



2012

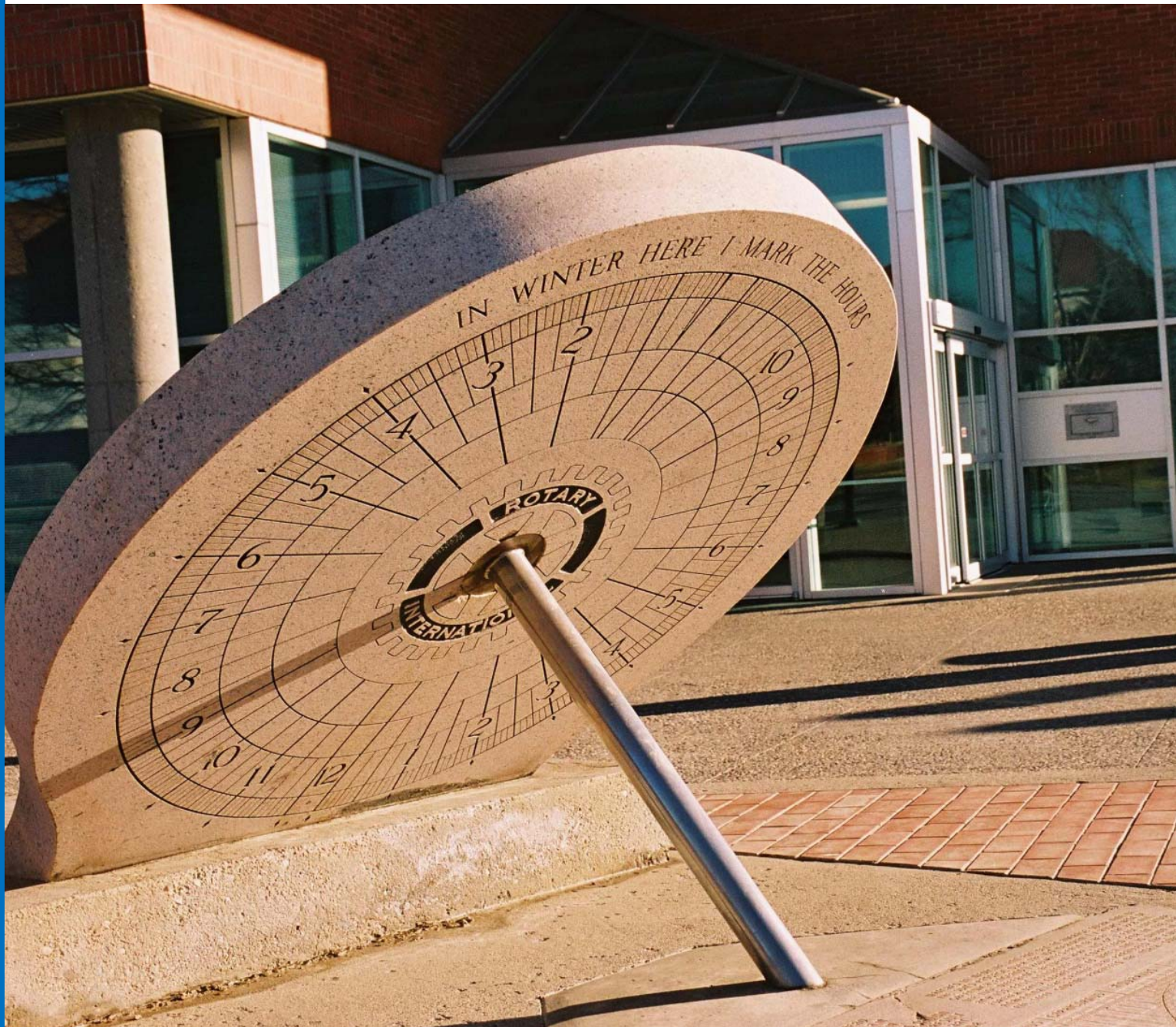
CITY OF MEDICINE HAT
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012



City of Medicine Hat, Alberta, Canada
2012 FINANCIAL REPORT
For the year ended December 31, 2012

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



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

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City Council



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

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

STANDING COMMITTEES

Audit Committee

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

Corporate Services Committee

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

Development and Infrastructure Committee

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

Energy Committee

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

Public Services Committee

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

Administrative Committee

R. Barnard, Chief Administrative Officer - Municipal Services, Chair
G. Labas, Chief Operating Officer - Energy Services, Vice-Chair
R. Webb, Public Services Commissioner
M. Heggelund, Corporate Services Commissioner
A. Khan, Development & Infrastructure Commissioner
R. Schmitt, City Solicitor
A. Cruickshank, City Clerk
Mayor N. Boucher

SPECIAL COMMITTEES

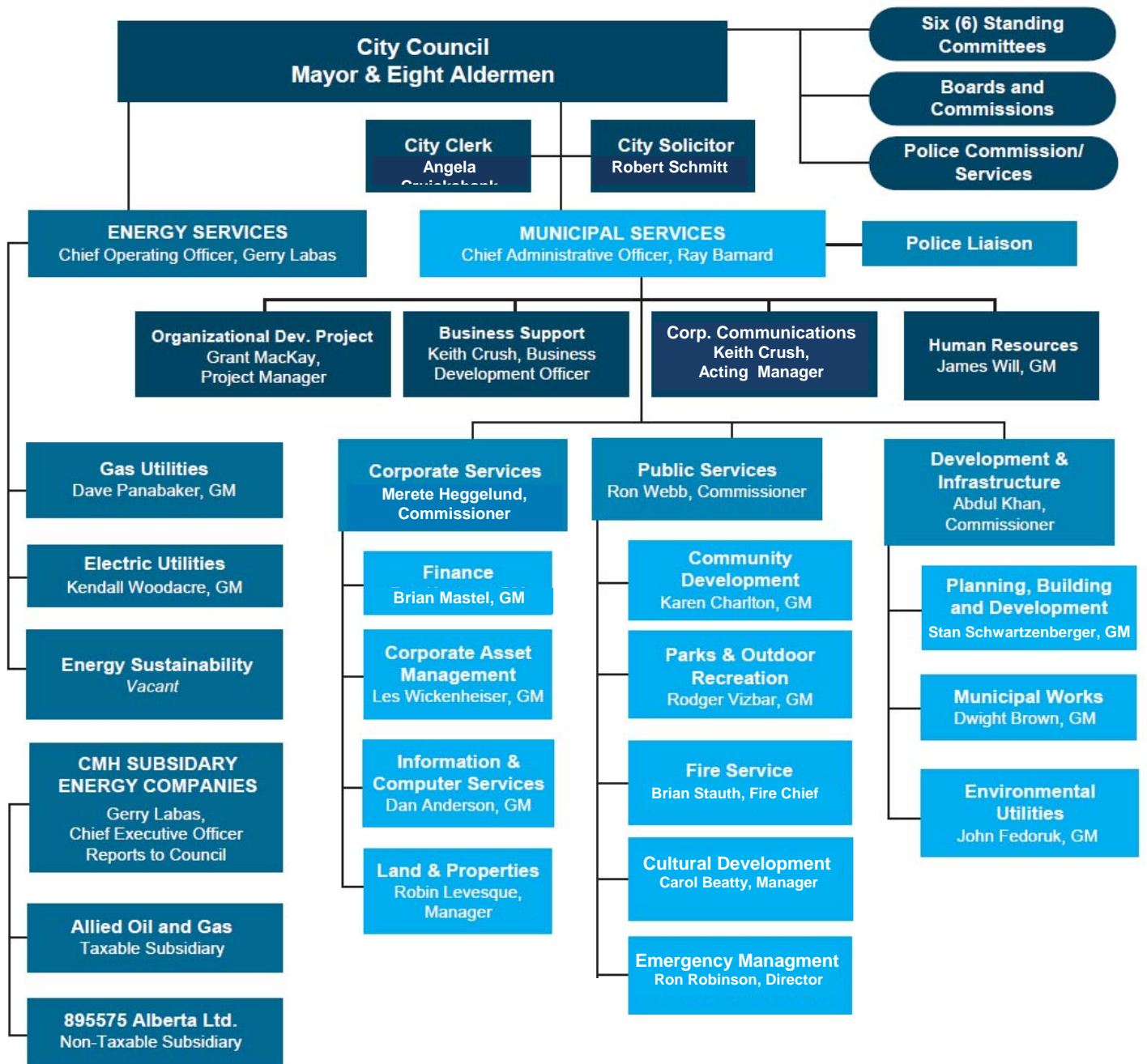
Heritage Resources Committee

Alderman G. Kelly, Council Representative

CCDA Downtown Planning Committee

Alderman R. Dumanowski, Chair

Organizational Structure



Treasurer's Report



Treasurer's Report

For the year ending December 31, 2012

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2012. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 15, 2013.

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

- Protection to its citizens (Fire, Police and Bylaw Services, 911 Communications, Social and Family Services),
- Recreation and culture activities (Parks and Culture Departments),
- Road, bridge, sidewalk and trail maintenance (Municipal Works and Parks),
- City planning and development (Planning, Building & Development)
- Water, sewer and solid waste management (Environmental Utilities).

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

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

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

The purpose of the Financial Report is to present the users and readers with clear insight of the financial results for the City for the fiscal year ended December 31, 2012. Administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used against budgets and past financial performance. This report is divided into seven sections:

- **Introduction** – Provides an overview of the Treasurer's Report.
- **Canadian GFOA Award for Financial Reporting.**
- **Risk Management** - Discussion of Risks and Risk Management Strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's financial activities and position for the fiscal year ended December 31, 2012. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain comparative results for two prior years, current year results and the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2011, the tenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

RISK MANAGEMENT

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

(a) Operational Risk Management

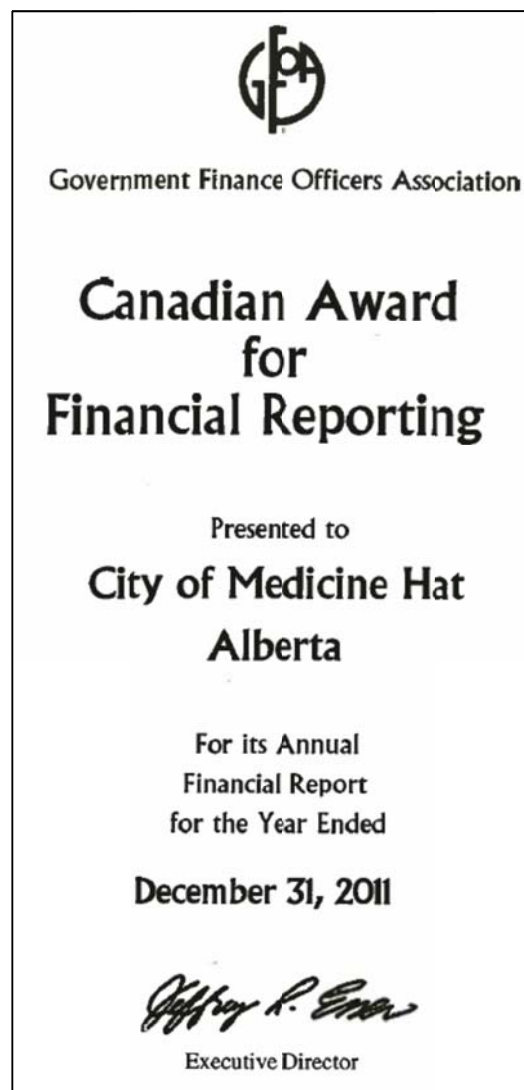
The City's operations are insured under a conventional municipal insurance program, which includes Property, Boiler and Machinery, Liability, Automobile and Oil and Gas Multi-Energy. The insurance program includes a self-retention component for those losses within the various deductible levels.

(b) Public Safety

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

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

The City operates a 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat and area. 9-1-1 serves a regional population of approximately 100,000 residents with immediate contact capability for language interpreters, poison control, disaster services, chemical spill information and call trace. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times and protocol compliance. In 2007, the 911 Communications Centre became the first Tri-Accredited (Fire, Police and Medical) center of excellence in the world, and today remains one of only five Tri-Accredited centers worldwide.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

(c) Treasury Management

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

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

(d) Environmental

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

MANAGEMENT REPORTING AND CONTROL

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

(a) Strategic Planning and Budgeting

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

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

Budget guidelines and high level financial projections are developed. Based on these guidelines and departmental Business Plans, departments develop their budget requests. For municipal operations City Council has approved the adoption of a three year operating and capital budget with a two year projection. The utilities present to Council on an annual basis an operating and capital budget with two year projections for adoption.

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

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



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

(b) Accounting

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

(c) Auditing

The "Municipal Government Act" requires municipal Councils to appoint an independent auditor. In 2010, Medicine Hat City Council appointed KPMG LLP as its external auditor, with the option of renewing for an additional four years (through to 2014). City Council approved KPMG's re-appoint for the 2012 audit.

The role of the external auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report, and to express an opinion that the financial statements are free from any material misstatements. The auditor advises management and the Audit Committee of any control or operational matters that may have been identified during the audit procedure.

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

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

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2012

The financial data below provides an overview of key financial information over the past three years. Readers should read this report in conjunction with the accompanying Consolidated Financial Statements and Note Disclosures.

Consolidated Financial Position	2012	2011	2010
	<i>(in thousands of dollars)</i>		
Assets	\$ 563,768	\$ 563,709	\$ 508,907
Liabilities	469,427	461,275	438,392
Net financial assets	94,341	102,434	70,515
Non-financial assets	97,454	93,379	82,600
Net tangible capital assets	1,132,260	1,097,687	1,087,097
Total non-financial assets	1,229,714	1,191,066	1,169,697
Accumulated surplus	1,324,055	1,293,500	1,240,212

TREASURER'S REPORT

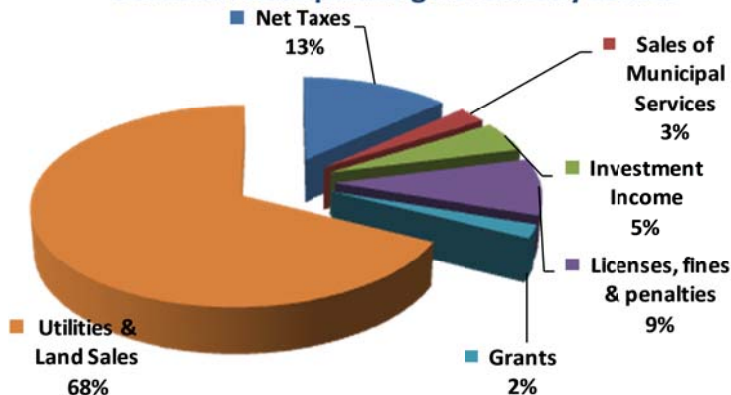
FOR THE YEAR ENDED DECEMBER 31, 2012

2012 Operating Results	Revenues	Expenses	Net
General Fund	157,498	147,806	9,692
Utilities	300,542	309,601	(9,059)
Capital contributions and grants	30,130	-	30,130
Consolidation adjustments	(100,420)	(100,212)	(208)
Excess of revenue over expense	387,750	357,195	30,555

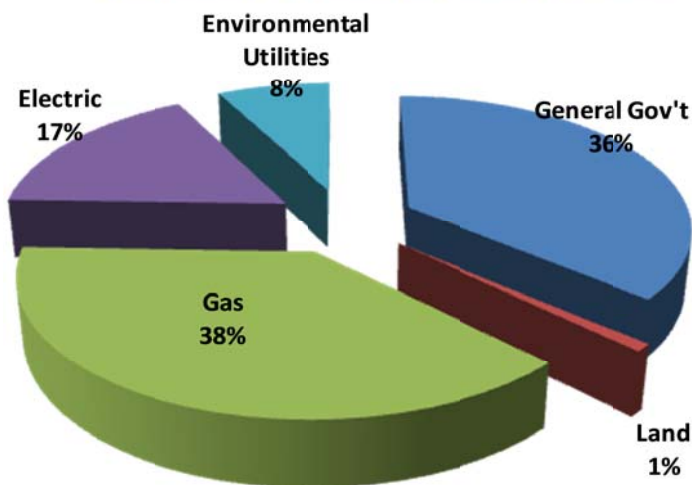
Revenues

Revenue was \$388 million versus budget of \$435 million. This was largely due to lower than expected natural gas sales on lower commodity prices representing \$32 million and electric revenues being below budget by \$8 million as prices were lower than expected through the latter half of the year.

Consolidated Operating Revenue by Source



Consolidated Operating Expenses by Division



Expenses

Overall the City operating expenses for the year were \$5 million less than budget.

In General Government, operating expenses were \$4 million higher than budget largely as a result of costs the City incurred repairing the extensive damage experienced during the 2010 and 2011 floods. Complete restoration has not yet occurred so we will continue to see flood costs in 2013. The bulk of these costs are covered by Alberta Disaster Recovery funding.

Expenses for the Gas Utility were \$5.1 million lower than budget due to decreased royalty expenses as a result of lower gas prices and decreased administration and operations and maintenance expenses due

to staff vacancies as well as cost savings relating to the temporary shut in of 10% of volumes.

Expenses for Land and Properties were less than the budget by \$3.9 million. During the year residential sales were strong with 78 lots sold. A total of 81 lots were sold compared to 72 budgeted to be sold. As fewer high value multifamily lots were sold than budgeted, both the sales revenues and cost of lots sold were lower than budgeted.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

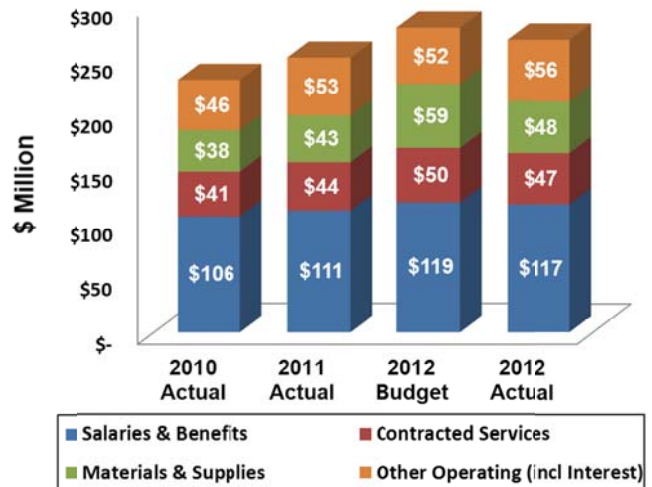
Expenses by Type

The Consolidated Expenses by Object Schedule details 2012 actual (\$357.2 million) and budgeted (\$362.2 million) expenses by type. The chart to the right excludes amortization and disposal expenses.

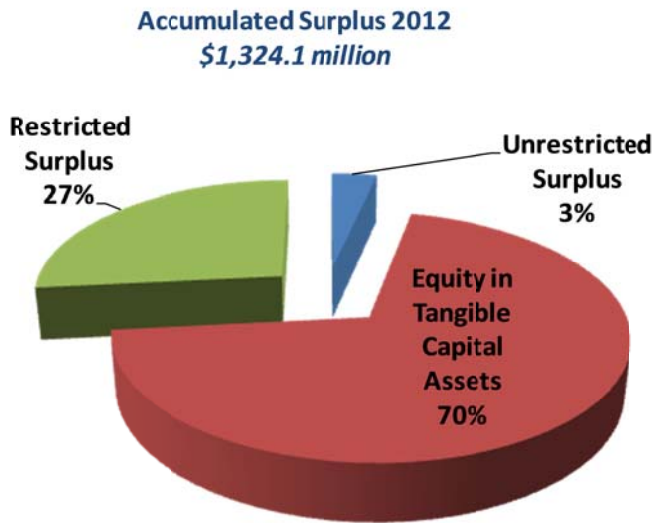
2012 Capital

The City budget for capital was \$164.3 million. Actual expenditures were \$123.2 million with a contribution from developers of \$0.2 million. This includes incomplete capital projects in the amount of \$30.9 million carried forward from previous budget years.

The 2012 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, third party contributions and internal loans.



Accumulated Surplus



The accumulated surplus on the consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2012 the consolidated fund and equity balances increased by \$30.6 million to \$1,324.1 million.

