-	-	38	64	20
TOTAL EXPENSES	-	206	133	48	223	613
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (9)	\$ (54)	\$ 344

9-1-1 COMMUNICATIONS

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt - infrastructure	-	24	-	70	-	208
Operations	-	65	-	-	-	-
Reserves	-	-	-	-	-	2
TOTAL FINANCING	-	89	-	70	-	210
EXPENSES						
Buildings	-	-	-	-	-	103
Machinery and equipment	-	89	-	70	-	13
Major operating expenses	-	-	-	-	-	94
TOTAL EXPENSES	-	89	-	70	-	210
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	-

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CULTURAL DEVELOPMENT

Public Services

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ -
Debt - infrastructure	-	375	63	311	537	16
Government transfers	-	-	-	-	60	323
Land sales	-	-	-	-	-	258
Other	-	-	-	-	-	-
Third Party Contribution	-	57	249	259	461	313
Reserves	-	-	-	197	-	144
TOTAL FINANCING	-	432	312	767	1,833	1,054
EXPENSES						
Engineered structures	-	-	-	-	-	258
Buildings	-	375	63	295	831	1,372
Machinery and equipment	-	-	-	14	40	16
Major operating expenses	-	-	-	(65)	750	775
TOTAL EXPENSES	-	375	63	244	1,621	2,421
CHANGE IN CAPITAL FUND	\$ -	\$ 57	\$ 249	\$ 523	\$ 212	\$ (1,367)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

POLICE SERVICE

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220
Debt - infrastructure	28	7	59	800	69	54
Operating fund	-	82	234	-	-	-
Reserves	-	-	-	(18)	-	-
TOTAL FINANCING	28	89	293	782	69	274
EXPENSES						
Buildings	-	-	-	701	-	-
Machinery and equipment	28	89	299	105	55	14
Major operating expenses	-	-	-	23	87	190
TOTAL EXPENSES	28	89	299	829	142	204
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (6)	\$ (47)	\$ (73)	\$ 70

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	1,900	1,350	1,350	(7,956)	2,154	(2,488)
Developers levies	585	321	264	563	1,168	882
Government transfers	-	128	-	-	-	-
Land Sales	-	-	272	-	-	-
Operations	295	2,062	4,044	13,864	943	12,923
Other	-	(121)	-	646	262	929
Proceeds from sale of assets	-	-	33	424	335	1,785
Reserves	-	15,856	29,255	13,622	142,897	44,290
TOTAL FINANCING	2,780	19,596	35,218	21,163	147,759	58,321
EXPENSES						
Engineered structures	2,519	28,286	23,008	17,345	157,021	45,095
Machinery and equipment	261	371	99	487	255	582
Major operating expenses	-	-	-	(439)	819	929
TOTAL EXPENSES	2,780	28,657	23,107	17,393	158,095	46,606
CHANGE IN CAPITAL FUND	\$ -	\$ (9,061)	\$ 12,111	\$ 3,770	\$ (10,336)	\$ 11,715

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ 7,250	\$ 4,469	\$ 27,344	\$ 3,823	\$ 3,145	\$ 16,200
Debt - infrastructure		4	282	137	-	(13,453)
Developers levies	1,454	457	1,029	1,861	2,900	1,412
Land Sales	-	417	673	-	-	-
Operations	770	775	1,553	5,222	5,973	17,658
Other	-	186	-	539	543	1,243
Reserves	15	3,972	2,091	12,926	13,126	1,604
TOTAL FINANCING	9,489	10,280	32,972	24,508	25,687	24,664
EXPENSES						
Engineered structures	6,717	10,446	25,937	24,153	6,566	23,456
Buildings	450	730	11,349	1,752	352	177
Machinery and equipment	2,322	593	213	391	291	312
Land improvements	-	304	-	-	-	-
TOTAL EXPENSES	9,489	12,073	37,499	26,296	7,209	23,945
CHANGE IN CAPITAL FUND	\$ -	\$ (1,793)	\$ (4,527)	\$ (1,788)	\$ 18,478	\$ 719

