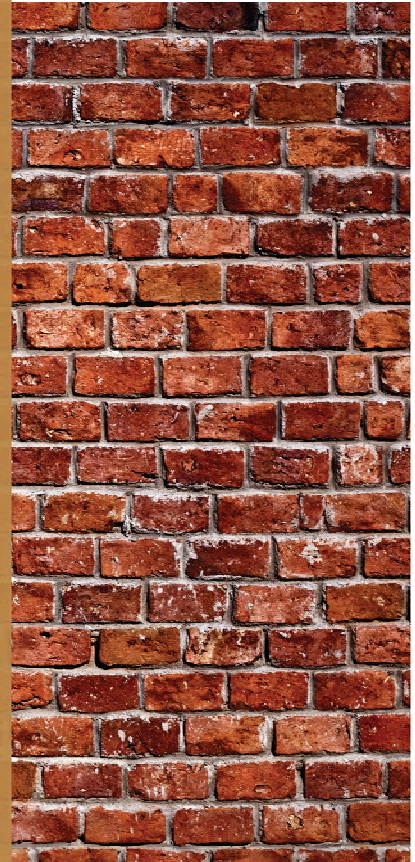


# 2020 Financial Report

December 31, 2020  
City of Medicine Hat  
Medicine Hat, Alberta, Canada



Medicine Hat  
The Gas City

**City of Medicine Hat, Alberta, Canada**

# **2020 FINANCIAL REPORT**

**For the year ended December 31, 2020**

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



Information on the City of Medicine Hat  
is available via the internet at  
[www.medicinehat.ca](http://www.medicinehat.ca)



# TABLE OF CONTENTS

## Page

### INTRODUCTORY

City Council .....	2
2020 Organizational Structure .....	3
Treasurer's Report .....	4

### FINANCIAL STATEMENTS

Management's Responsibility for Reporting .....	15
Independent Auditor's Report .....	16
Consolidated Statement of Financial Position .....	20
Consolidated Statement of Operations .....	21
Consolidated Statement of Change in Net Financial Debt .....	22
Consolidated Statement of Cash Flows .....	23
Consolidated Tangible Capital Assets (Schedule 1) .....	24
Consolidated Schedule of Municipal Taxes (Schedule 2) .....	25
Consolidated Government Transfers (Schedule 3) .....	26
Schedule of Segmented Disclosures (Schedule 4) .....	27
Consolidated Expenses by Object & of Other Operating Expenses (Schedule 5 & 5A).....	29
Notes to the Consolidated Financial Statements .....	30

### FINANCIAL & STATISTICAL SCHEDULES (unaudited)

Demographics and Other Information .....	56
Financial Comparison 2016 - 2020 .....	57
Financial Synopsis.....	59
Taxation and Assessment .....	60
Summary of Unrestricted Surplus and Restricted Surplus - Reserves.....	61
Long Term Debt .....	62
Consolidated Expenses by Object .....	63
Schedule of Operating Revenue & Expenses by Division, Department, & Object.....	64
Schedule of Capital Segmented Reporting .....	93
Schedules of Capital Financing & Expenses by Department .....	94



**Back row:** Brian Varga, Robert Dumanowski, Kris Samraj, Jim Turner, Julie Friesen, Darren Hirsch  
**Front row:** Phil Turnbull, Ted Clugston, Jamie McIntosh

## STANDING COMMITTEES

### Audit Committee

Councillor D. Hirsch, Chair  
 Councillor P. Turnbull, Vice Chair  
 Councillor J. McIntosh  
 D. Egert, Corporate Services Commissioner, Advisor

### Corporate Services Committee

Councillor R. Dumanowski, Chair  
 Councillor D. Hirsch, Vice Chair  
 Councillor B. Varga

### Development & Infrastructure Committee

Councillor R. Dumanowski, Chair  
 Councillor J. Turner, Vice Chair  
 Councillor J. McIntosh

### Energy & Utilities Committee

Councillor P. Turnbull, Chair  
 Councillor J. McIntosh, Vice Chair  
 Councillor J. Turner

### Public Services Committee

Councillor J. Friesen, Chair  
 Councillor J. Turner, Vice Chair  
 Councillor K. Samraj

### Heritage Resource Committee

Councillor J. McIntosh, Council Representative

### Administrative & Legislative Review Committee

Councillor D. Hirsch, Chair  
 Councillor J. Friesen, Vice Chair  
 Councillor R. Dumanowski

### Administrative Committee

T. Clugston, Mayor  
 R. Nicolay, Chief Administrative Officer, Chair  
 B. Mastel, Public Services Commissioner  
 D. Egert, Corporate Services Commissioner  
 S. Schwartzenberger, Development & Infrastructure Commissioner  
 B. Maynes, Energy & Utilities Division Commissioner  
 B. Schmitt, City Solicitor  
 A. Cruickshank, City Clerk  
 C. Graham, Corporate Communications Manager, Advisor

## SPECIAL COMMITTEES

**Canadian Badlands:** Councillors P. Turnbull & B. Varga

**Chamber of Commerce:** Councillor J. Turner

**City Centre Development Agency:** Councillor K. Samraj

**Civic Functions:** Councillor K. Samraj

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

**Friends of Medalta Society:** Councillor J. McIntosh

**Highway #3 Twinning Association:** Councillor J. Turner

**Medicine Hat Community Housing Society:** Councillor K. Samraj

**Medicine Hat Exhibition & Stampede:** Councillor J. Turner

**Medicine Hat Public Library:** Councillor P. Turnbull

**Municipal Names Committee:** Councillor J. McIntosh

**Municipal Planning Commission:** Councillors B. Varga & D. Hirsch

**Palliser Economic Partnership:** Councillor J. Turner

**Police Commission:** Councillors J. Friesen & R. Dumanowski

**Regional Drainage:** Councillor K. Samraj

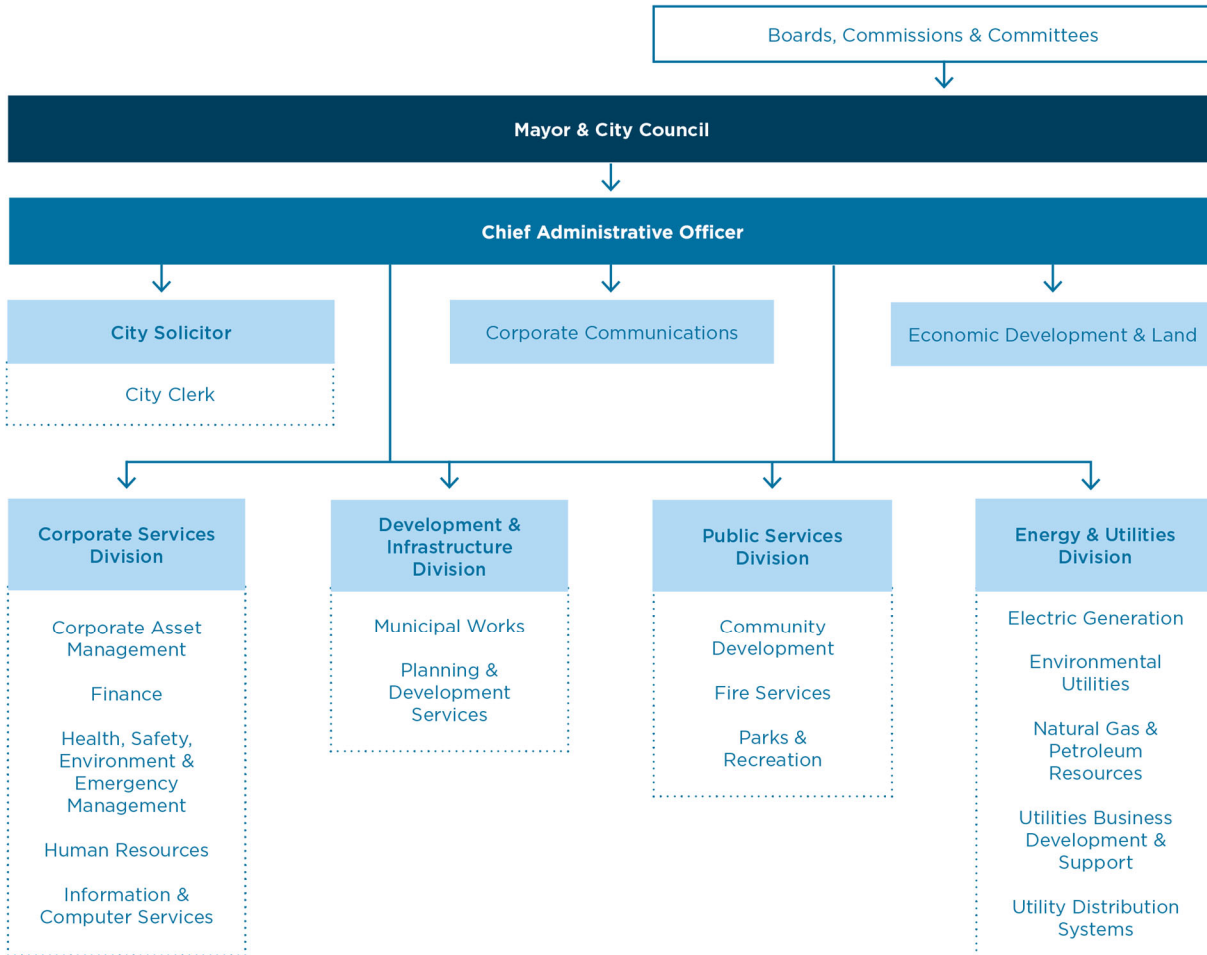
**Shortgrass Library System:** Councillor P. Turnbull

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

**Tourism Medicine Hat:** Councillor B. Varga

# Organizational Structure

**As at December 31, 2020**



A new organizational structure was approved by City Council on December 7, 2020 to be effective January 1, 2021. The City of Medicine Hat continues to implement these changes and will include a new chart in future reporting once all changes have been completed.

# Treasurer's Report

For the year ending December 31, 2020

## INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2020. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 19, 2021.

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

- protection to its citizens (fire, police and bylaw services, 9-1-1 communications, community development services)
- recreation and culture activities
- road, bridge, sidewalk and trail maintenance
- city planning and development

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

- water, sewer and solid waste management
- land and property development and business support development
- integrated commodity related businesses including natural gas exploration and production and electric generation
- natural gas and electric distribution services

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

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2020. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used against budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Treasurer's Report.
- **Canadian GFOA Award for Financial Reporting.**
- **Risk Management** - Discussion of risks and risk management strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2020. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



A handwritten signature in black ink, appearing to be 'Dennis Egert'.

Dennis Egert  
Managing Director of Corporate  
Services/Chief Financial Officer  
April 19, 2021

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2020**

### **CANADIAN GFOA AWARD FOR FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2019, for the eighteenth 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 receive 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.



Government Finance Officers Association

#### **Canadian Award for Financial Reporting**

Presented to

**City of Medicine Hat  
Alberta**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2019**

*Christopher P. Morrell*  
Executive Director/CEO

### **RISK MANAGEMENT**

This section of the report details 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, liability and automobile coverage as well as an oil and gas insurance program and power plant property insurance programs. These insurance programs include self-retention components for those losses within the various deductible levels.

#### **(b) Public Safety**

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

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergency, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommends changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. In 2013, Council approved the Fire Service Response Coverage Optimization Plan, which resulted in significant response coverage improvements to residents and improved safety for firefighters.

The City operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island, a regional population of approximately 75,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization and overall protocol compliance.

#### **(c) Treasury Management**

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. In 2015, the City was included by Municipal Affairs in the Major Cities Investment Regulation, which provides access to a broader range of investment opportunities, including public shares of companies. The regulation expands the investment opportunities for the City's financial reserve funds.

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2020**

Internally managed portfolios consist of investments in money market instruments and bonds. The external investment portfolios are managed by Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management. These funds are invested in assets permitted by the Major Cities Investment Regulation.

The goal of Policy #0167 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, and conforming to all provincial statutes and regulations governing the investment of municipal funds.

Investment performance is benchmarked to market benchmarks that are replicable, measurable and fair comparisons to the portfolios being measured. The treasury team meets to review the investment portfolio and quarterly activity. A treasury report, complete with performance indicators, is compiled tri-annually and distributed to the Audit Committee and City Council.

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

### **(d) Environmental**

The Health, Safety and Environmental department provides corporate support and ensures regulatory compliance with regard to environmental matters. The department completes the regulatory activities (including the administration of Environmental Management Policy #0148), supports the operating departments in completing their due diligence with respect to environmental activities, and provides current information on evolving and emerging environmental regulatory requirements. One of the goals is to keep City Council informed of the City's progress in striving for continual improvement in management systems and communication focusing on both compliance and proactive excellence in matters of environmental stewardship.

### **(e) Market Commodity Prices**

The City's revenues are affected by changes in market spot prices for natural gas and oil production and electric generation. The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or revenues, maintaining reliable supplies for operations/sales, and mitigating financial risk exposure to the City.

## **MANAGEMENT REPORTING AND CONTROL**

The following section describes the planning, reporting and audit process.

### **(a) Strategic Planning and Budgeting**

City Council developed a strategic plan highlighting priorities, strategies, goals and key results for the planning period 2019-2022. Based on the direction set out in the strategic plan, four-year departmental business plans are prepared. These business plans communicate each department's alignment with the strategic plan and identify:

- the core services/programs of the department and key performance indicators,
- departmental primary customers,
- significant risks and trends faced by the department, including mitigation plans,
- strategic objectives, rationale, indicators of success and action plans of the department.





# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2020**

Budget guidelines and high-level financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a four-year operating budget and a four-year capital budget with a six-year projection. The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the business plans, the budget recommendation is presented for City Council approval.

The operating budget lays out the revenues and expenses for the planning periods that will be required to deliver City services to residents.

A ten-year capital plan is developed for all departments. The capital plans identify proposed capital project expenditures and their corresponding sources of funding.

For the 2019-2022 budget period, the City employed a capital ranking process for the tax supported departments. This process is intended to ensure that capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

### **(b) Accounting**

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

### **(c) Auditing**

The *Municipal Government Act* requires municipal councils to appoint an independent auditor. In 2019, Medicine Hat City Council re-appointed KPMG LLP as auditor for 2020, with the option of renewing the engagement for an additional four years.

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.

The Audit Committee, comprised of three members of City Council, is a standing committee of City Council. The Audit Committee is responsible for recommending the appointment of the independent auditor, reviewing the terms of the engagement and overseeing management's responsibilities for financial reporting. The Audit Committee meets with management and the independent auditors to discuss the scope and timing of the audit, to review the auditor's findings and to ensure that management is carrying out its responsibilities.

Financial progress is reported to the Audit Committee throughout the year on a tri-annual basis. These progress updates examine financial performance relative to approved budgets and forecast updates.

## **FINANCIAL HIGHLIGHTS**

### **Financial Trend Summary 2020**

The financial data below provides an overview of key financial information over the past two years. Readers should review this report in conjunction with the accompanying *Consolidated Financial Statements and Note Disclosures* located on the City's website at <https://www.medicinehat.ca/government/publications-plans-reports/financial-reports>.

Due to the overall decline in gas and oil commodity prices, as well as additional challenges created by the global pandemic and lower transfers from the Government of Alberta, the City is experiencing lower revenues. The current estimated budget gap is approximately \$27 million. As a result, the City of Medicine Hat has launched the Accelerated Financially Fit Initiative (AFFI), fast-tracking the initial Financially Fit Initiative effort launched in 2016. This initiative aims to close the budget gap and create a sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases.

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2020**

The AFFI efforts will focus on strategic opportunities including cost containment and service level adjustments, range and level of services provided, and leveraging technology and digital innovation. The capital prioritization project will define a framework to support capital project selection to align with the City's strategies and identify a capital allocation governance to drive capital efficiency. Further, a divisional realignment has been designed to reduce cost and increase organizational effectiveness.

This overall effort will ensure that our local government has balanced budgets and our community continues to thrive and remain vibrant, innovative and resilient for generations to come.

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

<i>In thousands of dollars</i>		
<b>Consolidated Financial Position</b>	<b>2020</b>	<b>2019</b>
Assets	\$ 563,457	\$ 526,888
Liabilities	762,747	738,323
Net financial debt	(199,290)	(211,435)
Non-financial assets	80,148	97,485
Net tangible capital assets	1,356,948	1,381,269
Total non-financial assets	1,437,096	1,478,754
<b>Accumulated surplus</b>	<b>\$1,237,806</b>	<b>\$1,267,319</b>

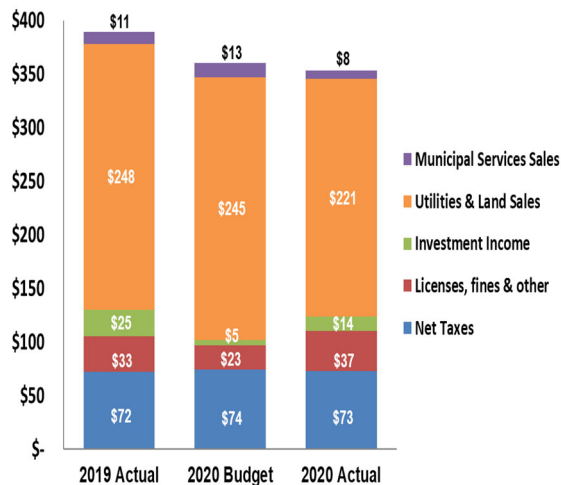
			<b>Annual Surplus (Deficit)</b>
<b>2020 Operating Results</b>	<b>Revenue</b>	<b>Expenses</b>	
General Fund	\$ 154,392	\$ 167,946	\$ (13,554)
Utilities	309,472	341,040	(31,568)
Consolidation adjustments	(111,348)	(107,244)	(4,104)
Subtotal	352,516	401,742	(49,226)
Capital contributions and grants	19,713	-	19,713
Subtotal	19,713	-	19,713
<b>Total</b>	<b>\$ 372,229</b>	<b>\$ 401,742</b>	<b>\$ (29,513)</b>

The 2020 accumulated surplus decreased by \$29.5 million as a result of the impact of the COVID-19 pandemic and the decline in oil and gas commodity prices. Capital contributions and grants represent funding used for various capital projects such as: Esplanade and library building rehabilitation, Strathcona Centre modernization, Finlay Bridge rehabilitation, and irrigation improvements at various parks.

# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2020

### Revenues



Revenue before capital contributions and grants was \$7.5 million lower than budget (\$352.5 million versus budget of \$360.0 million) mainly due to Sales in municipal services lower than budget by \$5.0 million primarily due to closed facilities in compliance with COVID-19 regulations.

Utility and land sales revenues were lower than budget by \$24.0 million primarily due to lower oil and gas sales of \$19.0 million (related to low sales volumes and low price of oil) and lower land sales of \$3.8 million (primarily due to lower commercial and residential lot sales).

This was offset by licenses, fines and other revenue being higher than budget by \$14.0 million primarily due to developer levies of \$6.1 million and government transfers for operating of \$8.1 million (primarily the one-time Municipal Sustainability Operating Transfer grant).

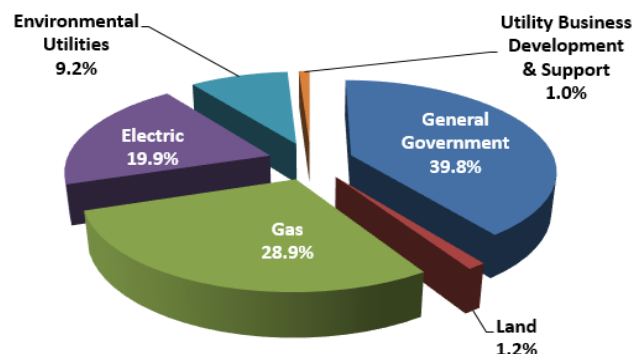
Revenues in 2020 are lower than 2019 revenues by \$36.7 million primarily due to lower gas, oil and electric revenues related to low commodity prices and low sales volumes.

### Expenses

Overall the City operating expenses for the year were \$4.3 million higher than budget mainly due to impairments and losses on disposal of assets during the year.

2020 expenses are higher than 2019 expenses by \$6.8 million due to losses on disposal of assets during the year offset by lower activity due to slower economy related to COVID-19 pandemic.

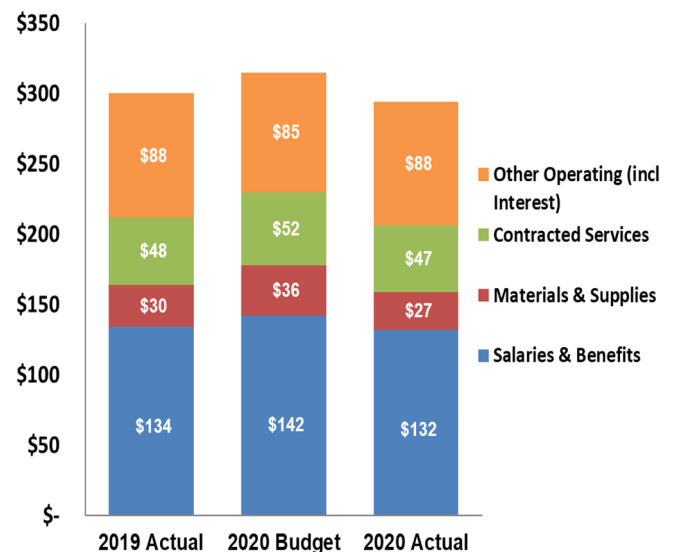
### Consolidated Operating Expenses by Division



### Expenses by Type

The Consolidated Schedule of Expenses by Object details 2020 actual (\$401.7 million) and budget (\$397.4 million) by expense type. The chart to the right excludes non-cash items such as amortization, impairments and disposal expenses of \$107.8 million (2020 budget of \$82.8 million). Variances from budget for contracted services and materials and supplies are mostly related to lower activity in municipal services and gas utility due to a slower economy related to the COVID-19 pandemic. Variances from budget for salaries and benefits is due to vacant positions held throughout the organization and temporary layoffs related to facility closures required to comply with Alberta Health Service's (AHS) pandemic regulations.

The 2020 actual expenses by type are lower than 2019 due to a decrease in materials and supplies and salaries and benefits as a result of vacant positions held throughout the organization and temporary layoffs related to facility closures related to AHS pandemic regulations.