Of that \$1,324.1 million accumulated surplus, \$45.4 million is held as an unrestricted surplus. This is used as working capital to fund day to day operating activities of the City. The restricted surplus amounts to \$352.7 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets grew by \$37.0 million to \$926.0 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

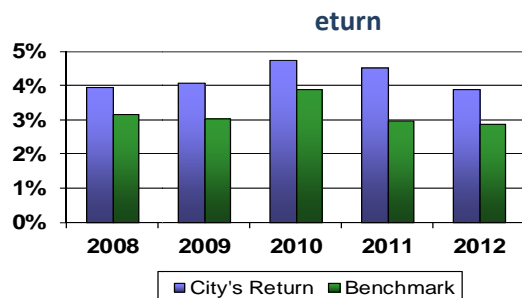
Investments

Investments, Loans and Advances increased \$10.3 million from 2011 to \$446.7 million.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

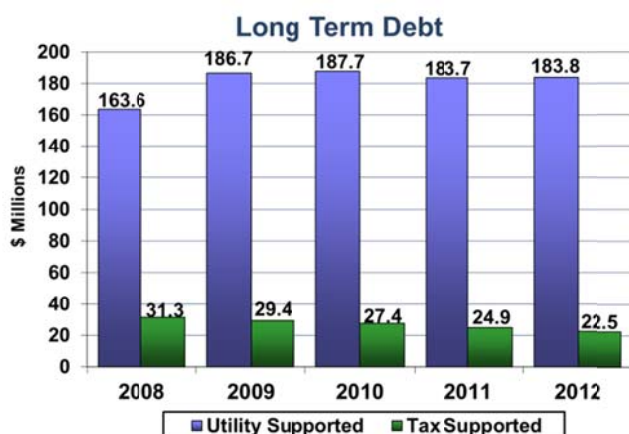


The City of Medicine Hat's investment return for the year ended December 31, 2012 averaged 3.9 per cent outperforming the DEX (formerly ScotiaMcLeod) Universe Bond benchmark index of 2.88 per cent. The City's average portfolio return has outperformed the stated benchmark the last eight years.

Long-term Debt

During 2012 total Long Term Debt decreased \$2.4 million to \$206.3 million as a result of repayments exceeding new borrowings. Total debt principal repayments were \$18.6 million and new debt was \$16.2 million. \$11.4 million was for improvements to Environmental Utility assets, \$3.7 million was related to Electric's assets and \$1.1 million was for the Gas Utility.

The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is defined as two times revenue net of capital government transfers, and debt servicing limit is not to exceed 35 per cent of revenue.



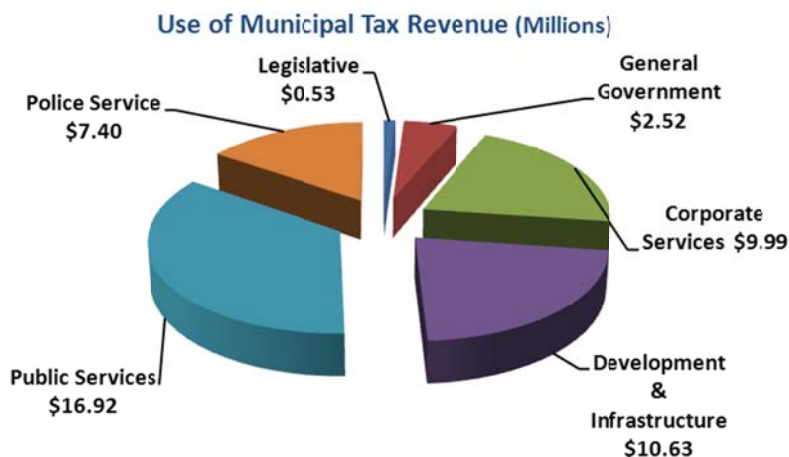
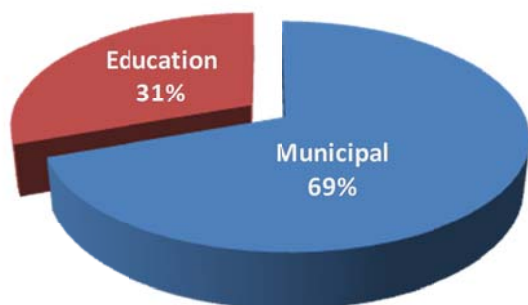
The City's 2012 debt levels are as follows:

	2012	
Total Debt Limit	744.4	
Actual Debt (long & short term)	208.7	
Amount Under Limit	535.7	72%
Debt Servicing Limit	130.3	
Actual Debt Servicing	29.6	
Amount Under Limit	100.7	77%

Use of Municipal Tax Revenue (in thousands of dollars)

Property taxes contributed \$47.8 million (36.8%) of the consolidated General Fund operating expenses of \$130 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

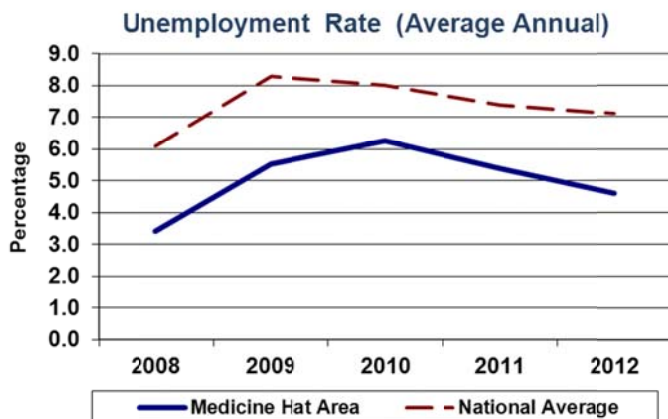
Where our property tax dollars went in 2012



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

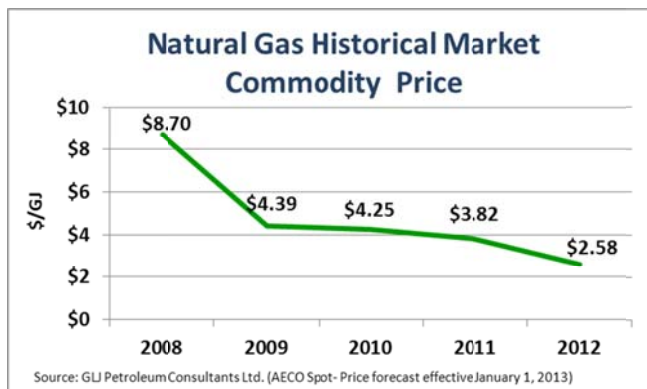
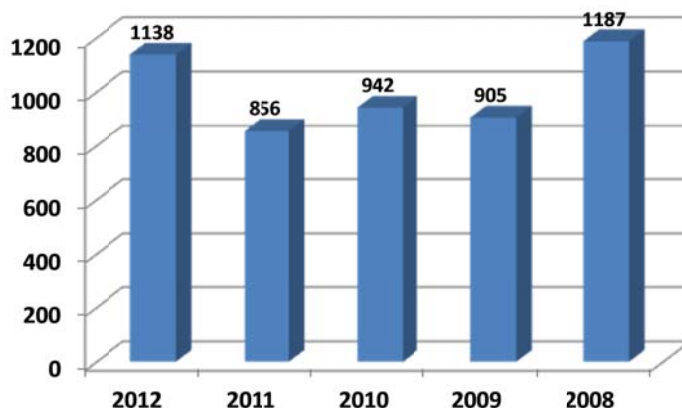
ECONOMIC INDICATORS



The unemployment rate in Medicine Hat at the end of 2012 was 4.1%. The 2012 average unemployment rate for Medicine Hat was 4.6%. The average Alberta unemployment for 2012 was 4.5% compared to 7.1% for Canada.

Number of Development Permits Issued

2012 saw a rise in the number of development permits issued. This is primarily due to growth in the residential sector.

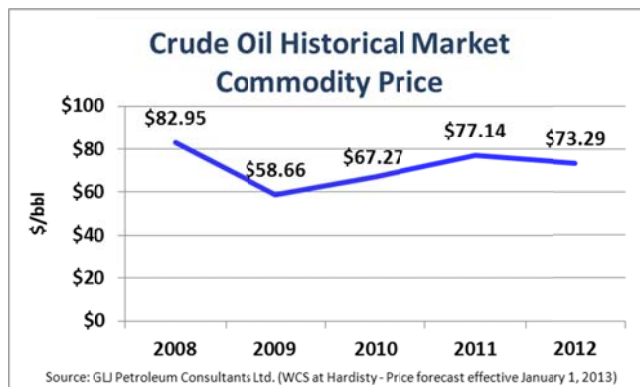


Gas

The price of natural gas in the market is declining due to warmer than normal weather, abundance of US production and of gas well above the five year average. 2012 gas production for the City of Medicine Hat was 20,819,671 Mcf.

Oil

The drop in oil prices in 2009 was largely related to the economic downturn. Oil prices are slowly recovering although Western Canada is still transportation constrained causing lower regional prices than the rest of North America. 2012 oil production for the City of Medicine Hat was 341,000 bbl.



Financial Statements



RESPONSIBILITY FOR FINANCIAL REPORTING

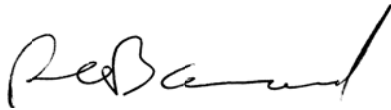
MANAGEMENT'S REPORT

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

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

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

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



Chief Administrative Officer



Commissioner of Corporate Services

April 15, 2013



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Internet www.kpmg.ca

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of City of Medicine Hat ("the Entity"), which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Medicine Hat as at December 31, 2012, and the results of its operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

April 15, 2013
Lethbridge, Canada

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

CONSOLIDATED
Statement of Financial Position
As at December 31, 2012 (in thousands of dollars)

	2012	2011	2010
Financial assets			
Cash and temporary investments (Note 2)	\$ 43,612	\$ 63,060	\$ 62,586
Accounts receivable (net of allowances) (Note 3)	49,520	42,665	41,933
Advances to subsidiary (Note 4)	11,204	11,520	13,419
Investment in subsidiary (Note 9)	4,078	884	-
Investments, loans and advances (Note 5)	446,651	436,335	381,630
Land held for resale	8,028	8,877	8,816
Inventories for resale (Note 6)	89	113	175
Deposits (Note 7)	586	255	348
Total financial assets	563,768	563,709	508,907
Liabilities			
Trade accounts payable	26,111	29,749	21,344
Accrued liabilities (Note 8)	19,373	18,337	19,010
Liability in subsidiary (Note 9)	-	-	2,114
Deferred revenue (Note 10)	47,409	54,044	55,655
Long term debt - Alberta Capital Finance Authority (Note 12)	206,254	208,636	215,033
Other long term liabilities (Note 13)	170,280	150,509	125,236
Total liabilities	469,427	461,275	438,392
Net financial assets	94,341	102,434	70,515
Non-financial assets			
Inventories for consumption	11,773	12,141	15,023
Prepaid assets	1,958	1,942	1,906
Land held for future development (Note 14)	13,052	13,139	13,108
Long lived assets	70,671	66,157	52,563
Tangible capital assets (Schedule 1) (Note 15)	1,132,260	1,097,687	1,087,097
Total non-financial assets	1,229,714	1,191,066	1,169,697
Operating commitments (Note 21)			
Capital commitments (Note 22)			
Contingent liabilities (Note 23)			
Accumulated surplus (Note 16)	\$ 1,324,055	\$ 1,293,500	\$ 1,240,212

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

CONSOLIDATED

Statement of Change in Net Financial Assets For the year ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011	2010
Excess (deficiency) of revenue over expenses	\$ 73,365	\$ 30,555	\$ 53,288	\$ 11,018
Acquisition of tangible capital assets	(165,526)	(123,182)	(93,575)	(77,181)
Contributed tangible capital assets	(2,600)	(188)	(915)	(1,585)
Decrease (increase) in long lived assets	(9,520)	(4,514)	(13,594)	7,522
Amortization of tangible capital assets	83,169	87,693	81,301	91,311
Loss on disposal of tangible capital assets	-	899	2,385	1,396
Proceeds from sale of tangible capital assets	-	205	214	836
	(21,112)	(8,532)	29,104	33,317
Acquisition of inventories and supplies	(3,700)	(6,297)	(7,544)	(5,488)
Acquisition of land held for future development	(1,250)	87	(31)	(1,242)
Acquisition of prepaid assets	(3,000)	(3,118)	(3,036)	(3,113)
Consumption of inventories and supplies	3,700	6,665	10,426	7,023
Use of prepaid assets	3,000	3,102	3,000	2,821
	(1,250)	439	2,815	1
Increase (decrease) in net financial assets	(22,362)	(8,093)	31,919	33,318
Net financial assets, beginning of year	102,434	102,434	70,515	37,197
Net financial assets, end of year	\$ 80,072	\$ 94,341	\$ 102,434	\$ 70,515

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

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011	2010
Revenue				
Net municipal taxes (Schedule 2)	\$ 47,702	\$ 47,800	\$ 45,090	\$ 44,428
Sale of services				
General Government	9,272	9,733	9,315	9,237
Gas	123,755	92,122	98,711	100,858
Electric	114,075	105,744	117,362	76,109
Water	14,882	15,756	15,084	12,549
Sewer	12,743	12,717	11,819	10,750
Solid Waste	7,960	7,816	7,854	7,589
Land and Properties	8,500	7,783	4,171	9,566
Other income				
Investment income	15,700	14,485	15,466	14,792
Investment in subsidiary (Note 9)	5,183	3,194	2,998	1,999
Licenses, fines and penalties	6,694	7,327	5,877	6,126
Insurance recovery	88	466	134	755
Development levies	3,049	1,693	1,943	1,430
Charitable gifts (Note 9)	-	1,000	2,000	2,500
Government transfers for operating (Schedule 3)	4,252	7,757	9,094	6,075
Other	27,897	22,501	20,901	14,171
Total revenue	401,752	357,894	367,819	318,934
Expenses (Schedule 4 and Schedule 5)				
General Government	125,986	130,034	127,567	118,618
Gas	141,608	136,499	121,181	122,340
Electric	59,074	59,417	60,961	53,682
Energy Sustainability	706	947	1,254	1,967
Water	11,840	10,278	10,097	9,413
Sewer	9,742	10,586	9,640	8,914
Solid Waste	6,116	6,275	4,394	4,931
Land and Properties	7,115	3,159	621	2,151
Total expenses	362,187	357,195	335,715	322,016
Excess (deficiency) of revenue over expenses				
- before other revenue	39,565	699	32,104	(3,082)
Other revenue				
Contributed tangible capital assets	188	188	915	1,585
Government transfers for capital (Schedule 3)	33,612	29,668	20,269	12,515
Total other revenue	33,800	29,856	21,184	14,100
Excess of revenue over expenses	73,365	30,555	53,288	11,018
Accumulated surplus, beginning of year	1,293,500	1,293,500	1,240,212	1,229,194
Accumulated surplus, end of year	\$ 1,366,865	\$ 1,324,055	\$ 1,293,500	\$ 1,240,212

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2012 (in thousands of dollars)

	2012	2011	2010
Net inflow (outflow) of cash related to the following activities:			
Operating			
Excess of revenue over expenses	\$ 30,555	\$ 53,288	\$ 11,018
Non-cash items included in excess (deficiency) of revenues over expenses:			
Amortization of tangible capital assets	87,693	81,301	91,311
Loss on disposal of tangible capital assets	899	2,385	1,396
Developers contribution of tangible capital assets	(188)	(915)	(1,585)
Income from subsidiary	(3,194)	(2,998)	(1,999)
Non-cash changes to operations (net change):			
Decrease (increase) in accounts receivable	(6,855)	(732)	3,726
Decrease (increase) in inventories for resale	24	62	(15)
Decrease (increase) in land held for resale	849	(61)	1,211
Decrease (Increase) in land held for future development	87	(31)	(1,242)
Decrease in inventories for consumption	368	2,882	1,535
Decrease (increase) in deposits	(331)	93	8,097
Increase in prepaid assets	(16)	(36)	(292)
Increase (decrease) in accounts payable	(3,638)	8,405	(2,698)
Increase (decrease) in accrued liabilities	1,036	(673)	(1,334)
Increase (decrease) in deferred revenue	(6,635)	(1,611)	17,961
Increase in other long term liabilities	19,771	25,273	3,619
Cash provided by operating transactions	120,425	166,632	130,709
Capital			
Acquisition of tangible capital assets	(123,182)	(93,575)	(77,181)
Proceeds from sale of tangible capital assets	205	214	836
Decrease (increase) in long lived assets	(4,514)	(13,594)	7,522
Cash applied to capital transactions	(127,491)	(106,955)	(68,823)
Investing			
Decrease (increase) in restricted cash and temporary investments	6,867	509	(17,682)
Increase in investments, loans and advances	(10,316)	(54,705)	(38,083)
Decrease in advances to subsidiary	316	1,899	1,492
Cash applied to investing transactions	(3,133)	(52,297)	(54,273)
Financing			
Debt issued and assumed	16,224	11,430	15,644
Long term debt repaid	(18,606)	(17,827)	(16,800)
Cash provided by (applied to) financing transactions	(2,382)	(6,397)	(1,156)
Change in cash and equivalents during the year	(12,581)	983	6,457
Cash and cash equivalents, beginning of year	12,928	11,945	5,488
Cash and cash equivalents, end of year	\$ 347	\$ 12,928	\$ 11,945
Cash and cash equivalents consist of the following:			
Cash	\$ 43,612	\$ 63,060	\$ 62,586
Less: restricted portion of cash and temporary investments	(43,265)	(50,132)	(50,641)
Total	\$ 347	\$ 12,928	\$ 11,945

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

CONSOLIDATED
TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2012
(in thousands of dollars)

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery & Equipment	Vehicles	2012	2011	2010
COST:										
BALANCE, BEGINNING OF YEAR	\$ 43,551	\$ 57,797	\$ 163,984	\$ 998,259	\$ 876,246	\$ 52,188	\$ 47,141	\$ 2,239,166	\$ 2,162,527	\$ 2,109,591
Acquisition of tangible capital assets	757	2,267	2,307	31,345	77,943	3,654	2,276	120,549	87,060	61,114
Construction-in-progress	-	121	9,249	4,143	(11,976)	1,032	252	2,821	7,430	17,652
Disposal of tangible capital assets	-	-	(285)	(3,840)	-	(796)	(1,269)	(6,190)	(17,851)	(25,830)
Write down of tangible capital assets	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	44,308	60,185	175,255	1,029,907	942,213	56,078	48,400	2,356,346	2,239,166	2,162,527
ACCUMULATED AMORTIZATION:										
BALANCE, BEGINNING OF YEAR	-	28,106	59,605	395,499	597,994	33,152	27,123	1,141,479	1,075,430	1,007,716
Annual amortization	-	2,004	3,881	31,904	43,510	2,959	3,435	87,693	81,301	91,311
Accumulated amortization on disposals	-	-	(143)	(3,024)	-	(699)	(1,220)	(5,086)	(15,252)	(23,597)
BALANCE, END OF YEAR	-	30,110	63,343	424,379	641,504	35,412	29,338	1,224,086	1,141,479	1,075,430
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 44,308	\$ 30,075	\$ 111,912	\$ 605,528	\$ 300,709	\$ 20,666	\$ 19,062	\$ 1,132,260	\$ 1,097,687	\$ 1,087,097
2011 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (Note 15)	\$ 43,551	\$ 29,691	\$ 104,379	\$ 602,760	\$ 278,252	\$ 19,036	\$ 20,018	\$ 1,097,687		
2010 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (Note 15)	\$ 41,988	\$ 26,216	\$ 104,366	\$ 595,672	\$ 281,760	\$ 17,721	\$ 19,374	\$ 1,087,097		

Taxes Levied

For the year ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011	2010
Taxation				
Real property taxes	\$ 69,114	\$ 69,235	\$ 65,315	\$ 64,952
Linear property taxes	966	966	909	894
Government grants in lieu of property taxes	1,386	1,386	1,312	1,305
Special assessments and local improvements	468	480	469	480
	71,934	72,067	68,005	67,631
Requisitions				
Alberta School Foundation	17,909	17,935	16,845	16,597
Catholic Board of Education	3,378	3,378	3,185	3,174
Cypress View Foundation	767	767	837	1,542
Medicine Hat Public Library	2,066	2,066	1,938	1,780
Business exchange levies	112	121	110	110
	24,232	24,267	22,915	23,203
Net municipal taxes	\$ 47,702	\$ 47,800	\$ 45,090	\$ 44,428

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

Schedule of Government Transfers
For the years ending December 31, 2010-2012
(In thousands of dollars)

