



City of Medicine Hat

# 2016 Financial Report

December 31, 2016

Medicine Hat, Alberta, Canada



Medicine Hat  
The Gas City

City of Medicine Hat, Alberta, Canada

## 2016 FINANCIAL REPORT

For the year ended December 31, 2016



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

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

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

## STANDING COMMITTEES

### Audit Committee

Councillor W. Cocks, Chair  
 Councillor J. McIntosh, Vice Chair  
 Councillor B. Varga

### Corporate Services

Councillor R. Dumanowski, Chair  
 Councillor J. Turner, Vice Chair  
 Councillor B. Varga

### Development & Infrastructure Committee

Councillor R. Dumanowski, Chair  
 Councillor L. Pearson, Vice Chair  
 Councillor J. Friesen

### Energy Committee

Councillor W. Cocks, Chair  
 Councillor J. Friesen, Vice Chair  
 Councillor J. McIntosh  
 Mayor T. Clugston

### Public Services Committee

Councillor J. Friesen, Chair  
 Councillor L. Pearson, Vice Chair  
 Councillor C. Symmonds

### Heritage Resource Committee

Councillor L. Pearson, Council Representative

### Administrative & Legislative Review Committee

Councillor W. Cocks, Chair  
 Councillor L. Pearson, Vice Chair  
 Councillor R. Dumanowski

### Administrative Committee

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

## SPECIAL COMMITTEES

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

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

**City Centre Development Agency:** Councillor W. Cocks

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

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

**Medicine Hat Community Housing Society:** Councillor C. Symmonds

**Medicine Hat Exhibition & Stampede:** Mayor T. Clugston

**Medicine Hat Public Library:** Councillor J. McIntosh

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

**Municipal Planning Commission:** Councillors B Varga and J Turner

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

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

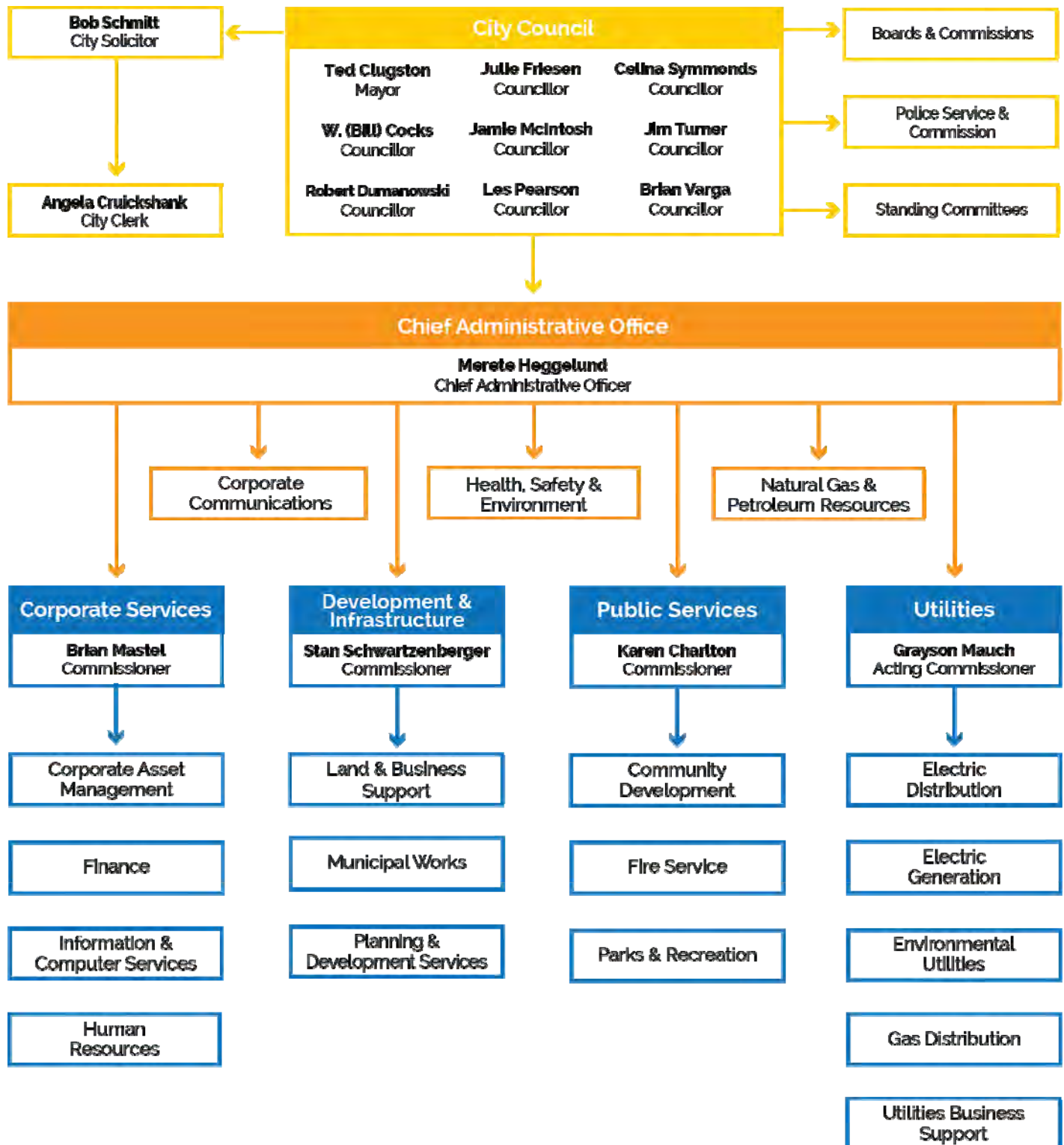
**Shortgrass Library System:** Councillor C. Symmonds