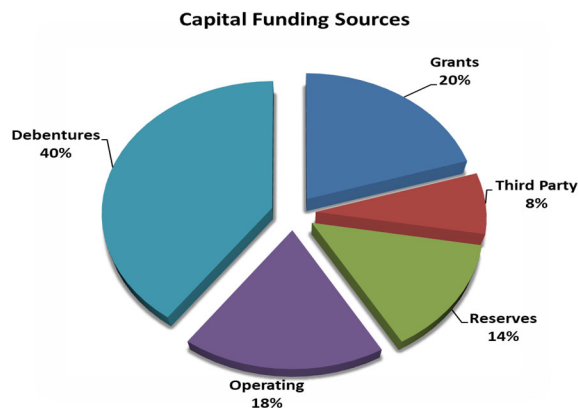
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2020

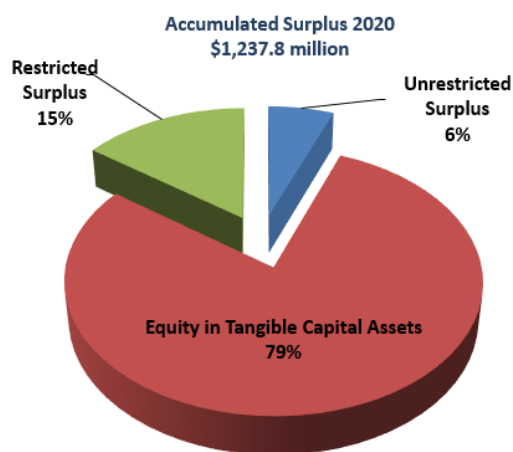
### 2020 Capital Expenditures

The City's approved 2020 budget for capital items was \$185.3 million. Actual capital expenditures for the year were \$105.7 million less properties held for sale of \$28.7 million for a net amount of \$77.0 million plus contributions from developers of \$0.2 million. The current year expenditures include \$60.0 million for projects carried forward from previous budget years.

The 2020 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, and third party contributions.



### Accumulated Surplus



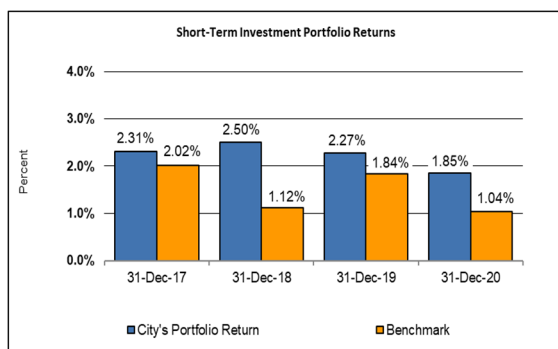
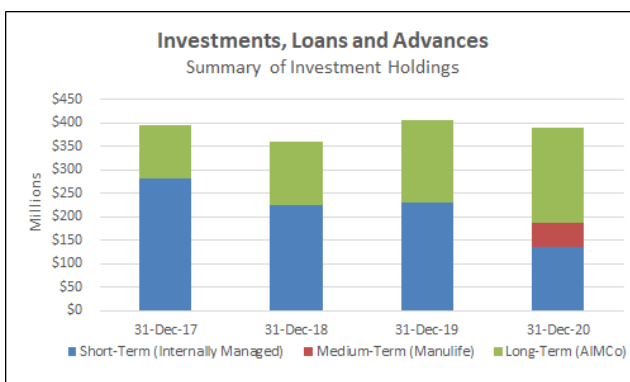
The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2020, the consolidated fund and equity balances decreased by \$29.5 million to \$1,237.8 million.

\$72.6 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City. The restricted amount is \$184.3 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets decreased by \$46.6 million to \$980.9 million this year as a result of asset divestitures in Natural Gas and Petroleum Resources and an increase in long-term debt.

### Investments

Investments, loans and advances decreased \$14.3 million from 2019 to \$390.7 million largely due to lower capital grants received from the province.



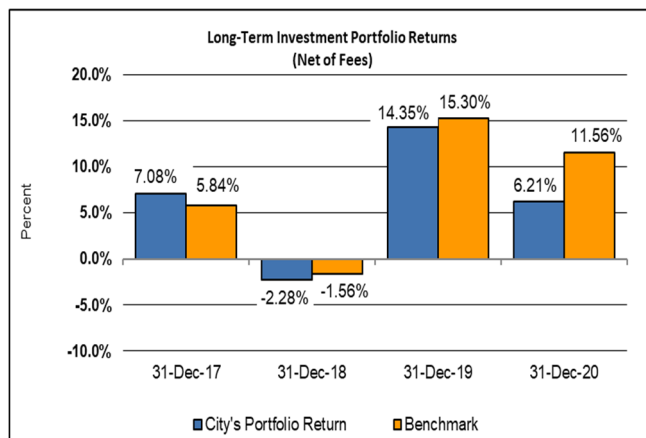
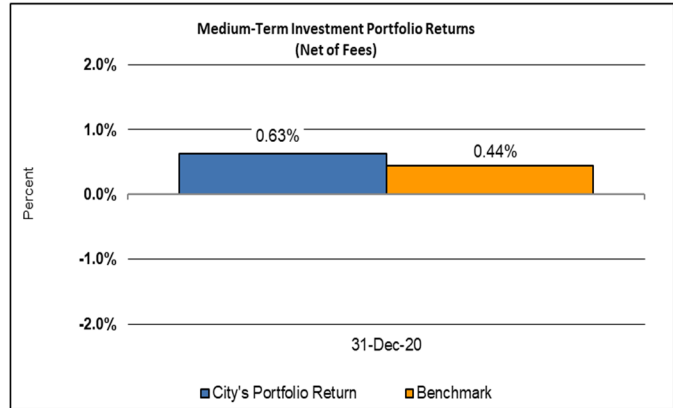
The City of Medicine Hat's return on short-term internally managed investments for the year ended December 31, 2020 averaged 1.85% higher than the customized blend of indices set to align with the portfolio composition of 1.04%. The City's average portfolio return has outperformed the stated benchmark over the last five years.



# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2020

In 2020, the City contributed to a medium-term externally managed investment portfolio managed by Manulife Investment Management. Overall, \$51.6 million was invested with Manulife (\$50 million of principal and \$1.6 million of re-invested earnings). The return since inception (September 2, 2020) to December 31, 2020 was 0.63% (0.19% higher than the benchmark of 0.44%).



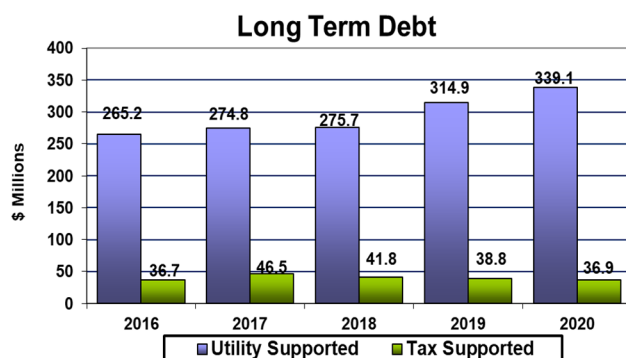
In 2020, the City continued to contribute to the long-term externally managed investment portfolio, managed by the Alberta Investment Management Corporation (AIMCo). Overall, \$203.7 million has been invested with AIMCo (\$175.24 million of principal and \$28.53 million of re-invested earnings). The return for the year ended December 31, 2020 was 6.21% (5.35% lower than the benchmark of 11.56%). Since inception (March 1, 2017 to December 31, 2020) the fund return was 6.46% (0.84% higher than the benchmark return of 5.62%). The fund target allocations are 40% money markets and fixed-income and 60% equities.

### Long-Term Debt

During 2020, total long-term debt increased \$22.4 million to \$376.1 million with debt principal repayments of \$26.0 million being offset by new debt issued of \$48.4 million. New debt represents \$3.0 million for improvements to general government assets, \$20.9 million related to environmental utility assets, and \$24.5 million relate to electric utility assets.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long and short-term debt as well as loan guarantees in the amount of \$1.7 million and letters of credit issued of \$46.9 million.

The City's 2020 debt limits are as follows:



(in millions of dollars)		2020	
Debt Limit	\$	705.0	
Actual Total Debt		424.7	60%
<b>AMOUNT UNDER LIMIT</b>		<b>\$ 280.3</b>	
Debt Servicing Limit	\$	123.4	
Actual Debt Servicing		37.5	30%
<b>AMOUNT UNDER LIMIT</b>		<b>\$ 85.9</b>	

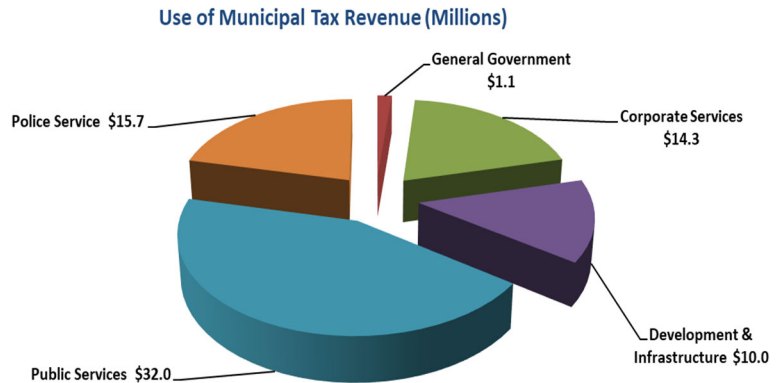
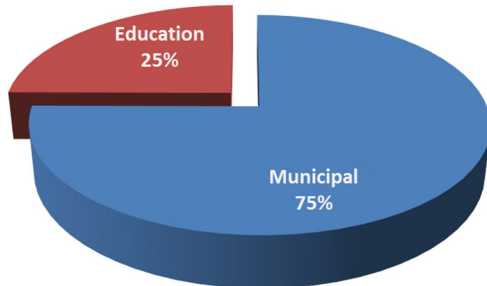
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2020

### Use of Municipal Tax Revenue

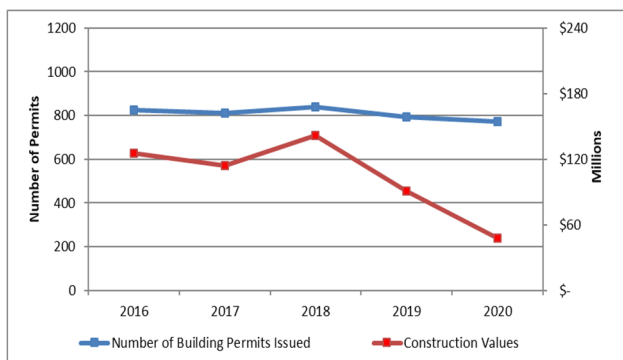
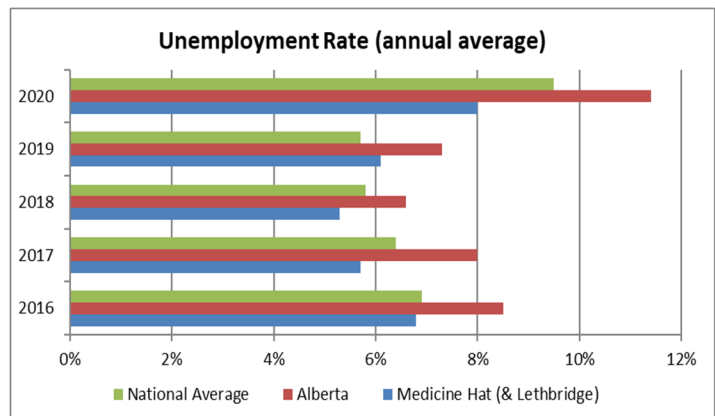
Net municipal property tax revenue of \$73.1 million (45.6%) is used to fund the consolidated general fund operating expenses of \$160.4 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

### Where our property tax dollars went in 2020.



### Economic Indicators

The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2020 was 10.5%, while the 2020 average was 8.0%. The average Alberta unemployment rate for 2020 was 11.4% compared to 9.5% for Canada. The increases are primarily due to the COVID-19 pandemic.



### Number of Building Permits Issued and Related Construction Values

In 2020, the number of building permits issued decreased to 773 primarily due to a decrease in new development. The related estimated value of construction in 2020 also saw a decrease from prior year to \$48 million due to the majority of permits being issued for construction values under \$0.1 million.

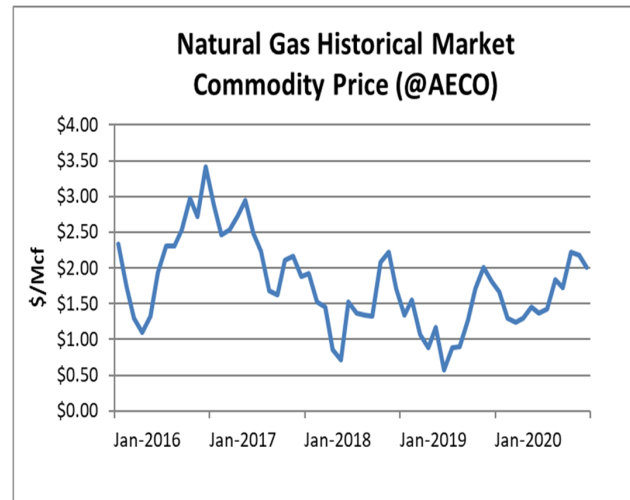
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2020

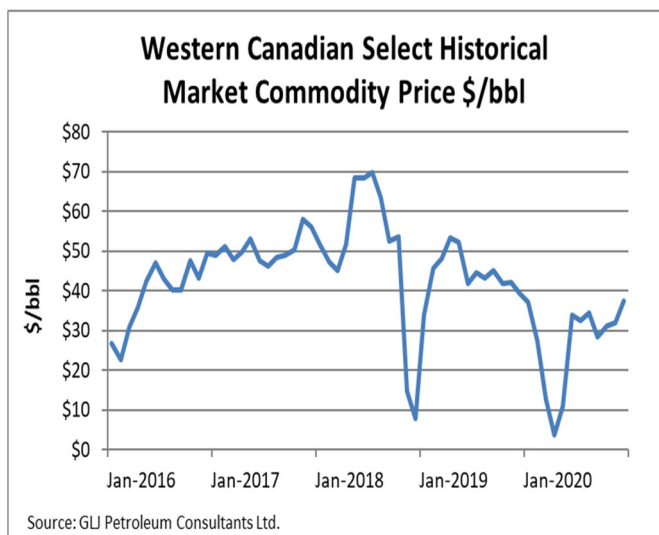
### Gas

Natural gas prices showed signs of stabilization throughout 2020 as a result of shut-in oil production due to pandemic demand destruction, and resulted in loss of associated natural gas production. We continued to see stabilization trends throughout the summer with Trans Canada Energy using temporary service protocol to encourage gas into storage and egress out of Alberta. Market outlook continues to show signs of stabilization with larger demand for natural gas supplies for electrical generation and petrochemical production.

2020 sales gas volume from production for the City of Medicine Hat was 6,937,090 Mcf. A \$1 per Mcf change in the commodity price would affect annual gross revenue by \$6.9 million.



### Oil

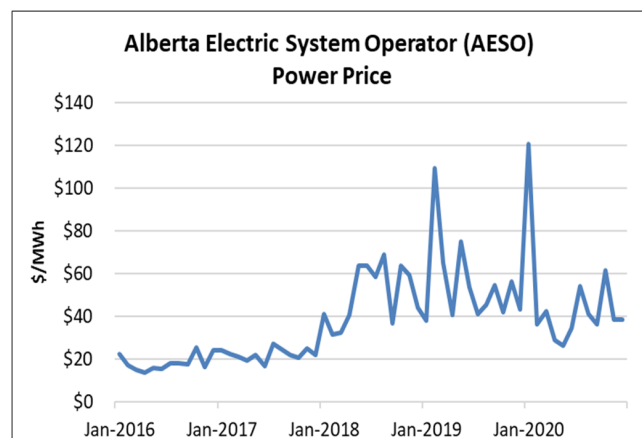


The COVID-19 pandemic had a significant unfavourable impact on commodity prices, with the May West Texas Intermediate contract hitting an all-time low of -37.63. The oil markets responded by shutting in production throughout the world, where the futures price was higher than the current market price for fear of storage capacity. As borders reopened and summer driving increased, oil demand and production increased. Industry trend in North America has seen a shift of utilizing free cash flow from investing in development and exploration to reducing liabilities and providing incentives to increase investment interest to an industry that has seen a large-scale fleeing of capital.

2020 oil production for the City of Medicine Hat was 249,595 barrels. A \$1 per barrel change in the commodity price would affect annual gross revenue by \$249,595.

### Power

Power prices in 2020 started very strong until the COVID-19 pandemic showed signs of demand destruction, with commercial load dropping off due to work at home mandates and complete shut downs in the oil and gas industry. As industry reopened throughout early summer, so did market outlook. Market volatility continued to increase as coal-fired generators prepared to transition generation facilities from coal to natural gas, or mothball. Market outlook continues to show signs of strength as industry determines proper mix of renewals and storage options.



# Financial Statements

The City of Medicine Hat has provided award winning financial reporting for the past 18 years.

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. Its attainment represents a significant accomplishment by a municipal government and its management.



Government Finance Officers Association

## **Canadian Award for Financial Reporting**

Presented to

**City of Medicine Hat  
Alberta**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2019**

*Christopher P. Morill*

Executive Director/CEO



## Management's Responsibility for Reporting

For the Year Ended December 31, 2020

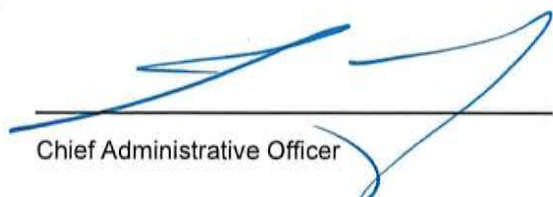
The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2020 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.


In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to His worship the Mayor with the members of Council of the City of Medicine Hat, outlines the scope of their examination and provides their opinion on the consolidated financial statements.

  
\_\_\_\_\_  
Chief Administrative Officer

April 19, 2021

  
\_\_\_\_\_  
Treasurer



KPMG LLP  
3410 Fairway Plaza Road South  
Lethbridge AB T1K 7T5  
Canada  
Tel 403-380-5700  
Fax 403-380-5760

## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of City of Medicine Hat (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, changes in net financial net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



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

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.





- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, flowing style. Below the signature is a long, horizontal, slightly curved line.

Chartered Professional Accountants

Lethbridge, Canada

April 19, 2021

**CONSOLIDATED**  
**Statement of Financial Position**  
**As at December 31, 2020 (in thousands of dollars)**

	2020	2019
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	\$ 86,874	\$ 71,119
Accounts receivable, net of allowances (Note 3)	47,407	42,716
Investments, loans and advances (Note 4)	390,731	405,053
Land and other assets held for resale (Note 5)	35,237	4,679
Inventories for resale (Note 6)	114	63
Deposits (Note 7)	3,094	3,258
<b>Total financial assets</b>	563,457	526,888
<b>Liabilities</b>		
Trade accounts payable	26,084	29,820
Accrued liabilities (Note 8)	34,226	20,467
Deferred revenue (Note 9)	38,642	52,966
Long-term debt (Note 11)	376,072	353,727
Other long-term liabilities (Note 12)	287,723	281,343
<b>Total liabilities</b>	762,747	738,323
<b>Net financial debt</b>	(199,290)	(211,435)
<b>Non-financial assets</b>		
Inventories for consumption	15,191	15,678
Prepaid assets	2,148	2,131
Land held for future development (Note 13)	19,969	18,924
Long lived assets	42,840	60,752
Tangible capital assets (Schedule 1) (Note 14)	1,356,948	1,381,269
<b>Total non-financial assets</b>	1,437,096	1,478,754
<b>Accumulated surplus (Note 15)</b>	<b>\$ 1,237,806</b>	<b>\$ 1,267,319</b>

Commitments, operating and capital (Notes 20 and 22)  
Contingent asset and liabilities (Note 23)  
Contractual rights (Note 24)  
Subsequent events (Note 26)  
COVID-19 impact and contingency (Note 27)

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

**CONSOLIDATED**  
**Statement of Operations**  
For the year ended December 31, 2020 (in thousands of dollars)

	2020 Budget	2020	2019
<b>Revenue</b> (Schedule 4)			
<b>Municipal taxes</b> (Schedule 2)	\$ 73,809	\$ 73,133	\$ 71,749
<b>Sale of services</b>			
General Government	12,562	7,579	10,901
Gas	55,835	37,235	53,784
Electric	128,019	127,710	139,725
Water	22,296	21,467	22,098
Sewer	20,320	18,870	19,000
Solid Waste	9,617	9,584	9,252
Invest Medicine Hat	9,341	5,548	4,204
<b>Other income</b>			
Investment income	4,766	13,963	25,096
Licenses, fines and penalties	5,757	4,909	6,404
Insurance recovery	123	813	300
Development levies	878	6,977	4,804
Government transfers for operating (Schedule 3)	4,454	12,607	6,098
Other	12,231	12,121	15,786
<b>Total revenue</b>	360,008	352,516	389,201
<b>Expenses</b> (Schedule 4 and Schedule 5)			
General Government	174,318	160,368	162,422
Gas	104,886	115,792	122,161
Electric	65,577	79,741	68,660
Water	16,503	15,504	15,072
Sewer	14,937	14,372	13,730
Solid Waste	6,606	7,384	6,520
Utilities Business Development & Support	4,361	3,796	2,845
Invest Medicine Hat	10,241	4,785	3,546
<b>Total expenses</b>	397,429	401,742	394,956
<b>Deficiency of revenue over expenses</b>			
- before other revenue	(37,421)	(49,226)	(5,755)
<b>Other revenue</b> (Schedule 4)			
Contributed tangible capital assets	-	243	538
Government transfers for capital (Schedule 3) (Note 9)	44,232	19,470	20,320
<b>Total other revenue</b>	44,232	19,713	20,858
<b>Annual surplus (deficit)</b>	6,811	(29,513)	15,103
<b>Accumulated surplus, beginning of year</b>	1,267,319	1,267,319	1,252,216
<b>Accumulated surplus, end of year</b>	<b>\$ 1,274,130</b>	<b>\$ 1,237,806</b>	<b>\$ 1,267,319</b>

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

# CONSOLIDATED

## Statement of Change in Net Financial Debt For the year ended December 31, 2020 (in thousands of dollars)

	2020 Budget	2020	2019
<b>Annual surplus (deficit)</b>	\$ 6,811	\$ (29,513)	\$ 15,103
Amortization of tangible capital assets	82,888	79,292	79,325
Impairments	-	17,187	14,550
Loss on disposal of tangible capital assets	-	11,389	1,227
Developers contribution of tangible capital assets	-	(243)	(538)
Acquisition of tangible capital assets	(185,308)	(77,026)	(115,763)
Proceeds from sale of tangible capital assets	-	1,628	1,030
Decrease (increase) in long lived assets	6,532	10,247	(518)
	(89,077)	12,961	(5,584)
Acquisition of inventories and supplies	(2,309)	(5,097)	(7,915)
Net acquisition of land held for future development	(1,286)	(1,286)	(2,210)
Acquisition of prepaid assets	(14,207)	(14,262)	(10,991)
Consumption of inventories and supplies	1,889	5,584	6,033
Use of prepaid assets	14,245	14,245	10,820
	(1,668)	(816)	(4,263)
<b>Decrease (increase) in net financial debt</b>	(90,745)	12,145	(9,847)
<b>Net financial debt, beginning of year</b>	(211,435)	(211,435)	(201,588)
<b>Net financial debt, end of year</b>	<b>\$ (302,180)</b>	<b>\$ (199,290)</b>	<b>\$ (211,435)</b>