	2012			2011	2010
	Provincial	Federal	Total		
Unconditional transfers					
Urban Parks	\$ -	\$ -	\$ -	\$ 37	\$ 45
	-	-	-	37	45
Conditional operating					
Alberta Agriculture Rat Control	28	-	28	-	-
Alberta Disaster Recovery	3,719	-	3,719	4,272	1,501
Alberta Employment Programs	29	-	29	27	24
Alberta Foundation for the Arts	28	-	28	79	68
Alberta Foundation of the Arts Travelling Exhibition Program	116	-	116	112	162
Alberta Municipal Infrastructure Program	77	-	77	242	341
Alberta Museums Association	25	-	25	31	18
Alberta Recycling Management Grant	25	-	25	-	-
Alberta Theatre Grant	-	-	-	59	-
Basic Capital Grant	107	-	107	93	97
Canadian Council of Archives	-	-	-	-	8
Canada Council for the Arts	-	41	41	30	30
Canadian Heritage Grant	-	45	45	-	95
Child and Family Services Alberta	102	-	102	99	99
Community Initiative Program	-	-	-	-	22
Family and Community Support Services	1,333	-	1,333	1,333	1,333
Federal Gas Tax (FGT)	6	-	6	76	-
GreenTrip	1	-	1	-	-
Major Community Facilities Program	235	-	235	-	-
Municipal Internship Program for Administrators	47	-	47	59	57
Municipal Policing Assistance	978	-	978	977	978
Municipal Sustainability Initiative	258	-	258	651	677
Natural Gas Rebate Program	-	-	-	-	10
New Deals for Public Transit	-	-	-	384	17
New Horizon	-	16	16	-	-
Police Officer Grant	400	-	400	399	330
Victims of Crime Fund Grant	141	-	141	134	128
Solar Thermal Power	-	-	-	-	35
Wind Power Development	-	-	-	-	-
	7,655	102	7,757	9,057	6,030
Conditional capital					
Affordable Housing Grant	1,166	-	1,166	266	5
Airport Capital Assistance Program	-	-	-	-	160
Alberta Disaster Recovery	754	-	754	9,947	3,630
Alberta Municipal Infrastructure Program	5,003	-	5,003	400	2,773
Basic Capital Grant	3,916	-	3,916	2,608	3,754
Canada-Alberta Municipal Rural Infrastructure Fund	-	-	-	-	14
Canadian Cultural Spaces (CCSF)	-	104	104	16	-
Community Infrastructure Improvement Fund	-	46	46	-	-
Federal Gas Tax (FGT)	5,150	-	5,150	96	-
Green Trip	-	-	-	107	-
Infrastructure Stimulus Fund	-	-	-	246	708
Major Community Facilities Program	-	-	-	300	-
Municipal Sustainability Initiative	12,982	-	12,982	4,468	1,015
New Cities Deals	-	-	-	457	-
New Deals for Public Transit (NDPT)	14	-	14	193	50
New Deals for Public Transit (NDFPTT)	-	-	-	643	-
Recreational Infrastructure Canada Program	-	-	-	127	405
Climate Change & Emissions Management Corp (CCEMC)	266	-	266	197	-
Alberta Environment Eco Trust Funding Grant	267	-	267	198	-
	29,518	150	29,668	20,269	12,514
Total government transfers	\$ 37,173	\$ 252	\$ 37,425	\$ 29,363	\$ 18,589

Schedule of Segment Disclosures (Note 26)

Schedule 4

For the Year Ended December 31, 2012 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2012 Consolidated
Revenues										
Net municipal taxes	\$ 51,550	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,978)	\$ 47,800
Sales of services	9,733	110,424	110,725	-	15,955	12,850	8,015	7,827	(23,858)	251,671
Investment income	5,346	6,640	2,533	61	-	-	-	-	(95)	14,485
Investment in subsidiary	-	3,194	-	-	-	-	-	-	-	3,194
Licenses, fines and penalties	7,243	-	-	-	-	-	-	84	-	7,327
Insurance recovery	223	-	-	-	8	-	235	-	-	466
Development levies	100	194	434	-	965	-	-	-	-	1,693
Charitable gifts	1,000	-	-	-	-	-	-	-	-	1,000
Government transfers for operating	7,374	4	23	-	-	246	110	-	-	7,757
Other	6,640	760	10,583	1	250	144	96	276	3,751	22,501
Internal recoveries	28,622	281	4,828	512	920	276	660	-	(36,099)	-
Transfer from Utilities and Land	39,667	-	-	200	-	-	-	-	(39,867)	-
	157,498	121,497	129,126	774	18,212	13,630	9,116	8,187	(100,146)	357,894
Expenses										
Salaries, wages and benefits	76,349	16,560	12,911	98	4,012	3,589	2,608	548	629	117,304
Contracted and general services	20,088	18,997	4,734	38	769	846	1,460	76	(205)	46,803
Materials, goods and utilities	9,192	19,053	12,953	1	1,404	1,444	1,030	5,446	(2,929)	47,594
Provisions for allowances	95	104	133	-	46	43	16	-	-	437
Bank charges and short term interest	146	11	-	-	-	-	-	-	-	157
Interest on long term debt	1,313	310	4,038	-	2,495	2,016	154	-	(95)	10,231
Total grants and other transfers	1,281	-	-	-	-	-	-	-	-	1,281
Other operating expenses	361	37,020	7,727	537	731	602	539	-	(2,721)	44,796
Amortization of tangible capital assets	20,443	45,106	17,122	1	2,543	2,087	351	40	-	87,693
Loss on disposal of tangible capital assets	734	50	90	-	-	13	12	-	-	899
Internal charges and transfers	17,804	25,846	41,672	383	3,323	2,456	2,021	1,386	(94,891)	-
	147,806	163,057	101,380	1,058	15,323	13,096	8,191	7,496	(100,212)	357,195
Excess (shortfall) of revenue over expenses	\$ 9,692	\$ (41,560)	\$ 27,746	\$ (284)	\$ 2,889	\$ 534	\$ 925	\$ 691	\$ 66	\$ 699
Other										
Contributed assets	\$ 722	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (279)	\$ (274)	\$ 188
Government transfers for capital	28,787	178	902	-	30	(229)	-	-	-	29,668
Total other	29,509	197	902	-	30	(229)	-	(279)	(274)	29,856
Excess (shortfall) of revenue over expenses	\$ 39,201	\$ (41,363)	\$ 28,648	\$ (284)	\$ 2,919	\$ 305	\$ 925	\$ 412	\$ (208)	\$ 30,555

Schedule of Segment Disclosures (Note 26)

Schedule 4

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

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2011 Consolidated
Revenues										
Net municipal taxes	\$ 48,676	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,814)	\$ 45,090
Sales of services	9,315	123,952	\$ 122,542	-	15,291	11,957	8,061	4,288	(31,090)	264,316
Investment income	5,416	9,465	1,207	70	-	-	-	-	(692)	15,466
Investment in subsidiary	-	2,998	-	-	-	-	-	-	-	2,998
Licenses, fines and penalties	5,836	-	-	-	-	-	-	41	-	5,877
Insurance recovery	134	-	-	-	-	-	-	-	-	134
Development levies	891	225	827	-	-	-	-	-	-	1,943
Charitable gifts	2,000	-	-	-	-	-	-	-	-	2,000
Government transfers for operating	8,484	27	47	-	56	378	101	1	-	9,094
Other	7,729	1,635	9,749	-	1,176	129	(63)	213	333	20,901
Internal recoveries	26,870	172	3,929	737	1,113	335	873	-	(34,029)	-
Transfer from Utilities and Land	39,566	-	-	-	-	-	-	-	(39,566)	-
	154,917	138,474	138,301	807	17,750	12,913	8,972	4,543	(108,858)	367,819
Expenses										
Salaries, wages and benefits	73,668	15,127	11,923	190	4,056	3,619	2,511	541	(311)	111,324
Contracted and general services	20,851	15,200	5,399	57	680	1,018	1,183	117	(240)	44,265
Materials, goods and utilities	8,779	18,611	11,741	3	1,590	1,421	917	2,783	(2,858)	42,987
Provisions for allowances	25	54	125	-	45	42	76	-	-	367
Bank charges and short term interest	- 159	- 30	-	-	-	-	-	-	-	- 189
Interest on long term debt	2,044	251	4,516	-	2,579	2,019	154	-	(692)	10,871
Total grants and other transfers	1,165	-	-	-	-	-	-	-	-	1,165
Other operating expenses	621	30,837	10,212	922	2	1	630	-	(2,364)	40,861
Amortization of tangible capital assets	19,793	40,576	17,041	1	2,501	1,852	326	37	(826)	81,301
Loss on disposal of tangible capital assets	- 1,582	- 76	- 311	-	- 336	- 63	18 -	-	- 17	- 2,385
Internal charges and transfers	18,403	39,751	36,845	207	4,261	2,386	1,643	871	(104,367)	-
	147,090	160,513	98,113	1,380	16,050	12,421	7,458	4,349	(111,641)	335,715
Excess (shortfall) of revenue over expenses	\$ 7,827	\$ (22,039)	\$ 40,188	\$ (573)	\$ 1,700	\$ 492	\$ 1,514	\$ 194	\$ 2,783	\$ 32,104
Other										
Contributed assets	\$ 2,656	\$ 83	\$ -	\$ -	\$ 250	\$ 16	\$ -	\$ -	\$ (2,090)	\$ 915
Government transfers for capital	18,638	-	395	-	459	777	-	-	-	20,269
Total other	21,294	83	395	-	709	793	-	-	(2,090)	21,184
Excess (shortfall) of revenue over expenses	\$ 29,121	\$ (21,956)	\$ 40,583	\$ (573)	\$ 2,409	\$ 1,285	\$ 1,514	\$ 194	\$ 693	\$ 53,288

Schedule of Segment Disclosures (Note 26)

Schedule 4

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

	Tax Supported	Gas Utility	Electric Utility	Energy Sustainability	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2010 Consolidated
Revenues										
Net municipal taxes	\$ 47,662	\$ -	\$ -	\$ -	\$ 114	\$ 114	\$ -	\$ -	\$ (3,462)	\$ 44,428
Sales of services	9,237	127,785	80,240	-	12,694	10,840	7,744	9,494	(31,376)	226,658
Investment income	4,301	10,437	640	69	-	-	-	-	(655)	14,792
Investment in subsidiary	-	1,999	-	-	-	-	-	-	-	1,999
Licenses, fines and penalties	6,014	-	-	-	-	-	-	112	-	6,126
Insurance recovery	755	-	-	-	-	-	-	-	-	755
Development levies	652	321	457	-	-	-	-	-	-	1,430
Charitable gifts	2,500	-	-	-	-	-	-	-	-	2,500
Government transfers for operating	5,798	22	92	36	41	36	50	-	-	6,075
Other	6,957	349	3,970	1	1,127	1,046	52	213	456	14,171
Internal recoveries	25,960	41	3,267	733	757	252	536	-	(31,546)	-
Transfer from Utilities and Land	41,775	-	-	-	-	-	-	-	(41,775)	-
	151,611	140,954	88,666	839	14,733	12,288	8,382	9,819	(108,358)	318,934
Expenses										
Salaries, wages and benefits	71,340	13,869	11,391	167	3,784	3,405	2,516	530	(1,105)	105,897
Contracted and general services	17,448	17,264	3,538	98	871	667	1,117	57	(239)	40,821
Materials, goods and utilities	8,690	17,029	7,335	3	1,408	1,371	797	6,662	(5,134)	38,161
Provisions for allowances	25	133	129	-	44	42	15	3	-	391
Bank charges and short term interest	111	11	-	-	-	-	-	-	-	122
Interest on long term debt	2,158	203	4,846	-	2,628	1,918	157	-	(655)	11,255
Total grants and other transfers	1,067	-	-	-	-	-	-	-	-	1,067
Other operating expenses	521	27,536	4,047	1,488	6	10	311	-	(2,324)	31,595
Amortization of tangible capital assets	18,983	45,842	21,787	1	2,404	1,920	349	25	-	91,311
Loss on disposal of tangible capital assets	57	35	1,285	-	10	-	9	-	-	1,396
Internal charges and transfers	16,575	40,857	37,744	337	3,510	2,261	1,888	1,716	(104,888)	-
	136,975	162,779	92,102	2,094	14,665	11,594	7,159	8,993	(114,345)	322,016
Excess (shortfall) of revenue over expenses	14,636	(21,825)	(3,436)	(1,255)	68	694	1,223	826	5,987	(3,082)
Other										
Contributed assets	7,441	-	417	-	185	328	1	492	(7,279)	1,585
Government transfers for capital	11,557	128	-	-	710	13	-	107	-	12,515
Total other	18,998	128	417	-	895	341	1	599	(7,279)	14,100
Excess (shortfall) of revenue over expenses	33,634	(21,697)	(3,019)	(1,255)	963	1,035	1,224	1,425	(1,292)	11,018

Expenses By Object

For the year ended December 31, 2012 (in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011	2010
Expenses				
Salaries, wages and benefits	\$ 118,585	\$ 117,304	\$ 111,324	\$ 105,897
Contracted and general services	50,192	46,803	44,265	40,821
Materials, goods and utilities	58,595	47,594	42,987	38,161
Provisions for allowances	371	437	367	391
Bank charges and short term interest	122	157	189	122
Interest on long term debt	10,678	10,231	10,871	11,255
Total grants and other transfers	954	1,281	1,165	1,067
Other operating expenses	39,521	44,796	40,861	31,595
Amortization of tangible capital assets	83,169	87,693	81,301	91,311
Loss on disposal of tangible capital assets	-	899	2,385	1,396
Total expenses	\$ 362,187	\$ 357,195	\$ 335,715	\$ 322,016

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF CONSOLIDATION

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

1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Corporate Services (Finance, Information and Computer Services, Corporate Asset Management and Land and Properties), Public Services (Fire Services, 911 Communications, Community Development, Cultural Development, Parks & Recreation), Infrastructure & Development Services (Municipal Works, Planning, Building & Development and Environmental Utilities) and Police Service (Police Service and Bylaw Enforcement).

2. Energy Services

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

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

Interdepartmental and organizational transactions and balances are eliminated.

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

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

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

(B) BASIS OF ACCOUNTING

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

1. Revenues

The accrual basis of accounting records revenue as it is earned and measurable. Sales and user fees are accounted for in the period in which the events occurred that gave rise to the revenues. Revenue from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the intended purpose.

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

2. Expenses

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

(C) INVESTMENTS, LOANS AND ADVANCES

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0110. Portfolio investments purchased by the City of Medicine Hat are recorded at cost. The cost of investments includes the applicable amortization of premiums and discounts using the present value amortization method. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Loans and advances result from the City providing financing to other entities that provide services which benefit the citizens of the City of Medicine Hat. These loans and advances are recorded at amortized costs using the effective interest rate.

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

(D) INVENTORIES FOR RESALE

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

(E) LAND HELD FOR RESALE

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

(F) PENSION EXPENSES

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

(G) PREPAID LOCAL IMPROVEMENT CHARGES

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

(H) JOINT VENTURE ACCOUNTING

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

(I) OVER-LEVIES AND UNDER-LEVIES

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability. 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.

(J) ASSET RETIREMENT OBLIGATION

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

(K) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

(L) NON-FINANCIAL ASSETS

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

1. Tangible Capital Assets

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

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

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

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

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

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

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

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

This guideline requires the cost centres be tested for recoverability using discounted future cash flows from proven reserves which are determined by using forward indexed prices. When the carrying amount of a cost centre is not recoverable, the cost centre would be written down to its fair value. Fair values are estimated using accepted present value techniques which incorporate risks and other uncertainties when determining expected cash flows. No write down was required for 2012.

2. Contribution of Tangible Capital Assets

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

3. Historical Assets

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

4. Inventories for Consumption

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

5. Land Held for Future Development

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

(M) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies and prior year tangible capital asset historical costs and related amortization. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Amounts recorded for depletion and amounts used for the ceiling test calculations, are based on estimates of oil and natural gas reserves and future costs required to develop those reserves. The City's reserve estimates are reviewed a minimum of every three years by independent engineering firms. The last reserve analysis was carried out as of December 31, 2012. By their nature, these estimates of reserves and the related future cash flows are subject to measurement uncertainty, and the impact on the financial statements of future periods may be material.

(N) FUTURE ACCOUNTING CHANGES

1. Liability for Contaminated Sites

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

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

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

3. Tax Revenue

PSAB 3510 comes into effect for fiscal years beginning on or after April 1, 2012. This section establishes standards on how to account for and report tax revenue in government financial statements. The details within this standard could impact the City's reporting of tax revenues, including but not limited to, how transfers are made through a tax system might be recorded and disclosed, how costs related to tax transactions are recorded, and taxes levied for specific purposes (local improvement taxes). The City has not yet adopted these standards or determined the effect on the Financial Statements.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 2: CASH AND TEMPORARY INVESTMENTS

	2012	2011	2010
Cash	\$ 347	\$ 12,928	\$ 11,945
Temporary Investments	43,265	50,132	50,641
TOTAL CASH AND TEMPORARY INVESTMENTS	\$ 43,612	\$ 63,060	\$ 62,586

The temporary investments represent restricted amounts aggregating \$42,319 (2011 - \$48,045; 2010 - \$41,720) for the Alberta Cities Transportation Program, Alberta Municipal Infrastructure Program, Municipal Sustainability Initiative Capital Fund Program, New Deal for Cities and Communities, Major Community Facility Program, Federal Gas Tax Fund, Green Transit Incentives Program (GreenTRIP), Public Housing Grants and the Alberta Environment Eco Trust Funding Grant, which are held exclusively for eligible capital projects, Municipal Sustainability Initiative Operating Grant Program funding for operating activities, and funds aggregating \$946 (2011 - \$2,087; 2010 - \$8,921) for Alberta Disaster Recovery program funding for the 2010 and 2011 flood damages.

These investments have an average yield of 1.65 (2011 – 1.52; 2010 – 1.62) per cent and an average term of 116 (2011 – 174; 2010 - 159) days to maturity.

NOTE 3: ACCOUNTS RECEIVABLE

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2012	2011	2010
Current Taxes Receivable	\$ 2,264	\$ 2,400	\$ 2,374
City Centre Development Agency	8	7	31
Less: Allowance for Tax Adjustments	(4)	-	-
SUB-TOTAL	\$ 2,268	\$ 2,407	\$ 2,405

(B) ACCOUNTS RECEIVABLE

	2012	2011	2010
Trade Accounts Receivable	\$ 56,595	\$ 49,625	\$ 48,720
Less: Allowance for Doubtful Accounts	(9,343)	(9,367)	(9,192)
SUB-TOTAL	\$ 47,252	\$ 40,258	\$ 39,528
TOTAL	\$ 49,520	\$ 42,665	\$ 41,933

NOTE 4: ADVANCES TO SUBSIDIARY

	2012	2011	2010
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ 107	\$ 173	\$ 72
Unsecured note, bearing interest at prime plus 1% due on demand	11,097	11,347	13,347
TOTAL	\$11,204	\$ 11,520	\$13,419

Prime Interest for 2012 was 3 per cent; 2011 was 3 per cent; 2010 ranged from 2.25 per cent to 3 per cent.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 5: INVESTMENTS, LOANS AND ADVANCES

	2012		2011		2010	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 20,244	\$ 23,581	\$ 13,816	\$ 17,926	\$ 14,155	\$ 16,657
Provincial Government and Agencies	33,356	34,925	41,346	43,939	53,048	55,404
Canadian Banks	297,295	302,748	245,577	252,296	197,866	204,310
Others	95,756	96,850	135,596	137,092	116,561	117,663
TOTAL	\$ 446,651	\$ 458,104	\$ 436,335	\$ 451,253	\$ 381,630	\$ 394,034

These investments are fixed income and bonds that yield interest rates from 1.54 per cent to 6.87 per cent and mature in periods 2013 through 2105. The investments have an average expected yield of 3.37 per cent and an average term of 5.84 years to maturity.

NOTE 6: INVENTORIES FOR RESALE

	2012	2011	2010
Gas Inventory	\$ 4	\$ -	\$ -
Concessions	85	113	175
TOTAL	\$ 89	\$ 113	\$ 175

NOTE 7: DEPOSITS AND OTHER ASSETS

	2012	2011	2010
Tax Requisition Over Levies	\$ -	\$ 12	\$ 58
Postage	32	27	8
Refundable Containers	28	28	36
Operating Deposits	401	-	-
Gas Royalty Deposits	125	188	246
TOTAL	\$ 586	\$ 255	\$ 348

NOTE 8: ACCRUED LIABILITIES

	2012	2011	2010
Accrued Wages and Salaries	\$ 2,525	\$ 4,261	\$ 2,617
Vacation Pay	6,379	6,280	5,874
Accrued Interest on Long-Term Debt	1,848	2,009	2,223
Deferred Charges	6,261	5,534	6,146
Accrued Royalties	164	73	66
Other Accrued Liabilities	2,196	180	2,084
TOTAL	\$ 19,373	\$ 18,337	\$ 19,010

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 9: SUBSIDIARY OPERATIONS

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

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

	2012	2011	2010
Financial position			
Current assets	\$ 4,293	\$ 6,768	\$ 8,578
Deferred income tax asset	86	503	747
Tangible capital assets	16,474	11,397	7,856
Total assets	20,853	18,668	17,181
Current liabilities	1,206	2,390	2,115
Advances from City of Medicine Hat	11,097	11,347	13,347
Decommissioning obligation	1,419	994	780
Total liabilities	13,722	14,731	16,242
Net assets (liabilities)	\$ 7,131	\$ 3,937	\$ 939

Net Assets are comprised of a surplus of \$3,901, share capital of \$6, and contributed surplus of \$3,224 (Net Assets for 2011 – a surplus of \$707, share capital of \$6, and contributed surplus of \$3,224; Net Assets for 2010 – a deficit of \$2,291, share capital of \$6, and contributed surplus of \$3,224).