**Subdivision & Devel. Appeal Board:** Councillors Cocks & Symmonds

**Tourism Medicine Hat:** Councillor L. Pearson

# Organizational Structure

As at December 31, 2016



# Treasurer's Report

## For the year ending December 31, 2016

### INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2016. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 17, 2017.

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

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

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

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

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

The purpose of the Financial Report is to present the readers with clear insight of the financial results for the City for the fiscal year ended December 31, 2016. 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 activities and financial position for the fiscal year ended December 31, 2016. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain comparative results for two prior years, current year results and the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



A handwritten signature in black ink, appearing to read 'Brian Mastel'.

Brian Mastel  
Corporate Services Commissioner

April 18, 2017

# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2016**

### **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, 2015, the fourteenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

### **RISK MANAGEMENT**

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

#### **(a) Operational Risk Management**

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

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

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

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergencies, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommend changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. In 2013, Council approved the Fire Service Response Coverage Optimization Plan which will result in significant response coverage improvements to residents and improved safety for fire fighters. As part of this plan, existing Fire Stations #1 and #2 will be relocated to new locations. The relocation of Fire Station #2 was completed in February 2017 and the construction of the new Fire Station #1 is expected to commence in spring 2017.

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 83,000 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.



Government Finance Officers Association

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

Presented to

**City of Medicine Hat  
Alberta**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2015**

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

Executive Director/CEO



# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2016**

### **(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 FTSE TMX Canada 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.

The City now has approval from Municipal Affairs under the Major Cities Investment Regulation which provides access to a broader range of investment opportunities, including public shares of companies. Prior to 2015, investments have been limited to interest bearing securities. The Regulation expands the investment opportunities for the City's reserve funds. Further, in early 2017 the City received ministerial approval to utilize the Alberta Investment Management Corporation (AIMCo.) as their investment manager. Funds invested in assets permitted by the Major Cities Investment Regulation will be governed by Investment Policy #0157.

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

### **(d) Environmental**

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

## **MANAGEMENT REPORTING AND CONTROL**

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

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

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

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

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





# **TREASURER'S REPORT**

## **FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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

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

For the 2015/16 budget period the City employed a capital ranking process for the tax supported departments. This process is intended to ensure that limited capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

### **(b) Accounting**

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

### **(c) Auditing**

The "Municipal Government Act" requires municipal Councils to appoint an independent auditor. In 2015, Medicine Hat City Council appointed KPMG LLP as its external auditor, with the option of renewing for an additional four years. City Council approved KPMG's appointment for the 2016 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.

# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2016

### FINANCIAL HIGHLIGHTS

#### Financial Trend Summary 2016

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

Due to the decline in gas and oil commodity prices as well as the related economic downturn, the City is experiencing lower revenues from its Gas and Electric business. As a result, there is a \$23 million shortfall in the annual energy subsidy to the City's 2017/18 operating budget. This shortfall is likely to continue for many years.

During the year, Council adopted the key principles of **Financially Fit for the Future** which is our response to this financial challenge. Over the next decade, this framework will facilitate discussion around fiscal management and delivery of core services with a goal of becoming sustainable over the long term.