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



# CONSOLIDATED

## Statement of Cash Flows

*For the year ended December 31, 2020 (in thousands of dollars)*

	2020	2019
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Annual surplus (deficit)	\$ (29,513)	\$ 15,103
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	79,292	79,325
Impairments	17,187	14,550
Loss on disposal of tangible capital assets	11,389	1,227
Developers contribution of tangible capital assets	(243)	(538)
Non-cash items relating to capital and investing activities:		
Decrease (increase) in long lived assets	10,247	(518)
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	(4,691)	3,239
Decrease (increase) in land and other assets held for resale	(30,799)	863
Decrease (increase) in inventories for resale	(51)	21
Decrease (Increase) in deposits	164	(2,474)
Increase (decrease) in trade accounts payable	(3,736)	2,115
Increase (decrease) in accrued liabilities	13,759	2,090
Increase (decrease) in deferred revenue	(14,324)	8,650
Increase (decrease) in other long-term liabilities	6,380	18,979
Decrease (increase) in inventories for consumption	487	(1,882)
Decrease (increase) in prepaid assets	(17)	(171)
Decrease (increase) in land held for future development	(1,045)	(2,210)
<b>Cash provided by operating transactions</b>	<b>54,486</b>	<b>138,369</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(77,026)	(115,763)
Proceeds from sale of tangible capital assets	1,628	1,030
<b>Cash applied to capital transactions</b>	<b>(75,398)</b>	<b>(114,733)</b>
<b>Investing</b>		
Decrease (increase) in restricted cash and temporary investments	11,024	(3,735)
Decrease (increase) in investments, loans and advances	14,322	(45,057)
<b>Cash applied to investing transactions</b>	<b>25,346</b>	<b>(48,792)</b>
<b>Financing</b>		
Long-term debt issued and assumed	48,364	62,097
Long-term debt repaid	(26,019)	(25,932)
<b>Cash provided by financing transactions</b>	<b>22,345</b>	<b>36,165</b>
<b>Change in cash and equivalents during the year</b>	<b>26,779</b>	<b>11,009</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>36,043</b>	<b>25,034</b>
<b>Cash and cash equivalents, end of year</b>	<b>62,822</b>	<b>\$ 36,043</b>
<b>Cash and cash equivalents (Note 2) consist of the following:</b>		
Cash	\$ 86,874	\$ 71,119
Less: restricted portion of cash and temporary investments	(24,052)	(35,076)
<b>Total</b>	<b>\$ 62,822</b>	<b>\$ 36,043</b>

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

**CONSOLIDATED**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
*As at December 31, 2020 (in thousands of dollars)*

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2020	2019
<b>Cost:</b>									
Balance, beginning of year	\$ 48,398	\$ 135,622	\$ 364,995	\$ 1,420,829	\$ 711,839	\$ 124,217	\$ 56,009	\$ 2,861,909	\$ 2,778,095
Acquisition of tangible capital assets	1	4,342	12,571	63,650	2,658	9,862	9,048	102,132	111,415
Construction-in-progress	-	1,394	(4,941)	14,741	(1,107)	(1,085)	(5,204)	3,798	4,886
Reclassify to held for sale	-	-	-	-	(95,781)	-	-	(95,781)	-
Disposal of tangible capital assets	-	(562)	(3,204)	(15,536)	-	(4,748)	(7,051)	(31,101)	(19,070)
Write down of tangible capital assets	-	-	-	-	(9,281)	-	-	(9,281)	(13,417)
Balance, end of year	48,399	140,796	369,421	1,483,684	608,328	128,246	52,802	2,831,676	2,861,909
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	56,350	103,285	597,692	641,475	54,128	27,710	1,480,640	1,418,128
Annual amortization	-	6,254	9,637	43,089	6,884	9,148	4,280	79,292	79,325
Reclassify to held for sale	-	-	-	-	(67,120)	-	-	(67,120)	-
Accumulated amortization on disposals	-	(540)	(2,324)	(4,383)	-	(4,412)	(6,425)	(18,084)	(16,813)
Balance, end of year	-	62,064	110,598	636,398	581,239	58,864	25,565	1,474,728	1,480,640
<b>Net book value of tangible capital assets</b>	<b>\$ 48,399</b>	<b>\$ 78,732</b>	<b>\$ 258,823</b>	<b>\$ 847,286</b>	<b>\$ 27,089</b>	<b>\$ 69,382</b>	<b>\$ 27,237</b>	<b>\$ 1,356,948</b>	<b>\$ 1,381,269</b>
<b>2019 net book value of tangible capital assets (Note 14)</b>	<b>\$ 48,398</b>	<b>\$ 79,272</b>	<b>\$ 261,710</b>	<b>\$ 823,137</b>	<b>\$ 70,364</b>	<b>\$ 70,089</b>	<b>\$ 28,299</b>	<b>\$ 1,381,269</b>	

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

**CONSOLIDATED****Schedule 2**

**Schedule of Municipal Taxes**  
**For the year ended December 31, 2020**  
*(in thousands of dollars)*

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
<b>Taxation</b>			
Real property taxes	\$ 98,235	\$ 97,553	\$ 94,749
Linear property taxes	497	497	1,074
Special assessments and local improvement taxes	463	510	355
	99,195	98,560	96,178
<b>Requisitions</b>			
Alberta School Foundation	20,570	20,636	19,717
Catholic Board of Education	3,890	3,838	3,757
Cypress View Foundation	926	927	926
Designated Industrial Property	-	26	29
	25,386	25,427	24,429
<b>Municipal taxes</b>	<b>\$ 73,809</b>	<b>\$ 73,133</b>	<b>\$ 71,749</b>

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

# CONSOLIDATED

Schedule 3

## Schedule of Government Transfers

For the year ending December 31, 2020

(In thousands of dollars)

	2020			2019
	Provincial	Federal	Total	
<b>Unconditional operating transfers</b>				
Payment in Place of Taxes	\$ 536	\$ 73	\$ 609	\$ 1,020
<b>Conditional operating</b>				
Affordable Housing Grant	-	-	-	77
Alberta Community Partnership (ACP)	111	-	111	59
Alberta Employment Programs	-	-	-	29
Alberta Foundation of the Arts Travelling Exhibition Program	161	-	161	234
Alberta Historic Resources Foundation	-	-	-	3
Alberta Museums Association	25	-	25	25
Alberta Seniors & Housing	-	-	-	8
Alberta Traffic Safety Fund	6	-	6	3
Alberta Transportation - Highway 3 Shuttle	221	-	221	192
Alberta Labour Market Partnership Program (LMPP)	30	-	30	38
All Hazards Incident Management Team (AHIMT)	19	-	19	44
Archives Society of Alberta	6	-	6	-
Canadian Council of Archives	-	13	13	-
Canada Council for the Arts	-	75	75	30
Canadian Heritage Grant	-	53	53	48
Canadian Medical Association Foundation	-	29	29	-
Canadian Museums Association	-	-	-	4
Child and Family Services Alberta (CFSA)	29	-	29	124
Emergency Management Preparedness Program	-	-	-	5
Employment and Social Development Canada Grant (ESDC)	-	4	4	-
Family and Community Support Services (FCSS)	1,570	-	1,570	1,538
Municipal Cannabis Transition Program	-	-	-	73
Municipal Operating Support Transfer (MOST)	6,950	-	6,950	-
Municipal Policing Assistance	1,012	-	1,012	1,012
Municipal Sustainability Initiative Operating (MSIO)	748	-	748	458
Natural Resources Canada	-	-	-	32
Police Officer Grant	400	-	400	400
Victims of Crime Fund Grant	186	-	186	274
911 Mobility Grant	350	-	350	368
	<b>12,360</b>	<b>247</b>	<b>12,607</b>	<b>6,098</b>
<b>Conditional capital</b>				
Alberta Community Resilience Program (ACRP)	353	-	353	(3,465)
Canadian Cultural Spaces Fund (CCSF)	-	-	-	286
Gas Tax Fund (GTF)	5,501	-	5,501	4,642
Federal Small Communities Fund (SCF)	-	-	-	2,113
GreenTrip	1,809	-	1,809	4,625
Local Flood Mitigation Measures (LFM)	345	-	345	-
Municipal Climate Change Action Center (MCCAC)	239	-	239	-
Municipal Sustainability Initiative (MSI)	11,098	-	11,098	12,119
Municipal Stimulus Program (MSP)	125	-	125	-
	<b>19,470</b>	<b>-</b>	<b>19,470</b>	<b>20,320</b>
<b>Total government transfers</b>	<b>\$ 31,830</b>	<b>\$ 247</b>	<b>\$ 32,077</b>	<b>\$ 26,418</b>

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

# Schedule of Segment Disclosures (Note 26)

# Schedule 4

For the year ended December 31, 2020 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2020 Consolidated
<b>Revenue</b>										
Municipal taxes	\$ 76,934	\$ -	\$ -	\$ -	\$ 388	\$ 113	\$ -	\$ -	\$ (4,302)	\$ 73,133
Sales of services	7,579	65,641	132,893	-	21,732	20,484	9,708	5,548	(35,592)	227,993
Investment income	6,805	6,328	799	31	-	-	-	-	-	13,963
Licenses, fines and penalties	4,909	-	-	-	-	-	-	-	-	4,909
Insurance recovery	506	-	256	-	47	-	3	1	-	813
Development levies	374	355	6,233	-	-	-	-	15	-	6,977
Government transfers for operating	12,577	-	-	-	-	-	-	30	-	12,607
Other	9,932	1,114	2,993	404	(11)	(76)	882	795	(3,912)	12,121
Internal recoveries	20,916	206	2,250	3,530	884	18	2,388	2,244	(32,436)	-
Transfer from Utilities and Land	13,860	21,246	-	-	-	-	-	-	(35,106)	-
	154,392	94,890	145,424	3,965	23,040	20,539	12,981	8,633	(111,348)	352,516
<b>Expenses</b>										
Salaries, wages and benefits	86,606	11,786	15,282	2,601	5,564	4,857	2,968	1,952	269	131,885
Contracted and general services	21,402	8,648	10,363	1,162	749	770	2,698	1,304	-	47,096
Materials, goods and utilities	6,233	3,817	12,544	28	1,485	1,801	127	3,813	(2,866)	26,982
Provisions for allowances	695	64	246	-	43	55	21	-	-	1,124
Bank charges and short term interest	247	117	1	-	-	(1)	5	17	-	386
Interest on long-term debt	1,227	546	3,886	-	2,995	2,676	52	-	-	11,382
Total grants and other transfers	5,172	-	-	-	-	-	-	257	-	5,429
Other operating expenses	104	64,916	3,846	-	(3)	44	772	-	-	69,679
Amortization of tangible capital assets	37,606	9,043	23,030	-	4,654	4,159	733	67	-	79,292
Impairments	-	16,946	-	-	-	-	-	241	-	17,187
Loss on disposal of tangible capital assets	889	(26)	10,517	-	7	1	1	-	-	11,389
Gain on disposal of long lived assets	-	(89)	-	-	-	-	-	-	-	(89)
Internal charges and transfers	7,765	10,019	70,039	122	4,893	4,881	5,318	1,610	(104,647)	-
	167,946	125,787	149,754	3,913	20,387	19,243	12,695	9,261	(107,244)	401,742
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (13,554)</b>	<b>\$ (30,897)</b>	<b>\$ (4,330)</b>	<b>\$ 52</b>	<b>\$ 2,653</b>	<b>\$ 1,296</b>	<b>\$ 286</b>	<b>\$ (628)</b>	<b>\$ (4,104)</b>	<b>\$ (49,226)</b>
<b>Other</b>										
Contributed assets	\$ 235	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243
Government transfers for capital	19,449	-	-	-	-	-	-	21	-	19,470
<b>Total other</b>	<b>19,684</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>19,713</b>
<b>Annual surplus (deficit)</b>	<b>\$ 6,130</b>	<b>\$ (30,897)</b>	<b>\$ (4,322)</b>	<b>\$ 52</b>	<b>\$ 2,653</b>	<b>\$ 1,296</b>	<b>\$ 286</b>	<b>\$ (607)</b>	<b>\$ (4,104)</b>	<b>\$ (29,513)</b>

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



# Schedule of Segment Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2019 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2019 Consolidated
<b>Revenue</b>										
Municipal taxes	\$ 76,027	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (4,504)	\$ 71,749
Sales of services	11,112	81,738	145,240	-	22,319	19,147	9,473	4,204	(34,269)	258,964
Investment income	3,514	20,658	898	26	-	-	-	-	-	25,096
Licenses, fines and penalties	6,408	-	-	-	-	-	-	(4)	-	6,404
Insurance recovery	294	-	-	-	-	-	-	6	-	300
Development levies	1,287	532	2,719	-	-	-	-	266	-	4,804
Government transfers for operating	6,028	-	-	32	-	-	-	38	-	6,098
Other	5,215	(120)	2,517	-	3,976	353	1,280	754	1,811	15,786
Internal recoveries	41,933	132	2,284	3,149	1,075	-	2,370	3,599	(54,542)	-
Transfer from Utilities and Land	70,271	-	-	-	-	-	-	-	(70,271)	-
	222,089	102,940	153,658	3,207	27,483	19,613	13,123	8,863	(161,775)	389,201
<b>Expenses</b>										
Salaries, wages and benefits	88,154	14,649	14,677	2,101	5,576	4,725	3,139	790	425	134,236
Contracted and general services	23,388	10,920	8,383	706	649	830	2,235	1,180	-	48,291
Materials, goods and utilities	7,581	4,272	13,186	29	1,505	1,762	159	2,994	(1,759)	29,729
Provisions for allowances	706	94	111	-	38	32	17	-	-	998
Bank charges and short term interest	200	118	1	-	-	-	-	15	-	334
Interest on long-term debt	1,332	522	3,673	-	2,865	2,493	78	-	-	10,963
Total grants and other transfers	3,538	-	-	-	-	-	-	279	-	3,817
Other operating expenses	120	64,916	6,777	-	11	19	270	4	-	72,117
Amortization of tangible capital assets	36,047	12,700	21,731	1	4,358	3,835	610	43	-	79,325
Impairments	-	14,550	-	-	-	-	-	-	-	14,550
Loss on disposal of tangible capital assets	1,066	6	81	-	58	15	1	-	-	1,227
Gain on disposal of long lived assets	-	(631)	-	-	-	-	-	-	-	(631)
Internal charges and transfers	31,584	9,374	102,744	116	5,011	4,643	5,083	2,691	(161,246)	-
	193,716	131,490	171,364	2,953	20,071	18,354	11,592	7,996	(162,580)	394,956
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 28,373</b>	<b>\$ (28,550)</b>	<b>\$ (17,706)</b>	<b>\$ 254</b>	<b>\$ 7,412</b>	<b>\$ 1,259</b>	<b>\$ 1,531</b>	<b>\$ 867</b>	<b>\$ 805</b>	<b>\$ (5,755)</b>
<b>Other</b>										
Contributed assets	\$ 538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538
Government transfers for capital	20,320	-	-	-	-	-	-	-	-	20,320
<b>Total other</b>	<b>20,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,858</b>
<b>Annual surplus (deficit)</b>	<b>\$ 49,231</b>	<b>\$ (28,550)</b>	<b>\$ (17,706)</b>	<b>\$ 254</b>	<b>\$ 7,412</b>	<b>\$ 1,259</b>	<b>\$ 1,531</b>	<b>\$ 867</b>	<b>\$ 805</b>	<b>\$ 15,103</b>

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

**CONSOLIDATED****Schedule 5**

**Schedule of Expenses By Object**  
**For the year ended December 31, 2020**  
*(in thousands of dollars)*

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
<b>Expenses</b>			
Salaries, wages and benefits	\$141,890	\$ 131,885	\$ 134,236
Contracted and general services	51,696	47,096	48,291
Materials, goods and utilities	35,958	26,982	29,729
Provisions for allowances	298	1,124	998
Bank charges and short term interest	295	386	334
Interest on long-term debt	13,068	11,382	10,963
Total grants and other transfers	3,674	5,429	3,817
Other operating expenses (Schedule 5A)	67,662	69,679	72,117
Amortization of tangible capital assets	82,888	79,292	79,325
Impairments	-	17,187	14,550
Loss on disposal of tangible capital assets	-	11,389	1,227
Gain on disposal of long lived assets	-	(89)	(631)
<b>Total expenses</b>	<b>\$ 397,429</b>	<b>\$ 401,742</b>	<b>\$ 394,956</b>

**CONSOLIDATED****Schedule 5A**

**Schedule of Other Operating Expenses**  
**For the year ended December 31, 2020**  
*(in thousands of dollars)*

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
<b>Other Operating Expenses</b>			
Natural Gas & Oil asset retirement obligation depreciation & accretion	\$ 16,399	\$ 29,860	\$ 20,901
Natural Gas purchases	20,987	24,492	25,763
Natural Gas & Oil surface and mineral leases	10,457	10,274	11,141
Natural Gas & Oil royalties	5,481	(495)	4,795
Taxes or taxes in lieu	4,981	3,929	6,903
Natural Gas & Oil transportation	2,058	1,282	1,737
Other	7,299	337	877
<b>Total Other Operating Expenses</b>	<b>\$ 67,662</b>	<b>\$ 69,679</b>	<b>\$ 72,117</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

### (A) BASIS OF CONSOLIDATION

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

#### 1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Invest Medicine Hat, Corporate Services (Finance, Human Resources, Information & Computer Services, Health Safety & Environment, and Corporate Asset Management), Public Services (Fire Services, Community Development, Parks & Recreation), Development & Infrastructure (Municipal Works and Planning, Building & Development) and Police Service (Police Service and Bylaw Enforcement).

#### 2. Energy/Utility Services

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

Interdepartmental and organizational transactions and balances are eliminated.

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

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

Designated industrial property includes linear property, railway, and specific major plants. Assessment of these property types is carried out separately by the province. The provincial assessor's assessment reflects the specifications and characteristics for these regulated properties and the valuation standard, as outlined in the *Municipal Government Act* regulations.

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

The statements exclude trust assets that are administered for the benefit of external parties. A schedule of these trust assets is included in Note 16.

### (B) BASIS OF ACCOUNTING

The Consolidated Financial Statements are prepared using the accrual basis of accounting.

#### 1. Revenues

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

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

## **2. Tax Revenues**

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

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

## **3. Expenses**

Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay with the exception of pension expenses as disclosed in Note 1F.

## **(C) INVESTMENTS, LOANS AND ADVANCES**

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. Included in investments are internally managed portfolios consisting of investments in money market instruments and bonds. The City also has external investment portfolios managed by third party investment managers Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management, consisting of short and long-term investments including money market securities, bonds, and other fixed income securities, Canadian and foreign equities and alternative investments. Investments are recorded at the lower of original cost net of amortized discounts and premiums and market value on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Loans and advances result from the City providing financing to other entities that provide services, which benefit the citizens of the City of Medicine Hat. These loans and advances are recorded at amortized costs less any allowances for doubtful accounts using the effective interest rate. Allowances for doubtful accounts are recognized when collection is in doubt and measured at the lower of cost and net recoverable value. Loans and advances are reviewed on an annual basis by management.

## **(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 AND OTHER ASSETS HELD FOR RESALE**

Land and other assets held for resale is recorded at the lower of cost or net realizable value. The cost of land held for resale is determined on a specific item basis.

The cost of land and other assets 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.

Land and other assets held for resale also includes disposition of natural gas properties when divestiture by sale is likely. These assets are recorded at the lesser of fair value less costs to sell and their carrying amount, and depletion.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

## **(F) PENSION EXPENSES**

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

## **(G) JOINT VENTURE ACCOUNTING**

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

## **(H) OVER-LEVIES AND UNDER-LEVIES**

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

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

## **(I) DECOMMISSIONING OBLIGATION**

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

## **(J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

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

## **(K) NON-FINANCIAL ASSETS**

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

### **1. Tangible Capital Assets**

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

Tangible capital assets at cost less residual value are amortized on a straight-line basis over their estimated useful lives as follows:

Land Improvements	4 to 25 years
Buildings	15 to 50 years
Engineered Structures	7 to 75 years
Machinery, Equipment & Furnishings	5 to 25 years
Vehicles	3 to 20 years

Carrying costs directly attributable to the acquisition, construction, development/betterment, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is available for use. Interest charges are not capitalized. No assets have been recognized at nominal value.

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

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

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

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

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

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

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

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

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

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

D&P assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 10 CGUs. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the statement of operations.

## **(iii) Subsequent Costs**

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in net earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in operating expenses as incurred.

## **(iv) Depletion and Depreciation**

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

Proved and probable reserves are reviewed every year. The review is conducted by internally qualified reserve evaluators who follow and attest to the Canadian Oil and Gas Evaluation Handbook (COGE) process. The evaluation process represents the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

## **(v) Impairment**

### **E&E Assets:**

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

### **PP&E:**

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

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

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

Reversals of impairments are recognized when factors or circumstances that triggered the original impairment have changed. Impairments can only be reversed in future periods up to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment losses been previously recognized. Goodwill impairments are not reversed.

## **(L) USE OF ESTIMATES AND JUDGEMENT**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies, deferred land charges, contaminated sites, and prior year tangible capital asset historical costs and related amortization or impairment.

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

### **1. Gas Utility**

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

## **2. Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Net costs to remediate include, but are not limited to: assessment costs, maintenance and monitoring costs, and internal and external direct operating and/or capital costs relating to remediation and/or reclamation.

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

Liabilities for contaminated sites are included in other long-term liabilities in the Consolidated Statement of Financial Position (Note 12C).

## **(M) FUTURE ACCOUNTING CHANGES**

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

PS 1201 comes into effect for fiscal years beginning on or after April 1, 2022. This includes adoption of PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. While early adoption is permitted, all four of the sections must be adopted in the same year.

PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The section requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the City. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for de-recognition of financial liabilities.

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

PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## 2. Portfolio Investments

PS 3041 comes into effect for fiscal years beginning on or after April 1, 2022. Early adoption is permitted, however this section must be adopted at the same time as PS Section 2601 and PS Section 3450. This section is to be adopted prospectively. This section replaces the existing PS Section 3040 Portfolio Investments. The new sections provide for the removal of the distinction between temporary and portfolio investments, with the implication that when temporary investments are not cash equivalents they are accounted for as portfolio investments. This section was amended to conform to Financial Instruments (PS 3450) and now includes pooled investments. This entails an examination of the rights associated with units within a pooled investment fund, rather than the funds underlying the investment. The City has not yet adopted these sections or determined the effect on the Financial Statements.

## 3. Revenue

PS approved PS 3400, which comes into effect for fiscal years beginning on or after April 1, 2023. PS 3400 provides guidance on when to recognize revenue arising from exchange transactions and from unilateral transactions. This section is to be adopted retroactively or prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

## 4. Asset Retirement Obligations

PS approved PS 3280, which comes into effect for fiscal years beginning on or after April 1, 2022. PS 3280 provides guidance on when to recognize, how to calculate, and what to disclose for all asset retirement obligations. Asset retirement obligations occur, if an entity chooses to discontinue use of its tangible capital asset and must incur a cash outlay to do so. This section is to be adopted prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

## (N) ADOPTION OF NEW ACCOUNTING STANDARDS

No new accounting standards were adopted in the year ended December 31, 2020.