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ENERGY SUSTAINABILITY

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ 32	\$ -	\$ -
TOTAL FINANCING	-	-	-	32	-	-
EXPENSES						
Engineered structures	-	-	30	2	-	-
TOTAL EXPENSES	-	-	30	2	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (30)	\$ 30	\$ -	\$ -

WATER

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ (10)	\$ 2,100	\$ 1,345	\$ -	\$ -
Debt - ACFA	1,050	3,215	1,000	6,610	17,150	14,750
Debt - infrastructure	-	15	63	-	-	-
Developers levies	200	-	183	-	-	-
Government transfers	-	710	-	2,200	-	-
Land sales	-	195	721	1,463	2,012	2,329
Operations	300	2,847	1,291	499	252	329
TOTAL FINANCING	1,550	6,972	5,358	12,117	19,414	17,408
EXPENSES						
Engineered structures	1,350	3,346	5,718	14,865	15,614	17,332
Buildings	-	1,317	-	228	-	-
Machinery and equipment	200	88	81	95	114	112
Land improvement	-	29	135	-	-	-
Major operating expenses	-	-	-	-	5	9
TOTAL EXPENSES	1,550	4,780	5,934	15,188	15,733	17,453
CHANGE IN CAPITAL FUND	\$ -	\$ 2,192	\$ (576)	\$ (3,071)	\$ 3,681	\$ (45)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 22	\$ 1,790	\$ 2,518	\$ -	\$ -
Debt - ACFA	1,050	5,490	6,325	568	4,761	2,307
Government transfers	-	13	-	6,194	-	-
Land sales	-	306	645	2,710	1,653	2,615
Operations	150	(987)	824	408	158	795
Other	-	-	(22)	-	-	-
TOTAL FINANCING	1,200	4,844	9,562	12,398	6,572	5,717
EXPENSES						
Engineered structures	1,200	1,449	8,065	15,070	5,389	7,164
Buildings	-	1,317	-	228	-	-
Machinery and equipment	-	99	-	-	-	-
Major operating expenses	-	-	-	-	-	3
TOTAL EXPENSES	1,200	2,865	8,065	15,298	5,389	7,167
CHANGE IN CAPITAL FUND	\$ -	\$ 1,979	\$ 1,497	\$ (2,900)	\$ 1,183	\$ (1,450)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Debt - ACFA	\$ 8,750	\$ 320	\$ 2,150	\$ -	\$ -	\$ -
Debt - infrastructure	-	-	-	-	-	112
Operations	200	(1,184)	817	523	435	646
Other	-	-	3	-	-	-
TOTAL FINANCING	8,950	(864)	2,970	523	435	758
EXPENSES						
Engineered structures	-	2	32	39	8	14
Buildings	100	293	157	313	6	44
Machinery and equipment	250	369	1,482	101	47	151
Land improvement	8,600	20	-	-	-	-
TOTAL EXPENSES	8,950	684	1,671	453	61	209
CHANGE IN CAPITAL FUND	\$ -	\$ (1,548)	\$ 1,299	\$ 70	\$ 374	\$ 549

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2010

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & PROPERTIES

	2010 Budget	2010 Actual	2009	2008	2007	2006
FINANCING						
Contributed assets - private	\$ -	\$ 492	\$ -	\$ -	\$ -	\$ -
Government transfers	-	107	-	-	-	-
Operations	-	325	-	-	-	97
Other	-	-	-	-	-	-
TOTAL FINANCING	-	924	-	-	-	97
EXPENSES						
Engineered structures	-	361	-	-	-	-
Buildings	-	177	-	-	-	-
Land improvement	-	61	-	-	-	-
Land	-	10	-	-	-	97
TOTAL EXPENSES	-	609	-	-	-	97
CHANGE IN CAPITAL FUND	\$ -	\$ 315	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2008 - 2010