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

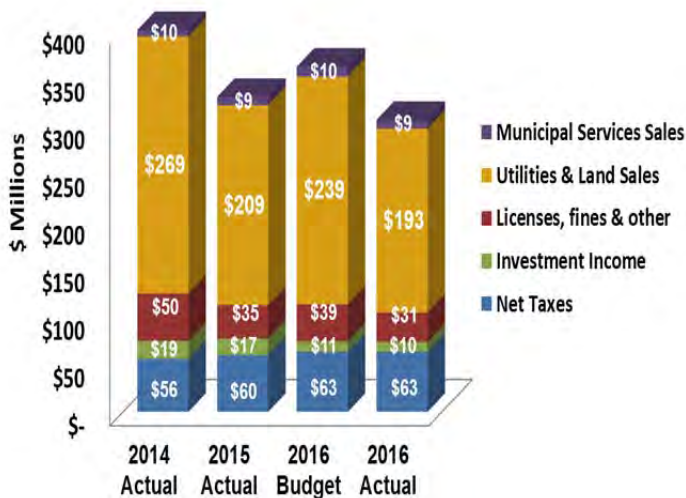
<i>In thousands of dollars</i>			
<b>Consolidated Financial Position</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Assets	\$ 526,417	\$ 555,005	\$ 610,058
Liabilities	668,580	620,195	526,228
Net financial (debt) assets	(142,163)	(65,190)	83,830
Non-financial assets	133,122	135,099	105,474
Net tangible capital assets	1,285,951	1,236,755	1,151,530
Total non-financial assets	1,419,073	1,371,854	1,257,004
<b>Accumulated surplus</b>	<b>\$1,276,910</b>	<b>\$1,306,664</b>	<b>\$1,340,834</b>

<b>2016 Operating Results</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Annual Deficit</b>
General Fund	\$ 139,378	\$ 173,598	\$ (34,220)
Utilities	232,679	252,545	(19,866)
Consolidation adjustments	(66,075)	(67,469)	1,394
<b>Subtotal</b>	<b>305,982</b>	<b>358,674</b>	<b>(52,692)</b>
Capital contributions and grants	23,865	-	23,865
Consolidation adjustments	(927)	-	(927)
<b>Subtotal</b>	<b>22,938</b>	<b>-</b>	<b>22,938</b>
<b>Total</b>	<b>\$ 328,920</b>	<b>\$ 358,674</b>	<b>\$ (29,754)</b>

# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2016

### Revenues



Revenue before capital contributions and grants was \$306.0 million versus budget of \$361.5 million. Sale of services was \$47.3 million lower than budget mainly due to lower consumption and commodity prices for oil, gas and electric as well as lower lot sales in Land and Business Support. Gas revenues were \$21.2 million lower than budget primarily due to gas prices at \$2.10 per gigajoule versus budget at \$2.83 per gigajoule and oil prices at \$37.95 per barrel versus budget at \$44.47 per barrel. Electric revenues were \$16.0 million lower than budget due to prices at \$42.57 per megawatt hour versus budget at \$49.58 per megawatt hour. Land and Business Support lot sales were 24 lots versus 90 budgeted.

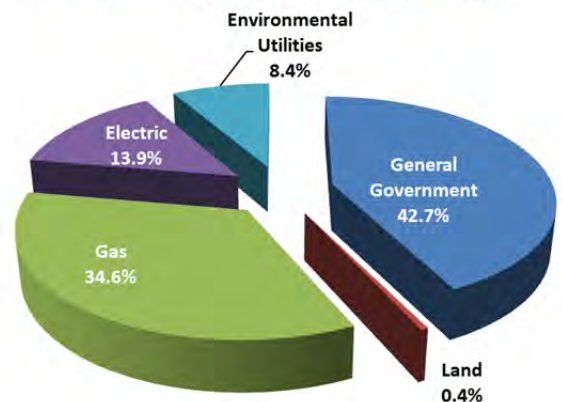
2016 revenues were lower than 2015 actual revenues mainly due to lower electric commodity prices and lower lot sales in Land and Business Support.

### Expenses

Overall the City operating expenses for the year were \$24.2 million lower than budget mainly due to lower gas expenses as a result of savings in operations and maintenance activity as a result of lower activity; lower electric expenses due to savings in fuel purchases and electric energy purchases as a result of the lower commodity prices; and lower Land and Business Support expenses due to selling fewer lots than budgeted.

2016 expenses are lower than 2015 actual expenses by \$44.5 million mainly due to lower gas expenses primarily due to a larger impairment being recognized in 2015 on the natural gas and oil reserves; and lower electric expenses mainly due to savings in fuel purchases as a result of lower gas commodity prices in 2016.