## NOTE 2: CASH AND RESTRICTED TEMPORARY INVESTMENTS

	2020	2019
Cash	\$ 62,822	\$ 36,043
Restricted Temporary Investments	24,052	35,076
<b>TOTAL</b>	<b>\$ 86,874</b>	<b>\$ 71,119</b>

Temporary investments represent restricted amounts aggregating \$24,052 (2019 - \$34,733) for programs including the Municipal Sustainability Initiative (MSI) Capital Fund Program, Alberta Community Resilience Program (ACRP) for overland flooding and the Federal Gas Tax Fund (GTF) are held exclusively for eligible capital projects. Municipal Operating Support Transfer (MOST) and the Municipal Sustainability Initiative Operating (MSIO) Grant Programs are for operating activities, and restricted amounts aggregating \$0 (2019 – \$343) for Alberta Disaster Recovery program funding for the 2014 flood damages and related mitigation measures.

These investments have an average yield of 2.42 (2019 – 2.27) percent and an average term of 61 (2019 – 267) days to maturity.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 3: ACCOUNTS RECEIVABLE, net of allowances

### (A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2020	2019
Current Taxes Receivable	\$ 8,620	\$ 4,995
City Centre Development Agency	54	22
Less: Allowance for Tax Adjustments	(2)	(3)
<b>SUB-TOTAL</b>	<b>\$ 8,672</b>	<b>\$ 5,014</b>

### (B) ACCOUNTS RECEIVABLE

	2020	2019
Trade Accounts Receivable	\$ 40,201	\$ 39,164
Less: Allowance for Doubtful Accounts	(1,466)	(1,462)
<b>SUB-TOTAL</b>	<b>\$ 38,735</b>	<b>\$ 37,702</b>

<b>TOTAL</b>	<b>\$ 47,407</b>	<b>\$ 42,716</b>
--------------	------------------	------------------

Each year an analysis of the accounts receivable accounts are undertaken to identify accounts that are considered uncollectible. An account is deemed uncollectible when all collection avenues have been exhausted or a customer is in receivership or bankruptcy. In some cases, a judgement through Small Claims has been rewarded with no ability to collect. Every effort is made to collect monies and procedures are reviewed to streamline the billing and collection options.

The accounts receivable written off was \$420 (2019 - \$267); the tax receivable written off was \$3 (2019 - \$3).

## NOTE 4: INVESTMENTS, LOANS AND ADVANCES

	2020		2019	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 13,166	\$ 19,299	\$ 13,764	\$ 19,299
Provincial Government and Agencies	25,000	25,000	10,000	10,000
Managed Portfolio Funds	255,312	260,217	174,407	176,123
Canadian Banks	95,648	86,477	205,760	205,833
Others	1,605	1,619	1,122	1,122
<b>TOTAL</b>	<b>\$ 390,731</b>	<b>\$ 392,612</b>	<b>\$ 405,053</b>	<b>\$ 412,377</b>

These investments include both internally and externally managed funds. The internally managed funds are invested in high interest savings accounts, fixed income, and bond investments recorded at cost with interest rates from 0.29 percent to 8.0 percent (2019 - 1.86 percent to 8.0 percent) and mature in periods 2021 through 2031 (2019 - 2020 through 2031). The investments have an average expected yield of 2.11 (2019 - 2.22) percent and an average term of 0.50 (2019 - 0.74) years to maturity. The managed portfolio funds are externally managed by Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management. These investments are recorded at cost and are in a balanced portfolio of 38.13 percent fixed income and 61.87 percent equity securities (2019 - 40.00 percent fixed income and 60.00 percent equity securities).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

The amounts categorized as others in investments, loans and advances includes \$1,164 (2019 - \$662) of prepayment security from Rainbow Energy Marketing Corporation, which forms part of a 2017 energy purchase agreement between the City of Medicine Hat and Rainbow Energy Marketing Corporation as well as loans receivables of \$441 (2019 - \$460). No allowance for doubtful accounts has been recognized on the loans receivables. These loans are forgiven once the amount is repaid. The following table provides details of the loans receivable.

	2020			2019			Original Loan	Term (Years)	Year Loaned	Interest Rate
	Balance	Valuation Allowance <sup>1</sup>	Principal Payments	Balance	Valuation Allowance <sup>1</sup>	Principal Payments				
SALTA Gymnastics Club	\$ 21	\$ 2	\$ 7	\$ 25	\$ 5	\$ 7	\$ 150	20	2003	4.27%
Medicine Hat YMCA	259	41	-	245	55	30	500	20	2003	6.00%
City Centre Development Authority	56	4	20	74	6	20	200	11	2011	5.50%
Medicine Hat Curling Club	105	2	9	116	-	8	140	15	2016	2.25%
<b>SUB-TOTAL</b>	<b>\$ 441</b>	<b>\$ 49</b>	<b>\$ 36</b>	<b>\$ 460</b>	<b>\$ 66</b>	<b>\$ 65</b>				

<sup>1</sup> Valuation Allowances relates to interest free loans and represents the amount of interest implicit in the loan payments if it were interest bearing

## NOTE 5: LAND AND OTHER ASSETS HELD FOR SALE

Land and other assets held for sale includes \$30,450 of oil and gas properties held for sale (2019 - \$41). The City entered into an agreement to divest of certain oil and natural gas assets with an effective date of October 1, 2020. These assets represent 14.89% of our yearly production. The transaction closed on February 1, 2021.

The assets and related long term liabilities have been classified as assets held for sale and recorded at the lesser of fair value less costs to sell and their carrying amount, and depletion at December 31, 2020. The liabilities classified as held for sale represents the asset retirement obligation associated with this disposition.

Land and other assets held for sale also includes \$4,787 of developed properties held for sale (2019 - \$4,638).

## NOTE 6: INVENTORIES FOR RESALE

	2020	2019
Gas Inventory	\$ 1	\$ -
Concessions	113	63
<b>TOTAL</b>	<b>\$ 114</b>	<b>\$ 63</b>

## NOTE 7: DEPOSITS

	2020	2019
Postage	\$ 35	\$ 31
Refundable Containers	28	28
Operating Deposits	3,023	3,192
Gas Royalty Deposits	8	7
<b>TOTAL</b>	<b>\$ 3,094</b>	<b>\$ 3,258</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 8: ACCRUED LIABILITIES

	2020	2019
Wages and Salaries	\$ 5,751	\$ 3,118
Vacation Pay	6,804	6,433
Interest on Long-Term Debt	1,787	1,910
Deferred Charges	528	1,003
Royalties	53	84
Other Liabilities	19,303	7,919
<b>TOTAL</b>	<b>\$ 34,226</b>	<b>\$ 20,467</b>

## NOTE 9: DEFERRED REVENUE & GOVERNMENT TRANSFERS

### (A) DEFERRED REVENUE

	Balance 2019	Additions 2020	Reductions 2020	Balance 2020
Deposits	\$ 14,574	\$ 4,117	\$ 8,232	\$ 10,459
Deferred Revenue	3,302	8,061	7,243	4,120
Alberta Community Partnership	146	48	111	83
Alberta Community Resilience Grant	4,150	102	353	3,899
Alberta Transportation – Safety Fund	10	-	8	2
Alberta Transportation – Highway 3 Shuttle	161	241	221	181
All Hazards Incident Management Team (AHIMT) Grant	48	52	19	81
Bell West	10	-	-	10
Community Warmth Deposits	2	28	30	-
Federal Gas Tax Fund	9,593	3,882	5,501	7,974
Green TRIP	1,030	779	1,809	-
Local Flood Mitigation	343	2	345	-
Municipal Stimulus Program (MSP) - COVID-19	-	2,901	125	2,776
Municipal Operating Support Transfer (MOST) - COVID-19	-	6,950	6,950	-
Municipal Sustainability Initiative - Capital	19,590	408	11,098	8,900
Municipal Sustainability Initiative - Operating	5	898	748	155
Pitch Trust	2	-	-	2
<b>TOTAL</b>	<b>\$ 52,966</b>	<b>\$ 28,469</b>	<b>\$ 42,793</b>	<b>\$ 38,642</b>

Funds from Alberta Cities Transportation Program, Alberta Community Partnership, Alberta Community Resilience Grant, Federal Gas Tax Fund, Green Transit Incentives Program (GreenTRIP), and Municipal Sustainability Initiative are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments (Note 2) of \$24,052 (2019 - \$34,733) held exclusively for these projects.

### (B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Family and Community Support Services (used for not for profit organizations providing social services), Municipal Operating Support Transfer (used for operating losses or deficits incurred as a result of COVID-19 impacts on revenues and operations), Municipal Sustainability Initiative Capital Grant (used primarily for rehabilitation of road and storm sewer infrastructure and rehabilitation of various administrative buildings and public facilities), Municipal Sustainability Initiative Operating Grant (used primarily for sidewalk maintenance and bridge maintenance), Municipal Policing Assistance and Police Officer grant (used to support police services), Federal Gas Tax Grant (used primarily for bridge infrastructure upgrades and recreation infrastructure), Federal Small Communities Fund (used for flood protection) and GreenTRIP (used for Transit buses).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 10: SHORT-TERM DEBT

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

At December 31, 2020, there were Letters of Credit issued in the amount of \$46,960 (2019 – \$47,310) and a Municipal Operating Loan Facility of \$3,040 (2019 - \$2,690).

## NOTE 11: LONG-TERM DEBT

(A)

	2020	2019
Tax Supported	\$ 36,928	\$ 38,791
Utilities Rate Supported		
- Electric	145,361	130,724
- Gas	15,659	16,657
- Water	91,118	86,118
- Sewer	85,532	79,710
- Solid Waste	1,474	1,727
Total Utilities	339,144	314,936
<b>TOTAL DEBT</b>	<b>\$ 376,072</b>	<b>\$ 353,727</b>
Comprised of:		
- Province of Alberta	\$ 376,072	\$ 353,727
<b>TOTAL DEBT</b>	<b>\$ 376,072</b>	<b>\$ 353,727</b>

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

	Principal	Interest
2021	27,696	11,528
2022	28,270	10,552
2023	26,558	9,561
2024	24,073	8,653
2025	21,590	7,872
2026-2050	247,885	53,492
<b>TOTAL</b>	<b>\$ 376,072</b>	<b>\$ 101,658</b>

The debentures have interest payable at rates ranging from 1.088 percent to 6.75 percent (2019 - 1.088 percent to 6.75 percent) per annum before Provincial Subsidy, and mature in periods 2021 through 2049 (2019 - 2020 through 2049). The average annual interest rate for 2020 is 3.81 (2019 – 3.95) percent. For qualifying debentures, the Province of Alberta rebates 60 percent of interest in excess of 8 percent, 9 percent, and 11 percent to a maximum annual rate of 12.5 percent 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 2020 was \$11,382 (2019 – \$10,963).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

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

	2020	2019
Tax Supported Debentures	\$ 584	\$ 613
Rate Supported Debentures	5,361	4,978
<b>TOTAL</b>	<b>\$ 5,945</b>	<b>\$ 5,591</b>

Debt per capita is based on the official census of 63,260 for 2020 (63,260 for 2019) for the City of Medicine Hat.

## (D) The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is calculated based upon 2.0 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees and Letters of Credit issued.

	2020	2019
Debt Limit	\$ 705,032	\$ 778,402
Loan Guarantees (Note 11 E)	1,740	1,740
Letters of Credit Issued (Note 10)	46,960	47,310
Actual Total Debt	376,072	353,727
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 280,260</b>	<b>\$ 375,625</b>
Debt Servicing Limit	\$ 123,381	\$ 136,220
Actual Debt Servicing (Long and Short-Term Debt)	37,518	36,862
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 85,863</b>	<b>\$ 99,358</b>

## (E) LOAN GUARANTEES

Section 266 of the *Municipal Government Act* allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations to a maximum of \$1,740 (2019 - \$1,740).

Bylaw Number	Bylaw Passed by City Council	Guarantee	2020 Maximum Loan Amount	2020 Balance	2019 Balance
Bylaw 4187	September 3, 2013	Connaught Golf & Country Club	965	746	767
Bylaw 4138	November 6, 2012	Medicine Hat Golf & Country Club	675	504	518
Bylaw 4436	June 20, 2017	Medicine Hat Golf & Country Club	100	79	83
<b>TOTAL</b>			<b>\$ 1,740</b>	<b>\$ 1,329</b>	<b>\$ 1,368</b>

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years (2019 – 20 years). All loans are in good standing at December 31, 2020.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 12: OTHER LONG-TERM LIABILITIES

(A)

	2020	2019
Offsite Contributions	\$ 17,256	\$ 13,140
Asset Retirement Obligation - Gas and Oil Properties	256,534	253,874
Contaminated Sites - Abandonment & Restoration	292	1,439
Sanitary Landfill - Site Abandonment and Restoration	5,663	4,891
Deferred Charges	1,602	1,890
Employee Retirement Benefits Liability (Note 19)	6,376	6,109
<b>TOTAL</b>	<b>\$ 287,723</b>	<b>\$ 281,343</b>

(B) At December 31, 2020, the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$259,539 (2019 - \$316,303), calculated using an inflation rate of 1.67 (2019 - 1.65) percent per annum. The estimated fair value of this liability was \$256,534 (2019 - \$253,874) after discounting the estimated cash flows at a rate of 4.47 (2019 - 4.79) percent. At December 31, 2020, the expected timing of payment for settlement of the obligations ranges from 1 to 15 years (2019 - 1 to 60 years). The City has not designated assets for settling decommissioning obligations.

(C) At December 31, 2020 the estimated undiscounted cash flows required to settle the contaminated sites were \$295 (2019 - \$1,998), calculated using an inflation rate of 1.67 (2019 - 1.65) percent per annum. The estimated fair value of this liability was \$292 (2019 - \$1,439) after discounting the estimated cash flows at a rate of 1.44 (2019 - 1.76) percent. The amount of anticipated recoveries included in this estimate is \$0. The City has not designated assets for settling decommissioning obligations. The change in estimated cash flows required from 2019 to 2020, relates to the two sites where the City was required to develop a Remedial Action Plan (RAP) in 2020. This plan includes only monitoring and soil sampling in the first three years. In 2019, the estimated cash flows included excavation, soil disposal and delineation, for which costs are much higher.

The sources of the contamination for which the liability has been recorded include: one site where underground storage tanks have leaked and two sites where polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines. At December 31, 2020, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years (2019 - 1 to 10 years).

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

Additional sites where liabilities have not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations include: three snow dump sites; a site where hydrocarbon values exceed Alberta Tier 1 guideline; a site where the soil lead impacts exceed current guidelines; a former electric transformer repair building, where old tanks and barrels/drums could potentially contain polychlorinated biphenyl (PCBs); a compost facility near the Landfill and a former shooting range, where there is potential soil and groundwater contamination; a site added in 2019 where hydrocarbon and metals contamination exceeds guidelines. This site had been leased to a third party prior to 2019, it is now vacant and not being utilized for a productive purpose. There were no new sites added in 2020. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs.

(D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 2.41 (2019 - 2.71) percent assuming inflation of 1.67 (2019 - 1.65) percent.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

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

	2020	2019
Estimated Site Capacity m <sup>3</sup> (000's)	4,635	4,635
Estimated Capacity used m <sup>3</sup> (000's)	2,985	2,920
<b>Estimated Capacity remaining m<sup>3</sup> (000's)</b>	<b>1,650 35.6%</b>	<b>1,715 37.0%</b>
Estimated Closure Costs	\$ 9,360	\$ 9,360
Estimated Post Closure Costs	3,543	3,543
<b>Estimated Total Costs</b>	<b>12,903</b>	<b>12,903</b>
Portion of Total Liability remaining to be recognized	7,240	8,012
<b>ACCRUED LIABILITY PORTION</b>	<b>\$ 5,663 43.9%</b>	<b>\$ 4,891 37.9%</b>

The total capacity of the site is estimated at 4,635,000 cubic meters. The estimated remaining capacity of the landfill site is 1,650,000 (2019 – 1,714,668) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2055 (35 years). The City has not designated assets for settling closure or post closure liabilities.

## NOTE 13: 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 14: TANGIBLE CAPITAL ASSETS

	2020 Net Book Value	2019 Net Book Value
Land	\$ 48,399	\$ 48,398
Land Improvements	78,732	79,272
Buildings	258,823	261,710
Engineering Structures	847,286	823,137
Gas and Oil Properties	27,089	70,364
Machinery, Equipment and Furnishings	69,382	70,089
Vehicles	27,237	28,299
<b>TOTAL</b>	<b>\$ 1,356,948</b>	<b>\$ 1,381,269</b>

The net book value of capital assets currently under construction and not being amortized increased by \$3,798 (2019 – increase by \$4,886). 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 \$243 (2019 - \$538). 2020 contributed capital assets relate primarily to leasehold improvements from the Medicine Hat Public Library and local golf courses.

In 2020, the City did not capitalize any interest. The City did recognize an impairment of \$17,187 (2019 - \$14,550), which primarily relates to the oil and gas assets as a result of the continually declining current and forward market commodity price for natural gas and oil.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 15: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2020	Total 2019
Balance, beginning of year	\$ 68,951	\$ 170,826	\$ 1,027,542	\$ 1,267,319	\$ 1,252,216
Annual surplus (deficit)	(29,513)	-	-	(29,513)	15,103
Unrestricted funds designated for future use	(38,410)	38,410	-	-	-
Restricted funds used for operations	24,933	(24,933)	-	-	-
Funded tangible capital assets	(28,662)	-	28,662	-	-
Contributed tangible capital assets	(243)	-	243	-	-
Disposal of tangible capital assets	13,017	-	(13,017)	-	-
Impairment	9,281	-	(9,281)	-	-
Annual amortization expense	79,292	-	(79,292)	-	-
Long term debt repaid	(26,019)	-	26,019	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 72,627</b>	<b>\$ 184,303</b>	<b>\$ 980,876</b>	<b>\$ 1,237,806</b>	<b>\$ 1,267,319</b>

### 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 percent of prior year's budgeted gross expenses be designated a restricted amount. In 2020, \$603 was designated as restricted (2019 - \$1,932).

The Electric Operating Fund Policy directs that surplus in excess of seven percent of prior years budgeted gross expenses will be designated a restricted amount at the end of the current year. In 2020, the Electric Utility reported an excess surplus of \$5,469 (2019 - \$1,752), which was designated as a restricted amount.

With respect to the Gas Utility, policy directs that surplus be designated a restricted amount at the end of the current year. In 2020, the Gas Utility reported an excess surplus of \$13,317 (2019 - \$0) which was designated as a restricted amount.

UNRESTRICTED SURPLUS (DEFICIT)	2020	2019
General Government	\$ 11,350	\$ 12,633
Utilities Business Development & Support	323	323
Gas	7,848	8,109
Electric	7,100	6,044
Water	15,834	14,938
Sewer	(2,577)	(2,484)
Solid Waste	10,496	9,503
Invest Medicine Hat	22,253	19,885
<b>TOTAL</b>	<b>\$ 72,627</b>	<b>\$ 68,951</b>

### 2. Restricted Surplus

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

	2020	2019
Restricted Surplus - Capital	\$ 14,397	\$ 24,013
Restricted Surplus - Reserves	169,906	146,813
<b>TOTAL</b>	<b>\$ 184,303</b>	<b>\$ 170,826</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## Restricted Surplus - Capital

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

RESTRICTED SURPLUS (DEFICIT) - CAPITAL	2020	2019
General Government	\$ 8,506	\$ 8,092
Gas	1,778	3,870
Electric	5,659	8,507
Water	(77)	(630)
Sewer	(3,220)	1,303
Solid Waste	216	729
Invest Medicine Hat	1,535	2,142
<b>TOTAL</b>	<b>\$ 14,397</b>	<b>\$ 24,013</b>

## 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 2019	2020 Additions	2020 Reductions	Balance 2020
Employee Development	\$ 1,488	\$ 191	\$ -	\$ 1,679
Victim Assistance	20	-	-	20
Second Street Properties	84	-	-	84
Fleet Replacement	4,867	6,629	7,076	4,420
Art Acquisitions	140	24	7	157
Infrastructure	18,823	21,574	6,116	34,281
Employee Benefits	5,496	232	5,501	227
Community Capital	19,185	221	9,547	9,859
Tax Rate Stabilization	43,132	10,068	20,700	32,500
Heritage Savings	44,307	6,468	950	49,825
Insurance	-	6,000	-	6,000
Nature's Best	1,299	52	-	1,351
Electric Facility and Equipment	7,972	9,105	891	16,186
Gas Depletion	-	13,317	-	13,317
<b>TOTAL</b>	<b>\$ 146,813</b>	<b>\$ 73,881</b>	<b>\$ 50,788</b>	<b>\$ 169,906</b>

## 3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2020	2019
Tangible capital assets (Schedule 1)	\$ 2,831,676	\$ 2,861,909
Accumulated amortization (Schedule 1)	(1,474,728)	(1,480,640)
Long-term debt (Note 11)	(376,072)	(353,727)
<b>TOTAL</b>	<b>\$ 980,876</b>	<b>\$ 1,027,542</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 16: TRUST FUNDS

Funds held in trust are monies received and held on behalf of third parties. These monies are maintained, invested and accounted for in accordance with the terms of the trust arrangements. Trust investments are held in temporary investments in money market instruments such as term deposits, treasury bills, and commercial paper. Investments are recorded at the lower of original cost or market value. The cost of these investments at December 31, 2020 are \$1,759 (2019 - \$1,869). 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 2019	Additions	Interest Earned	Funds Released	Balance 2020
Cemetery - Perpetual Care	\$ 1,869	\$ 201	\$ 19	\$ 330	\$ 1,759
<b>TOTAL TRUST FUNDS</b>	<b>\$ 1,869</b>	<b>\$ 201</b>	<b>\$ 19</b>	<b>\$ 330</b>	<b>\$ 1,759</b>

## NOTE 17: SALARY AND BENEFITS DISCLOSURE

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

	2020 Salary <sup>1</sup>	2020 Benefits & Allowances <sup>2</sup>	Total 2020	2019 Salary <sup>1</sup>	2019 Benefits & Allowances <sup>2</sup>	Total 2019
Mayor Ted Clugston	\$ 133	\$ 25	\$ 158	\$ 130	\$ 25	\$ 155
Councillor:						
Dumanowski, R	44	12	56	43	12	55
Friesen, J	44	13	57	43	11	54
Hirsch, D	43	9	52	43	10	53
Mcintosh, J	43	11	54	43	11	54
Samraj, K	44	10	54	43	10	53
Turnbull, P	43	9	52	43	11	54
Turner, J	43	9	52	43	6	49
Varga, B	43	9	52	43	14	57
Chief Administrative Officer (CAO)	374	32	406	338	33	371
Designated Officers (7)	1,362	215	1,577	1,333	217	1,550

<sup>1</sup> Salary includes regular base pay and vacation payouts.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 18: 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 274,151 members in 2019 (2018 – 265,813) and 420 employers in 2019 (2018 - 421). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 7,506 members in 2019 (2018 – 7,375) and 7 employers (2018 – 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2020, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 9.39 percent (2019 – 9.39 percent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84 percent (2019 – 13.84 percent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 percent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2020 were \$11,114 (2019 - \$11,083). Total current service contributions by the employees for 2020 were \$10,135 (2019 - \$10,111).