	2012	2011	2010
Revenues	\$ 17,530	\$ 15,003	\$ 12,014
Operating expenses	9,675	6,631	5,296
Cash flow from operations	7,855	8,372	6,718
Charitable gift	1,025	2,050	2,575
Depletions and accretion	2,547	2,189	1,320
Net income before income tax	4,283	4,133	2,823
Income tax expense	1,089	1,135	824
Net income	3,194	2,998	1,999
Earnings (deficit), beginning of year	878	(2,120)	(4,119)
Retained earnings (deficit), end of year	4,072	878	(2,120)
Share capital	6	6	6
Investment (liability) in subsidiary	\$ 4,078	\$ 884	\$ (2,114)

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

During the year the City received \$1,000 (2011 - \$2,000; 2010: \$2,500) from Allied as a gift as described under section 110.1 of the Income Tax Act. During the year the City, by agreement, received management fees from Allied in the amount of \$364 (2011 – \$356; 2010 – \$247). During the year the City bought solution gas from Allied in the amount of \$38 (2011 – \$65; 2010 – \$53). These transactions are measured at the exchange amount, being the amount determined and agreed upon by the parties.

Allied also made a donation of \$25 to South East Alberta Safety Alliance Society in 2012 (2011 - \$25 to South East Alberta Safety Alliance Society; 2010 - \$75 to Southern Alberta MedicAir Society).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 10: DEFERRED REVENUE

	Balance 2010	Balance 2011	2012 Additions	2012 Reductions	Balance 2012
Deposits	\$ 21	\$ 130	\$ 209	\$ 157	\$ 182
Deferred Revenue	4,992	3,782	5,652	5,472	3,962
Alberta Municipal Infrastructure Program	7,292	6,774	117	4,511	2,380
Alberta Cities Transportation Program	5,369	6,485	3,882	4,087	6,280
Alberta Emergency Disaster Program	8,922	2,087	-	1,141	946
Federal Gas Tax Fund	-	-	6,810	5,227	1,583
GreenTrip	-	-	575	-	575
Municipal Sustainability Initiative	20,136	26,991	13,058	14,789	25,260
New Deal for Cities and Communities	905	464	8	14	458
New Deal for Public Transit	632	-	-	-	-
Public Housing Grant	273	226	3	-	229
New Deal for Public Transit Trust	567	-	-	-	-
Major Community Facilities Program	3,360	3,119	51	235	2,935
Affordable Housing Grant	3,186	2,976	49	1,166	1,859
Alberta Environment Eco Trust Funding Grant	-	1,010	-	250	760
TOTAL	\$ 55,655	\$ 54,044	\$ 30,414	\$ 37,049	\$ 47,409

Funds from Alberta Municipal Infrastructure Program, Alberta Cities Transportation Program, Municipal Sustainability Initiative, New Deals for Cities and Communities, Public Housing Grant, Major Community Facilities Program, the Affordable Housing Grant, Green Transit Incentives Program (GreenTRIP), and Alberta Environment Eco Trust Funding Grant are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments of \$42,319 (2011 - \$48,045; 2010 - \$41,720) held exclusively for these projects. An additional \$946 (2011 - \$2,087; 2010 - \$8,922) from Alberta Emergency Disaster Program is held for flood damage repairs.

NOTE 11: SHORT-TERM DEBT

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

At December 31, 2012, there were Letters of Credit issued in the amount of \$8,367 (2011 – \$8,367; 2010 – \$8,488).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 12: LONG-TERM DEBT

(A)

	2012	2011	2010
Tax Supported	\$ 22,464	\$ 24,907	\$ 27,363
Utilities			
- Electric	75,933	81,849	89,567
- Gas	8,404	7,547	5,498
- Water	51,538	50,292	50,187
- Sewer	44,369	40,436	39,012
- Solid Waste	3,546	3,605	3,406
Total Utilities	183,790	183,729	187,670
TOTAL	\$ 206,254	\$ 208,636	\$ 215,033

	2012	2011	2010
Comprised of:			
- Alberta Capital Finance Authority	\$ 206,254	\$ 208,636	\$ 215,033
TOTAL	\$ 206,254	\$ 208,636	\$ 215,033

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

	Principal	Interest
2013	\$ 19,833	\$ 9,793
2014	19,722	8,663
2015	18,483	7,567
2016	17,630	6,623
2017	15,076	5,803
2018-2042	115,510	28,211
TOTAL	\$ 206,254	\$ 66,660

The debentures have interest payable at rates ranging from 1.6610 per cent to 10.6250 per cent per annum before Provincial Subsidy, and mature in periods 2013 through 2042. The average annual interest rate is 4.80 per cent for 2012 (2011 – 5.03 per cent; 2010 – 5.20 per cent). For qualifying debentures, the Province of Alberta rebates 60 per cent of interest in excess of 8 per cent, 9 per cent and 11 per cent to a maximum annual rate of 12.5 per cent depending on the date borrowed. Debenture debt is issued on the credit and security of the City of Medicine Hat.

Interest on long-term debt paid in 2012 was \$10,231 (2011 – \$10,871; 2010 – \$11,255).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

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

	2012	2011	2010
Tax Supported Debentures	\$ 367	\$ 408	\$ 448
Rate Supported Debentures	3,004	3,007	3,072
TOTAL	\$ 3,371	\$ 3,415	\$ 3,520

Debt per capita is based on the official census of 61,180 for 2012, (61,097 for 2011 and 2010) by the City of Medicine Hat.

(D) The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is calculated based upon 2 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees.

	2012	2011	2010
Total Debt Limit	\$ 744,461	\$ 759,654	\$ 657,898
Actual Debt (Long & Short-Term Debt, Loan Guarantees)	208,730	211,235	217,383
AMOUNT UNDER LIMIT	\$ 535,731	\$ 548,419	\$ 440,515
Debt Servicing Limit	\$ 130,281	\$ 132,939	\$ 115,132
Actual Debt Servicing (Long and Short-Term Debt)	29,626	28,996	28,897
AMOUNT UNDER LIMIT	\$ 100,655	\$ 103,943	\$ 86,235

NOTE 13: OTHER LONG-TERM LIABILITIES

(A)

	2012	2011	2010
Offsite Contributions	\$ 10,332	\$ 10,675	\$ 11,548
Asset Retirement Obligation - Gas	150,741	131,620	106,240
Risk Management	185	-	-
Employee Retirement Benefits Liability (Note 20)	5,250	4,621	4,403
Sanitary Landfill - Site Abandonment and Restoration	3,772	3,593	3,045
TOTAL OTHER LONG-TERM LIABILITIES	\$ 170,280	\$ 150,509	\$ 125,236

(B) At December 31, 2012 the estimated undiscounted cash flows required to settle the asset retirement obligations with respect to the Gas Utility were \$262,990 (2011 – \$217,702; 2010 – \$239,186), calculated using an inflation rate of 2.44 per cent (2011 – 2.3 per cent; 2010 – 2.48 per cent) per annum. The estimated fair value of this liability was \$150,741 (2011 – \$131,620; 2010 – \$106,240) after discounting the estimated cash flows at a rate of 5.40 per cent (2011 – 5.53 per cent; 2010 – 6.57 per cent). At December 31, 2012, the expected timing of payment for settlement of the obligations ranges from 3 to 33 years.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

- (C) The risk management is used by the Gas Utility to manage economic exposure to market risks from fluctuations relating to commodity prices. The company's policy is not to utilize these instruments for speculative purposes. The risk management liability is recorded at its estimated fair value at December 31, 2012 using quoted market prices.
- (D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 3.192 (2011 – 3.240; 2010 - 4.170) per cent assuming inflation of 2.44 (2011 – 2.30; 2010 – 2.60) per cent.
- (E) The following summarizes the total net present value for the estimated costs of Sanitary Landfill closure and post closure care:

	2012	2011	2010
Estimated Closure Costs	\$ 7,320	\$ 7,080	\$ 7,241
Estimated Post Closure Costs	1,511	1,390	1,463
Estimated Total Costs	\$ 8,831	\$ 8,470	\$ 8,704
Estimated Capacity remaining %	48.9%	50.8%	52.7%
Portion of Total Liability remaining to be recognized	\$ 5,059	\$ 4,877	\$ 5,659
Estimated Capacity used %	51.1%	49.2%	47.3%
ACCRUED LIABILITY PORTION	\$ 3,772	\$ 3,593	\$ 3,045

The total capacity of the site is estimated at 4,525,000 cubic meters. The estimated remaining capacity of the landfill site is 2,214,157 (2011 – 2,298,362; 2010 – 2,385,434) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2033. The City has not designated assets for settling closure or post closure liabilities.

NOTE 14: LAND HELD FOR FUTURE DEVELOPMENT

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

NOTE 15: TANGIBLE CAPITAL ASSETS

	2012 Net Book Value	2011 Net Book Value	2010 Net Book Value
Land	\$ 44,308	\$ 43,551	\$ 41,988
Land Improvements	30,075	29,691	26,216
Buildings	111,912	104,379	104,366
Engineering Structures	605,528	602,760	595,672
Gas and Oil Properties	300,709	278,252	281,760
Machinery, Equipment and Furnishings	20,666	19,036	17,721
Vehicles	19,062	20,018	19,374
TOTAL	\$1,132,260	\$1,097,687	\$1,087,097

The net book value of capital assets not being amortized and under construction is \$4,845 (2011 – \$7,430; 2010 – \$17,652). 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 \$188 (2011 – \$915; 2010 – \$1,585). 2012 contributed capital assets relate particularly to park facilities.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 16: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2012	Total 2011	Total 2010
Balance, beginning of year	\$ 40,050	\$ 364,399	\$ 889,051	\$1,293,500	\$1,240,212	\$1,229,194
Excess (shortfall) of revenues over expenses	30,555	-	-	30,555	53,288	11,018
Unrestricted funds designated for future use	(47,582)	47,582	-	-	-	-
Restricted funds used for operations	59,302	(59,302)	-	-	-	-
Current year funds used for tangible capital assets	(106,958)	-	106,958	-	-	-
Contributed tangible capital assets	(188)	-	188	-	-	-
Disposal of tangible capital assets	1,104	-	(1,104)	-	-	-
Annual amortization expense	87,693	-	(87,693)	-	-	-
Long term debt repaid	(18,606)	-	18,606	-	-	-
Balance, End of Year	\$ 45,370	\$ 352,679	\$ 926,006	\$1,324,055	\$1,293,500	\$1,240,212

1. Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

The General Fund Policy directs that special one-time grants and any surplus not required in order to maintain the unrestricted target balance of seven per cent of prior year's budgeted gross expenses be designated a restricted amount. In 2012 there were \$3,220 excess surplus funds designated restricted (2011 – nil; 2010 – nil; 2009 – \$1,247).

The Electric Operating Fund policy directs that surplus in excess of seven per cent of prior year's budgeted gross expenses will be designated a restricted amount. In 2012, the Electric Utility reported an excess surplus of \$31,223, which was designated a restricted amount (2011 – \$47,766; 2010 – \$9,674).

With respect to the Gas Utility, policy directs that surplus in excess of seven per cent of prior year's budgeted gross expenses be designated a restricted amount at the end of the current year. In 2012, the Gas Utility reported an excess surplus of \$3,194, which was designated a restricted amount (2011 - \$18,841; 2010 – \$20,579).

UNRESTRICTED SURPLUS (DEFICIT)	2012	2011	2010
General Government	\$ 9,156	\$ 9,156	\$ 9,200
Energy Sustainability	21	-	32
Gas	8,396	7,945	8,309
Electric	5,960	5,658	6,543
Water	1,722	(19)	(1,901)
Sewer	3,505	3,701	3,662
Solid Waste	5,029	4,531	2,981
Land	11,581	9,078	10,438
TOTAL	\$ 45,370	\$ 40,050	\$ 39,264

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

2. Restricted Surplus

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

	2012	2011	2010
Restricted Surplus - Capital	\$ 28,003	\$ 19,579	\$ 22,738
Restricted Surplus - Reserves	324,676	344,820	306,146
Total Restricted Surplus	\$ 352,679	\$ 364,399	\$ 328,884

Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2012	2011	2010
General Government	\$ 1,616	\$ 2,739	\$ 1,175
Gas	9,231	16,948	19,487
Electric	12,910	(1,126)	(641)
Water	187	402	891
Sewer	2,103	(217)	709
Solid Waste	532	75	802
Land and Properties	1,424	758	315
TOTAL	\$ 28,003	\$ 19,579	\$ 22,738

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 2010	Balance 2011	2012 Additions	2012 Reductions	Balance 2012
Employee development	\$ 761	\$ 789	\$ 130	\$ 46	\$ 873
Victim assistance	18	19	3	-	22
Second Street properties	84	84	-	-	84
Fleet replacement	4,011	2,471	4,459	2,445	4,485
Art acquisitions	94	82	24	41	65
Infrastructure	25,737	23,090	6,850	2,538	27,402
Employee benefits	10,805	11,111	-	2,599	8,512
Community capital	47,618	44,527	15,849	16,005	44,371
Event centre	-	20,326	15,684	88	35,922
Nature's Best	4,323	3,783	499	803	3,479
Electric facility and equipment	23,166	63,792	31,223	13,824	81,191
Gas depletion	191,974	173,868	-	59,670	114,198
SUB TOTAL	308,591	343,942	74,721	98,059	320,604
Equity (Deficit) in subsidiary	(2,120)	878	3,194	-	4,072
Internal loan contra account	(325)	-	-	-	-
TOTAL	\$ 306,146	\$ 344,820	\$ 77,915	\$ 98,059	\$ 324,676

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

3. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2012	2011	2010
Tangible capital assets (Schedule 1)	\$ 2,356,346	\$ 2,239,166	\$ 2,162,527
Accumulated amortization (Schedule 1)	(1,224,086)	(1,141,479)	(1,075,430)
Long-term debt (Note 12)	(206,254)	(208,636)	(215,033)
Equity in Tangible Capital Assets	\$ 926,006	\$ 889,051	\$ 872,064

NOTE 17: TRUST FUNDS

The City of Medicine Hat records as funds held in trust all monies received and held on behalf of third parties. These monies are maintained, invested and accounted for in accordance with the terms of the trust arrangements. Trust investments are in temporary investments in money market instruments such as term deposits, treasury bills, and commercial paper. Investments are recorded at the lower of original cost or market value. The cost of these investments at December 31, 2012 are \$1,632 (2011 - \$1,669; 2010 - \$1,816). 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 2010	Balance 2011	Additions	Interest Earned	Funds Released	Balance 2012
Cemetery - Perpetual Care	\$ 1,417	\$ 1,470	\$ 189	\$ 45	\$ 148	\$ 1,556
Seniors Foundation	46	113	7	1	72	49
Art Gallery Acquisitions	10	10	-	-	-	10
Donna MacLean Museum Trusts	6	7	1	-	-	8
Pitch Trust	1	1	-	-	-	1
Bell West	8	8	-	-	-	8
Saamis Heights Town Center Park	269	0	-	-	-	0
Northlands Waterline Warranty	59	60	-	1	61	0
TOTAL TRUST FUNDS	\$ 1,816	\$ 1,669	\$ 197	\$ 47	\$ 281	\$ 1,632

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 18: SALARY AND BENEFITS DISCLOSURE

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

	Salary ¹	Benefits & Allowances ²	Total 2012	2011	2010
Mayor Normand Boucher	\$ 64	57	\$ 121	\$ 107	\$ 114
Alderman:					
Clugston, T	21	20	41	43	37
Craven, W	21	16	37	36	6
Dumanowski, R	21	18	39	38	36
Friesen, J	-	-	-	-	32
Hamill, J	21	18	39	41	38
Kelly, G	21	15	36	36	35
Pearson, L	21	23	44	41	7
Schneider, T	-	-	-	-	31
Thompson, J	21	21	42	42	39
Turnbull, P	20	17	37	36	6
White, J	-	-	-	-	31
CAO - Municipal Services	224	64	288	277	259
COO - Energy Services	351	86	437	412	413
Designated Officers (7)	1,011	197	1,208	1,102	1,119

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

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

NOTE 19: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves about 214,328 people and 423 employers. The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 6,433 members and 7 employers. The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2012 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 9.91 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.74 per cent for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 per cent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2012 were \$9,347 (2011 – \$8,489; 2010 – \$7,861). Total current service contributions by the employees for 2012 were \$8,543 (2011 – \$7,735; 2010 – \$7,116).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

At December 31, 2011 LAPP disclosed an actuarial deficit of \$4.64 billion (2010 – \$4.63 billion; 2009 – \$4.0 billion deficit).

At December 31, 2011 SFPP disclosed an actuarial deficit of \$609.3 million (2010 – \$580.7 million; 2009 – \$374.9 million deficit).

NOTE 20: EMPLOYEE BENEFIT OBLIGATIONS

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

	2012	2011	2010
Accrued Benefit Obligation			
Balance, Beginning of Year	\$ 4,621	\$ 4,403	\$ 3,717
Current Service Cost	166	151	111
Interest Cost	220	209	203
Benefits Paid	(125)	(142)	(113)
Unrecognized Actuarial Losses (Gains)	368	-	485
Balance, End of Year, Benefit Plan Deficit	\$ 5,250	\$ 4,621	\$ 4,403

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

	2012	2011	2010
Discount Rate	4.75%	4.75%	4.75%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	7.33 Years	8.33 Years	7.11 Years

NOTE 21: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2012 was \$161 (Gas) and \$8,372 (Electric) (2011 - \$54 and \$8,251; 2010 - \$182 and \$8,251).

NOTE 22: CAPITAL COMMITMENTS

(A) 2012 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Assets is the 2012 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$30,872 (2011 - \$37,414; 2010 - \$73,350) carried forward from previous budget years, as well as costs related to the 2012 Budget.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2012 a number of capital projects were in progress and will be completed in 2013 or subsequent years. The unexpended appropriation related to these projects is \$361,813 (2011 - \$179,225; 2010 - \$171,029). Significant projects are:

- **Gas Utility**

Gas Well Drilling (\$82,836), Gas Well Facilities (\$13,400), Gas Well Gathering (\$12,729), Well Repair and Abandonments (\$21,219), Mineral Acquisitions (\$6,534), Building (\$9,200), Gas Distribution Projects (\$1,683), and Projects Operated by Third Parties (\$6,644).

- **Electric Utility**

Solar Thermal Power Project (\$7,539), 13kV Distribution Systems (\$1,017), Automated Metering Infrastructure (\$3,123), Blackstart Project (\$2,488), Switchyard Upgrades (\$6,782), Control Room Upgrades (\$1,111), Distribution Transmission System (\$5,221).

- **Municipal Works**

South Ridge Drive Road Rehabilitation (\$2,300); Connaught Subdivision Roadway Upgrades (\$2,300), Parkview Drive Extension (\$6,400), South Railway Storm Trunk (\$5,000), Downtown Lighting Upgrades (\$2,400).

- **Parks**

Indoor Fieldhouse Facility & Methanex Bowl (\$35,975).

- **Corporate Asset Management**

Fleet Services 2009, 2010, 2011, & 2012 Mobile Equipment Replacement Programs (\$8,192), Environmental Utilities / Municipal Works Building (\$14,044), Transit Bus Storage (\$2,986); Police Service Building (\$13,288), and CNG Fueling Station (\$1,499).

- **Community Development**

2009/2010 Affordable Housing Projects (\$2,404).

- **Water Utility**

Water Treatment Plant Residuals Treatment Facility (\$1,081), South West Sector Water System (\$11,812), Primrose Drive Water Main Replacement (\$1,684), Hospital Site Water Mains (\$1,593), and Water Main Replacement (Downtown) (\$2,578).

- **Sewer Utility**

Primrose Drive Sanitary Sewer Replacement (\$1,680), Sanitary Sewer Lift Station Upgrades (\$1,147), and Sewer Main Replacement (Downtown) (\$1,600).