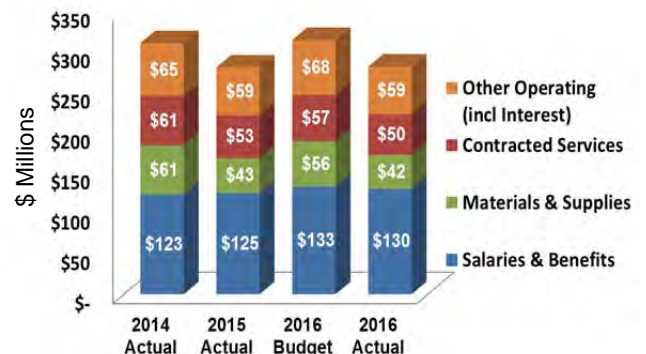
### Consolidated Operating Expenses by Division



### Expenses by Type

The Consolidated Expenses by Object Schedule details 2016 actual (\$358.7 million) and budgeted (\$382.9 million) by expense type. The chart to the right excludes amortization, impairments, and disposal expenses. Variances from budget for other operating expenses, contracted services, and materials and supplies are mostly related to the lower activity due to the economic downturn and lower gas and electric commodity prices.

The 2016 actual expenses by type are marginally higher than 2015 due to higher salaries and benefits mainly due to union contract settlements.





# TREASURER'S REPORT

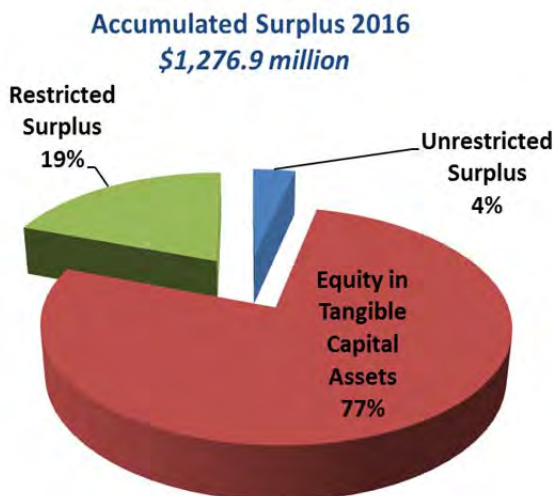
## FOR THE YEAR ENDED DECEMBER 31, 2016

### 2016 Capital

Capital expenditures for the year were \$123.0 million plus contributions from developers of \$2.5 million. While the City's approved 2016 budget for capital items was \$170.7 million, the current expenditures include \$93.8 million for projects carried forward from previous budget years.

The 2016 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



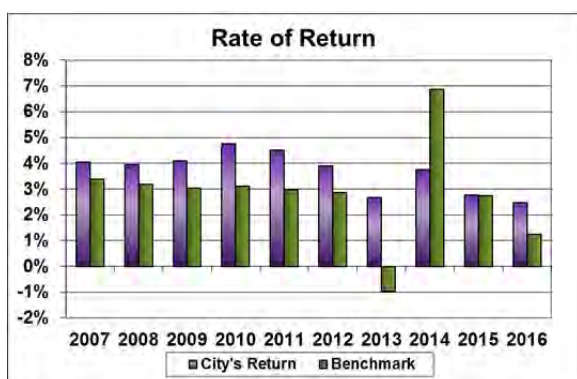
The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2016 the consolidated fund and equity balances decreased by \$29.8 million to \$1,276.9 million.

\$45.6 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City. The restricted amount is \$247.2 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets increased by \$15.8 million to \$984.1 million this year as a result of an increase in City assets, offset by accumulated amortization and debt.

### Investments

Investments, Loans and Advances decreased \$24.6 million from 2015 to \$432.8 million largely as a result of funds being used for community projects such as flood mitigation and berms, the Family Leisure Center and the construction and relocation of Fire Stations #1 and #2.



The City of Medicine Hat's investment return for the year ended December 31, 2016 averaged 2.47 per cent, higher than the FTSE TMX Canada Universe Bond benchmark index of 1.24 per cent. The City's average portfolio return has outperformed the stated benchmark over the last nine years with the exception in 2014 due to the City's term to maturity being less than the benchmark.

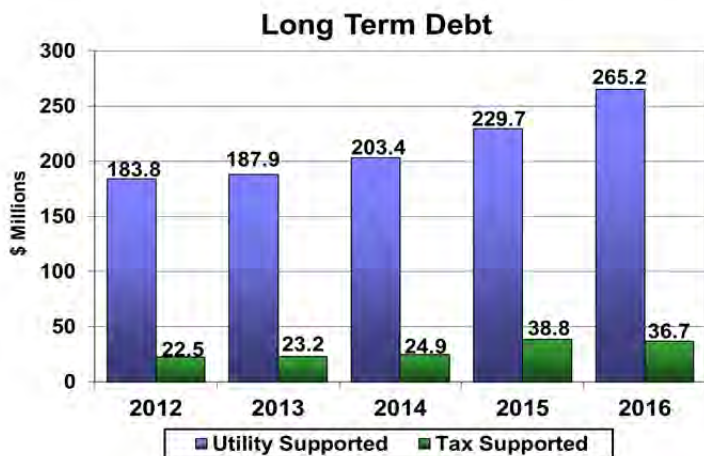
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2016

### Long-Term Debt

During 2016, total Long Term Debt increased \$33.4 million to \$301.9 million as a result of new borrowings exceeding repayments. Total debt principal repayments were \$22.8 million and new debt was \$56.3 million. New debt represents \$16.2 million for improvements to Environmental Utility assets, \$38.6 million relate to Electric Utility assets, and \$1.5 million for municipal infrastructure.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue net of capital government transfers, and the debt servicing limit is limited to 35 per cent of revenue net of capital government transfers. For purposes of these calculations actual total debt includes long and short term debt as well as loan guarantees in the amount of \$2.1 million.