At December 31, 2019 LAPP disclosed an actuarial surplus of \$7.9 billion (2018 - \$3.47 billion).

At December 31, 2019 SFPP disclosed an actuarial deficit of \$184.6 million (2018 – surplus \$191.2 million).

## NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2020, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2020 with a projection for 2021. The valuation gave rise to an actuarial loss of \$2,002 (2019 – \$0) that will be amortized beginning 2021. Information about the plan is as follows:

	2020	2019
<b>Accrued Benefit Obligation</b>		
Balance, Beginning of Year	\$ 6,109	\$ 5,835
Current Service Cost	-	170
Interest Cost	422	234
Benefits Paid	(155)	(130)
<b>BALANCE, END OF YEAR</b>	<b>\$ 6,376</b>	<b>\$ 6,109</b>

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

	2020	2019
Discount Rate	2.80%	4.00%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	7.84 years	8.84 years

## NOTE 20: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2020 was \$13,661 (Gas) and \$8,251 (Electric) (2019 - \$201 and \$9,318 respectively). Gas commitments include natural gas purchases required to meet demand.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 21: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2020 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 22 provides the approved capital budget for 2020.

	2020 Budget
<b>Revenue</b>	
Approved operating budgets	\$ 438,117
Adjustments	(78,109)
	<u>360,008</u>
<b>Expense</b>	
Approved operating expenses	511,502
Adjustments	(114,073)
	<u>397,429</u>
<b>Other revenue</b>	
Contributed capital assets	-
Government transfers for capital	44,232
	<u>44,232</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 6,811</b>

## NOTE 22: CAPITAL COMMITMENTS

### (A) 2020 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2020 approved Capital Budget. The actual expenditures of \$77,269 (2019 - \$116,301) includes amounts carried forward from previous budget years, as well as costs related to the 2020 Budget and developer contributions of tangible capital assets. In 2020, actual expenditures are presented net of properties held for sale.

### (B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2020 a number of capital projects were in progress and will be completed in 2021 or subsequent years. The unexpended appropriation related to these projects is \$221,837 (2019 - \$194,882). Significant projects are:

- **Gas Utility**

Oil and Gas Facilities (\$899), Well Repair and Abandonments (\$1,200), Projects Operated by Third Parties (\$5,321) and Pipeline and Wells (\$3,291).

- **Electric Utility**

T5R Generator Step Up Transformer Replacement (\$1,500), Unit 17 (\$46,914), Blackstart Improvements (\$1,098), 13 kV Distribution Systems (\$967) and Distribution Substations (\$1,823).

- **Municipal Works**

Infrastructure Rehabilitation Program (\$1,847), Trail Rehabilitation & Pedestrian Cycling (\$1,236) Pedestrian Bridge Deck Repair/Replacement (\$1,200), Sidewalk Rehabilitation (\$1,001) and Flood Mitigation Projects (\$6,811).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

- **Parks**

Gas City Campground (\$1,266), South Saskatchewan River Recreation Opportunities Program (\$1,200), Pickleball Court (\$1,950), Athletic Ball Park (\$3,042), Pedestrian Bridge Deck (\$2,091) and Parks Infrastructure Rehabilitation Program (\$2,467).

- **Corporate Asset Management**

Family Leisure Centre Cogeneration (\$883), Airport Terminal, Fleet, Tennis Club, Parks – roof replacement (\$750), 533 1st Street SE (\$2,119), and 2019 and 2020 vehicle and equipment purchases (\$3,781).

- **Water Utility**

Water Main Replacements (\$5,277), Anthes Redwater Program (\$841), Waste Solids Handling Facility (\$26,500) and Solids Handling Facility (\$2,391).

- **Sewer Utility**

Sewer Main Asset Management Program (\$6,081), Brier Park Gravity Bypass (\$4,515), Lift Station Facility Upgrade (\$2,094), Anthes Redwater Program (\$837), and Brier Park Lift Station Upgrade (\$862).

- **Invest Medicine Hat**

Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$14,866), Riverwalk (\$3,290), Airport (\$1,875), Town Square (\$1,979), Brier Run (\$9,439), Arena Servicing and Subdividing (\$1,346), and NW Industrial Park (\$13,783).

## (C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2020 Capital Improvement Plans with projections for 2021 – 2026 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Invest Medicine Hat:

2020	\$ 185,308
2021 Projection	56,873
2022 - 2026 Projection	514,101
<b>TOTAL</b>	<b>\$ 756,282</b>

Financing sources identified:

	2020	2021
Government Grants	\$ 52,796	\$ 8,300
Current Revenues	9,428	16,681
Debentures		
Tax Supported	3,943	1,775
Utilities Rate Supported	97,802	14,080
Reserves	20,774	15,487
Direct Charges and Other	565	550
<b>TOTAL</b>	<b>\$ 185,308</b>	<b>\$ 56,873</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

## **NOTE 23: CONTINGENT ASSETS AND LIABILITIES**

### **(A) Contingent Assets**

Contingent assets are disclosed, when a future event is likely to confirm the existence of the asset. These possible assets arise from conditions existing as at the financial statement date or situations involving current uncertainty.

The City has not disclosed an asset for certain future events as the dates of reimbursement and the extent of the settlements cannot be reasonably determined at this time.

### **(B) Contingent Liabilities**

Various claims have been made against the City as at December 31, 2020. If proven, it is possible that these claims may have a material adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

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

### **Southridge Recreation and Wellness Centre:**

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1,800, together with an additional contribution at opening of \$24. However if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1,200 contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

The above contingent liabilities for The Southridge Recreation and Wellness Centre are not accrued as liabilities in the Consolidated Statement of Financial Position as there is uncertainty of whether the agreement will terminate prior to 2044.

## **NOTE 24: CONTRACTUAL RIGHTS**

The City has entered into the following agreements:

- a) Property development agreements, which require the developers to contribute various infrastructure assets to the City. The timing and extent of these future contributions will vary depending on development activity and fair value of the assets received at time of contribution and therefore cannot be reasonably determined at this time.
- b) Utility agreements to sell natural gas, crude oil, and electricity production to third parties. The timing and extent of future revenues will vary due to uncertain commodity market prices and volumes and therefore cannot be reasonably determined at this time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

## NOTE 25: FINANCIAL INSTRUMENTS

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

The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or stabilizing revenues, maintaining reliable supplies for operations/sales, and mitigating the financial risk exposure to the City.

## NOTE 26: SUBSEQUENT EVENTS

### Organizational restructuring

Effective January 1, 2021, Council authorized administration to carry out a restructuring and reorganization strategy. At this time, there is no detailed plan in place to accurately measure the timing and quantify the outflow of economic benefits. Any known and certain restructuring obligations have been recognized as a provision in accrued liabilities.

### Disposition of natural gas assets

Subsequent to December 31, 2020, the City of Medicine Hat sold natural gas and related assets and retirement obligations to a third party with an effective date of the sale being October 1, 2020. These net assets are classified as property held for sale at December 31, 2020. The sale closed February 1, 2021.

### Business Improvement Area (BIA) tax and Loan Receivables

City Council approved the adoption of the City Centre Development Agency (CCDA) 2021 budget on February 1, 2021.

On February 16, 2021, the City of Medicine Hat received a petition to disestablish the City Centre Development Agency (CCDA). Pursuant to AR 93/2016 s.25 (1), Council directed City administration to draft a bylaw to disestablish the CCDA to allow for a vote of the taxpayers of the Business Improvement Area (BIA).

If the vote to disestablish the CCDA were successful, the City would no longer be required to collect the Business Improvement Area Tax (2020 – \$121).

## NOTE 27: COVID-19 IMPACT AND CONTINGENCY

The World Health Organization declared a global pandemic for COVID-19 on March 11, 2020. Consequently, on March 17, 2020, the Government of Alberta declared a state of public health emergency over the COVID-19 pandemic and enacted measures for its citizens and businesses to follow, intended to minimize the impact of the disease.

The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the operating results and financial position of the City of Medicine Hat in the future. The City of Medicine Hat did not experience any significant financial implications in relation to the COVID-19 pandemic.

COVID-19 relief was provided to the City of Medicine Hat in the form of the Municipal Operating Support Transfer ("MOST") grant in the amount of \$6,950 received from the Province of Alberta. At December 31, 2020, the City of Medicine Hat was eligible for capital grant funding of up to \$7,520 from the Province of Alberta's Municipal Stimulus Program and \$10,945 from the Government of Canada's Investing In Canada Infrastructure Program COVID-19 Resilience Stream.

There are also other factors which may present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

## NOTE 28: SEGMENT DISCLOSURES

Segment disclosures (Schedule 4) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
  - General Government is comprised of Corporate Administration, Mayoral and Aldermanic services, City Clerk and Legal.
  - Corporate Services is comprised of Finance, Information and Computer Services, Corporate Asset Management (Building Services and Fleet Services), Health Safety & Environment, and Human Resources.
  - Development & Infrastructure is comprised of Planning, Building and Development, and Municipal Works (municipal operations and airport).
  - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit, cultural development, and 9-1-1 communications), and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
  - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Utility Business and Development Support provides corporate and community focus on energy conservation and renewable energy education, incentives and leadership through a variety of utility related 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 wastewater meets the rigid safety, environmental, monitoring, recording and reporting parameters of Federal, Provincial, wastewater industry and local standards. The Sewer Utility is operated on a self-sustaining basis.
- g) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.
- h) Invest Medicine Hat is comprised of land development, municipal use property activities, corporate communications and marketing. Land development includes the City's role as a land developer in the areas of acquisition, development and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land department is operated on a self-sustaining basis, Economic Development and Corporate Communications are supported by property taxes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

The segmented reports display revenue and expenses sorted by accounts. The City's object codes are defined as follows:

## **A) REVENUE**

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

## **B) EXPENSES**

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2020**

*(in thousands of dollars)*

- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company's balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Gain on disposal of long lived assets** reflects the reduction in the decommissioning liabilities associated with the disposal of the Gas properties.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

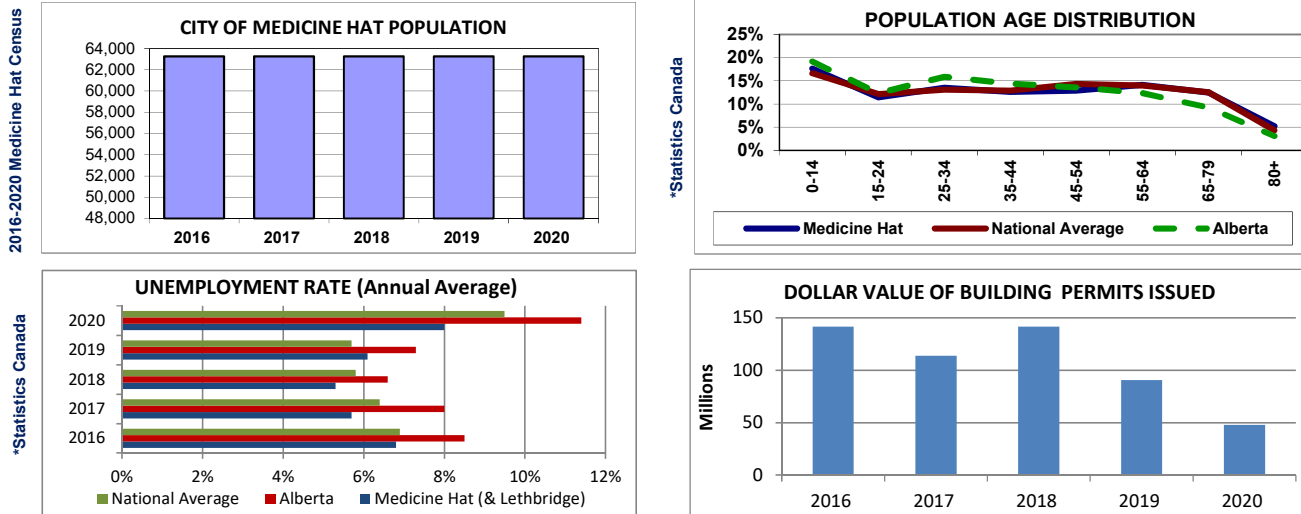
## NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

## DEMOGRAPHICS & OTHER INFORMATION



### OTHER

	2016	2017	2018	2019	2020
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	402	404	404	407	409
Km of water mains	429	429	429	433	435
Km of storm drainage mains	252	255	275	259	263

### LARGEST CORPORATE TAX PAYERS IN MEDICINE HAT

Medicine Hat Mall Inc	Medicine Hat Hwy 1 Properties Inc
2105657 Alberta Ltd	Wal-Mart Canada Corp
Boulevard Real Estate Equities Ltd	Canadian Tire Properties Inc
South Country Co-op Limited	Bayfield Southview Centre Inc
The Meadowlands Development Corporation	Royop (Southlands) Development Ltd

### LARGEST EMPLOYERS IN MEDICINE HAT

Public	Private
Medicine Hat Regional Hospital	South Country Co-op (all locations)
City of Medicine Hat	The Real Canadian Superstore
Medicine Hat School District	Canadian Pacific Railway
Medicine Hat College	Wal-Mart
Province of Alberta	Goodyear

### CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2016 - 2020

	2016	2017	2018	2019	2020
General Government <sup>1</sup>	43	43	41	37	36
Corporate Services <sup>2</sup>	173	172	178	191	201
Public Services	274	275	275	275	275
Police	150	150	151	150	150
Development & Infrastructure	89	89	89	83	83
<b>Total Tax Supported Permanent Positions</b>	<b>729</b>	<b>729</b>	<b>734</b>	<b>736</b>	<b>745</b>
Gas Utility <sup>3</sup>	134	-	-	-	-
Electric Utility <sup>4</sup>	107	-	-	-	-
Utility Distribution Systems <sup>5</sup>	-	93	89	92	92
Natural Gas and Petroleum Resources	-	97	97	82	69
Electric Generation	-	46	45	45	45
Utility Business Development & Support	-	11	15	20	20
Environmental Utilities	105	107	106	106	107
Invest Medicine Hat	6	6	6	6	9
<b>Total Utility Permanent Positions</b>	<b>352</b>	<b>360</b>	<b>358</b>	<b>351</b>	<b>342</b>
<b>Total Permanent Positions</b>	<b>1,081</b>	<b>1,089</b>	<b>1,092</b>	<b>1,087</b>	<b>1,087</b>

2016 - 2020 information has been represented to reflect the change as a result of an organizational restructuring

Note 1: 2016 - 2018 included Health, Safety, Environment & Emergency Management

Note 2: 2019 - 2020 includes Health, Safety, Environment & Emergency Management

Note 3: 2016 included Gas Distribution and Natural Gas and Petroleum Resources

Note 4: 2016 included Electric Distribution, Electric Generation, and Utility Business Development and Support

Note 5: 2017 - 2020 includes Gas Distribution and Electric Distribution

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2016 - 2020

(In thousands of dollars)

### STATEMENT OF FINANCIAL POSITION

	2020	2019	2018	2017	2016
<b>Financial assets</b>					
Cash and temporary investments	\$ 86,874	\$ 71,119	\$ 56,375	\$ 42,654	\$ 45,399
Accounts receivable (net of allowances)	47,407	42,716	45,955	50,888	40,855
Investments, loans & advances	390,731	405,053	359,996	393,694	432,774
Land and other assets held for resale	35,237	4,679	5,542	6,362	6,625
Inventories for resale	114	63	84	61	75
Deposits	3,094	3,258	784	597	689
<b>Total financial assets</b>	<b>\$ 563,457</b>	<b>\$ 526,888</b>	<b>\$ 468,736</b>	<b>\$ 494,256</b>	<b>\$ 526,417</b>
<b>Liabilities</b>					
Trade accounts payable	\$ 26,084	\$ 29,820	\$ 27,705	\$ 32,574	\$ 27,748
Accrued liabilities	34,226	20,467	18,377	16,134	17,791
Deferred revenue	38,642	52,966	44,316	38,169	41,915
Long-term debt	376,072	353,727	317,562	321,307	301,881
Other long-term liabilities	287,723	281,343	262,364	241,778	279,245
<b>Total liabilities</b>	<b>762,747</b>	<b>738,323</b>	<b>670,324</b>	<b>649,962</b>	<b>668,580</b>
<b>Net financial (debt) assets</b>	<b>(199,290)</b>	<b>(211,435)</b>	<b>(201,588)</b>	<b>(155,706)</b>	<b>(142,163)</b>
<b>Non-financial assets</b>					
Inventories for consumption	15,191	15,678	13,796	12,686	11,749
Prepaid assets	2,148	2,131	1,960	2,245	2,689
Land held for future development	19,969	18,924	16,714	15,536	15,359
Long lived assets	42,840	60,752	61,367	72,124	103,325
Tangible capital assets	1,356,948	1,381,269	1,359,967	1,321,773	1,285,951
<b>Total non-financial assets</b>	<b>1,437,096</b>	<b>1,478,754</b>	<b>1,453,804</b>	<b>1,424,364</b>	<b>1,419,073</b>
<b>Accumulated Surplus</b>	<b>\$ 1,237,806</b>	<b>\$ 1,267,319</b>	<b>\$ 1,252,216</b>	<b>\$ 1,268,658</b>	<b>\$ 1,276,910</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2016 - 2020

(In thousands of dollars)

### STATEMENT OF OPERATIONS

	2020	2019	2018	2017	2016
<b>REVENUE FROM:</b>					
Taxes	\$ 98,560	\$ 96,178	\$ 93,261	\$ 89,664	\$ 86,109
Less - requisitions	-25,427	-24,429	-23,888	-23,808	-22,985
	73,133	71,749	69,373	65,856	63,124
<b>Sale of services</b>					
General Government	7,579	10,901	10,485	11,459	10,800
Gas	37,235	53,784	55,053	60,902	87,565
Electric	127,710	139,725	116,702	67,673	59,630
Water	21,467	22,098	21,630	21,246	18,227
Sewer	18,870	19,000	17,367	16,029	15,189
Solid Waste	9,584	9,252	9,584	9,348	8,757
Invest Medicine Hat	5,548	4,204	6,986	8,600	3,321
<b>Other income</b>					
Investment income	13,963	25,096	5,093	8,103	9,469
Licenses, fines and penalties	4,909	6,404	6,723	6,560	6,703
Insurance recovery (clawback)	813	300	1,788	245	234
Development levies	6,977	4,804	3,089	1,609	2,162
Government transfers for operating	12,607	6,098	6,154	5,717	5,759
Other	12,121	15,786	7,047	13,454	13,268
<b>Total revenue</b>	<b>\$ 352,516</b>	<b>\$ 389,201</b>	<b>\$ 337,074</b>	<b>\$ 296,801</b>	<b>\$ 304,208</b>
<b>EXPENSES:</b>					
General Government	\$ 160,368	\$ 162,422	\$ 156,254	\$ 155,783	\$ 149,834
Gas	115,792	122,161	126,883	103,229	123,972
Electric	79,741	68,660	60,945	49,976	48,928
Water	15,504	15,072	14,097	13,736	12,164
Sewer	14,372	13,730	13,585	13,007	12,152
Solid Waste	7,384	6,520	5,953	5,745	5,821
Utilities Business Development & Support	3,796	2,845	2,032	1,583	968
Invest Medicine Hat	4,785	3,546	3,367	3,178	3,061
<b>Total expenses</b>	<b>\$ 401,742</b>	<b>\$ 394,956</b>	<b>\$ 383,116</b>	<b>\$ 346,237</b>	<b>\$ 356,900</b>
<b>(Deficiency) Excess of revenue over expenses</b>					
- before other revenue	\$ (49,226)	\$ (5,755)	\$ (46,042)	\$ (49,436)	\$ (52,692)
<b>Other</b>					
Contributed tangible capital assets	243	538	105	690	2,456
Government transfers for capital	19,470	20,320	29,495	40,494	20,482
<b>Total other</b>	19,713	20,858	29,600	41,184	22,938
<b>Annual (deficit) surplus</b>	<b>\$ (29,513)</b>	<b>\$ 15,103</b>	<b>\$ (16,442)</b>	<b>\$ (8,252)</b>	<b>\$ (29,754)</b>

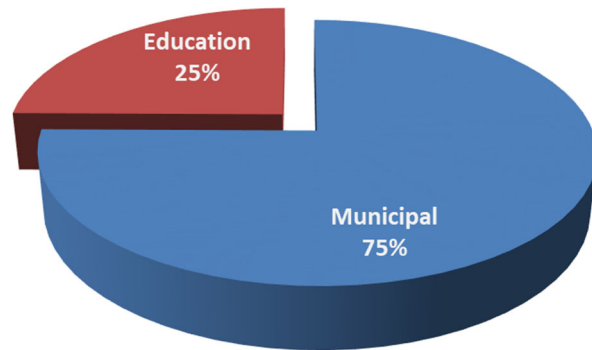
#### Trends:

Lower revenues and expenses from 2016 and 2017 are mainly due to continued pressure on commodity prices in Gas & Electric and the divestiture of a portion of gas producing assets in 2017. In 2018 and 2019, revenues increased mainly due to higher Electric revenues as a result of higher commodity prices and an increase in investment revenue in 2019. Regulations in response to the COVID-19 pandemic had a negative impact on revenues in 2020. Revenues decreased from 2019 primarily due to low commodity prices and sales volumes in Gas & Electric. Facility closures and reduced municipal services in 2020 resulted in lower revenues and expenses in General Government.