- **Solid Waste Utility**

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

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Ranchlands and Ranchlands 3C (\$8,535), Southlands and Southlands 6C (\$5,255), Burnside Heights (\$2,000), and Saamis Heights 7 (\$9,994).

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

(C) CAPITAL IMPROVEMENT PLAN

In December 2011, City Council approved the 2012 – 2014 Capital Improvement Plans for the Gas Utility, the Electric Utility and the Environmental Utilities. Subsequently, City Council approved the 2012 – 2014 General Government and Land and Properties Capital Improvement Plans in February, 2012.

The total for all projects is as follows:

2012	\$ 232,978
2013	113,860
2014	101,491
2015-2021 Projection	777,128
TOTAL	\$ 1,225,457

Financing sources identified:

	2012	2013	2014
Government Grants	\$ 33,612	\$ 14,604	\$ 7,552
Current Revenues	24,188	19,586	28,084
Debentures			
Tax Supported	3,892	3,689	3,165
Utilities	32,898	20,425	19,150
Reserves	121,086	49,991	35,405
Direct Charges and Other	17,302	5,565	8,135
TOTAL	\$ 232,978	\$ 113,860	\$ 101,491

NOTE 23: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2012. If proven, it is possible that these claims may have a materially adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

NOTE 24: FINANCIAL INSTRUMENTS

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

NOTE 25: COMPARATIVE FIGURES

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

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

NOTE 26: SEGMENT DISCLOSURES

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

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

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - Legislative is comprised of City Clerk, Mayoral and Aldermanic services.
 - General Government is comprised of corporate administration, Legal, Business Support, Corporate Communications and Human Resources.
 - Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services, Treasury & Risk Management, Purchasing and Stores, and Fleet Services) and general municipal services.
 - Development & Infrastructure is comprised of Planning, Building and Development and Municipal Works (municipal operations and airport).
 - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit, and 9-1-1 Communications), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history) and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
 - Police Service comprised of all police services and bylaw.
- b) Gas Utility produces, sells to market, and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Energy Sustainability provides corporate and community focus on energy conservation and renewable energy education, incentives and leadership through a variety of initiatives.
- e) Water Utility treats and distributes potable water to City of Medicine Hat water customers. The Water department ensures all treated water meets the rigid safety, quality, monitoring, recording and reporting parameters of Federal, Provincial, water industry and local standards. The Water Utility is operated on a self-sustaining basis.
- f) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated waste water meets the rigid safety, environmental, monitoring, recording and reporting parameters of Federal, Provincial, waste water industry and local standards. The Sewer Utility is operated on a self-sustaining basis.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

- g) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.
- h) Land and Properties is comprised of land development and municipal use property activities. Land development includes the City's role as a land developer in the areas of acquisition, development and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land Enterprise is operated on a self-sustaining basis.

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

A) REVENUES:

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

B) EXPENSES:

- **Salaries wages 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.

NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

(In thousands of dollars)

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

NOTE 27: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules

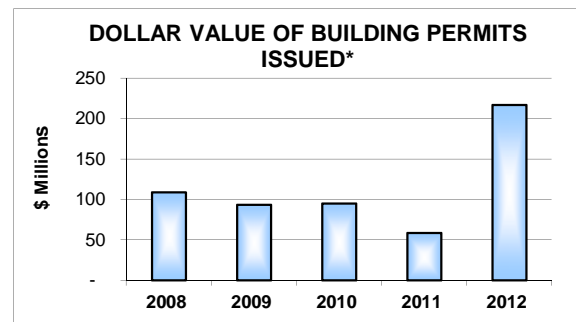
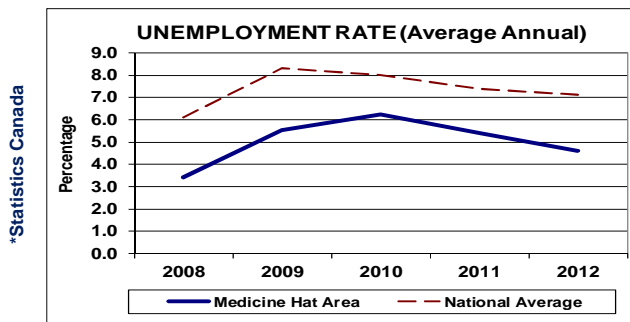
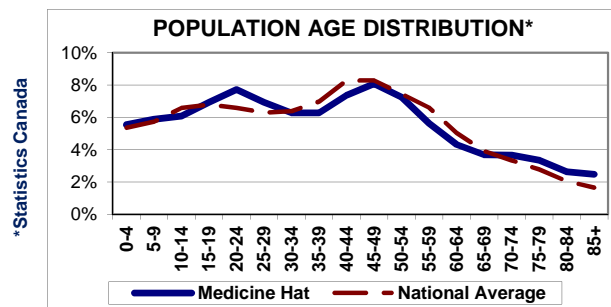
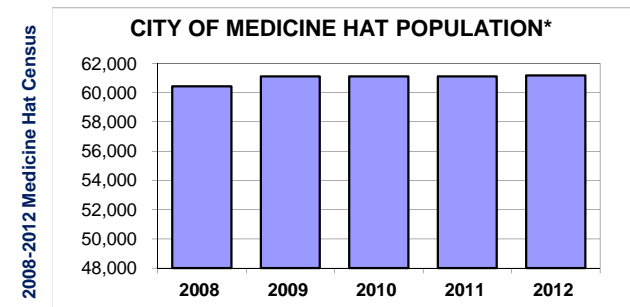
(unaudited)



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

DEMOGRAPHICS & OTHER INFORMATION



OTHER	2008	2009	2010	2011	2012
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	391	394	393	392	392
Km of water mains	428	430	424	424	424.5
Km of storm drainage mains	235	236	238	237	238

Principal Corporate Tax Payers in Medicine Hat

Sleeping Bay Building Corp (Mall & Dunmore Rd Properties)	Southview Centre Medicine Hat (Southview Mall)
Chinook Village	Meadowlands Development Corporation
Alberta Mortgage & Housing Corporation	Canadian Property Holdings (Alberta) Inc. (strip mall)
Mayfield Investments Ltd.	Fortis Properties Corporation
Royop (Southlands) Development Ltd.	Loblaws Properties West Inc. (Superstore)
Wal-Mart Canada Corporation	Telus Communications company (for Telus Mobility)

Principal Employers in Medicine Hat

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

City of Medicine Hat Employees	2008	2009	2010	2011	2012
Legislative	5.3	5.5	5.5	5.5	7.0
General Government	39.6	41.8	40.0	40.0	40.0
Corporate Services	136.9	138.5	139.5	139.5	140.0
Public Services	328.5	336.0	343.1	342.6	350.4
Police Service	144.0	151.5	153.5	156.5	165.0
Development & Infrastructure	91.1	93.1	94.1	96.1	96.3
Total General Fund	745.4	766.4	775.7	780.2	798.7
Gas Utility	146.0	148.0	151.0	153.0	151.0
Electric Utility (& Energy Sustainability)	106.6	110.8	110.8	109.8	117.7
Water Utility	35.1	37.3	38.3	39.3	40.8
Sewer Utility	36.0	39.0	38.2	39.2	39.7
Solid Waste Utility	33.8	34.4	34.4	34.4	34.4
Land & Properties	5.0	5.0	5.0	5.0	5.0
Total Full Time Equivalent Employees:	1,107.9	1,140.9	1,153.4	1,160.9	1,187.3

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2008 - 2012

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2012	2011	2010	2009	2008 (Restated)
Financial assets					
Cash and temporary investments	\$ 43,612	\$ 63,060	\$ 62,586	\$ 38,447	\$ 26,582
Accounts receivable (net of allowances)	49,520	42,665	41,933	45,659	48,085
Advances to subsidiary	11,204	11,520	13,419	14,911	15,945
Investment in subsidiary	4,078	884	-	-	-
Investments, loans & advances	446,651	436,335	381,630	343,547	309,604
Land held for resale	8,028	8,877	8,816	10,027	14,225
Inventories for resale	89	113	175	160	4,646
Deposits	586	255	348	8,445	3,461
Total financial assets	\$ 563,768	\$ 563,709	\$ 508,907	\$ 461,196	\$ 422,548
Liabilities					
Trade accounts payable	\$ 26,111	\$ 29,749	\$ 21,344	\$ 24,042	\$ 19,888
Accrued liabilities	19,373	18,337	19,010	20,344	21,898
Liability in subsidiary	-	-	2,114	4,113	4,853
Deferred revenues	47,409	54,044	55,655	37,694	34,786
Long-term debt	206,254	208,636	215,033	216,189	194,713
Other long-term liabilities	170,280	150,509	125,236	121,617	91,348
Total liabilities	469,427	461,275	438,392	423,999	369,674
Net financial assets	94,341	102,434	70,515	37,197	52,874
Non-financial assets					
Inventories	11,773	12,141	15,023	16,558	17,069
Prepaid assets	1,958	1,942	1,906	1,614	1,388
Land held for future development	13,052	13,139	13,108	11,866	7,837
Long lived asset	70,671	66,157	52,563	60,085	36,804
Tangible capital assets	1,132,260	1,097,687	1,087,097	1,101,874	1,073,369
	1,229,714	1,191,066	1,169,697	1,191,997	1,136,467
	\$ 1,324,055	\$ 1,293,500	\$ 1,240,212	\$ 1,229,194	\$ 1,189,341

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2008 - 2012

(In thousands of dollars)

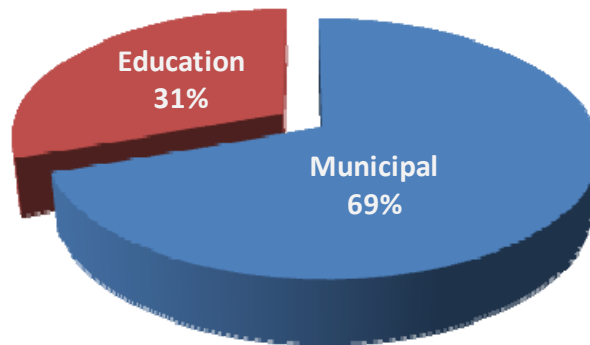
STATEMENT OF OPERATIONS

	2012	2011	2010	2009	2008 (Restated)
REVENUE FROM:					
Taxes	\$ 72,067	\$ 68,005	\$ 67,631	\$ 63,924	\$ 61,267
Less - Requisitions	(24,267)	(22,915)	(23,203)	(22,155)	(22,414)
	47,800	45,090	44,428	41,769	38,853
Sale of services					
General Government	9,733	9,315	9,237	8,240	7,932
Gas	92,122	98,711	100,858	104,662	171,152
Electric	105,744	117,362	76,109	69,993	77,978
Water	15,756	15,084	12,549	13,205	11,587
Sewer	12,717	11,819	10,750	10,080	9,964
Solid Waste	7,816	7,854	7,589	7,557	6,760
Land and Properties	7,783	4,171	9,566	11,480	18,286
Other income					
Investment income	14,485	15,466	14,792	13,365	11,426
Investment in subsidiary	3,194	2,998	1,999	740	1,352
Licenses, fines and penalties	7,327	5,877	6,126	5,905	6,842
Insurance recovery	466	134	755	189	248
Development levies	1,693	1,943	1,430	1,966	3,194
Charitable gifts	1,000	2,000	2,500	2,000	4,000
Government transfers for operating	7,757	9,094	6,075	4,795	4,362
Other	22,501	20,901	14,171	11,680	20,566
Total revenue	\$ 357,894	\$ 367,819	\$ 318,934	\$ 307,626	\$ 394,502
EXPENSES:					
General Government	\$ 130,034	\$ 127,567	\$ 118,618	\$ 107,079	\$ 98,893
Gas	136,499	121,181	122,340	122,940	147,933
Electric	59,417	60,961	53,682	41,289	36,224
Energy Sustainability	947	1,254	1,967	921	659
Water	10,278	10,097	9,413	8,410	8,941
Sewer	10,586	9,640	8,914	8,257	8,538
Solid Waste	6,275	4,394	4,931	3,993	5,190
Land and Properties	3,159	621	2,151	2,254	5,945
Total expenses	\$ 357,195	\$ 335,715	\$ 322,016	\$ 295,143	\$ 312,323
Excess (shortfall) of revenue over expenses					
- before other	\$ 699	\$ 32,104	\$ (3,082)	\$ 12,483	\$ 82,179
Other					
Contributed assets	188	915	1,585	6,019	9,869
Government Transfers for Capital	29,668	20,269	12,515	21,351	22,592
Total other	29,856	21,184	14,100	27,370	32,461
Excess (shortfall) of revenue over expenses	\$ 30,555	\$ 53,288	\$ 11,018	\$ 39,853	\$ 114,640

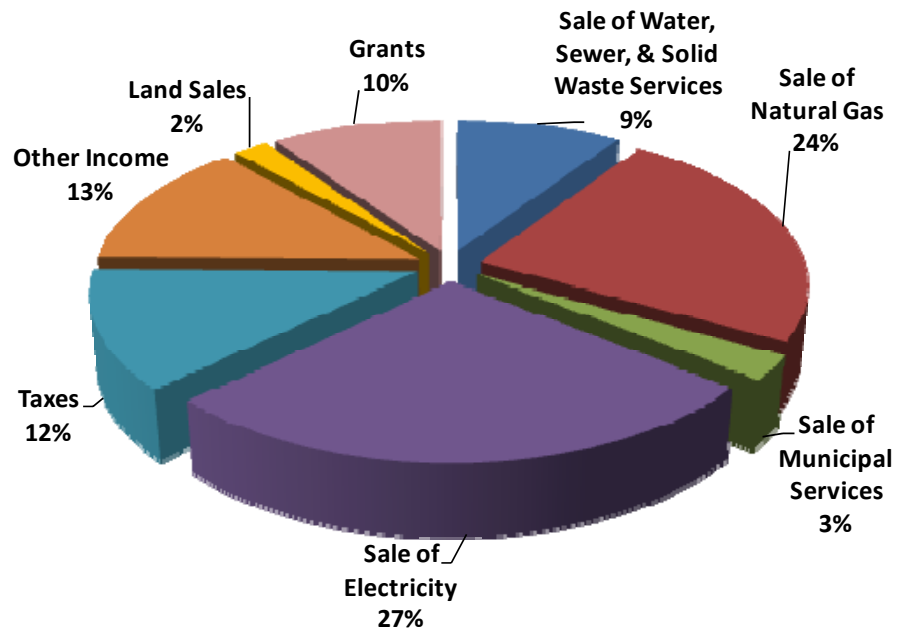
FINANCIAL SYNOPSIS 2012

Operating Activities

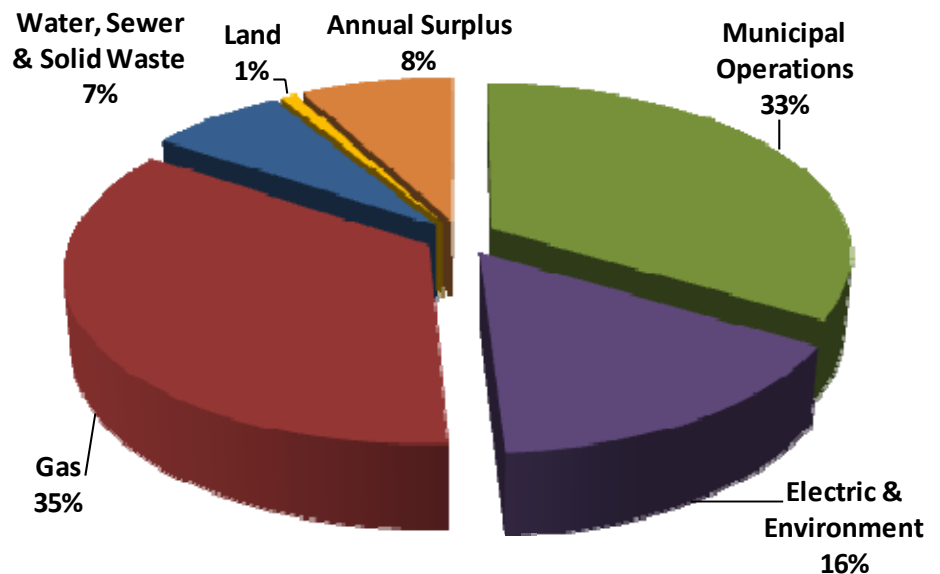
Where our Tax Dollars Went in 2012
Education / Municipal
Property Tax



Where the Money Comes From
\$388 Million



Where the Money Goes
\$388 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

TAXATION & ASSESSMENT

MILL RATES

	2012	2011	2010	2009	2008
MUNICIPAL					
Single family	5.2292	4.9859	4.9342	4.4322	4.3942
Apartments	6.3365	6.0426	5.9799	5.3421	5.5132
Farmland	23.0108	22.0029	21.8495	18.5674	17.5278
Commercial and industrial	14.3528	13.7647	13.6288	12.9789	13.8957
EDUCATION					
Single family	2.7165	2.5837	2.5854	2.4167	2.6073
Apartments	2.7165	2.5837	2.5854	2.4167	2.6073
Farmland	2.7165	2.5837	2.5854	2.4167	2.6073
Commercial and industrial	3.7519	3.6139	3.4559	3.4214	4.3781
OTHER					
Single family	0.1027	0.1136	0.2105	0.1090	0.0678
Apartments	0.1027	0.1136	0.2105	0.1090	0.0678
Farmland	0.1027	0.1136	0.2105	0.1090	0.0678
Commercial and industrial	0.1027	0.1136	0.2105	0.1090	0.0678

PROPERTY TAXES LEVIED (In Thousands of Dollars)

PROPERTY TAX LEVY	2012	2011	2010	2009	2008
Municipal	\$ 44,968	\$ 42,400	\$ 41,749	\$ 39,407	\$ 36,657
Education	21,313	20,030	19,771	19,550	20,274
Other	2,833	2,775	3,322	2,495	2,040
TOTAL REAL PROPERTY	69,114	65,205	64,842	61,452	58,971
Business taxes (BRZ)	121	110	110	110	100
TOTAL TAXES LEVIED	\$ 69,235	\$ 65,315	\$ 64,952	\$ 61,562	\$ 59,071
Current taxes collected	67,929	63,839	63,490	60,266	58,229
% of current taxes collected	96.76%	96.40%	96.42%	96.76%	97.66%
OTHER MAJOR TAXES LEVIED	2012	2011	2010	2009	2008
Linear property taxes	\$ 966	\$ 909	\$ 894	\$ 722	\$ 553
Special assessments and local improvements	480	469	480	381	348
Government grants in lieu of property taxes	1,386	1,312	1,305	1,259	1,295
TOTAL MAJOR TAX LEVIED	\$ 2,832	\$ 2,690	\$ 2,679	\$ 2,362	\$ 2,196

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2012	2011	2010	2009	2008
Residential	\$ 5,756,285,834	\$ 5,691,105,516	\$ 5,614,924,146	\$ 5,970,035,800	\$ 5,627,759,697
Multi-family	238,931,193	248,615,445	255,552,523	274,249,115	244,983,746
Farmland	4,547,194	5,838,504	2,263,484	2,276,144	2,237,134
Commercial and industrial	1,509,509,856	1,480,003,582	1,738,050,296	1,463,126,680	1,255,738,907
TOTAL TAXABLE ASSESSMENT	\$ 7,509,274,077	\$ 7,425,563,047	\$ 7,610,790,449	\$ 7,709,687,739	\$ 7,130,719,484

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

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2012	2011	2010	2009	2008
General	\$ 9,156	\$ 9,156	\$ 9,200	\$ 8,766	\$ 7,964
Energy Sustainability	21	-	32	(10)	10
Gas	8,396	7,945	8,309	7,250	6,844
Electric	5,960	5,658	6,543	6,682	6,934
Water	1,722	(19)	(1,901)	1,301	1,137
Sewer	3,505	3,701	3,662	2,096	1,573
Solid Waste	5,029	4,531	2,981	587	(328)
Land & Properties	11,581	9,078	10,438	12,307	13,289
TOTAL UNRESTRICTED SURPLUS	45,370	40,050	39,264	38,979	37,423
RESTRICTED SURPLUS - RESERVES					
Employee development	873	789	761	837	861
Victim assistance	22	19	18	18	17
Second street properties	84	84	84	84	84
Fleet replacement	4,485	2,471	4,011	6,097	6,479
Art acquisitions	65	82	94	76	66
Infrastructure	27,402	23,090	25,737	21,900	18,485
Employee benefits	8,512	11,111	10,805	9,700	7,092
Community capital	44,371	44,527	47,618	27,668	9,819
Event Centre	35,922	20,326	-	-	-
Natures Best Reserve	3,479	3,783	4,323	5,619	4,875
Electric facilities and equipment	81,191	63,792	23,166	17,464	10,617
Gas depletion	114,198	173,868	191,974	189,249	199,294
Equity in subsidiary company	4,072	878	(2,120)	(4,119)	(4,859)
SUB-TOTAL RESERVES	324,676	344,820	306,471	274,593	252,830
Internal loans contra	-	-	(325)	(664)	(1,386)
TOTAL RESTRICTED SURPLUS - RESERVES	324,676	344,820	306,146	273,929	251,444
TOTAL RESERVES & SURPLUS	\$ 370,046	\$ 384,870	\$ 345,410	\$ 312,908	\$ 288,867