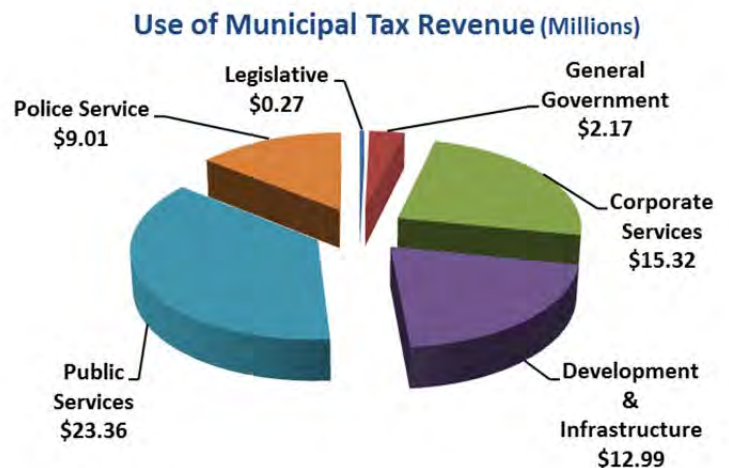
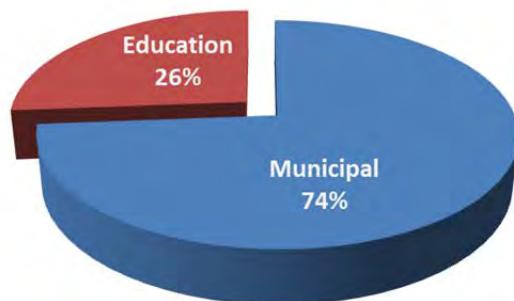
The City's 2016 debt limits are as follows:

	2016	
Debt Limit	\$ 612.0	
Actual Total Debt	304.0	
<b>Amount Under Limit</b>	<b>\$ 308.0</b>	<b>50%</b>
Debt Servicing Limit	\$ 107.1	
Actual Debt Servicing	33.2	
<b>Amount Under Limit</b>	<b>\$ 73.9</b>	<b>69%</b>

### Use of Municipal Tax Revenue (in thousands of dollars)

Municipal property taxes contributed \$63.1 million (41.3%) of the consolidated General Fund operating expenses of \$153.0 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2016.



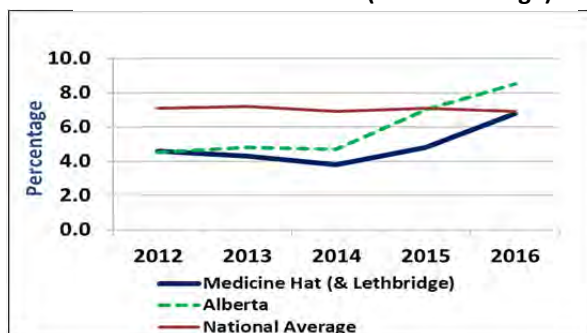
# TREASURER'S REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2016

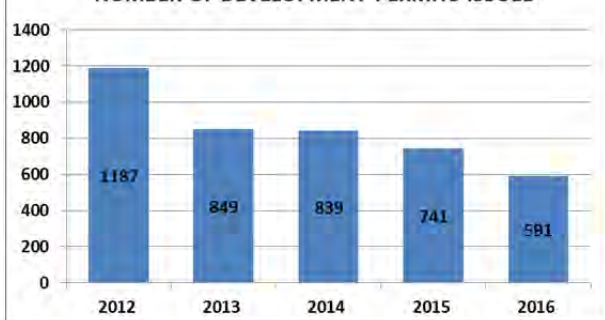
### Economic Indicators

The unemployment rate in Medicine Hat and Lethbridge at the end of 2016 was 6.47%, while the 2016 average was 6.8%. The average Alberta unemployment for 2016 was 8.5% compared to 6.9% for Canada.