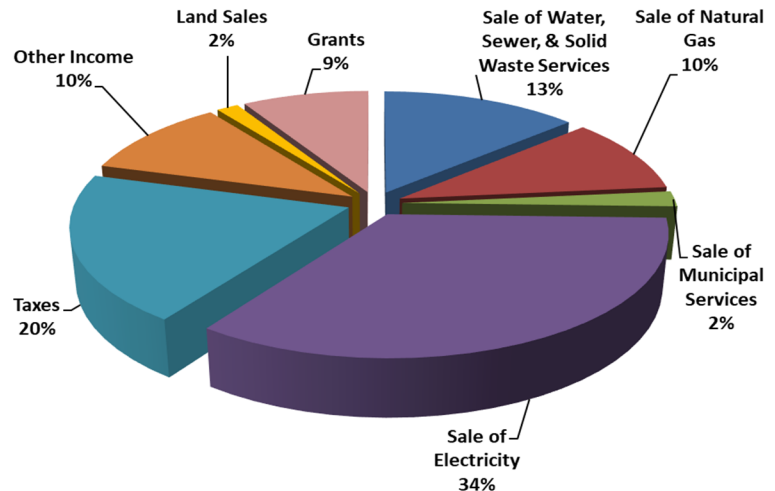
# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## Financial Synopsis: 2020 Operating Activities

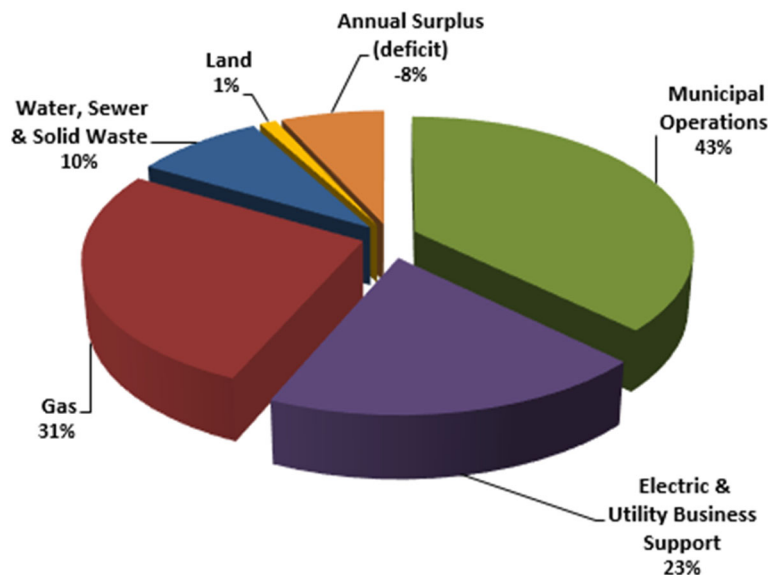
Where our tax dollars went in 2020  
Education / Municipal  
Property Tax



Where the money comes  
from \$372 Million



Where the money goes  
\$372 Million



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

## TAXATION & ASSESSMENT

### MILL RATES

	2020	2019	2018	2017	2016
<b>MUNICIPAL</b>					
Single family	7.1152	6.7302	6.6563	6.4139	6.1569
Apartments	8.8781	8.7125	8.4588	7.9800	7.4770
Farmland	34.5368	33.2291	32.2613	30.6477	28.8641
Commercial and industrial	15.7102	15.1159	15.3104	15.0271	14.4213
<b>EDUCATION</b>					
Single family	2.4622	2.5883	2.5249	2.4789	2.3924
Apartments	2.4622	2.5883	2.5249	2.4789	2.3924
Farmland	2.4622	2.5883	2.5249	2.4789	2.3924
Commercial and industrial	3.4922	3.5949	3.4146	3.8474	3.7349
<b>OTHER</b>					
Single family	0.1035	1.040	0.1038	0.0999	0.0975
Apartments	0.1035	1.040	0.1038	0.0999	0.0975
Farmland	0.1035	1.040	0.1038	0.0999	0.0975
Commercial and industrial	0.1035	1.040	0.1038	0.0999	0.0975

### PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2020	2019	2018	2017	2016
Municipal	\$ 72,126	\$ 70,320	\$ 67,954	\$ 64,447	\$ 61,649
Education	24,474	23,474	22,974	22,948	22,158
Other	953	955	914	860	827
<b>TOTAL REAL PROPERTY</b>	<b>\$ 97,553</b>	<b>\$ 94,749</b>	<b>\$ 91,842</b>	<b>\$ 88,255</b>	<b>\$ 84,634</b>
Current taxes collected	89,429	90,828	88,937	86,003	83,139
% of current taxes collected	91.21%	94.79%	95.72%	96.30%	96.95%
<b>OTHER MAJOR TAXES LEVIED</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Linear property taxes	\$ 497	\$ 1,074	\$ 1,074	\$ 1,057	\$ 1,124
Local improvements	510	355	344	352	348
<b>TOTAL MAJOR TAX LEVIED</b>	<b>\$ 1,007</b>	<b>\$ 1,429</b>	<b>\$ 1,418</b>	<b>\$ 1,409</b>	<b>\$ 1,472</b>

### ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2020	2019	2018	2017	2016
Residential	\$ 6,709,679,101	\$ 6,748,338,079	\$ 6,623,705,015	\$ 6,589,676,450	\$ 6,528,357,231
Multi-family	304,505,120	285,797,772	283,264,172	282,360,100	269,857,171
Farmland	1,243,600	1,232,900	2,079,900	2,582,900	5,900,334
Commercial and industrial	2,022,067,648	1,957,893,244	1,802,923,977	1,735,553,696	1,773,582,591
<b>TOTAL TAXABLE ASSESSMENT</b>	<b>\$ 9,037,495,469</b>	<b>\$ 8,993,261,995</b>	<b>\$ 8,711,973,064</b>	<b>\$ 8,610,173,146</b>	<b>\$ 8,577,697,327</b>



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2020	2019	2018	2017	2016
General	\$ 11,350	\$ 12,633	\$ 12,667	\$ 11,688	\$ 11,298
Utilities Business Development & Support	323	323	288	122	(24)
Gas	7,848	8,109	10,499	9,092	7,643
Electric	7,100	6,044	5,507	5,726	5,480
Water	15,834	14,938	8,995	5,242	2,576
Sewer	(2,577)	(2,484)	(1,555)	(877)	369
Solid Waste	10,496	9,503	7,706	5,834	5,810
Economic Development & Land	22,253	19,885	18,912	18,148	12,444
<b>TOTAL UNRESTRICTED SURPLUS</b>	<b>72,627</b>	<b>68,951</b>	<b>63,019</b>	<b>54,975</b>	<b>45,596</b>
<b>RESTRICTED SURPLUS - RESERVES</b>					
Employee development	1,679	1,488	1,743	1,763	1,644
Victim assistance	20	20	20	19	17
Second street properties	84	84	84	84	84
Fleet replacement	4,420	4,867	8,950	10,326	1,840
Art acquisitions	157	140	139	109	99
Infrastructure	34,281	18,823	15,892	16,309	21,372
Employee benefits	227	5,496	5,921	5,695	6,440
Community capital	9,859	19,185	21,433	23,622	26,346
Tax Rate Stabilization Reserve	32,500	43,132	22,137	19,059	-
Heritage Savings	49,825	44,307	22,217	3,259	-
Insurance	6,000	-	-	-	-
Natures Best Reserve	1,351	1,299	1,080	866	870
Electric facilities and equipment	16,186	7,972	32,960	29,197	68,935
Gas depletion	13,317	-	11,258	59,563	61,631
<b>TOTAL RESTRICTED SURPLUS - RESERVES</b>	<b>169,906</b>	<b>146,813</b>	<b>143,834</b>	<b>169,871</b>	<b>189,278</b>
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>\$ 242,533</b>	<b>\$ 215,764</b>	<b>\$ 206,853</b>	<b>\$ 224,846</b>	<b>\$ 234,874</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## LONG TERM DEBT

	2020	2019	2018	2017	2016
<b>LONG TERM DEBT</b>					
Debt supported by taxes	\$ 36,928	\$ 38,791	\$ 41,817	\$ 46,484	\$ 36,662
Debt supported by utilities	339,144	314,936	275,745	274,823	265,219
<b>TOTAL TAX SUPPORTED AND UTILITIES DEBT</b>	<b>\$ 376,072</b>	<b>\$ 353,727</b>	<b>\$ 317,562</b>	<b>\$ 321,307</b>	<b>\$ 301,881</b>

## DEBT PER CAPITA

(not in thousands of dollars)

	2020	2019	2018	2017	2016
Tax supported	\$ 584	\$ 613	\$ 661	\$ 738	\$ 582
Utility supported	5,361	4,978	4,359	4,362	4,209
<b>TOTAL DEBT PER CAPITA</b>	<b>\$ 5,945</b>	<b>\$ 5,591</b>	<b>\$ 5,020</b>	<b>\$ 5,100</b>	<b>\$ 4,791</b>

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

	2020	2019	2018	2017	2016
Actual debt servicing (long and short term)	\$ 38,378	\$ 36,862	\$ 36,410	\$ 36,190	\$ 33,211
Total operating expenses	401,742	394,956	383,116	346,237	356,900
<b>PERCENTAGE</b>	<b>9.55%</b>	<b>9.33%</b>	<b>9.50%</b>	<b>10.45%</b>	<b>9.31%</b>

## LEGAL DEBT LIMIT

	2020	2019	2018	2017	2016
Debt limit	\$ 705,032	\$ 778,402	\$ 674,148	\$ 593,602	\$ 608,416
Total debt	376,072	353,727	317,562	321,307	301,881
Loan guarantees	1,740	1,740	2,240	2,240	2,140
Letters of credit issued	46,960	47,310	40,413	17,523	38,816
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 280,260</b>	<b>\$ 375,625</b>	<b>\$ 313,933</b>	<b>\$ 252,532</b>	<b>\$ 265,579</b>
Percentage used	60.25%	51.74%	53.43%	57.46%	56.35%

## DEBT SERVICING LIMIT

	2020	2019	2018	2017	2016
Debt servicing limit	\$ 123,381	\$ 136,220	\$ 117,976	\$ 103,880	\$ 106,473
Actual debt servicing (short and long term)	37,518	36,892	36,410	36,190	33,211
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 85,863</b>	<b>\$ 99,328</b>	<b>\$ 81,566</b>	<b>\$ 67,690</b>	<b>\$ 73,262</b>
Percentage used	30.41%	27.08%	30.86%	34.84%	31.19%

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## CONSOLIDATED EXPENSES BY OBJECT

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
Salaries, wages and benefits	\$ 141,890	\$ 131,885	\$ 134,236	\$ 129,327	\$ 129,487	\$ 129,360
Contracted and general services	51,696	47,096	48,291	51,152	46,097	51,262
Materials, goods and utilities	35,958	26,982	29,729	27,698	29,336	42,337
Provisions for allowances	298	1,124	998	376	333	289
Bank charges and short-term interest	295	386	334	343	130	1,684
Interest on long-term debt	13,068	11,382	10,963	11,072	10,547	9,970
Grants and other transfers	3,674	5,429	3,817	3,570	3,941	3,940
Other operating expenses	67,662	69,679	72,117	60,868	55,889	40,639
Amortization of tangible capital assets	82,888	79,292	79,325	72,931	68,435	63,035
Impairments	-	17,187	14,550	25,033	28,416	13,610
Loss (gain) on disposal of tangible capital assets	-	11,389	1,227	746	16,852	774
Gain on disposal of long lived liabilities	-	(89)	(631)	-	(43,226)	-
<b>TOTAL EXPENSES</b>	<b>\$ 397,429</b>	<b>\$ 401,742</b>	<b>\$ 394,956</b>	<b>\$ 383,116</b>	<b>\$ 346,237</b>	<b>\$ 356,900</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DIVISION

### GENERAL FUND

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
General Government	\$ 104,618	\$ 122,455	\$ 162,705	\$ 134,350	\$ 127,425	\$ 78,453
Corporate Services	15,177	14,654	15,803	17,194	14,909	9,426
Development & Infrastructure	4,320	3,326	5,375	6,469	7,379	7,694
Public Services	13,810	9,604	13,570	13,326	13,108	12,467
Police Services	3,597	4,353	3,833	3,624	3,646	7,342
<b>TOTAL REVENUE</b>	141,522	154,392	201,286	174,963	166,467	115,382
<b>EXPENSES</b>						
General Government	10,262	9,472	12,506	12,929	6,746	3,393
Corporate Services	59,183	50,768	49,434	47,387	45,376	39,708
Development & Infrastructure	30,389	29,701	29,296	28,966	31,111	28,928
Public Services	59,123	54,818	58,279	57,084	56,685	54,641
Police Services	23,370	23,187	23,398	22,666	22,043	22,932
<b>TOTAL EXPENSES</b>	182,327	167,946	172,913	169,032	161,961	149,602
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (40,805)</b>	<b>\$ (13,554)</b>	<b>\$ 28,373</b>	<b>\$ 5,931</b>	<b>\$ 4,506</b>	<b>\$ (34,220)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### GENERAL GOVERNMENT

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

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
CAO & Commissioners	\$ 6,372	\$ 6,307	\$ 6,153	\$ 4,358	\$ 4,293	\$ 744
City Solicitor & City Clerk	333	331	331	301	285	553
Corporate Communications	-	-	365	360	353	349
General Municipal Revenues	97,913	115,817	155,856	129,331	122,494	76,807
<b>TOTAL REVENUE</b>	104,618	122,455	162,705	134,350	127,425	78,453
<b>EXPENSES</b>						
CAO & Commissioners	3,859	3,164	3,818	1,823	1,682	(1,591)
City Solicitor & City Clerk	1,619	1,540	1,421	1,544	1,646	1,590
Corporate Communications	-	-	543	561	566	566
General Municipal Revenues	4,005	4,014	5,983	8,325	2,209	2,198
Mayor and Councillors	779	754	741	676	643	630
<b>TOTAL EXPENSES</b>	10,262	9,472	12,506	12,929	6,746	3,393
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 94,356</b>	<b>\$ 112,983</b>	<b>\$ 150,199</b>	<b>\$ 121,421</b>	<b>\$ 120,679</b>	<b>\$ 75,060</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CAO & COMMISSIONERS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 6,372	\$ 6,307	\$ 6,153	\$ 4,358	\$ 4,293	\$ 743
Other revenue	-	-	-	-	-	1
<b>TOTAL REVENUE</b>	6,372	6,307	6,153	4,358	4,293	744
<b>EXPENSES</b>						
Salaries, wages and benefits	2,010	2,212	2,117	1,958	1,909	2,045
Contracted and general services	152	592	147	64	70	50
Materials and supplies	45	19	23	19	18	31
Other operating expenses	1,310	-	-	-	-	-
Internal charges	342	341	1,531	(218)	(315)	(3,717)
<b>TOTAL EXPENSES</b>	3,859	3,164	3,818	1,823	1,682	(1,591)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 2,513</b>	<b>\$ 3,143</b>	<b>\$ 2,335</b>	<b>\$ 2,535</b>	<b>\$ 2,611</b>	<b>\$ 2,335</b>

*The above represents actual transactions before consolidation eliminations*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CITY SOLICITOR & CITY CLERK

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 328	\$ 328	\$ 314	\$ 291	\$ 271	\$ 548
Other revenue	5	3	6	10	10	5
<b>Government transfers</b>						
Government transfers for operating	-	-	11	-	4	-
<b>TOTAL REVENUE</b>	333	331	331	301	285	553
<b>EXPENSES</b>						
Salaries, wages and benefits	1,409	1,366	1,255	1,282	1,262	1,308
Contracted and general services	147	103	109	163	288	213
Materials and supplies	45	53	35	34	44	38
Amortization	18	18	18	18	10	21
Internal charges	-	-	4	47	42	10
<b>TOTAL EXPENSES</b>	1,619	1,540	1,421	1,544	1,646	1,590
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,286)</b>	<b>\$ (1,209)</b>	<b>\$ (1,090)</b>	<b>\$ (1,243)</b>	<b>\$ (1,361)</b>	<b>\$ (1,037)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE COMMUNICATIONS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ -	\$ -	\$ 365	\$ 360	\$ 352	\$ 348
Other revenue	-	-	-	-	1	1
<b>TOTAL REVENUE</b>	-	-	365	360	353	349
<b>EXPENSES</b>						
Salaries, wages and benefits	-	-	481	490	489	496
Contracted and general services	-	-	56	66	62	79
Materials and supplies	-	-	5	3	11	7
Internal charges	-	-	1	2	4	(16)
<b>TOTAL EXPENSES</b>	-	-	543	561	566	566
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (178)</b>	<b>\$ (201)</b>	<b>\$ (213)</b>	<b>\$ (217)</b>

Information for 2020 is now included under Invest Medicine Hat

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GENERAL MUNICIPAL REVENUES

#### General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Net taxes	\$ 78,254	76,934	75,896	\$ 73,434	\$ 69,269	\$ 66,518
Sale of services	2,338	2,032	1,090	-	-	105
Other income						
Investment income	3,766	6,805	3,514	2,793	3,175	2,657
Licences, fines and penalties	3,017	3,023	4,004	3,569	4,023	533
Internal recovery	(71)	555	59	57	381	357
Other revenue	5,088	5,039	1	1,128	240	404
Contributions from utilities	5,521	13,870	70,271	47,302	44,252	4,809
Government transfers						
Government transfers for operating	-	7,559	1,021	1,048	1,154	1,424
<b>TOTAL REVENUE</b>	97,913	115,817	155,856	129,331	122,494	76,807
<b>EXPENSES</b>						
Salaries, wages and benefits	-	-	-	-	-	143
Contracted and general services	1,250	-	-	-	214	197
Materials and supplies	600	1,488	2,471	991	696	410
Provision for allowances	-	648	679	2	2	-
Other expenses	300	-	(2)	22	-	2
Bank charges and short term interest	-	-	21	-	-	-
Internal charges	1,855	1,878	2,814	7,310	1,297	1,446
<b>TOTAL EXPENSES</b>	4,005	4,014	5,983	8,325	2,209	2,198
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 93,908</b>	<b>\$ 111,803</b>	<b>\$ 149,873</b>	<b>\$ 121,006</b>	<b>\$ 120,285</b>	<b>\$ 74,609</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MAYOR & COUNCILLORS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Other Income</b>						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	729	739	717	628	591	587
Contracted and general services	48	12	22	36	44	39
Materials and supplies	2	3	2	7	4	8
Internal charges	-	-	-	5	4	(4)
<b>TOTAL EXPENSES</b>	779	754	741	676	643	630
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (779)</b>	<b>\$ (754)</b>	<b>\$ (741)</b>	<b>\$ (676)</b>	<b>\$ (643)</b>	<b>\$ (630)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### CORPORATE SERVICES

*Health, Safety & Environment; Finance; Information & Computer Services; Corporate Asset Management; Human Resources*

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Health, Safety & Environment	\$ 60	\$ 78	\$ 1,311	\$ 1,140	\$ 1,106	\$ 1,099
Finance	4,989	4,654	4,659	5,017	5,160	2,790
Information & Computer Services	2,053	2,065	1,968	2,862	3,108	1,598
Corporate Asset Management	7,551	7,512	7,379	7,628	5,039	3,441
Human Resources	524	359	486	547	496	498
<b>TOTAL REVENUE</b>	15,177	14,668	15,803	17,194	14,909	9,426
<b>EXPENSES</b>						
Health, Safety & Environment	2,467	2,349	2,249	1,977	1,779	1,883
Finance	17,063	12,838	11,253	11,467	12,249	10,783
Information & Computer Services	7,626	6,892	6,732	6,740	7,758	6,487
Corporate Asset Management	27,866	25,310	25,952	23,227	20,432	17,437
Human Resources	4,161	3,379	3,248	3,976	3,158	3,118
<b>TOTAL EXPENSES</b>	59,183	50,768	49,434	47,387	45,376	39,708
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (44,006)</b>	<b>\$ (36,100)</b>	<b>\$ (33,631)</b>	<b>\$ (30,193)</b>	<b>\$ (30,467)</b>	<b>\$ (30,282)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HEALTH, SAFETY & ENVIRONMENT

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Sale of services	\$ 31	\$ 32	\$ 32	\$ 31	\$ 31	\$ 31
<b>Other Income</b>						
Internal recovery	27	26	1,223	1,094	1,072	1,048
Insurance recovery	-	1	-	-	-	-
Other revenue	-	-	7	-	1	1
<b>Government transfers</b>						
Government transfers for operating	2	19	49	15	2	19
<b>TOTAL REVENUE</b>	60	78	1,311	1,140	1,106	1,099
<b>EXPENSES</b>						
Salaries, wages and benefits	2,088	1,790	1,880	1,588	1,424	1,547
Contracted and general services	213	335	216	230	202	212
Materials and supplies	26	66	10	12	35	20
Amortization of tangible capital assets	140	142	142	141	140	140
Internal charges	-	16	1	6	(22)	(36)
<b>TOTAL EXPENSES</b>	2,467	2,349	2,249	1,977	1,779	1,883
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,407)</b>	<b>\$ (2,271)</b>	<b>\$ (938)</b>	<b>\$ (837)</b>	<b>\$ (673)</b>	<b>\$ (784)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FINANCE

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Sale of services	\$ 666	\$ 466	\$ 603	\$ 660	\$ 562	\$ 495
<b>Other income</b>						
Internal recovery	4,114	3,987	3,842	4,167	4,406	2,076
Insurance recovery	-	-	-	-	-	1
Other revenue	209	201	214	186	204	206
<b>Government transfers</b>						
Government transfers for operating	-	-	-	4	(12)	12
<b>TOTAL REVENUE</b>	4,989	4,654	4,659	5,017	5,160	2,790
<b>EXPENSES</b>						
Salaries, wages and benefits	8,605	8,242	7,781	7,896	8,058	7,784
Contracted and general services	3,541	3,215	2,948	3,221	487	764
Materials and supplies	251	(829)	217	817	755	332
Provision for allowances	27	45	27	27	27	27
Bank charges	74	190	63	66	(38)	1,510
Grants and other transfers	-	1,786	-	-	-	-
Interest on long-term debt - infrastructure	-	-	-	-	-	26
Other operating expenses	4,417	55	77	(561)	(12)	46
Amortization of tangible capital assets	34	22	24	28	40	47
Loss on disposal of tangible capital assets	-	-	-	-	29	-
Internal charges	114	112	116	(27)	2,903	247
<b>TOTAL EXPENSES</b>	17,063	12,838	11,253	11,467	12,249	10,783
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (12,074)</b>	<b>\$ (8,184)</b>	<b>\$ (6,594)</b>	<b>\$ (6,450)</b>	<b>\$ (7,089)</b>	<b>\$ (7,993)</b>

The above represents actual transactions before consolidation eliminations



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 2,053	\$ 2,065	\$ 1,968	\$ 2,862	\$ 3,106	\$ 1,552
Other revenue	-	-	-	-	2	38
<b>Government transfers</b>						
Government transfers for operating	-	-	-	-	-	8
<b>TOTAL REVENUE</b>	2,053	2,065	1,968	2,862	3,108	1,598
<b>EXPENSES</b>						
Salaries, wages and benefits	3,308	3,056	3,082	3,110	3,581	3,754
Contracted and general services	2,199	2,101	1,996	2,137	1,977	1,548
Materials and supplies	63	74	59	82	315	376
Interest on long-term debt - infrastructure	14	42	52	9	79	38
Other operating expenses	-	-	4	8	22	-
Amortization of tangible capital assets	1,964	1,552	1,413	1,145	858	528
Loss on disposal of tangible capital assets	-	-	16	38	768	-
Internal charges	78	67	110	211	158	243
<b>TOTAL EXPENSES</b>	7,626	6,892	6,732	6,740	7,758	6,487
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (5,573)</b>	<b>\$ (4,827)</b>	<b>\$ (4,764)</b>	<b>\$ (3,878)</b>	<b>\$ (4,650)</b>	<b>\$ (4,889)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE ASSET MANAGEMENT