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

LONG TERM DEBT

	2012	2011	2010	2009	2008
LONG TERM DEBT					
Debt supported by taxes	\$ 22,464	\$ 24,907	\$ 27,363	\$ 29,439	\$ 31,133
Debt supported by utilities	183,790	183,729	187,670	186,750	163,580
TOTAL DEBT	\$ 206,254	\$ 208,636	\$ 215,033	\$ 216,189	\$ 194,713
DEBT PER CAPITA (not in thousands of dollars)					
Tax supported	\$ 367	\$ 408	\$ 448	\$ 482	\$ 515
Utility supported	3,004	3,007	3,072	3,057	2,707
TOTAL DEBT PER CAPITA	\$ 3,371	\$ 3,415	\$ 3,520	\$ 3,539	\$ 3,222

2012 population 61,180 municipal census

2011 population 61,097 municipal census

2010 population 61,097 municipal census

2009 population 61,097 municipal census

2008 population 60,429 municipal census

2006-2007 population 56,997 Statistics Canada census

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

	2012	2011	2010	2009	2008 (restated)
Debt charges	\$ 29,626	\$ 28,996	\$ 28,897	\$ 27,997	\$ 28,937
Total operating expenses	357,195	335,715	322,016	295,143	312,323
PERCENTAGE	8.29%	8.64%	8.97%	9.49%	9.27%

LEGAL DEBT LIMIT

	2012	2011	2010	2009	2008
Total debt limit	\$ 744,461	\$ 759,654	\$ 657,898	\$ 582,031	\$ 809,430
Actual debt and loan guarantees	208,730	211,235	217,383	218,539	196,863
AMOUNT UNDER LIMIT	\$ 535,731	\$ 548,419	\$ 440,515	\$ 363,492	\$ 612,567
Percentage used	28.04%	27.81%	33.04%	37.55%	24.32%

DEBT SERVICING LIMIT

	2012	2011	2010	2009	2008
Debt servicing limit	\$ 130,281	\$ 132,939	\$ 115,132	\$ 101,855	\$ 141,650
Actual debt servicing	29,626	28,996	28,897	27,997	28,937
AMOUNT UNDER LIMIT	\$ 100,655	\$ 103,943	\$ 86,235	\$ 73,858	\$ 112,713
Percentage used	22.74%	21.81%	25.10%	27.49%	20.43%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2012	2012	2011	2010	2009	2008
	Budget	Actual				(restated)
Salaries, wages and benefits	\$ 118,585	\$ 117,304	\$ 111,324	\$ 105,897	\$ 95,948	\$ 86,800
Contracted and general services	50,192	46,803	44,265	40,821	34,250	40,972
Materials, goods and utilities	58,595	47,594	42,987	38,161	38,887	31,711
Provisions for allowances	371	437	367	391	311	8,567
Bank charges and short-term interest	122	157	189	122	186	177
Interest on long-term debt	10,678	10,231	10,871	11,255	10,887	11,106
Other operating expenses	39,521	44,796	40,861	31,595	25,979	41,889
Grants and other transfers	954	1,281	1,165	1,067	799	793
Amortization of tangible capital assets	83,169	87,693	81,301	91,311	87,454	89,695
Loss on disposal of tangible capital assets	-	899	2,385	1,396	442	613
TOTAL EXPENSES	\$ 362,187	\$ 357,195	\$ 335,715	\$ 322,016	\$ 295,143	\$ 312,323

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL FUND

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Legislative	\$ 784	\$ 756	\$ 620	\$ 686	\$ 571	\$ 518
General Government	2,979	3,066	3,128	3,084	2,688	2,152
Corporate Services	103,898	120,144	117,530	117,356	114,325	99,940
Development & Infrastructure	19,630	10,729	8,976	8,711	5,937	6,376
Public Services	12,504	14,678	16,626	14,168	12,252	11,762
Police Services	7,663	8,125	8,037	7,606	6,865	7,469
TOTAL REVENUE	147,458	157,498	154,917	151,611	142,638	128,217
EXPENSES						
Legislative	1,769	1,637	1,460	1,679	1,457	1,492
General Government	7,540	7,750	7,424	7,714	6,737	5,361
Corporate Services	31,887	30,911	30,422	28,323	27,290	28,293
Development & Infrastructure	30,793	32,828	32,475	28,403	25,429	24,140
Public Services	49,731	51,708	53,128	49,426	45,960	44,106
Police Services	22,771	22,972	22,181	21,430	19,866	18,191
TOTAL EXPENSES	144,491	147,806	147,090	136,975	126,739	121,583
Excess (shortfall) of revenue over expenses	\$ 2,967	\$ 9,692	\$ 7,827	\$ 14,636	\$ 15,899	\$ 6,634

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Aldermen, Mailroom & City Clerk

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
City Clerk	\$ 605	\$ 586	\$ 499	\$ 576	\$ 466	\$ 423
Mailroom	179	170	121	110	105	95
TOTAL REVENUE	784	756	620	686	571	518
EXPENSES						
Mayor	247	243	135	143	130	131
Aldermen	401	322	313	306	341	365
City Clerk	643	633	661	890	524	466
Mailroom	296	307	268	340	320	298
Boards and Committees	182	132	83	-	142	232
TOTAL EXPENSES	1,769	1,637	1,460	1,679	1,457	1,492
Excess (shortfall) of revenue over expenses	\$ (985)	\$ (881)	\$ (840)	\$ (993)	\$ (886)	\$ (974)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR, ALDERMAN, MAILROOM & CITY CLERK

Legislative

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other Income						
Internal recovery	\$ 758	\$ 751	\$ 619	\$ 597	\$ 571	\$ 514
Other revenue	1	5	1	2	-	4
Government transfers						
Grants - federal and provincial	25	-	-	87	-	-
TOTAL REVENUE	784	756	620	686	571	518
EXPENSES						
Salaries, wages and benefits	1,129	1,072	1,013	1,097	980	877
Other personnel costs	118	62	76	61	84	98
Contracted and general services	397	392	256	395	282	450
Materials and supplies	50	44	52	59	49	32
Interest on long-term debt - infrastructure	3	2	2	4	1	1
Amortization	19	12	19	19	22	-
Internal charges	53	53	42	44	39	34
TOTAL EXPENSES	1,769	1,637	1,460	1,679	1,457	1,492
Excess (shortfall) of revenue over expenses	\$ (985)	\$ (881)	\$ (840)	\$ (993)	\$ (886)	\$ (974)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

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

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
CAO, Commissioners & City Solicitor	\$ 1,000	\$ 1,035	\$ 1,009	\$ 1,014	\$ 906	\$ 733
Business Support	1	-	107	11	1	-
Corporate Communications	308	330	327	366	303	171
Human Resources	1,670	1,701	1,685	1,693	1,478	1,248
TOTAL REVENUE	2,979	3,066	3,128	3,084	2,688	2,152
EXPENSES						
CAO, Commissioners & City Solicitor	2,487	2,599	2,479	2,684	2,287	1,498
Business Support	1,038	1,286	997	959	846	907
Corporate Communications	527	416	530	551	415	392
Human Resources	3,488	3,449	3,418	3,520	3,189	2,564
TOTAL EXPENSES	7,540	7,750	7,424	7,714	6,737	5,361
Excess (shortfall) of revenue over expenses	\$ (4,561)	\$ (4,684)	\$ (4,296)	\$ (4,630)	\$ (4,049)	\$ (3,209)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Internal recovery	\$ 997	\$ 1,015	\$ 1,006	\$ 984	\$ 905	\$ 725
Other revenue	3	20	3	2	1	8
Government transfers						
Grants - federal and provincial		-	-	28	-	-
TOTAL REVENUE	1,000	1,035	1,009	1,014	906	733
EXPENSES						
Salaries, wages and benefits	2,052	2,159	2,085	2,156	1,825	1,638
Other personnel costs	64	45	51	58	36	59
Contracted and general services	169	202	138	174	247	141
Materials and Supplies	48	39	46	35	37	74
Gain \ loss on sale of assets	-	-	-	-	-	(546)
Internal charges	154	154	159	261	142	132
TOTAL EXPENSES	2,487	2,599	2,479	2,684	2,287	1,498
Excess (shortfall) of revenue over expenses	\$ (1,487)	\$ (1,564)	\$ (1,470)	\$ (1,670)	\$ (1,381)	\$ (765)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

BUSINESS SUPPORT

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Other revenue	\$ 1	\$ -	\$ 107	\$ 11	\$ 1	\$ -
TOTAL REVENUE	1	-	107	11	1	-
EXPENSES						
Salaries, wages and benefits	113	126	114	115	112	104
Other personnel costs	5	1	1	3	4	9
Contracted and general services	790	1,063	782	734	641	732
Materials and supplies	5	11	3	5	14	6
Other Transfers	21	13	-	-	-	-
Interest on long-term debt - infrastructure	-	-	2	1	-	-
Amortization	18	18	18	16	14	-
Internal charges	86	54	77	85	61	56
TOTAL EXPENSES	1,038	1,286	997	959	846	907
Excess (shortfall) of revenue over expenses	\$ (1,037)	\$ (1,286)	\$ (890)	\$ (948)	\$ (845)	\$ (907)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Internal recovery	\$ 307	\$ 330	\$ 324	\$ 316	\$ 303	\$ 171
Other revenue	1	-	-	-	-	-
Government transfers						
Grants - federal and provincial	-	-	3	50	-	-
TOTAL REVENUE	308	330	327	366	303	171
EXPENSES						
Salaries, wages and benefits	424	340	437	344	295	256
Other personnel costs	9	4	8	12	4	11
Contracted and general services	66	44	54	138	92	110
Materials and supplies	9	5	16	27	13	8
Internal charges	19	23	15	30	11	7
TOTAL EXPENSES	527	416	530	551	415	392
Excess (shortfall) of revenue over expenses	\$ (219)	\$ (86)	\$ (203)	\$ (185)	\$ (112)	\$ (221)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Internal recovery	\$ 1,649	\$ 1,683	\$ 1,591	\$ 1,593	\$ 1,453	\$ 1,216
Other revenue	21	16	21	17	22	28
Government transfers						
Grants - federal and provincial	-	2	73	83	3	4
TOTAL REVENUE	1,670	1,701	1,685	1,693	1,478	1,248
EXPENSES						
Salaries, wages and benefits	2,281	2,519	2,432	2,442	2,228	1,892
Other personnel costs	54	37	44	42	35	32
Contracted and general services	604	348	414	456	336	293
Materials and supplies	95	89	78	114	75	127
Interest on long-term debt - infrastructure	26	26	37	47	51	33
Amortization	158	159	158	158	113	-
Internal charges	270	271	255	261	351	187
TOTAL EXPENSES	3,488	3,449	3,418	3,520	3,189	2,564
Excess (shortfall) of revenue over expenses	\$ (1,818)	\$ (1,748)	\$ (1,733)	\$ (1,827)	\$ (1,711)	\$ (1,316)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance; ICS; Corporate Asset Management; General Municipal Revenues

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Finance	\$ 5,304	\$ 5,287	\$ 4,990	\$ 5,010	\$ 4,877	\$ 4,392
Information & Computer Services	2,742	2,691	2,398	2,489	2,427	2,223
Corporate Asset Management	12,511	12,565	11,988	11,385	10,833	10,595
General Municipal Revenues	83,341	99,601	98,154	98,472	96,188	82,730
TOTAL REVENUE	103,898	120,144	117,530	117,356	114,325	99,940
EXPENSES						
Finance	8,487	8,320	7,997	7,678	7,443	6,726
Information & Computer Services	2,782	2,763	3,105	3,053	2,770	2,574
Corporate Asset Management	19,491	17,349	18,424	16,949	14,999	15,228
General Municipal Revenues	1,127	2,479	896	643	2,078	3,765
TOTAL EXPENSES	31,887	30,911	30,422	28,323	27,290	28,293
Excess (shortfall) of revenue over expenses	\$ 72,011	\$ 89,233	\$ 87,108	\$ 89,033	\$ 87,035	\$ 71,647

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Internal recovery	\$ 4,741	\$ 4,644	\$ 4,343	\$ 4,367	\$ 4,228	\$ 3,763
Insurance recovery	-	-	-	1	-	-
Other revenue	563	643	646	630	609	591
Government transfers						
Grants - federal and provincial	-	-	1	12	40	38
TOTAL REVENUE	5,304	5,287	4,990	5,010	4,877	4,392
EXPENSES						
Salaries, wages and benefits	6,234	6,019	5,770	5,638	5,373	4,722
Other personnel costs	120	85	93	119	91	92
Contracted and general services	586	696	521	466	462	540
Materials and supplies	212	189	190	185	219	205
Provision for allowances	25	25	25	25	-	-
Bank charges	59	55	69	12	-	-
Interest on long-term debt - infrastructure	36	37	44	53	156	156
Other operating expenses	26	24	30	21	-	-
Amortization	208	202	200	189	232	209
Gain \ loss on sale of assets	-	-	18	-	-	-
Internal charges	981	988	1,037	970	910	802
TOTAL EXPENSES	8,487	8,320	7,997	7,678	7,443	6,726
Excess (shortfall) of revenue over expenses	\$ (3,183)	\$ (3,033)	\$ (3,007)	\$ (2,668)	\$ (2,566)	\$ (2,334)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Internal recovery	\$ 2,735	\$ 2,689	\$ 2,393	\$ 2,482	\$ 2,424	\$ 2,208
Other revenue	7	2	5	6	3	15
Government transfers						
Grants - federal and provincial	-	-	-	1	-	-
TOTAL REVENUE	2,742	2,691	2,398	2,489	2,427	2,223
EXPENSES						
Salaries, wages and benefits	1,947	1,993	2,198	2,157	2,081	1,904
Other personnel costs	73	58	63	33	40	47
Contracted and general services	444	452	515	538	394	381
Materials and supplies	59	53	70	75	79	71
Interest on long-term debt - infrastructure	10	12	13	11	3	7
Other operating expenses	-	-	-	-	-	-
Amortization	159	110	128	135	103	98
Gain \ loss on sale of assets	-	-	35	-	-	-
Internal charges	90	85	83	104	70	66
TOTAL EXPENSES	2,782	2,763	3,105	3,053	2,770	2,574
Excess (shortfall) of revenue over expenses	\$ (40)	\$ (72)	\$ (707)	\$ (564)	\$ (343)	\$ (351)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 103	\$ 225	\$ 213	\$ 189	\$ 101	\$ 39
Other income						
Internal recovery	12,220	12,138	11,490	10,969	10,498	10,342
Insurance recovery	79	98	83	113	-	101
Other revenue	109	89	96	109	231	113
Government transfers						
Grants - federal and provincial	-	15	106	5	3	-
TOTAL REVENUE	12,511	12,565	11,988	11,385	10,833	10,595
EXPENSES						
Salaries, wages and benefits	4,186	4,277	4,076	3,833	3,343	3,151
Other personnel costs	90	60	72	75	49	38
Contracted and general services	3,477	3,632	4,024	3,680	2,939	3,465
Materials and supplies	691	596	652	565	431	440
Interest on long-term debt - infrastructure	257	474	525	558	604	226
Other operating expenses	-	83	48	270	-	44
Amortization	9,340	7,189	7,075	6,815	6,414	5,985
Gain \ loss on sale of assets	-	(205)	497	(50)	44	594
Internal charges	1,450	1,243	1,455	1,203	1,175	1,285
TOTAL EXPENSES	19,491	17,349	18,424	16,949	14,999	15,228
Excess (shortfall) of revenue over expenses	\$ (6,980)	\$ (4,784)	\$ (6,436)	\$ (5,564)	\$ (4,166)	\$ (4,633)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Net taxes	\$ 51,318	\$ 51,415	\$ 48,541	\$ 47,527	\$ 45,179	\$ 42,530
Other income						
Investment income	4,410	5,346	5,416	4,301	3,147	3,035
Licences, fines and penalties	257	232	249	540	-	-
Internal recovery	-	80	74	63	75	37
Other revenue	599	1,861	2,308	1,766	1,777	1,715
Charitable gifts	-	1,000	2,000	2,500	2,000	4,000
Contributions from utilities	26,757	39,667	39,566	41,775	43,135	30,538
Government transfers						
Grants - federal and provincial	-	-	-	-	875	875
TOTAL REVENUE	83,341	99,601	98,154	98,472	96,188	82,730
EXPENSES						
Salaries, wages and benefits	675	2,021	233	236	266	164
Contracted and general services	304	264	249	310	324	269
Materials and supplies	6	87	122	63	75	39
Grants and other transfers	-	-	-	25	-	-
Other expenses	142	92	222	-	1,413	1,501
Internal charges	-	15	70	9	-	1,792
TOTAL EXPENSES	1,127	2,479	896	643	2,078	3,765
Excess (shortfall) of revenue over expenses	\$ 82,214	\$ 97,122	\$ 97,258	\$ 97,829	\$ 94,110	\$ 78,965

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Planning, Building & Development	\$ 2,644	\$ 3,034	\$ 2,337	\$ 2,753	\$ 2,289	\$ 2,769
Municipal Works	16,986	7,695	6,639	5,958	3,648	3,607
TOTAL REVENUE	19,630	10,729	8,976	8,711	5,937	6,376
EXPENSES						
Planning, Building & Development	4,822	4,803	5,651	4,657	4,406	3,913
Municipal Works	25,971	28,025	26,824	23,746	21,023	20,227
TOTAL EXPENSES	30,793	32,828	32,475	28,403	25,429	24,140
Excess (shortfall) of revenue over expenses	\$ (11,163)	\$ (22,099)	\$ (23,499)	\$ (19,692)	\$ (19,492)	\$ (17,764)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Licences, fines and penalties	\$ 2,121	\$ 2,457	\$ 1,184	\$ 1,444	\$ 1,706	\$ 2,276
Internal recovery	147	149	242	315	351	168
Insurance recovery	-	1	1	2	-	-
Other revenue	357	351	227	758	229	325
Government transfers						
Grants - federal and provincial	19	41	683	228	3	-
Flood assistance	-	35	-	6	-	-
TOTAL REVENUE	2,644	3,034	2,337	2,753	2,289	2,769
EXPENSES						
Salaries, wages and benefits	3,920	3,769	3,877	3,721	3,553	3,178
Other personnel costs	110	56	58	71	79	87
Contracted and general services	210	443	1,176	381	324	163
Materials and supplies	136	102	96	63	73	129
Other expenses	-	-	-	-	-	11
Interest on long-term debt - ACFA	-	-	-	-	-	2
Interest on long-term debt - infrastructure	2	-	16	16	-	6
Amortization	79	65	74	70	70	74
Gain \ Loss on Sale of Assets	-	-	20	-	-	-
Internal charges	365	368	334	335	307	263
TOTAL EXPENSES	4,822	4,803	5,651	4,657	4,406	3,913
Excess (shortfall) of revenue over expenses	\$ (2,178)	\$ (1,769)	\$ (3,314)	\$ (1,904)	\$ (2,117)	\$ (1,144)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 477	\$ 480	\$ 486	\$ 413	\$ 448	\$ 347
Taxes	129	135	135	135	-	-
Other income						
Internal recovery	3,655	3,829	3,512	3,007	2,606	2,092
Insurance recovery	-	53	-	251	-	-
Developer levies	-	100	344	629	-	-
Other revenue	11,857	566	325	425	36	94
Government transfers						
Grants - federal and provincial	868	367	754	734	558	1,074
Flood assistance	-	2,165	1,083	364	-	-
TOTAL REVENUE	16,986	7,695	6,639	5,958	3,648	3,607
EXPENSES						
Salaries, wages and benefits	4,565	4,320	4,312	3,977	3,676	3,529
Other personnel costs	53	56	40	36	30	24
Contracted and general services	3,742	5,212	4,304	3,051	1,909	1,112
Materials and supplies	1,851	2,368	1,947	1,936	2,026	2,195
Interest on long-term debt - ACFA	705	696	751	822	843	645
Interest on long-term debt - infrastructure	-	-	131	113	57	82
Interest on long-term debt - internal	-	-	8	10	13	37
Other operating expenses	-	67	50	34	-	-
Amortization	10,029	9,990	9,614	9,335	8,631	7,401
Gain \ loss on sale of assets	-	743	557	125	(72)	1,281
Internal charges	5,026	4,573	5,110	4,307	3,910	3,921
TOTAL EXPENSES	25,971	28,025	26,824	23,746	21,023	20,227
Excess (shortfall) of revenue over expenses	\$ (8,985)	\$ (20,330)	\$ (20,185)	\$ (17,788)	\$ (17,375)	\$ (16,620)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