UNEMPLOYMENT RATE (annual average)



NUMBER OF DEVELOPMENT PERMITS ISSUED



### Number of Development Permits Issued

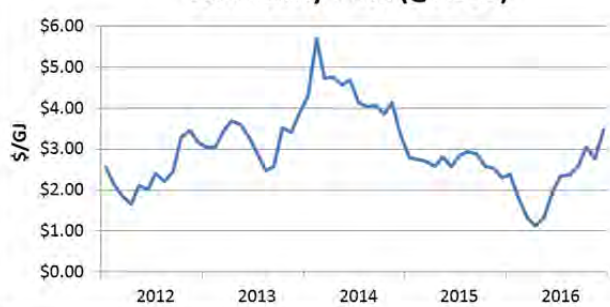
The number of development permits has decreased since 2013. The primary reason for this drop was the adoption of the new 2013 Land Use Bylaw (LUB). Under the new LUB permits are not required for many minor developments or they can be included in a larger permit. As a result, the new LUB and its simplified permitting system resulted in fewer permits issued. The economic downturn also contributed to the decrease in 2016.

### Gas

The severe decrease in the natural gas prices in the early part of 2016 was mainly due to volumes in storage far exceeding the five year average due primarily to the mild winter. As demand exceeded North American production for most of the year, storage levels returned to their norms and prices strengthened. However natural gas storage volumes in Alberta remain significantly above the five year average.

2016 sales gas volume from production for the City of Medicine Hat was 16.0 billion cubic feet (16.8 million gigajoule (GJ's)). A \$1 / GJ change in the commodity price would affect annual gross revenue by \$16.8 million.

Natural Gas Historical Market  
Commodity Price (@AECO)



Western Canadian Select Historical  
Market Commodity Price \$/bbl



### Oil

The decrease in oil prices early in 2016 was due to supply continuing to exceed demand globally as part of the economic slowdown. 2016 oil prices improved later in the year as OPEC countries agreed to supply curtailments in an effort to improve prices.

2016 oil production for the City of Medicine Hat was 601,885 barrels. A \$1 / barrel change in the commodity price would affect annual gross revenue by \$601,885.



# Financial Statements



## ***RESPONSIBILITY FOR FINANCIAL REPORTING***

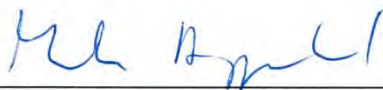
### ***MANAGEMENT'S REPORT***

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

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

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

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



Chief Administrative Officer



Commissioner of Corporate Services



**KPMG LLP**  
500 Lethbridge Centre Tower  
400 - 4th Avenue South  
Lethbridge AB T1J 4E1  
Canada

Telephone (403) 380-5700  
Fax (403) 380-5760  
Internet [www.kpmg.ca](http://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, 2016, and the consolidated statements of operations, changes in net financial (debt) assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and 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, 2016, and its results of operations and its cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

April 17, 2017  
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, 2016 (in thousands of dollars)**

	2016	2015	2014
<b>Financial assets</b>			
Cash and temporary investments (Note 2)	\$ 45,399	\$ 40,366	\$ 59,753
Accounts receivable, net of allowances (Note 3)	40,855	49,696	58,055
Advances to subsidiary (Note 4)	-	-	10,166
Investment in subsidiary (Note 5)	-	-	12,533
Investments, loans and advances (Note 6)	432,774	457,392	458,971
Land held for resale	5,924	6,544	6,608
Inventories for resale (Note 7)	75	66	97
Deposits (Note 8)	689	941	3,875
Properties held for sale (Note 9)	701	-	-
<b>Total financial assets</b>	<b>526,417</b>	<b>555,005</b>	<b>610,058</b>
<b>Liabilities</b>			
Trade accounts payable	27,748	34,826	35,784
Accrued liabilities (Note 10)	16,088	13,892	19,184
Liabilities associated with properties held for sale (Note 9)	1,703	-	-
Deferred revenue (Note 11)	41,915	39,161	41,335
Long term debt (Note 13)	301,881	268,460	228,269
Other long term liabilities (Note 14)	279,245	263,856	201,656
<b>Total liabilities</b>	<b>668,580</b>	<b>620,195</b>	<b>526,228</b>
<b>Net financial (debt) assets</b>	<b>(142,163)</b>	<b>(65,190)</b>	<b>83,830</b>
<b>Non-financial assets</b>			
Inventories for consumption	11,749	11,489	11,045
Prepaid assets	2,689	2,181	2,644
Land held for future development (Note 15)	15,359	13,349	13,316
Long lived assets	103,325	108,080	78,469
Tangible capital assets (Schedule 1) (Note 16)	1,285,951	1,236,755	1,151,530
<b>Total non-financial assets</b>	<b>1,419,073</b>	<b>1,371,854</b>	<b>1,257,004</b>
Operating commitments (Note 22)			
Capital commitments (Note 24)			
Contingent liabilities (Note 25)			
<b>Accumulated surplus (Note 17)</b>	<b>\$ 1,276,910</b>	<b>\$ 1,306,664</b>	<b>\$ 1,340,834</b>