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2010	2009	2008 (Restated)
Financial assets			
Cash and temporary investments	\$ 62,586	\$ 38,447	\$ 26,582
Accounts receivable (net of allowances)	41,933	45,659	48,085
Advances to subsidiary	13,419	14,911	15,945
Investments, loans & advances	381,630	343,547	309,604
Land held for resale	13,020	13,823	14,225
Inventories for resale	175	160	4,646
Deposits	348	8,445	3,461
Total financial assets	\$ 513,111	\$ 464,992	\$ 422,548
Liabilities			
Bank indebtedness	\$ -	\$ -	\$ 2,188
Trade accounts payable	21,344	24,042	19,888
Accrued liabilities	19,010	20,344	21,898
Loss in subsidiary	2,114	4,113	4,853
Deferred revenues	55,655	37,694	34,786
Short-term debt	-	-	2,188
Long-term debt	215,033	216,189	194,713
Other long-term liabilities	125,236	121,617	91,348
Total liabilities	438,392	423,999	369,674
Net financial assets	74,719	40,993	52,874
Non-financial assets			
Inventories	15,023	16,558	17,069
Prepaid assets	1,906	1,614	1,388
Land held for future development	8,904	8,070	7,837
Long lived asset	52,563	60,085	36,804
Tangible capital assets	1,087,097	1,101,874	1,073,369
	1,165,493	1,188,201	1,136,467
	\$ 1,240,212	\$ 1,229,194	\$ 1,189,341

NOTE:

Effective 2009, the City adopted the new Canadian Institute of Chartered Accountants standards for Tangible Capital Assets. These policies were adopted retroactive to 2008. Information for years prior to 2008 do not reflect these changes and are therefore not included with these statistics.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2008 - 2010

(In thousands of dollars)

STATEMENT OF OPERATIONS

	2010	2009	2008 (Restated)
REVENUE FROM:			
Taxes	\$ 67,631	\$ 63,924	\$ 61,267
Less - Requisitions	(23,203)	(22,155)	(22,414)
	44,428	41,769	38,853
Sale of services			
General Government	9,237	8,240	7,932
Gas	100,858	104,662	171,152
Electric	76,109	69,993	77,978
Water	12,549	13,205	11,587
Sewer	10,750	10,080	9,964
Solid Waste	7,589	7,557	6,760
Land and Properties	9,566	11,480	18,286
Other income			
Investment income	14,792	13,365	11,426
Investment in subsidiary	1,999	740	1,352
Licenses, fines and penalties	6,126	5,905	6,842
Insurance recovery	755	189	248
Development levies	1,430	1,966	3,194
Charitable gifts	2,500	2,000	4,000
Government transfers for operating	6,075	4,795	4,362
Other	14,171	11,680	20,566
Total revenue	\$ 318,934	\$ 307,626	\$ 394,502
EXPENSES:			
General Government	\$ 118,618	\$ 107,079	\$ 98,893
Gas	122,340	122,940	147,933
Electric	53,682	41,289	36,224
Energy Sustainability	1,967	921	659
Water	9,413	8,410	8,941
Sewer	8,914	8,257	8,538
Solid Waste	4,931	3,993	5,190
Land and Properties	2,151	2,254	5,945
Total expenses	\$ 322,016	\$ 295,143	\$ 312,323
Excess (shortfall) of revenue over expenses			
- before other	(3,082)	12,483	82,179
Other			
Contributed assets	1,585	6,019	9,869
Government Transfers for Capital	12,515	21,351	22,592
Total other	14,100	27,370	32,461
Excess (shortfall) of revenue over expenses	11,018	39,853	114,640

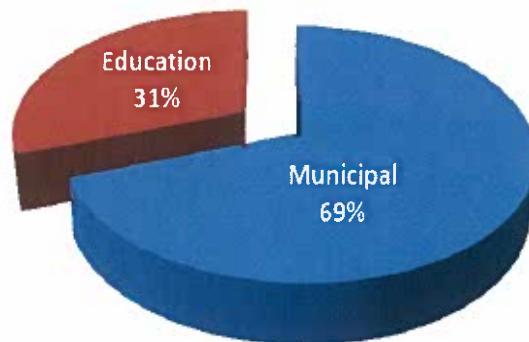
NOTE:

Effective 2009, the City adopted the new Canadian Institute of Chartered Accountant standards for Tangible Capital Assets. These policies were adopted retroactive to 2008 and as a result, government transfers for capital is included in revenue, amortization expense on general government assets is included in expenses and capital expenditures and debt principal payments are excluded from expenses. Information for years prior to 2008 do not reflect these changes and are therefore not included with these statistics.