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

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Community Development	\$ 3,939	\$ 4,048	\$ 4,426	\$ 3,907	\$ 3,795	\$ 3,775
Parks & Recreation	6,112	7,230	9,182	7,772	6,025	5,467
Fire Services	392	465	391	463	373	407
Cultural Development	2,061	2,935	2,627	2,026	2,059	2,113
TOTAL REVENUE	12,504	14,678	16,626	14,168	12,252	11,762
EXPENSES						
Community Development	12,773	12,352	13,238	12,238	11,600	10,757
Parks & Recreation	18,782	20,475	20,759	19,653	17,551	17,574
Fire Services	12,332	12,164	12,332	11,839	11,122	10,336
Public Organizations	583	570	279	270	258	235
Cultural Development	5,261	6,147	6,520	5,426	5,429	5,204
TOTAL EXPENSES	49,731	51,708	53,128	49,426	45,960	44,106
Excess (shortfall) of revenue over expenses	\$ (37,227)	\$ (37,030)	\$ (36,502)	\$ (35,258)	\$ (33,708)	\$ (32,344)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT - Restated

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 2,198	\$ 2,238	\$ 2,100	\$ 2,026	\$ 1,808	\$ 1,846
Other income						
Internal recovery	111	109	105	116	99	85
Insurance recovery	-	23	25	15	-	-
Developer levies	-	-	-	57	-	-
Other revenue	94	116	171	106	131	255
Government transfers						
Grants - Federal and Provincial	1,536	1,562	1,995	1,552	1,757	1,589
Flood Assistance	-	-	30	35	-	-
TOTAL REVENUE	3,939	4,048	4,426	3,907	3,795	3,775
EXPENSES						
Salaries, wages and benefits	7,549	7,442	7,342	7,366	6,713	6,160
Other personnel costs	102	76	77	90	111	89
Contracted and general services	849	863	1,516	583	702	661
Materials and supplies	2,047	1,787	1,749	1,621	1,707	1,653
Other expenses	9	20	22	14	31	16
Bank charges	1	3	2	1	1	1
Interest on long-term debt - ACFA	-	-	114	121	128	210
Interest on long-term debt - infrastructure	-	-	32	32	11	35
Interest on long-term debt - internal	-	-	-	-	-	3
Grants and other transfers	140	119	325	378	264	105
Amortization	192	221	407	413	402	391
Gain \ loss on sale of assets	-	6	-	-	-	-
Internal charges	1,884	1,815	1,652	1,619	1,530	1,433
TOTAL EXPENSES	12,773	12,352	13,238	12,238	11,600	10,757
Excess (shortfall) of revenue over expenses	\$ (8,834)	\$ (8,304)	\$ (8,812)	\$ (8,331)	\$ (7,805)	\$ (6,982)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & RECREATION - Restated

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 4,683	\$ 4,277	\$ 4,473	\$ 5,008	\$ 4,460	\$ 4,067
Other income						
Internal recovery	1,007	1,004	1,044	1,031	986	967
Insurance recovery	9	9	-	337	-	-
Developer levies	-	-	547	(34)	-	-
Other revenue	406	547	1,231	636	521	386
Government transfers						
Grants - federal and provincial	7	248	55	55	58	47
Flood assistance	-	1,145	1,832	739	-	-
TOTAL REVENUE	6,112	7,230	9,182	7,772	6,025	5,467
EXPENSES						
Salaries, wages and benefits	8,026	8,040	8,057	7,947	7,394	6,987
Other personnel costs	89	57	66	68	83	90
Contracted and general services	1,828	3,143	3,770	3,415	2,365	1,786
Materials and supplies	1,872	1,869	1,817	2,028	1,873	1,677
Bank charges	30	28	36	41	31	18
Other expenses	10	8	85	36	39	16
Interest on long-term debt - ACFA	198	196	101	109	111	118
Interest on long-term debt - infrastructure	-	-	127	116	97	114
Interest on long-term debt - internal	-	-	1	2	3	6
Grants and other transfers	211	197	188	184	97	214
Amortization	1,769	2,048	1,657	1,391	1,285	1,299
Gain \ loss on sale of assets	-	-	71	4	-	1,128
Internal charges	4,749	4,889	4,783	4,312	4,173	4,121
TOTAL EXPENSES	18,782	20,475	20,759	19,653	17,551	17,574
Excess (shortfall) of revenue over expenses	\$ (12,670)	\$ (13,245)	\$ (11,577)	\$ (11,881)	\$ (11,526)	\$ (12,107)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 361	\$ 392	\$ 357	\$ 398	\$ 325	\$ 304
Other income						
Internal recovery	7	41	12	7	10	67
Insurance recovery	-	-	1	5	-	-
Other revenue	24	29	20	33	38	36
Government transfers						
Grants - federal and provincial	-	3	1	20	-	-
TOTAL REVENUE	392	465	391	463	373	407
EXPENSES						
Salaries, wages and benefits	10,256	10,085	10,479	10,128	9,675	8,688
Other personnel costs	243	265	203	173	172	208
Contracted and general services	160	194	107	138	77	76
Materials and supplies	307	328	285	360	251	331
Interest on long-term debt - ACFA	11	10	12	14	16	-
Interest on long-term debt - infrastructure	-	-	18	14	9	173
Amortization	157	139	140	142	141	122
Gain \ loss on sale of assets	-	-	8	(22)	-	-
Internal charges	1,198	1,143	1,080	892	781	738
TOTAL EXPENSES	12,332	12,164	12,332	11,839	11,122	10,336
Excess (shortfall) of revenue over expenses	\$ (11,940)	\$ (11,699)	\$ (11,941)	\$ (11,376)	\$ (10,749)	\$ (9,929)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS - Restated

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Interest on long-term debt - ACFA	60	59	-	-	-	-
Interest on long-term debt - infrastructure	14	-	-	-	-	-
Grants and other transfers	509	511	279	270	258	235
TOTAL EXPENSES	583	570	279	270	258	235
Excess (shortfall) of revenue over expenses	\$ (583)	\$ (570)	\$ (279)	\$ (270)	\$ (258)	\$ (235)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CULTURAL DEVELOPMENT - Restated

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 1,450	\$ 2,121	\$ 1,686	\$ 1,203	\$ 1,098	\$ 1,367
Other income						
Internal recovery	3	9	14	8	-	-
Other revenue	326	545	578	456	512	480
Government Transfers						
Grants - federal and provincial	282	260	349	359	449	266
TOTAL REVENUE	2,061	2,935	2,627	2,026	2,059	2,113
EXPENSES						
Salaries, wages and benefits	2,006	2,105	2,202	2,003	1,970	1,687
Other personnel costs	26	17	12	14	14	17
Contracted and general services	1,797	2,535	2,108	1,661	1,800	1,852
Materials and supplies	282	372	426	385	427	370
Bank charges	31	59	51	57	28	34
Interest on long-term debt - ACFA	-	-	62	65	52	49
Interest on long-term debt - infrastructure	-	-	20	6	5	28
Interest on long-term debt - internal	-	-	9	16	23	30
Grants and other transfers	65	60	222	210	194	195
Amortization	96	98	90	92	88	83
Gain \ Loss on Sale of Assets	-	-	375	-	-	-
Internal charges	958	901	943	917	828	859
TOTAL EXPENSES	5,261	6,147	6,520	5,426	5,429	5,204
Excess (shortfall) of revenue over expenses	\$ (3,200)	\$ (3,212)	\$ (3,893)	\$ (3,400)	\$ (3,370)	\$ (3,091)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Other income						
Licences, fines and penalties	4,291	4,554	4,403	4,030	4,073	4,118
Internal recovery	148	151	101	105	91	79
Insurance recovery	-	39	31	31	-	-
Other revenue	1,709	1,850	1,983	2,000	1,701	2,087
Government transfers						
Grants - federal and provincial	1,515	1,531	1,519	1,435	1,000	1,185
Flood assistance	-	-	-	5	-	-
TOTAL REVENUE	7,663	8,125	8,037	7,606	6,865	7,469
EXPENSES						
Salaries, wages and benefits	17,894	18,474	17,686	16,691	15,075	13,812
Other personnel costs	601	601	513	634	541	653
Contracted and general services	1,764	1,471	1,290	1,422	1,286	1,104
Materials and supplies	1,090	1,118	1,170	1,168	1,253	1,161
Other expenses	5	56	35	63	91	62
Interest on long-term debt - ACFA	5	5	11	18	26	95
Interest on long-term debt - infrastructure	-	-	9	10	5	8
Interest on long-term debt - internal	-	-	-	-	-	1
Amortization	189	182	215	207	253	173
Gain \ loss on sale of assets	-	-	-	-	170	-
Internal charges	1,223	1,065	1,252	1,217	1,166	1,123
TOTAL EXPENSES	22,771	22,972	22,181	21,430	19,866	18,191
Excess (shortfall) of revenue over expenses	\$ (15,108)	\$ (14,847)	\$ (14,144)	\$ (13,824)	\$ (13,001)	\$ (10,722)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 146,850	\$ 110,424	\$ 123,952	\$ 127,785	\$ 130,254	\$ 223,824
Investment in subsidiary	5,183	3,194	2,998	1,999	740	1,352
Other income						
Investment income	10,245	6,640	9,465	10,437	10,205	8,036
Internal recoveries	362	281	172	41	27	1,271
Development levies	510	194	225	321	264	563
Other revenue	1,874	760	1,635	349	1,701	1,527
Government transfers for operating	-	4	27	22	-	127
TOTAL REVENUE	165,024	121,497	138,474	140,954	143,191	236,700
EXPENSES						
Salaries, wages and benefits	18,329	16,560	15,127	13,869	13,386	11,986
Contracted and general services	25,048	18,997	15,200	17,264	14,289	21,251
Materials, goods and utilities	25,071	19,053	18,611	17,029	14,361	9,205
Provisions for allowances	104	104	54	133	84	11,285
Bank charges and short term interest	-	11	30	11	48	60
Interest on long term debt	311	310	251	203	214	446
Other operating expenses	32,015	37,020	30,837	27,536	30,178	35,723
Amortization of tangible capital assets	40,730	45,106	40,576	45,842	50,627	66,507
Loss on disposal of tangible capital assets	-	50	76	35	129	213
Internal charges and transfers	27,870	25,846	39,751	40,857	41,715	31,667
TOTAL EXPENSES	169,478	163,057	160,513	162,779	165,031	188,343
Excess (shortfall) of revenue over expenses	\$ (4,454)	\$ (41,560)	\$ (22,039)	\$ (21,825)	\$ (21,840)	\$ 48,357

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 114,075	\$ 110,725	\$ 122,542	\$ 80,240	\$ 73,993	\$ 82,550
Other income						
Investment income	1,045	2,533	1,207	640	488	795
Internal recoveries	3,231	4,828	3,929	3,267	3,870	4,349
Development levies	2,090	434	827	457	1,029	1,861
Government transfers from operating	-	23	47	92	3	678
Other revenue	3,308	10,583	9,749	3,970	2,357	4,335
Transfer from Utilities and Land	-	-	-	-	-	11,923
TOTAL REVENUE	123,749	129,126	138,301	88,666	81,740	106,491
EXPENSES						
Salaries, wages and benefits	13,492	12,911	11,923	11,391	10,015	9,616
Contracted and general services	4,637	4,734	5,399	3,538	3,703	2,925
Materials, goods and utilities	14,828	12,953	11,741	7,335	7,587	5,900
Provisions for allowances	133	133	125	129	125	88
Interest on long term debt	4,346	4,038	4,516	4,846	4,376	4,638
Other operating expenses	5,489	7,727	10,212	4,047	1,379	-
Amortization of tangible capital assets	16,149	17,122	17,041	21,787	14,369	11,621
Loss on disposal of tangible capital assets	-	90	311	1,285	143	43
Internal charges and transfers	43,577	41,672	36,845	37,744	37,160	63,291
TOTAL EXPENSES	102,651	101,380	98,113	92,102	78,857	98,122
Excess (shortfall) of revenue over expenses	\$ 21,098	\$ 27,746	\$ 40,188	\$ (3,436)	\$ 2,883	\$ 8,369

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ENERGY SUSTAINABILITY

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Investment income	\$ -	\$ 61	\$ 70	\$ 69	\$ 92	\$ 117
Internal recoveries	624	512	737	733	635	685
Other revenue	-	1	-	1	-	2
Government transfers for operating	-	-	-	36	43	11
Transfer from Utilities and Land	200	200	-	-	1,000	1,500
TOTAL REVENUE	824	774	807	839	1,770	2,315
EXPENSES						
Salaries, wages and benefits	255	98	190	167	159	270
Contracted and general services	442	38	57	98	48	147
Materials, goods and utilities	9	1	3	3	3	340
Other operating expenses	-	537	922	1,488	718	(95)
Amortization of tangible capital assets	-	1	1	1	1	1
Internal charges and transfers	118	383	207	337	149	31
TOTAL EXPENSES	824	1,058	1,380	2,094	1,078	694
Excess (shortfall) of revenue over expenses	\$ -	\$ (284)	\$ (573)	\$ (1,255)	\$ 692	\$ 1,621

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Taxes	\$ 113	\$ 114	\$ 114	\$ 114	\$ 110	\$ 114
Sale of services	14,882	15,955	15,291	12,694	13,345	11,719
Other income						
Internal recovery	1,070	920	1,113	757	837	701
Other revenue	287	258	1,176	1,127	1,133	911
Developer levies	449	965	-	-	183	-
Government transfers						
Government transfers for operating	-	30	56	41	-	2,200
TOTAL REVENUE	16,801	18,242	17,750	14,733	15,608	15,645
EXPENSES						
Salaries, wages & benefits	5,204	4,912	4,056	3,784	3,371	3,044
Contracted and general services	915	840	680	871	655	421
Materials and supplies	1,398	1,466	1,590	1,408	1,210	1,220
Provisions for allowances	46	46	45	44	44	44
Interest on long-term debt	2,520	2,495	2,579	2,628	2,750	2,641
Other expenses	723	731	548	6	1	769
Amortization	1,978	2,544	2,501	2,404	1,942	2,154
Gain \ loss on sale of assets	-	-	336	10	20	-
Internal charges and transfers	2,238	2,289	3,715	3,510	3,260	2,979
TOTAL EXPENSES	15,022	15,323	16,050	14,665	13,253	13,272
Excess (shortfall) of revenue over expenses	\$ 1,779	\$ 2,919	\$ 1,700	\$ 68	\$ 2,355	\$ 2,373

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Taxes	\$ 113	\$ 114	\$ 114	\$ 114	\$ 110	\$ 114
Sale of services	12,743	12,850	11,957	10,840	10,160	10,049
Other income						
Internal recovery	278	276	334	252	231	241
Other revenue	3	144	130	1,046	1,069	1,235
Government transfers						
Government transfers for operating	-	18	378	36	-	6,194
TOTAL REVENUE	13,137	13,402	12,913	12,288	11,570	17,833
EXPENSES						
Salaries, wages & benefits	3,852	3,589	3,619	3,405	2,865	2,663
Contracted and general services	572	618	1,018	667	340	388
Materials and supplies	1,219	1,444	1,421	1,371	1,155	1,000
Provisions for allowances	43	43	42	42	40	37
Interest on long-term debt	2,017	2,016	2,019	1,918	1,848	1,853
Other expenses	610	602	191	10	6	217
Amortization	1,429	2,087	1,852	1,920	2,353	2,279
Gain \ loss on sale of assets	-	13	62	-	2	-
Internal charges and transfers	2,507	2,456	2,196	2,261	2,196	1,947
TOTAL EXPENSES	12,249	12,868	12,420	11,594	10,805	10,384
Excess (shortfall) of revenue over expenses	\$ 888	\$ 534	\$ 493	\$ 694	\$ 765	\$ 7,449

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 7,960	\$ 8,015	\$ 8,061	\$ 7,744	\$ 7,660	\$ 6,865
Other income						
Internal recovery	589	660	873	536	441	367
Other revenue	20	96	(63)	52	73	89
Insurance recovery	-	235	-	-	-	-
Government transfers						
Government transfers to operating	-	110	101	50	3	-
TOTAL REVENUE	8,569	9,116	8,972	8,382	8,177	7,321
EXPENSES						
Salaries, wages & benefits	2,729	2,609	2,511	2,516	2,299	2,312
Contracted and general services	1,345	1,460	1,183	1,117	963	1,055
Materials and supplies	907	1,030	917	797	787	680
Provisions for allowances	16	16	76	15	15	15
Interest on long-term debt	157	154	154	157	125	93
Other expenses	526	539	630	311	164	159
Amortization	436	350	326	349	395	298
Gain \ loss on sale of assets	-	12	18	9	2	-
Internal charges and transfers	2,017	2,021	1,643	1,888	1,842	1,952
TOTAL EXPENSES	8,133	8,191	7,458	7,159	6,592	6,564
Excess (shortfall) of revenue over expenses	\$ 436	\$ 925	\$ 1,514	\$ 1,223	\$ 1,585	\$ 757

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

LAND & PROPERTIES

	2012 Budget	2012 Actual	2011	2010	2009	2008
REVENUE						
Sale of services	\$ 8,500	\$ 7,827	\$ 4,287	\$ 9,494	\$ 8,413	\$ 19,403
Other income						
Licences fines and penalties	25	84	41	112	125	447
Other revenue	181	276	213	213	188	139
Government transfers						
Flood assistance	-	-	1	-	-	-
TOTAL REVENUE	8,706	8,187	4,542	9,819	8,726	19,989
EXPENSES						
Salaries, wages and benefits	540	548	541	530	498	467
Contracted and general services	80	76	117	57	52	323
Materials and supplies	6,460	5,445	2,782	6,662	5,626	10,053
Provisions for allowances	3	-	-	3	3	3
Amortization	32	41	37	25	4	4
Internal charges	770	1,386	871	1,716	1,636	4,902
TOTAL EXPENSES	7,885	7,496	4,348	8,993	7,819	15,752
Excess (shortfall) of revenue over expenses	\$ 821	\$ 691	\$ 194	\$ 826	\$ 907	\$ 4,237

The above represents actual transactions before consolidation eliminations.

SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2012 (In thousands of dollars)

	<u>Total Tax Supported</u>	<u>Gas Utility</u>	<u>Electric Utility</u>	<u>Energy Sustainability</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Solid Waste Utility</u>	<u>Land & Properties</u>	<u>2012 Consolidated</u>
Financing									
Contributed assets - private	\$ 188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188
Debt - ACFA	-	1,150	3,724	-	4,560	6,510	280	-	16,224
Debt - infrastructure reserve	445	-	-	-	-	-	-	-	445
Developer levies	100	194	434	-	-	-	-	-	728
Government transfers for capital	28,787	178	902	-	30	(229)	-	-	29,668
Land Sales	274	-	-	-	-	-	-	-	274
Operations	2,473	2,108	3,038	-	374	254	450	750	9,447
Other	167	(292)	301	-	-	-	-	-	176
Reserves	<u>3,645</u>	<u>57,318</u>	<u>13,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,787</u>
	36,079	60,656	22,223	-	4,964	6,535	730	750	131,937
Expenses									
Engineered structures	21,805	67,855	3,858	-	4,638	3,254	(6)	16	101,420
Buildings	8,350	196	947	-	961	961	192	-	11,607
Machinery and equipment	1,524	322	3,191	-	(420)	-	26	-	4,643
Land Improvements	2,297	-	191	-	-	-	61	-	2,549
Land	691	-	-	-	-	-	-	68	759
Mobile equipment	2,528	-	-	-	-	-	-	-	2,528
Major operating expenses	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
	37,202	68,373	8,187	-	5,179	4,215	273	84	123,513
Change in Capital Fund	<u>(1,123)</u>	<u>(7,717)</u>	<u>14,036</u>	<u>-</u>	<u>(215)</u>	<u>2,320</u>	<u>457</u>	<u>666</u>	<u>8,424</u>

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GENERAL FUND

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Legislative	\$ -	\$ -	\$ 399	\$ -	\$ -	\$ 6
General Government	250	18	-	55	79	595
Corporate Services	11,185	10,036	8,647	7,962	8,068	5,476
Development & Infrastructure	21,950	21,456	17,413	15,712	27,521	37,407
Public Services	37,942	4,491	8,705	5,517	3,607	4,529
Police Services	126	78	35	89	293	782
TOTAL FINANCING	71,453	36,079	35,199	29,335	39,568	48,795
EXPENSES						
Legislative	-	275	28	-	-	25
General Government	250	18	-	55	79	675
Corporate Services	11,185	10,255	8,750	7,813	8,686	5,740
Development & Infrastructure	21,950	21,669	17,087	16,130	28,159	36,191
Public Services	37,942	4,893	7,749	5,195	3,336	4,051
Police Services	126	92	21	89	299	829
TOTAL EXPENSES	71,453	37,202	33,635	29,282	40,559	47,511
CHANGE IN CAPITAL FUND	\$ -	\$ (1,123)	\$ 1,564	\$ 53	\$ (991)	\$ 1,284

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LEGISLATIVE

Mayor, Alderman & City Clerk

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Reserves	\$ -	\$ -	\$ 399	\$ -	\$ -	\$ 6
TOTAL FINANCING	-	-	399	-	-	6
EXPENSES						
Machinery and equipment	-	275	28	-	-	25
TOTAL EXPENSES	-	275	28	-	-	25
CHANGE IN CAPITAL FUND	\$ -	\$ (275)	\$ 371	\$ -	\$ -	\$ (19)

GENERAL GOVERNMENT

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

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - internal	250	-	-	36	79	636
Government transfers	-	-	-	19	-	-
Operations	-	18	-	-	-	-
Reserves	-	-	-	-	-	(41)
TOTAL FINANCING	250	18	-	55	79	595
EXPENSES						
Machinery and equipment	250	18	-	-	79	661
Land improvements	-	-	-	55	-	-
Major operating expenses	-	-	-	-	-	14
TOTAL EXPENSES	250	18	-	55	79	675
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CAO, COMMISSIONERS & CITY SOLICITOR

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	-	-	-	-	-	(35)
TOTAL FINANCING	250	-	-	-	-	(35)
EXPENSES						
Machinery and equipment	250	-	-	-	-	25
Major operating expenses	-	-	-	-	-	11
TOTAL EXPENSES	250	-	-	-	-	36
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (71)

BUSINESS SUPPORT

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 36	\$ -	\$ -
Government transfers	-	-	-	19	-	-
TOTAL FINANCING	-	-	-	55	-	-
EXPENSES						
Land Improvements	-	-	-	55	-	-
TOTAL EXPENSES	-	-	-	55	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE COMMUNICATIONS

General Government

No Capital

HUMAN RESOURCES

General Government

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ -	\$ 79	\$ 636
Operations	-	18				
Reserves	-	-	-	-	-	(6)
TOTAL FINANCING	-	18	-	-	79	630
EXPENSES						
Machinery and equipment	-	18	-	-	79	636
Major operating expenses	-	-	-	-	-	3
TOTAL EXPENSES	-	18	-	-	79	639
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	(9)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Finance, ICS, Corporate Asset Management, General Municipal Revenues

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ 2,072	\$ -	\$ 240	\$ 800	\$ -	\$ 380
Debt - internal	613	-	-	-	-	-
Debt - infrastructure	-	144	127	411	897	1,677
Government transfers	3,450	6,139	2,501	1,630	2,483	-
Land sales	-	-	-	-	6	-
Operations	1,962	1,096	18	91	1	550
Other	-	29	10	56	82	354
Proceeds from sale of assets	208	-	-	-	-	13
Reserves	2,880	2,628	5,751	4,974	4,599	2,502
TOTAL FINANCING	11,185	10,036	8,647	7,962	8,068	5,476
EXPENSES						
Land	-	-	-	-	-	-
Buildings	3,000	7,151	3,553	856	570	235
Machinery and equipment	1,775	576	1,157	639	1,591	2,052
Mobile equipment	6,410	2,528	4,040	6,137	6,525	2,978
Major operating expenses	-	-	-	181	-	475
TOTAL EXPENSES	11,185	10,255	8,750	7,813	8,686	5,740
CHANGE IN CAPITAL FUND	\$ -	\$ (219)	\$ (103)	\$ 149	\$ (618)	\$ (264)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FINANCE

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ 27	\$ 88	\$ 3	\$ 94	\$ 22
Operations	-	-	-	-	1	550
Reserves	-	-	3	(17)	(87)	52
TOTAL FINANCING	-	27	91	(14)	8	624
EXPENSES						
Machinery and equipment	-	27	91	48	131	456
Major operating expenses	-	-	-	-	-	22
TOTAL EXPENSES	-	27	91	48	131	478
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (62)	\$ (123)	\$ 146

INFORMATION & COMPUTER SERVICES

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ 23	\$ 39	\$ 82	\$ 267	\$ 24
Reserves	-	(15)	(444)	-	(6)	(112)
Operations	275	275	2	-	-	-
TOTAL FINANCING	275	283	(403)	82	261	(88)
EXPENSES						
Machinery and equipment	275	45	133	92	272	-
Major operating expenses	-	-	-	-	-	144
TOTAL EXPENSES	275	45	133	92	272	144
CHANGE IN CAPITAL FUND	\$ -	\$ 238	\$ (536)	\$ (10)	\$ (11)	\$ (232)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ 2,072	\$ -	\$ 240	\$ 800	\$ -	\$ 380
Debt - internal	613	-	-	-	-	-
Debt - infrastructure		94	-	326	536	1,631
Government transfers	3,450	6,139	2,501	1,630	2,483	-
Land sales		-	-	-	6	-
Other	-	29	10	56	82	354
Operations	1,687	821	16	91	-	-
Proceeds from sale of assets	208	-	-	-	-	13
Reserves	2,880	2,643	6,192	4,991	4,692	2,562
TOTAL FINANCING	10,910	9,726	8,959	7,894	7,799	4,940
EXPENSES						
Land	-	-	-	-	-	-
Buildings	3,000	7,151	3,553	856	570	235
Machinery and equipment	1,500	504	933	499	1,188	1,596
Mobile equipment	6,410	2,528	4,040	6,137	6,525	2,978
Major operating expenses	-	-	-	181	-	309
TOTAL EXPENSES	10,910	10,183	8,526	7,673	8,283	5,118
CHANGE IN CAPITAL FUND	\$ -	\$ (457)	\$ 433	\$ 221	\$ (484)	\$ (178)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 419	\$ 1,931	\$ -
Debt - ACFA	2,000	-	-	-	980	5,862
Debt - internal	2,000	97	-	-	-	-
Debt - infrastructure	-	-	-	850	872	1,025
Developers levies	-	100	266	629	241	521
Government transfers	6,072	20,705	12,961	8,067	18,706	22,589
Land sales	-	-	2,089	5,464	4,509	7,168
Operations	478	511	-	271	179	235
Other	11,400	-	-	-	103	-
Reserves	-	43	2,097	12	-	7
TOTAL FINANCING	21,950	21,456	17,413	15,712	27,521	37,407
EXPENSES						
Engineered structures	20,950	21,332	16,412	14,993	26,050	31,854
Buildings	-	34	37	29	-	7
Machinery and equipment	1,000	44	449	287	223	210
Land improvements	-	163	74	65	1,309	-
Land	-	89	114	756	577	3,043
Major operating expenses	-	7	1	-	-	1,077
TOTAL EXPENSES	21,950	21,669	17,087	16,130	28,159	36,191
CHANGE IN CAPITAL FUND	\$ -	\$ (213)	\$ 326	\$ (418)	\$ (638)	\$ 1,216

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 69	\$ 30	\$ 226
Land sales	-	-	-	-	30	-
Reserves	-	-	(28)	-	-	-
TOTAL FINANCING	-	-	(28)	69	60	226
EXPENSES						
Machinery and equipment	-	-	2	69	30	-
Major operating expenses	-	-	-	-	-	224
TOTAL EXPENSES	-	-	2	69	30	224
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (30)	\$ -	\$ 30	\$ 2

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

MUNICIPAL WORKS

Development & Infrastructure

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 419	\$ 1,931	\$ -
Debt - ACFA	2,000	-	-	-	980	5,862
Debt - internal	2,000	97	-	-	-	-
Debt - infrastructure	-	-	-	781	842	799
Developers levies	-	100	266	629	241	521
Government transfers	6,072	20,705	12,961	8,067	18,706	22,589
Land sales	-	-	2,089	5,464	4,479	7,168
Operating fund	478	511	-	271	179	235
Other	11,400	-	-	-	103	-
Reserves	-	43	2,125	12	-	7
TOTAL FINANCING	21,950	21,456	17,441	15,643	27,461	37,181
EXPENSES						
Engineered structures	20,950	21,332	16,412	14,993	26,050	31,854
Buildings	-	34	37	29	-	7
Machinery and equipment	1,000	44	447	218	193	210
Land improvements	-	163	74	65	1,309	-
Land	-	89	114	756	577	3,043
Major operating expenses	-	7	1	-	-	853
TOTAL EXPENSES	21,950	21,669	17,085	16,061	28,129	35,967
CHANGE IN CAPITAL FUND	\$ -	\$ (213)	\$ 356	\$ (418)	\$ (668)	\$ 1,214

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

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

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ 188	\$ 400	\$ 662	\$ 198	\$ -
Debt - ACFA	-	-	-	-	145	-
Debt - infrastructure	-	204	-	1,713	1,017	1,484
Debt - internal	177	-	-	-	-	-
Developers levies	-	-	1,334	23	249	433
Government transfers	24,660	1,943	3,176	1,841	162	4
Land sales	-	274	307	896	1,769	2,107
Operations	760	765	-	65	-	-
Other	147	138	343	-	67	304
Reserves	12,198	979	3,145	317	-	197
TOTAL FINANCING	37,942	4,491	8,705	5,517	3,607	4,529
EXPENSES						
Engineered structures	-	473	585	692	63	2,625
Buildings	20,115	1,165	1,215	524	102	374
Machinery and equipment	60	519	204	357	282	803
Land	-	602	982	158	-	-
Land improvements	17,767	2,134	4,687	3,460	2,889	-
Mobile equipment	-	-	-	-	-	60
Major operating expenses	-	-	76	4	-	189
TOTAL EXPENSES	37,942	4,893	7,749	5,195	3,336	4,051
CHANGE IN CAPITAL FUND	\$ -	\$ (402)	\$ 956	\$ 322	\$ 271	\$ 478

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

COMMUNITY DEVELOPMENT

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 132	\$ 117	\$ 601
Government transfers	-	1,212	647	43	23	-
Operations	-	-	-	-	-	-
Other	115	-	343	-	67	304
Reserves	-	667	(203)	(7)	-	-
TOTAL FINANCING	115	1,879	787	168	207	905
EXPENSES						
Engineered structures	-	146	-	-	63	-
Buildings	115	970	620	6	-	75
Machinery and equipment	-	-	162	169	149	713
Land	-	602	-	-	-	-
Land improvements	-	161	-	-	-	-
Mobile equipment	-	-	-	-	-	60
Major operating expenses	-	-	-	-	-	127
TOTAL EXPENSES	115	1,879	782	175	212	975
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ 5	\$ (7)	\$ (5)	\$ (70)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

PARKS & RECREATION

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ 188	\$ 400	\$ 662	\$ 198	\$ -
Debt - ACFA	-	-	-	-	145	-
Debt - infrastructure	-	163	-	976	704	463
Debt - internal	177	-	-	-	-	-
Developers levies	-	-	1,334	(34)	-	174
Government transfers	24,660	628	2,513	1,798	139	4
Land sales	-	274	307	896	1,769	2,107
Operations	700	700	-	-	-	-
Other	32	127	-	-	-	-
Reserves	12,198	352	2,729	324	-	-
TOTAL FINANCING	37,767	2,432	7,283	4,622	2,955	2,748
EXPENSES						
Engineered structures	-	327	585	692	-	2,625
Buildings	20,000	71	459	(51)	39	-
Machinery and equipment	-	-	40	87	-	-
Land	-	-	982	158	-	-
Land improvements	17,767	1,973	4,687	3,460	2,889	-
Major operating expenses	-	-	76	4	-	89
TOTAL EXPENSES	37,767	2,371	6,829	4,350	2,928	2,714
CHANGE IN CAPITAL FUND	\$ -	\$ 61	\$ 454	\$ 272	\$ 27	\$ 34

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

FIRE SERVICES

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ 41	\$ -	\$ 206	\$ 133	\$ 39
Operations	60	27	-	-	-	-
Reserves	-	-	450	-	-	-
TOTAL FINANCING	60	68	450	206	133	39
EXPENSES						
Buildings	-	-	-	194	-	4
Machinery and equipment	60	496	2	12	133	6
Major operating expenses	-	-	-	-	-	38
TOTAL EXPENSES	60	496	2	206	133	48
CHANGE IN CAPITAL FUND	\$ -	\$ (428)	\$ 448	\$ -	\$ -	\$ (9)

9-1-1 COMMUNICATIONS

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 24	\$ -	\$ 70
Operations	-	23	-	65	-	-
TOTAL FINANCING	-	23	-	89	-	70
EXPENSES						
Machinery and equipment	-	23	-	89	-	70
TOTAL EXPENSES	-	23	-	89	-	70
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

CULTURAL DEVELOPMENT

Public Services

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 375	\$ 63	\$ 311
Operating	-	15	-	-	-	-
Government transfers	-	103	16	-	-	-
Other	-	11	-	-	-	-
Third Party Contribution	-	-	-	57	249	259
Reserves	-	(40)	169	-	-	197
TOTAL FINANCING	-	89	185	432	312	767
EXPENSES						
Buildings		124	136	375	63	295
Machinery and equipment	-	-	-	-	-	14
Major operating expenses	-	-	-	-	-	(65)
TOTAL EXPENSES	-	124	136	375	63	244
CHANGE IN CAPITAL FUND	\$ -	\$ (35)	\$ 49	\$ 57	\$ 249	\$ 523

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

POLICE SERVICE

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - infrastructure	\$ -	\$ -	\$ -	\$ 7	\$ 59	\$ 800
Debt - internal	115	-	-	-	-	-
Operating fund	11	83	35	82	234	-
Reserves	-	(5)	-	-	-	(18)
TOTAL FINANCING	126	78	35	89	293	782
EXPENSES						
Buildings	-	-	-	-	-	701
Machinery and equipment	126	92	21	89	299	105
Major operating expenses	-	-	-	-	-	23
TOTAL EXPENSES	126	92	21	89	299	829
CHANGE IN CAPITAL FUND	\$ -	\$ (14)	\$ 14	\$ -	\$ (6)	\$ (47)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

GAS

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ 1,400	\$ 1,150	\$ 2,250	\$ 1,350	\$ 1,350	\$ (7,956)
Developers levies	510	194	225	321	264	563
Government transfers	-	178	-	128	-	-
Land Sales	77	-	-	-	272	-
Operations	11,500	2,108	(915)	2,062	4,044	13,864
Other	-	(292)	83	(121)	-	646
Proceeds from sale of assets	-	-	-	-	33	424
Reserves	96,040	57,318	32,051	15,856	29,255	13,622
TOTAL FINANCING	109,527	60,656	33,694	19,596	35,218	21,163
EXPENSES						
Engineered structures	99,696	67,855	35,926	28,286	23,008	17,345
Buildings	9,200	-	-	-	-	-
Machinery and equipment	631	196	307	371	99	487
Major operating expenses	-	322	-	-	-	(439)
TOTAL EXPENSES	109,527	68,373	36,233	28,657	23,107	17,393
CHANGE IN CAPITAL FUND	\$ -	\$ (7,717)	\$ (2,539)	\$ (9,061)	\$ 12,111	\$ 3,770

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ELECTRIC

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ (2,570)	\$ 3,724	\$ 1,608	\$ 4,469	\$ 27,344	\$ 3,823
Debt - infrastructure	-	-	-	4	282	137
Developers levies	2,090	434	827	457	1,029	1,861
Government transfers	-	902	395	-	-	-
Land Sales	300	-	-	417	673	-
Operations	13,015	3,038	486	775	1,553	5,222
Other	-	301	(19)	186	-	539
Reserves	13,205	13,824	7,140	3,972	2,091	12,926
TOTAL FINANCING	26,040	22,223	10,437	10,280	32,972	24,508
EXPENSES						
Engineered structures	20,043	3,858	10,521	10,446	25,937	24,153
Buildings	1,420	947	27	730	11,349	1,752
Machinery and equipment	3,807	3,191	290	593	213	391
Land improvements	770	191	84	304	-	-
TOTAL EXPENSES	26,040	8,187	10,922	12,073	37,499	26,296
CHANGE IN CAPITAL FUND	\$ -	\$ 14,036	\$ (485)	\$ (1,793)	\$ (4,527)	\$ (1,788)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

ENERGY SUSTAINABILITY

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32
TOTAL FINANCING	-	-	-	-	-	32
EXPENSES						
Engineered structures	-	-	-	-	30	2
TOTAL EXPENSES	-	-	-	-	30	2
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ (30)	\$ 30

WATER

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ (10)	\$ 2,100	\$ 1,345
Debt - ACFA	6,250	4,560	3,114	3,215	1,000	6,610
Debt - infrastructure	-	-	-	15	63	-
Developers levies	-	-	-	-	183	-
Government transfers	-	30	459	710	-	2,200
Land sales	-	-	16	195	721	1,463
Operations	100	374	(358)	2,847	1,291	499
Other	-	-	236	-	-	-
TOTAL FINANCING	6,350	4,964	3,467	6,972	5,358	12,117
EXPENSES						
Engineered structures	6,550	4,638	3,215	3,346	5,718	14,865
Buildings	-	961	28	1,317	-	228
Machinery and equipment	-	(420)	699	88	81	95
Land improvement	-	-	-	29	135	-
Land	-	-	14	-	-	-
TOTAL EXPENSES	6,550	5,179	3,956	4,780	5,934	15,188
CHANGE IN CAPITAL FUND	\$ (200)	\$ (215)	\$ (489)	\$ 2,192	\$ (576)	\$ (3,071)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SEWER

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ 22	\$ 1,790	\$ 2,518
Debt - ACFA	5,550	6,510	3,716	5,490	6,325	568
Government transfers	-	(229)	776	13	-	6,194
Land sales	-	-	16	306	645	2,710
Operations	100	254	76	(987)	824	408
Other	-	-	-	-	(22)	-
TOTAL FINANCING	5,650	6,535	4,584	4,844	9,562	12,398
EXPENSES						
Engineered structures	5,650	3,254	5,382	1,449	8,065	15,070
Buildings	-	961	28	1,317	-	228
Machinery and equipment	-	-	100	99	-	-
TOTAL EXPENSES	5,650	4,215	5,510	2,865	8,065	15,298
CHANGE IN CAPITAL FUND	\$ -	\$ 2,320	\$ (926)	\$ 1,979	\$ 1,497	\$ (2,900)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

SOLID WASTE

Environmental Utilities

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Debt - ACFA	\$ -	\$ 280	\$ 500	\$ 320	\$ 2,150	\$ -
Operations	450	450	(24)	(1,184)	817	523
Other	-	-	-	-	3	-
TOTAL FINANCING	450	730	476	(864)	2,970	523
EXPENSES						
Engineered structures	-	(6)	6	2	32	39
Buildings	450	192	191	293	157	313
Machinery and equipment	-	26	534	369	1,482	101
Land						
Land improvement	-	61	472	20	-	-
TOTAL EXPENSES	450	273	1,203	684	1,671	453
CHANGE IN CAPITAL FUND	\$ -	\$ 457	\$ (727)	\$ (1,548)	\$ 1,299	\$ 70

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2008 - 2012

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

LAND & PROPERTIES

	2012 Budget	2012 Actual	2011	2010	2009	2008
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ 337	\$ 492	\$ -	\$ -
Government transfers	-	-	-	107	-	-
Operations	-	750	1,658	325	-	-
TOTAL FINANCING	-	750	1,995	924	-	-
EXPENSES						
Engineered structures	-	16	540	361	-	-
Buildings	-	-	515	177	-	-
Land improvement	-	-	-	61	-	-
Land	-	68	497	10	-	-
TOTAL EXPENSES	-	84	1,552	609	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ 666	\$ 443	\$ 315	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

OUR VISION

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

OUR MISSION

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

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

OUR VALUES

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

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



Medicine Hat

The Gas City