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

# CONSOLIDATED

## Statement of Operations

*For the year ended December 31, 2016 (in thousands of dollars)*

	2016 Budget	2016	2015	2014
<b>Revenue</b>				
<b>Municipal taxes</b> (Schedule 2)	\$ 63,076	\$ 63,121	\$ 59,627	\$ 55,536
<b>Sale of services</b>				
General Government	10,430	8,878	8,618	9,756
Gas	108,777	87,565	87,728	129,588
Electric	75,642	59,630	72,610	89,548
Water	18,209	18,227	19,123	17,223
Sewer	15,395	15,189	14,997	14,178
Solid Waste	8,996	8,757	8,207	8,049
Land and Properties	11,450	3,321	6,751	10,533
<b>Other income</b>				
Investment income	10,700	10,062	12,130	15,347
Investment in subsidiary (Note 5)	-	-	5,119	3,483
Licenses, fines and penalties	6,453	6,161	6,317	6,395
Insurance recovery (clawback)	841	234	(925)	3,490
Development levies	11,356	2,162	3,453	9,368
Charitable gifts (Note 5)	-	-	-	3,000
Government transfers for operating (Schedule 3)	5,438	5,759	7,503	9,061
Other	14,762	16,916	18,133	18,572
<b>Total revenue</b>	361,525	305,982	329,391	403,127
<b>Expenses</b> (Schedule 4 and Schedule 5)				
General Government	151,747	153,027	143,113	141,250
Gas	137,189	123,972	175,640	169,831
Electric	54,404	48,928	52,224	60,860
Utility Business Support	1,102	968	434	531
Water	14,023	12,164	11,881	12,040
Sewer	10,767	12,152	11,558	11,323
Solid Waste	6,685	5,821	6,479	7,328
Land and Properties	6,948	1,642	1,870	1,693
<b>Total expenses</b>	382,865	358,674	403,199	404,856
<b>Deficiency of revenue over expenses</b>				
- before other revenue	(21,340)	(52,692)	(73,808)	(1,729)
<b>Other revenue</b>				
Contributed tangible capital assets	1,680	2,456	371	1,152
Government transfers for capital (Schedule 3) (Note 11)	20,623	20,482	39,267	31,024
<b>Total other revenue</b>	22,303	22,938	39,638	32,176
<b>Annual (deficit) surplus</b>	963	(29,754)	(34,170)	30,447
<b>Accumulated surplus, beginning of year</b>	1,306,664	1,306,664	1,340,834	1,310,387
<b>Accumulated surplus, end of year</b>	<b>\$ 1,307,627</b>	<b>\$ 1,276,910</b>	<b>\$ 1,306,664</b>	<b>\$ 1,340,834</b>

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

# CONSOLIDATED

## Statement of Change in Net Financial (Debt) Assets

For the year ended December 31, 2016 (in thousands of dollars)

	2016 Budget	2016	2015	2014
<b>Annual (deficit) surplus</b>	\$ 963	\$ (29,754)	\$ (34,170)	\$ 30,447
Amortization of tangible capital assets	69,725	63,031	66,530	65,071
Impairments	-	13,610	55,388	28,383
Loss (gain) on disposal of tangible capital assets	(300)	774	502	1,135
Developers contribution of tangible capital assets	(10,019)	(2,456)	(371)	(1,152)
Acquisition of tangible capital assets	(106,975)	(123,046)	(163,463)	(160,060)
Transfer of tangible capital assets from subsidiary	-	-	(25,451)	-
Proceeds from sale of tangible capital assets	-	1,317	975	388
Decrease (increase) in long lived assets	(20,353)	2,507	(47,435)	(6,719)
Transfer of long lived assets from subsidiary	-	-	(1,511)	-
	(66,959)	(74,017)	(149,006)	(42,507)
Acquisition of inventories and supplies	(3,700)	(5,065)	(6,057)	(6,956)
Net (acquisition) transfer of land held for future development	1,718	(3,653)	(33)	3,267
Acquisition of prepaid assets	(3,000)	(2,188)	(4,743)	(3,759)
Consumption of inventories and supplies	3,700	4,805	5,613	6,827
Use of prepaid assets	3,000	3,145	5,206	3,340
	1,718	(2,956)	(14)	2,719
<b>Decrease in net financial (debt) assets</b>	(65,241)	(76,973)	(149,020)	(39,788)
<b>Net financial (debt) assets, beginning of year</b>	(65,190)	(65,190)	83,830	123,618
<b>Net financial (debt) assets, end of year</b>	<b>\$ (130,431)</b>	<b>\$ (142,163)</b>	<b>\$ (65,190)</b>	<b>\$ 83,830</b>