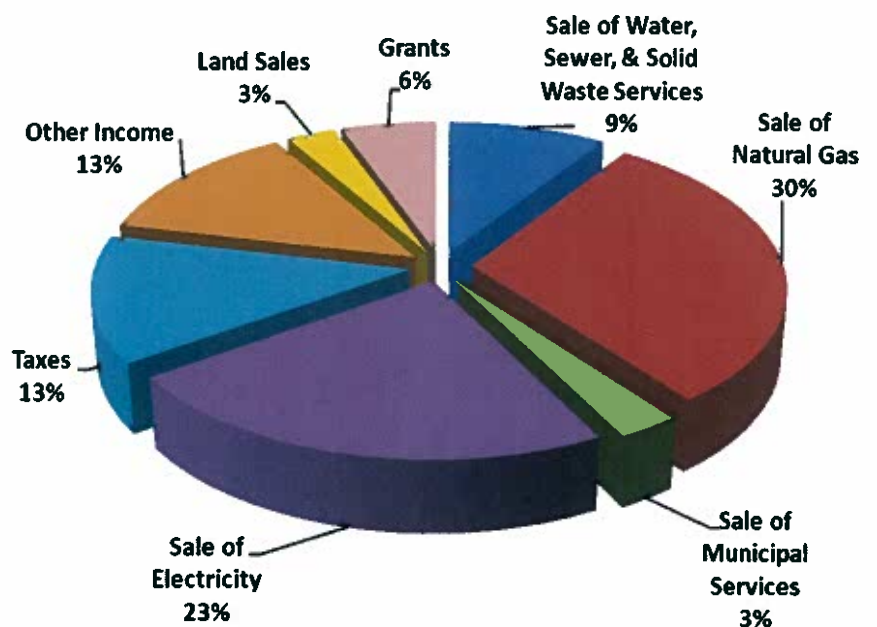
FINANCIAL SYNOPSIS 2010

Operating Activities

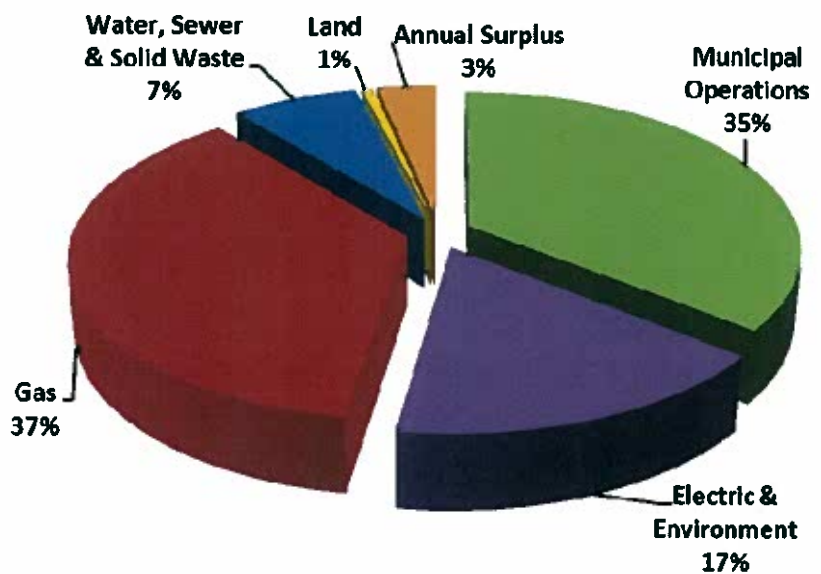
Where our Tax Dollars Went in 2010
Education / Municipal
Property Tax



Where the Money Comes From
\$333 Million



Where the Money Goes
\$333 Million





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