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 217	\$ 213	\$ 239	\$ 391	\$ 223	\$ 251
<b>Other income</b>						
Internal recovery	7,334	7,127	6,769	5,651	4,183	2,489
Developer Levies	-	49	327	801	470	-
Insurance recovery	-	63	25	696	151	101
Other revenue	-	46	19	28	12	600
<b>Government transfers</b>						
Government transfers for operating	-	-	-	61	-	-
<b>TOTAL REVENUE</b>	7,551	7,498	7,379	7,628	5,039	3,441
<b>EXPENSES</b>						
Salaries, wages and benefits	5,142	4,854	5,178	4,545	4,547	4,396
Contracted and general services	3,886	5,669	7,109	7,100	4,593	3,839
Materials and supplies	4,159	1,793	1,130	1,134	1,297	727
Interest on long-term debt - ACFA	425	378	396	492	290	273
Other operating expenses	140	57	52	106	140	65
Amortization of tangible capital assets	13,284	11,682	10,604	9,359	8,540	8,542
Loss (gain) on disposal of tangible capital assets	-	254	480	(277)	1,098	(52)
Internal charges	830	623	1,003	768	(73)	(353)
<b>TOTAL EXPENSES</b>	27,866	25,310	25,952	23,227	20,432	17,437
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (20,315)</b>	<b>\$ (17,812)</b>	<b>\$ (18,573)</b>	<b>\$ (15,599)</b>	<b>\$ (15,393)</b>	<b>\$ (13,996)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HUMAN RESOURCES

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Sale of services	\$ -	\$ -	\$ 1	\$ -	\$ 92	\$ -
<b>Other income</b>						
Internal recovery	324	243	259	345	255	358
Other revenue	200	116	186	195	149	133
<b>Government transfers</b>						
Government transfers for operating	-	-	40	7	-	7
<b>TOTAL REVENUE</b>	524	359	486	547	496	498
<b>EXPENSES</b>						
Salaries, wages and benefits	2,918	2,854	2,718	2,747	2,349	2,348
Contracted and general services	1,129	470	456	970	525	511
Materials and supplies	94	34	57	75	60	68
Amortization of tangible capital assets	13	12	8	5	74	141
Internal charges	7	9	9	179	150	50
<b>TOTAL EXPENSES</b>	4,161	3,379	3,248	3,976	3,158	3,118
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (3,637)</b>	<b>\$ (3,020)</b>	<b>\$ (2,762)</b>	<b>\$ (3,429)</b>	<b>\$ (2,662)</b>	<b>\$ (2,620)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Planning, Building & Development	\$ 2,620	\$ 2,009	\$ 2,510	\$ 3,091	\$ 2,459	\$ 2,524
Municipal Works	1,700	1,317	2,865	3,378	4,920	5,170
<b>TOTAL REVENUE</b>	4,320	3,326	5,375	6,469	7,379	7,694
<b>EXPENSES</b>						
Planning, Building & Development	4,849	4,393	4,319	4,181	4,110	4,253
Municipal Works	25,540	25,308	24,977	24,785	27,001	24,675
<b>TOTAL EXPENSES</b>	30,389	29,701	29,296	28,966	31,111	28,928
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (26,069)</b>	<b>\$ (26,375)</b>	<b>\$ (23,921)</b>	<b>\$ (22,497)</b>	<b>\$ (23,732)</b>	<b>\$ (21,234)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PLANNING, BUILDING & DEVELOPMENT

#### Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of Services</b>	\$ 7	\$ 24	\$ 20	\$ 25	\$ 17	\$ 9
<b>Other income</b>						
Licences, fines and penalties	2,613	1,845	2,301	3,040	2,409	2,440
Internal recovery	-	-	29	9	16	39
Insurance recovery	-	20	-	-	-	-
Developer levies	-	-	40	-	-	-
Other revenue	-	9	15	17	17	12
<b>Government transfers</b>						
Government transfers for operating	-	111	105	-	-	24
<b>TOTAL REVENUE</b>	2,620	2,009	2,510	3,091	2,459	2,524
<b>EXPENSES</b>						
Salaries, wages and benefits	4,242	4,050	3,840	3,840	3,810	3,987
Contracted and general services	227	196	356	169	171	197
Materials and supplies	109	61	43	56	59	59
Other expenses	125	-	-	1	-	-
Bank charges & short term interest	1	1	1	-	-	-
Interest on long-term debt - ACFA	-	-	-	-	1	1
Amortization of tangible capital assets	77	23	7	8	10	10
Internal charges	68	62	72	107	59	(1)
<b>TOTAL EXPENSES</b>	4,849	4,393	4,319	4,181	4,110	4,253
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,229)</b>	<b>\$ (2,384)</b>	<b>\$ (1,809)</b>	<b>\$ (1,090)</b>	<b>\$ (1,651)</b>	<b>\$ (1,729)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MUNICIPAL WORKS

#### Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Sale of services	\$ 1,078	\$ 364	\$ 1,170	\$ 939	\$ 855	\$ 1,040
Taxes	7	7	131	119	129	158
Other income						
Internal recovery	(2)	8	9	22	3,165	2,594
Insurance recovery	-	39	16	90	1	27
Developer levies	200	134	818	1,344	302	1,182
Other revenue	277	351	376	270	70	198
Government transfers						
Government transfers for operating	140	414	345	594	398	(29)
<b>TOTAL REVENUE</b>	<b>1,700</b>	<b>1,317</b>	<b>2,865</b>	<b>3,378</b>	<b>4,920</b>	<b>5,170</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	5,661	5,666	5,489	5,583	5,729	5,534
Contracted and general services	1,702	1,416	1,711	2,352	3,860	3,084
Materials and supplies	394	475	281	256	1,827	1,719
Interest on long-term debt - ACFA	420	414	477	526	537	520
Bank charges & short term interest	4	1	5	-	-	-
Other operating expenses	350	18	(18)	38	1	9
Amortization of tangible capital assets	15,665	15,453	15,304	14,644	13,456	12,867
Loss (gain) on disposal of tangible capital assets	-	514	315	40	791	368
Internal charges	1,344	1,351	1,413	1,346	800	574
<b>TOTAL EXPENSES</b>	<b>25,540</b>	<b>25,308</b>	<b>24,977</b>	<b>24,785</b>	<b>27,001</b>	<b>24,675</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (23,840)</b>	<b>\$ (23,991)</b>	<b>\$ (22,112)</b>	<b>\$ (21,407)</b>	<b>\$ (22,081)</b>	<b>\$ (19,505)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### PUBLIC SERVICES

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

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Community Development	\$ 6,832	\$ 4,565	\$ 6,477	\$ 6,602	\$ 6,710	\$ 6,389
Parks & Recreation	6,531	4,591	6,579	6,461	5,915	5,641
Fire Services	447	448	514	263	483	437
Public Organizations	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	13,810	9,604	13,570	13,326	13,108	12,467
<b>EXPENSES</b>						
Community Development	15,606	13,442	14,982	14,711	14,676	14,679
Parks & Recreation	26,580	25,369	27,012	26,499	26,325	24,000
Fire Services	14,065	13,215	13,429	12,908	12,741	12,800
Public Organizations	2,872	2,792	2,856	2,966	2,943	3,162
<b>TOTAL EXPENSES</b>	59,123	54,818	58,279	57,084	56,685	54,641
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (45,313)</b>	<b>\$ (45,214)</b>	<b>\$ (44,709)</b>	<b>\$ (43,758)</b>	<b>\$ (43,577)</b>	<b>\$ (42,174)</b>

*The above represents actual transactions before consolidation eliminations*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### COMMUNITY DEVELOPMENT

#### Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 3,820	\$ 1,761	\$ 3,336	\$ 3,786	\$ 3,922	\$ 3,766
<b>Other income</b>						
Internal recovery	9	37	27	110	125	117
Insurance recovery	-	4	13	6	1	23
Developer levies	-	-	-	1	6	-
Other revenue	404	227	446	349	49	143
<b>Government transfers</b>						
Government transfers for operating	2,599	2,536	2,655	2,350	2,607	2,340
<b>TOTAL REVENUE</b>	<b>6,832</b>	<b>4,565</b>	<b>6,477</b>	<b>6,602</b>	<b>6,710</b>	<b>6,389</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	10,199	9,988	10,298	10,282	10,090	10,643
Contracted and general services	2,864	1,449	2,293	2,933	2,818	2,638
Materials and supplies	660	519	633	628	1,427	2,095
Other expenses	-	-	1	5	-	22
Bank charges	239	13	51	107	93	62
Grants and other transfers	449	452	437	219	693	489
Amortization of tangible capital assets	688	549	508	480	478	476
Loss on disposal of tangible capital assets			250	-	88	-
Internal charges	507	472	511	57	(1,011)	(1,746)
<b>TOTAL EXPENSES</b>	<b>15,606</b>	<b>13,442</b>	<b>14,982</b>	<b>14,711</b>	<b>14,676</b>	<b>14,679</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (8,774)</b>	<b>\$ (8,877)</b>	<b>\$ (8,505)</b>	<b>\$ (8,109)</b>	<b>\$ (7,966)</b>	<b>\$ (8,290)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PARKS & RECREATION

#### Public Services

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 4,096	\$ 2,340	\$ 4,129	\$ 4,379	\$ 5,271	\$ 4,702
<b>Other income</b>						
Internal recovery	72	73	86	89	92	110
Insurance recovery	43	272	6	7	56	38
Developer levies	365	191	102	222	316	-
Other revenue	1,955	1,413	2,168	1,758	180	646
<b>Government transfers</b>						
Government transfers for operating	-	302	88	6	-	145
<b>TOTAL REVENUE</b>	6,531	4,591	6,579	6,461	5,915	5,641
<b>EXPENSES</b>						
Salaries, wages and benefits	10,652	9,250	10,529	10,252	10,168	9,737
Contracted and general services	3,307	3,808	3,732	3,710	3,665	3,089
Materials and supplies	1,361	1,362	1,497	1,508	1,700	1,939
Bank charges	32	40	59	65	52	38
Other expenses	217	(6)	7	(1)	51	53
Interest on long-term debt - ACFA	384	361	372	394	420	443
Grants and other transfers	187	157	281	214	211	179
Amortization of tangible capital assets	7,889	7,839	7,700	7,532	7,346	6,600
Loss on disposal of tangible capital assets	-	87	7	-	-	102
Internal charges	2,551	2,471	2,828	2,825	2,712	1,820
<b>TOTAL EXPENSES</b>	26,580	25,369	27,012	26,499	26,325	24,000
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (20,049)</b>	<b>\$ (20,778)</b>	<b>\$ (20,433)</b>	<b>\$ (20,038)</b>	<b>\$ (20,410)</b>	<b>\$ (18,359)</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FIRE SERVICES

#### Public Services

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
<b>REVENUE</b>						
Sale of services	\$ 310	\$ 344	\$ 376	\$ 259	\$ 478	\$ 386
Other income						
Internal recovery	-	1	17	4	(4)	1
Insurance recovery	80	63	63	-	-	-
Developer levies	15	-	-	-	-	-
Other revenue	42	-	30	-	9	7
Government transfers						
Government transfers for operating	-	40	28	-	-	43
<b>TOTAL REVENUE</b>	<b>447</b>	<b>448</b>	<b>514</b>	<b>263</b>	<b>483</b>	<b>437</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	13,135	12,426	12,674	12,131	12,043	12,385
Contracted and general services	272	267	274	277	289	288
Materials and supplies	208	188	195	177	270	356
Other expenses	150	-	-	-	-	-
Interest on long-term debt - ACFA	-	-	-	-	-	2
Amortization of tangible capital assets	182	179	165	157	154	137
Loss (gain) on disposal of tangible capital assets	-	34	(11)	-	66	27
Internal charges	118	121	132	166	(81)	(395)
<b>TOTAL EXPENSES</b>	<b>14,065</b>	<b>13,215</b>	<b>13,429</b>	<b>12,908</b>	<b>12,741</b>	<b>12,800</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (13,618)</b>	<b>\$ (12,767)</b>	<b>\$ (12,915)</b>	<b>\$ (12,645)</b>	<b>\$ (12,258)</b>	<b>\$ (12,363)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PUBLIC ORGANIZATIONS

#### Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	1,953	1,824	1,970	1,942	1,965	1,994
Contracted and general services	-	-	-	47	24	33
Materials and supplies	-	3	1	2	108	113
Interest on long-term debt - ACFA	32	32	36	39	44	47
Grants and other transfers	664	727	636	719	626	810
Internal charges	223	206	213	217	176	165
<b>TOTAL EXPENSES</b>	2,872	2,792	2,856	2,966	2,943	3,162
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,872)</b>	<b>\$ (2,792)</b>	<b>\$ (2,856)</b>	<b>\$ (2,966)</b>	<b>\$ (2,943)</b>	<b>\$ (3,162)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### POLICE SERVICE

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
<b>REVENUE</b>						
<b>Sale of Services</b>	\$ -	\$ -	\$ 1	\$ 17	\$ 8	\$ 15
<b>Other income</b>						
Licences, fines and penalties	123	41	102	108	115	3,729
Internal recovery	107	124	189	181	184	176
Insurance recovery	-	64	106	(4)	(29)	(23)
Other revenue	1,655	2,529	1,748	1,735	1,804	1,872
<b>Government transfers</b>						
Government transfers for operating	1,712	1,595	1,687	1,587	1,564	1,573
<b>TOTAL REVENUE</b>	<b>3,597</b>	<b>4,353</b>	<b>3,833</b>	<b>3,624</b>	<b>3,646</b>	<b>7,342</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	19,752	20,114	20,115	19,432	19,593	20,105
Contracted and general services	2,331	1,769	1,964	2,494	1,986	1,938
Materials and supplies	945	926	923	754	859	1,044
Other expenses	1	3	-	1	1	5
Interest on long-term debt - infrastructure	-	-	-	-	1	1
Amortization of tangible capital assets	148	136	153	142	118	108
Loss (gain) on disposal of tangible capital assets	-	-	8	-	-	-
Internal charges	193	239	235	(157)	(515)	(269)
<b>TOTAL EXPENSES</b>	<b>23,370</b>	<b>23,187</b>	<b>23,398</b>	<b>22,666</b>	<b>22,043</b>	<b>22,932</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (19,773)</b>	<b>\$ (18,834)</b>	<b>\$ (19,565)</b>	<b>\$ (19,042)</b>	<b>\$ (18,397)</b>	<b>\$ (15,590)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GAS

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 80,533	\$ 65,641	\$ 81,738	\$ 74,700	\$ 77,962	\$ 102,568
<b>Other income</b>						
Investment income	1,000	6,328	20,658	1,411	4,334	5,148
Internal recoveries	-	206	132	13	99	144
Development levies	298	355	532	388	425	(71)
Other revenue	887	22,360	(120)	2,034	1,052	1,516
Government transfers for operating	-	-	-	46	-	-
<b>TOTAL REVENUE</b>	<b>82,718</b>	<b>94,890</b>	<b>102,940</b>	<b>78,592</b>	<b>83,872</b>	<b>109,305</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	18,447	11,786	14,649	15,423	15,800	15,969
Contracted and general services	12,646	8,648	10,920	12,892	13,383	20,681
Materials, goods and utilities	5,782	3,817	4,272	4,566	5,563	17,377
Provisions for allowances	64	64	94	122	118	73
Bank charges and short term interest	80	117	118	67	19	70
Interest on long term debt	567	546	522	543	523	548
Other operating expenses	55,530	64,916	64,916	56,345	55,047	44,551
Amortization of tangible capital assets	11,770	9,043	12,700	11,834	13,918	13,501
Impairment	-	16,946	14,550	24,991	28,329	13,432
(Gain)/Loss on disposal of tangible capital assets	-	(26)	6	127	13,661	105
(Gain)/Loss on disposal of long lived assets	-	(89)	(631)	-	(43,226)	-
Internal charges and transfers	8,023	8,303	7,809	8,085	7,129	5,966
<b>TOTAL EXPENSES</b>	<b>112,909</b>	<b>124,071</b>	<b>129,925</b>	<b>134,995</b>	<b>110,264</b>	<b>132,273</b>
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	<b>(30,191)</b>	<b>(29,181)</b>	<b>(26,985)</b>	<b>(56,403)</b>	<b>(26,392)</b>	<b>(22,968)</b>
Contribution to General	1,737	1,716	1,565	1,419	1,330	1,278
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ (31,928)</b>	<b>\$ (30,897)</b>	<b>\$ (28,550)</b>	<b>\$ (57,822)</b>	<b>\$ (27,722)</b>	<b>\$ (24,246)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### ELECTRIC

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 133,313	\$ 132,893	\$ 145,240	\$ 122,039	\$ 71,524	\$ 63,558
<b>Other income</b>						
Investment income	-	799	898	898	932	1,934
Internal recoveries	2,739	2,250	2,284	1,317	2,911	2,561
Development levies	-	6,233	2,719	332	90	506
Insurance Recovery	-	-	-	928	-	-
Government transfers for operating	-	-	-	176	-	3
Other revenue	396	3,249	2,517	1,091	3,026	2,496
<b>TOTAL REVENUE</b>	136,448	145,424	153,658	126,781	78,483	71,058
<b>EXPENSES</b>						
Salaries, wages and benefits	16,267	15,282	14,677	13,216	13,434	13,672
Contracted and general services	8,755	10,363	8,383	6,709	6,108	6,602
Materials, goods and utilities	11,274	12,544	13,186	12,429	9,665	11,297
Provisions for allowances	120	246	111	119	101	102
Bank charges and short term interest	1	1	1	23	-	-
Interest on long term debt	4,050	3,886	3,673	3,768	3,553	2,951
Other operating expenses	4,889	3,846	6,777	5,119	925	684
Amortization of tangible capital assets	20,221	23,030	21,731	19,255	15,995	13,385
Loss on disposal of tangible capital assets	-	10,517	81	328	137	250
Internal charges and transfers	35,726	39,391	38,192	28,910	25,468	22,207
<b>TOTAL EXPENSES</b>	101,303	119,106	106,812	89,876	75,386	71,150
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	35,145	26,318	46,846	36,905	3,097	(92)
Contribution to other funds	39,718	30,648	64,552	39,090	40,828	912
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ (4,573)</b>	<b>\$ (4,330)</b>	<b>\$ (17,706)</b>	<b>\$ (2,185)</b>	<b>\$ (37,731)</b>	<b>\$ (1,004)</b>

*The above represents actual transactions before consolidation eliminations*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### UTILITIES BUSINESS DEVELOPMENT & SUPPORT

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
Investment income	\$ -	\$ 32	\$ 26	\$ 18	\$ 14	\$ 14
Internal recoveries	4,476	3,933	3,149	2,273	1,737	1,024
Government transfers for operating	-	-	32	197	-	-
<b>TOTAL REVENUE</b>	4,476	3,965	3,207	2,488	1,751	1,038
<b>EXPENSES</b>						
Salaries, wages and benefits	2,701	2,601	2,101	1,392	997	541
Contracted and general services	1,622	1,161	706	606	567	80
Materials, goods and utilities	37	28	29	36	10	8
Other operating expenses	-	-	-	-	-	335
Amortization of tangible capital assets	1	1	1	1	1	1
Internal charges and transfers	115	122	116	75	35	276
<b>TOTAL EXPENSES</b>	4,476	3,913	2,953	2,110	1,610	1,241
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 254</b>	<b>\$ 378</b>	<b>\$ 141</b>	<b>\$ (203)</b>

*The above represents actual transactions before consolidation eliminations*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### WATER

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 114	\$ 388	\$ 113	\$ 113	\$ 113	\$ 113
<b>Sale of services</b>	22,567	21,732	22,319	21,843	21,400	18,384
<b>Other income</b>						
Internal recovery	4,855	884	1,075	742	1,236	859
Other revenue	72	(11)	3,976	1,291	213	383
Developer levies	-	47	-	-	-	265
<b>Government transfers</b>						
Government transfers for operating	-	-	-	11	-	(7)
<b>TOTAL REVENUE</b>	27,608	23,040	27,483	24,000	22,962	19,997
<b>EXPENSES</b>						
Salaries, wages & benefits	5,530	5,564	5,576	4,760	4,588	4,477
Contracted and general services	857	749	649	724	907	1,129
Materials and supplies	1,476	1,485	1,505	1,325	1,606	1,478
Provisions for allowances	38	43	38	37	37	37
Interest on long-term debt	3,514	2,995	2,865	2,813	2,871	2,929
Other expenses	-	(3)	11	-	(35)	13
Amortization of tangible capital assets	5,088	4,654	4,358	4,046	3,726	3,413
Loss on disposal of tangible capital assets	-	7	58	398	43	19
Internal charges and transfers	7,398	3,828	3,967	3,626	3,365	3,382
<b>TOTAL EXPENSES</b>	23,901	19,322	19,027	17,729	17,108	16,877
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	3,707	3,718	8,456	6,271	5,854	3,120
Contribution to General	1,065	1,065	1,044	1,024	994	994
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	\$ 2,642	\$ 2,653	\$ 7,412	\$ 5,247	\$ 4,860	\$ 2,126

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SEWER

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
<b>Sale of services</b>	20,564	20,484	19,147	17,509	16,131	15,294
<b>Other income</b>						
Internal recovery	7	18	-	-	-	3
Other revenue	11	(76)	353	610	20	64
Developer levies	-	-	-	-	-	282
<b>Government transfers</b>						
Government transfers for operating	-	-	-	53	-	-
<b>TOTAL REVENUE</b>	20,695	20,539	19,613	18,285	16,264	15,756
<b>EXPENSES</b>						
Salaries, wages & benefits	4,781	4,857	4,725	5,028	4,717	4,349
Contracted and general services	495	770	830	867	1,025	769
Materials and supplies	1,252	1,801	1,762	1,592	1,399	1,583
Provisions for allowances	32	55	32	31	31	31
Interest on long-term debt	3,609	2,676	2,493	2,389	2,465	2,342
Other expenses	5	43	19	-	2	-
Amortization of tangible capital assets	4,763	4,159	3,835	3,658	3,177	2,647
Loss on disposal of tangible capital assets	-	1	15	30	166	1
Internal charges and transfers	4,642	4,061	3,839	3,521	2,942	2,782
<b>TOTAL EXPENSES</b>	19,579	18,423	17,550	17,116	15,924	14,504
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	1,116	2,116	2,063	1,169	340	1,252
Contribution to General	820	820	804	788	765	765
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	\$ 296	\$ 1,296	\$ 1,259	\$ 381	\$ (425)	\$ 487

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SOLID WASTE

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 9,744	\$ 9,708	\$ 9,473	\$ 9,797	\$ 9,502	\$ 8,914
<b>Other income</b>						
Internal recovery	2,169	2,388	2,370	2,105	1,598	862
Other revenue	325	882	1,280	194	47	34
Insurance recovery	-	3	-	-	-	-
<b>Government transfers</b>						
Government transfers for operating	-	-	-	-	-	(13)
<b>TOTAL REVENUE</b>	12,238	12,981	13,123	12,096	11,147	9,797
<b>EXPENSES</b>						
Salaries, wages & benefits	2,941	2,968	3,139	3,180	2,850	2,775
Other Personnel Costs						
Contracted and general services	2,544	2,698	2,235	2,147	1,799	1,798
Materials and supplies	106	127	159	192	548	581
Provisions for allowances	17	21	17	38	17	17
Interest on long-term debt	54	52	78	97	116	134
Other expenses	92	777	270	(191)	58	(431)
Amortization of tangible capital assets	852	733	610	435	356	334
Loss on disposal of tangible capital assets	-	1	1	61	3	2
Internal charges and transfers	5,413	4,897	4,670	4,778	3,799	2,392
<b>TOTAL EXPENSES</b>	12,019	12,274	11,179	10,737	9,546	7,602
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	219	707	1,944	1,359	1,601	2,195
Contribution to General	421	421	413	405	393	393
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ (202)</b>	<b>\$ 286</b>	<b>\$ 1,531</b>	<b>\$ 954</b>	<b>\$ 1,208</b>	<b>\$ 1,802</b>

The above represents actual transactions before consolidation eliminations

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### INVEST MEDICINE HAT

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 9,341	\$ 5,548	\$ 4,204	\$ 6,986	\$ 8,600	\$ 3,321
<b>Other income</b>						
Interest, penalties and extensions	3	-	(4)	6	13	1
Other revenue	705	794	754	1,317	1,362	2,432
Internal Recovery	2,362	2,245	6	-	-	-
Developers Levies	-	1	266	-	-	-
Internal recovery	-	15	3,599	1,497	1,511	1,386
<b>Government transfers</b>						
Government transfers for operating	-	30	38	-	-	7
<b>TOTAL REVENUE</b>	12,411	8,633	8,863	9,806	11,486	7,147
<b>EXPENSES</b>						
Salaries, wages and benefits	1,373	1,952	790	791	716	687
Contracted and general services	1,508	1,304	1,180	1,282	1,216	1,274
Materials and supplies	7,068	3,813	2,994	4,789	6,417	2,320
Other expenses	-	-	4	-	-	-
Bank charges & short term interest	-	17	15	12	2	2
Grants & other transfers	200	257	279	190	137	141
Amortization of tangible capital assets	92	67	43	44	40	135
Impairment	-	241	-	42	87	178
Gain \ loss on sale of assets	-	-	-	-	-	(45)
Internal charges and transfers	985	1,610	948	923	895	1,283
<b>TOTAL EXPENSES</b>	11,226	9,261	6,253	8,073	9,510	5,975
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	1,185	(628)	2,610	1,733	1,976	1,172
Contribution to General	-	-	1,743	4,426	-	-
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 1,185</b>	<b>\$ (628)</b>	<b>\$ 867</b>	<b>\$ (2,693)</b>	<b>\$ 1,976</b>	<b>\$ 1,172</b>

*The above represents actual transactions before consolidation eliminations*

## SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2020 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	2020 Consolidated
<b>Financing</b>									
Contributed assets - private	\$ 243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243
Debt - ACFA	2,982	-	14,608	-	10,122	10,760	-	-	38,472
Debt - infrastructure reserve	4,704	-	-	-	-	-	-	508	5,212
Developer levies	374	355	6,233	-	-	-	-	-	6,962
Government transfers for capital	19,449	-	-	-	-	-	-	21	19,470
Operations	1,407	1,220	13,418	-	1,290	593	(248)	83	17,763
Reserves	7,786	461	430	-	-	-	-	(487)	8,190
	36,946	2,036	34,689	-	11,412	11,353	(248)	125	96,313
<b>Expenses</b>									
Engineered structures	13,786	(24,992)	36,070	-	10,746	15,839	-	-	51,450
Buildings	5,705	-	1,287	-	-	-	27	612	7,631
Machinery and equipment	7,663	460	180	-	113	37	77	95	8,625
Land Improvements	5,532	-	-	-	-	-	161	25	5,718
Mobile equipment	3,845	-	-	-	-	-	-	-	3,845
	36,531	(24,532)	37,537	-	10,859	15,876	265	732	77,269
<b>Change in Capital Fund</b>	<b>\$ 415</b>	<b>\$ 26,568</b>	<b>\$ (2,848)</b>	<b>\$ -</b>	<b>\$ 553</b>	<b>\$ (4,523)</b>	<b>\$ (513)</b>	<b>\$ (607)</b>	<b>\$ 19,044</b>

\* Note: Gas Utility engineered structures includes net tangible capital property held for sale of \$28,661

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GENERAL FUND

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
General Government	\$ 502	\$ -	\$ -	\$ -	\$ 24	\$ 55
Corporate Services	13,634	14,945	25,724	19,744	34,313	18,873
Development & Infrastructure	15,513	14,427	13,661	20,627	27,126	13,757
Public Services	19,571	7,398	5,031	5,358	5,421	11,886
Police Services	241	175	165	466	116	62
<b>TOTAL FINANCING</b>	49,461	36,946	44,581	46,195	67,000	44,633
<b>EXPENSES</b>						
General Government	502	-	-	-	24	55
Corporate Services	13,634	15,002	24,293	28,825	24,917	22,622
Development & Infrastructure	15,513	14,543	13,730	25,494	23,341	15,016
Public Services	19,571	6,829	4,642	5,386	5,421	11,785
Police Services	241	157	165	466	131	87
<b>TOTAL EXPENSES</b>	49,461	36,531	42,830	60,171	53,834	49,565
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 415	\$ 1,751	\$ (13,976)	\$ 13,166	\$ (4,932)

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GENERAL GOVERNMENT DIVISION

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

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 55
Reserves	502	-	-	-	-	-
<b>TOTAL FINANCING</b>	502	-	-	-	24	55
<b>EXPENSES</b>						
Engineered structures	502	-	-	-	-	-
Machinery and equipment	-	-	-	-	24	55
<b>TOTAL EXPENSES</b>	502	-	-	-	24	55
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### GENERAL MUNICIPAL REVENUES

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### CAO & COMMISSIONERS

#### General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Reserves	\$ 502	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FINANCING</b>	502	-	-	-	-	-
<b>EXPENSES</b>						
Engineered structures	502	-	-	-	-	-
<b>TOTAL EXPENSES</b>	502	-	-	-	-	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### CITY SOLICITOR & CITY CLERK

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 55
<b>TOTAL FINANCING</b>	-	-	-	-	24	55
<b>EXPENSES</b>						
Machinery and equipment	-	-	-	-	24	55
<b>TOTAL EXPENSES</b>	-	-	-	-	24	55
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### CORPORATE COMMUNICATIONS

General Government

No Capital

### MAYOR & COUNCILLORS

General Government

No Capital

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### CORPORATE SERVICES DIVISION

Health, Safety & Environment; Corporate Asset Management; Finance; Human Resources; & Information & Computer Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Developers levies	\$ -	\$ 49	\$ 327	\$ 801	\$ -	\$ -
Debt - ACFA	1,400	1,400	1,600	-	9,804	(325)
Debt - internal	2,600	2,767	3,363	482	3,391	2,733
Government transfers	3,295	3,799	9,563	7,875	16,168	10,096
Operations	150	310	667	1,734	1,231	1,675
Other	-	143	280	595	867	608
Reserves	6,189	6,477	9,924	8,257	2,852	4,086
<b>TOTAL FINANCING</b>	13,634	14,945	25,724	19,744	34,313	18,873
<b>EXPENSES</b>						
Engineered structures	-	-	6	284	-	-
Buildings	7,464	4,804	9,169	15,408	20,000	12,362
Machinery and equipment	780	6,230	6,235	5,030	2,714	4,447
Land improvements	123	123	366	221	321	-
Mobile equipment	5,267	3,845	8,517	7,882	1,882	5,813
<b>TOTAL EXPENSES</b>	13,634	15,002	24,293	28,825	24,917	22,622
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (57)</b>	<b>\$ 1,431</b>	<b>\$ (9,081)</b>	<b>\$ 9,396</b>	<b>\$ (3,749)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### HEALTH, SAFETY & ENVIRONMENT

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Reserves	\$ -	\$ -	\$ -	\$ (92)	\$ -	\$ -
<b>TOTAL FINANCING</b>	-	-	-	(92)	-	-
<b>EXPENSES</b>						
Machinery and equipment	-	-	-	-	16	-
<b>TOTAL EXPENSES</b>	-	-	-	-	16	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ (92)	\$ (16)	\$ -

### CORPORATE ASSET MANAGEMENT

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Developers levies	\$ -	\$ 49	\$ 327	\$ 801	\$ -	\$ -
Debt - ACFA	1,400	1,400	1,600	-	5,638	(325)
Debt - internal	1,848	2,127	2,126	257	2,770	1,320
Government transfers	3,295	3,121	9,137	7,320	15,870	10,096
Other	-	143	280	595	867	608
Operations	150	150	-	1,718	1,156	35
Reserves	6,177	6,477	10,116	8,264	2,483	4,089
<b>TOTAL FINANCING</b>	12,870	13,467	23,586	18,955	28,784	15,823
<b>EXPENSES</b>						
Engineered structures	-	-	6	284	-	-
Buildings	7,464	4,804	9,169	15,408	20,000	12,362
Machinery and equipment	16	4,838	3,764	2,249	617	-
Land improvements	123	123	366	221	321	-
Mobile equipment	5,267	3,845	8,517	7,882	1,882	5,813
<b>TOTAL EXPENSES</b>	12,870	13,610	21,822	26,044	22,820	18,175
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (143)	\$ 1,764	\$ (7,089)	\$ 5,964	\$ (2,352)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### FINANCE

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ (458)	\$ -
Debt - internal	-	-	-	-	-	483
Operations	-	-	50	-	-	1,550
Reserves	12	-	(187)	-	-	-
<b>TOTAL FINANCING</b>	12	-	(137)	-	(458)	2,033
<b>EXPENSES</b>						
Machinery and equipment	12	-	63	-	-	1,833
<b>TOTAL EXPENSES</b>	12	-	63	-	-	1,833
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ (200)	\$ -	\$ (458)	\$ 200

### HUMAN RESOURCES

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14
Reserves	-	-	(5)	85	-	-
<b>TOTAL FINANCING</b>	-	-	(5)	85	-	14
<b>EXPENSES</b>						
Machinery and equipment	-	-	72	-	-	14
<b>TOTAL EXPENSES</b>	-	-	72	-	-	14
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ (77)	\$ 85	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ 4,624	\$ -
Debt - internal	752	640	1,237	225	621	930
Government transfers	-	678	426	555	298	-
Reserves	-	-	-	-	369	(3)
Operations	-	160	617	16	75	76
<b>TOTAL FINANCING</b>	752	1,478	2,280	796	5,987	1,003
<b>EXPENSES</b>						
Machinery and equipment	752	1,392	2,336	2,781	2,081	2,600
<b>TOTAL EXPENSES</b>	752	1,392	2,336	2,781	2,081	2,600
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 86	\$ (56)	\$ (1,985)	\$ 3,906	\$ (1,597)

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### DEVELOPMENT & INFRASTRUCTURE DIVISION

Planning, Building & Development; & Municipal Works

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 481	\$ 1,574
Debt - ACFA	-	-	-	-	3,516	1,835
Debt - internal	1,050	1,057	2,902	45	108	450
Developers levies	200	134	817	1,344	-	1,080
Government transfers	14,251	12,944	8,128	18,401	22,143	4,491
Land sales	-	-	-	6	184	319
Operations	-	-	-	1,250	2,050	1,651
Other	-	-	-	-	186	-
Reserves	12	292	1,814	(419)	(1,542)	2,357
<b>TOTAL FINANCING</b>	15,513	14,427	13,661	20,627	27,126	13,757
<b>EXPENSES</b>						
Engineered structures	15,501	13,796	13,666	18,883	15,823	14,849
Machinery and equipment	12	747	4	55	94	167
Land improvements	-	-	60	6,556	7,424	-
<b>TOTAL EXPENSES</b>	15,513	14,543	13,730	25,494	23,341	15,016
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (116)	\$ (69)	\$ (4,867)	\$ 3,785	\$ (1,259)

### BUSINESS SUPPORT

Development & Infrastructure

No Capital

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PLANNING, BUILDING & DEVELOPMENT

*Development & Infrastructure*

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 45	\$ 108	\$ 122
Reserves	12	13	-	-	200	-
<b>TOTAL FINANCING</b>	12	13	-	45	308	122
<b>EXPENSES</b>						
Machinery and equipment	12	129	4	55	94	167
<b>TOTAL EXPENSES</b>	12	129	4	55	94	167
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (116)</b>	<b>\$ (4)</b>	<b>\$ (10)</b>	<b>\$ 214</b>	<b>\$ (45)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### MUNICIPAL WORKS

#### Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 481	\$ 1,574
Debt - ACFA	-	-	-	-	3,516	1,835
Debt - internal	1,385	1,057	2,902	-	-	328
Developers levies	200	134	817	1,344	-	1,080
Government transfers	10,965	12,944	8,128	18,401	22,143	4,491
Land sales	-	-	-	6	184	319
Operations	-	-	-	1,250	2,050	1,651
Other	-	-	-	-	186	-
Reserves	-	279	1,814	(419)	(1,742)	2,357
<b>TOTAL FINANCING</b>	12,550	14,414	13,661	20,582	26,818	13,635
<b>EXPENSES</b>						
Engineered structures	12,550	13,796	13,666	18,883	15,823	14,849
Machinery and equipment	-	618	-	-	-	-
Land improvements	-	-	60	6,556	7,424	-
<b>TOTAL EXPENSES</b>	12,550	14,414	13,726	25,439	23,247	14,849
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ (65)	\$ (4,857)	\$ 3,571	\$ (1,214)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PUBLIC SERVICES DIVISION

Community Development; Parks & Recreation; and Fire Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ 100	\$ 478	\$ 105	\$ 209	\$ 106
Debt - ACFA	2,543	1,582	-	-	-	-
Debt - internal	1,000	880	978	401	557	936
Developers levies	365	191	102	185	-	-
Government transfers	13,432	2,706	2,526	3,122	2,156	5,895
Land sales	-	-	-	92	163	607
Operations	1,000	925	827	817	576	1,431
Other	-	-	43	-	14	461
Third party contribution	-	-	-	-	-	7
Reserves	1,231	1,014	77	636	1,746	2,443
<b>TOTAL FINANCING</b>	19,571	7,398	5,031	5,358	5,421	11,886
<b>EXPENSES</b>						
Engineered structures	3,600	125	(352)	1,383	442	-
Buildings	3,050	830	1,599	671	2,318	6,853
Machinery and equipment	1,601	529	913	399	474	1,349
Land	-	-	46	-	-	3,551
Land improvements	11,320	5,345	2,436	2,933	2,186	32
<b>TOTAL EXPENSES</b>	19,571	6,829	4,642	5,386	5,421	11,785
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 569	\$ 389	\$ (28)	\$ -	\$ 101

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### COMMUNITY DEVELOPMENT

#### Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 60	\$ 25	\$ 88
Government transfers	660	45	745	304	73	333
Operations	100	100	142	52	11	215
Third party contribution	-	-	-	-	-	7
Reserves	290	290	(94)	(38)	10	(297)
<b>TOTAL FINANCING</b>	1,050	435	793	378	119	346
<b>EXPENSES</b>						
Engineered structures	-	-	-	-	38	-
Buildings	-	-	175	6	5	13
Machinery and equipment	1,050	80	602	361	76	256
Land improvements	-	-	-	55	-	-
<b>TOTAL EXPENSES</b>	1,050	80	777	422	119	269
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 355</b>	<b>\$ 16</b>	<b>\$ (44)</b>	<b>\$ -</b>	<b>\$ 77</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### PARKS & RECREATION

#### Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ 100	\$ 478	\$ 105	\$ 209	\$ 106
Debt - ACFA	2,543	1,582	-	-	-	-
Debt - internal	1,000	880	978	341	473	243
Developers levies	365	191	102	185	-	-
Government transfers	12,772	2,661	1,781	2,818	2,083	5,562
Land sales	-	-	-	92	163	607
Operations	845	770	389	765	565	1,204
Other	-	-	43	-	14	461
Reserves	895	755	223	518	1,717	2,740
<b>TOTAL FINANCING</b>	18,420	6,939	3,994	4,824	5,224	10,923
<b>EXPENSES</b>						
Engineered structures	3,600	125	(352)	1,383	404	-
Buildings	3,050	830	1,424	665	2,313	6,840
Machinery and equipment	450	129	302	(58)	320	476
Land	-	-	46	-	-	3,551
Land improvements	11,320	5,345	2,436	2,878	2,186	32
<b>TOTAL EXPENSES</b>	18,420	6,429	3,856	4,868	5,224	10,899
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 510</b>	<b>\$ 138</b>	<b>\$ (44)</b>	<b>\$ -</b>	<b>\$ 24</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### FIRE SERVICES

#### Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 605
Operations	55	55	296	-	-	12
Reserves	46	(31)	(52)	156	19	-
<b>TOTAL FINANCING</b>	101	24	244	156	78	617
<b>EXPENSES</b>						
Machinery and equipment	101	320	9	96	78	617
<b>TOTAL EXPENSES</b>	101	320	9	96	78	617
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (296)	\$ 235	\$ 60	\$ -	\$ -

### POLICE SERVICE

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ -	\$ -	\$ 292	\$ 72	\$ 9
Operations	171	175	165	34	45	53
Reserves	70	-	-	140	(1)	-
<b>TOTAL FINANCING</b>	241	175	165	466	116	62
<b>EXPENSES</b>						
Machinery and equipment	241	157	165	466	131	87
<b>TOTAL EXPENSES</b>	241	157	165	466	131	87
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 18	\$ -	\$ -	\$ (15)	\$ (25)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### GAS

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 1,059	\$ -	\$ 2,134	\$ 500	\$ 1,500	\$ -
Developers levies	-	355	533	388	425	(71)
Operations	1,503	1,220	4,055	1,597	1,185	2,464
Reserves	8,100	461	5,753	17,034	14,491	9,461
<b>TOTAL FINANCING</b>	10,662	2,036	12,475	19,519	17,601	11,854
<b>EXPENSES</b>						
Engineered structures	10,277	(24,992)	11,698	18,724	18,462	9,807
Buildings	-	-	509	-	-	-
Machinery and equipment	385	460	338	575	831	415
<b>TOTAL EXPENSES</b>	10,662	(24,532)	12,545	19,299	19,293	10,222
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 26,568</b>	<b>\$ (70)</b>	<b>\$ 220</b>	<b>\$ (1,692)</b>	<b>\$ 1,632</b>

\* Note: 2020 Actual Engineered structures includes net tangible capital property held for sale of \$28,661

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### ELECTRIC

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 69,136	\$ 14,608	\$ 12,146	\$ 4,887	\$ 10,225	\$ 28,236
Developers levies	-	6,233	2,719	332	90	531
Government transfers	-	-	-	-	27	-
Operations	2,178	13,418	18,509	9,621	17,803	10,566
Reserves	410	430	7,330	3,900	-	11,931
<b>TOTAL FINANCING</b>	71,724	34,689	40,704	18,740	28,145	51,264
<b>EXPENSES</b>						
Engineered structures	71,674	36,070	29,552	16,526	39,644	45,296
Buildings	-	1,287	1,408	3,002	1,227	921
Machinery and equipment	50	180	2,161	229	447	382
Land improvements	-	-	-	153	108	23
Land	-	-	-	-	212	-
<b>TOTAL EXPENSES</b>	71,724	37,537	33,121	19,910	41,638	46,622
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (2,848)</b>	<b>\$ 7,583</b>	<b>\$ (1,170)</b>	<b>\$ (13,493)</b>	<b>\$ 4,642</b>

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### UTILITIES BUSINESS DEVELOPMENT & SUPPORT

No Capital

### WATER

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 14,232	\$ 10,122	\$ 16,903	\$ 2,900	\$ 5,000	\$ 4,950
Developers levies	-	-	-	-	-	223
Government transfers	19,418	-	-	-	-	-
Operations	1,226	1,290	1,028	1,037	1,355	3,327
<b>TOTAL FINANCING</b>	34,876	11,412	17,931	3,937	6,355	8,500
<b>EXPENSES</b>						
Engineered structures	33,650	10,746	12,863	11,703	7,326	7,001
Buildings	-	-	-	150	-	-
Machinery and equipment	1,226	113	(182)	3,001	478	607
Land improvements	-	-	-	(1)	-	(27)
<b>TOTAL EXPENSES</b>	34,876	10,859	12,681	14,853	7,804	7,581
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 553</b>	<b>\$ 5,250</b>	<b>\$ (10,916)</b>	<b>\$ (1,449)</b>	<b>\$ 919</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### SEWER

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 11,000	\$ 10,760	\$ 18,494	\$ 2,900	\$ 2,500	\$ 11,200
Debt - Infrastructure	-	-	174	19	-	-
Developers levies	-	-	-	-	-	528
Land sales	-	-	-	-	-	1
Operations	750	593	1,713	549	339	2,144
Other	-	-	-	(45)	-	-
<b>TOTAL FINANCING</b>	11,750	11,353	20,381	3,423	2,839	13,873
<b>EXPENSES</b>						
Engineered structures	11,750	15,839	12,482	16,005	14,505	10,663
Buildings	-	-	-	36	-	-
Machinery and equipment	-	37	146	37	-	119
Land Improvements	-	-	-	(44)	311	145
Land	-	-	173	19	-	-
<b>TOTAL EXPENSES</b>	11,750	15,876	12,801	16,053	14,816	10,927
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (4,523)	\$ 7,580	\$ (12,630)	\$ (11,977)	\$ 2,946

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### SOLID WASTE

#### Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Operations	\$ 250	\$ (248)	\$ (88)	\$ 121	\$ 1,054	\$ 1,028
<b>TOTAL FINANCING</b>	250	(248)	(88)	121	1,054	1,028
<b>EXPENSES</b>						
Engineered structures	-	-	(164)	25	139	6
Buildings	-	27	130	172	67	(105)
Machinery and equipment	65	77	46	1,886	79	64
Land improvement	185	161	2,286	(32)	89	82
<b>TOTAL EXPENSES</b>	250	265	2,298	2,051	374	47
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (513)</b>	<b>\$ (2,386)</b>	<b>\$ (1,930)</b>	<b>\$ 680</b>	<b>\$ 981</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020**

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

### INVEST MEDICINE HAT

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
<b>FINANCING</b>						
Government transfers	\$ 2,000	\$ 21	\$ -	\$ -	\$ -	\$ -
Debt - internal	-	508	9	217	68	-
Operations	-	83	-	3	-	30
Reserves	485	(487)	1,441	-	40	-
<b>TOTAL FINANCING</b>	2,485	125	1,450	220	108	30
<b>EXPENSES</b>						
Engineered structures	-	-	16	8	512	-
Buildings	485	612	9	217	68	-
Machinery and equipment	-	95	-	4	-	26
Land improvements	2,000	25	-	-	27	4
Land	-	-	-	-	(489)	510
<b>TOTAL EXPENSES</b>	2,485	732	25	229	118	540
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (607)</b>	<b>\$ 1,425</b>	<b>\$ (9)</b>	<b>\$ (10)</b>	<b>\$ (510)</b>

*The above represents actual transactions before consolidation eliminations.*

---

## **OUR VISION**

---

To make Medicine Hat a “community of choice.”

---

## **OUR MISSION**

---

To deliver value through exceptional public service.

---

## **OUR VALUES**

---

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

- Respect
- Integrity
- Accountability
- Courage
- Caring

---

## **MEDICINE HAT COUNCIL’S STRATEGIC PLAN 2019 - 2022**

---

Six strategic priorities:

- Fiscal Responsibility
- Economic Vitality
- Infrastructure Renewal
- Community Safety and Vibrancy
- Sunshine Hospitality
- City Government





Medicine Hat  
The Gas City