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



# CONSOLIDATED

## Statement of Cash Flows

*For the year ended December 31, 2016 (in thousands of dollars)*

	2016	2015	2014
<b>Net inflow (outflow) of cash related to the following activities:</b>			
<b>Operating</b>			
Annual (deficit) surplus	\$ (29,754)	\$ (34,170)	\$ 30,447
Non-cash items included in deficiency of revenues over expenses:			
Amortization of tangible capital assets	63,031	66,530	65,071
Impairments	13,610	55,388	28,383
Loss on disposal of tangible capital assets	774	502	1,135
Developers contribution of tangible capital assets	(2,456)	(371)	(1,152)
Income from subsidiary	-	(5,119)	(3,483)
Non-cash items relating to capital and investing activities:			
Decrease in advances to subsidiary	-	10,166	-
Decrease in investment in subsidiary	-	17,652	-
Transfer of tangible capital assets from subsidiary	-	(25,451)	-
Transfer of long lived assets from subsidiary	-	(1,511)	-
Properties held for sale	1,002	-	-
Non-cash changes to operations (net change):			
Decrease in accounts receivable	8,841	8,359	2,331
Decrease (increase) in inventories for resale	(9)	31	9
Decrease (increase) in land held for resale	442	64	(3,657)
Decrease (Increase) in land held for future development	(2,010)	(33)	3,267
Increase in inventories for consumption	(260)	(444)	(129)
Decrease (increase) in deposits	252	2,934	(2,355)
Decrease (increase) in prepaid assets	(508)	463	(419)
Decrease in trade accounts payable	(7,078)	(958)	(2,768)
Increase (decrease) in accrued liabilities	2,196	(5,292)	(373)
Increase (decrease) in deferred revenue	2,754	(2,174)	(14,655)
Increase in other long term liabilities	15,389	62,200	18,228
<b>Cash provided by operating transactions</b>	<b>66,216</b>	<b>148,766</b>	<b>119,880</b>
<b>Capital</b>			
Acquisition of tangible capital assets	(123,046)	(163,463)	(160,060)
Proceeds from sale of tangible capital assets	1,317	975	388
Decrease (increase) in long lived assets	2,507	(47,435)	(6,719)
<b>Cash applied to capital transactions</b>	<b>(119,222)</b>	<b>(209,923)</b>	<b>(166,391)</b>
<b>Investing</b>			
Decrease (increase) in restricted cash and temporary investments	(2,882)	3,233	12,640
Decrease in investments, loans and advances	24,618	1,579	23,571
Decrease in advances to subsidiary	-	-	503
<b>Cash applied to investing transactions</b>	<b>21,736</b>	<b>4,812</b>	<b>36,714</b>
<b>Financing</b>			
Long term debt issued and assumed	56,270	61,205	38,462
Long term debt repaid	(22,849)	(21,014)	(21,322)
<b>Cash provided by financing transactions</b>	<b>33,421</b>	<b>40,191</b>	<b>17,140</b>
<b>Change in cash and equivalents during the year</b>	<b>2,151</b>	<b>(16,154)</b>	<b>7,343</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,621</b>	<b>20,775</b>	<b>13,432</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,772</b>	<b>\$ 4,621</b>	<b>\$ 20,775</b>
<b>Cash and cash equivalents consist of the following:</b>			
Cash	\$ 45,399	\$ 40,366	\$ 59,753
Less: restricted portion of cash and temporary investments	(38,627)	(35,745)	(38,978)
<b>Total</b>	<b>\$ 6,772</b>	<b>\$ 4,621</b>	<b>\$ 20,775</b>

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

**CONSOLIDATED**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
*As at December 31, 2016 (in thousands of dollars)*

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2016	2015	2014
<b>Cost:</b>										
Balance, beginning of year	\$ 48,140	\$ 102,935	\$ 298,067	\$ 1,171,274	\$ 830,403	\$ 104,843	\$ 50,459	\$ 2,606,121	\$ 2,477,278	\$ 2,354,191
Acquisition of tangible capital assets	510	6,714	38,153	50,898	5,009	4,620	3,231	109,135	191,287	126,091
Transfer of tangible capital assets from subsidiary	-	-	-	-	-	-	-	-	25,451	-
Construction-in-progress	-	(1,491)	(16,891)	26,721	3,030	4,095	903	16,367	(27,453)	35,121
Disposal of tangible capital assets	(54)	(131)	(725)	(1,934)	-	(1,715)	(5,514)	(10,073)	(24,389)	(9,742)
Write down of tangible capital assets	-	-	-	-	(11,184)	-	-	(11,184)	(36,053)	(28,383)
<b>Balance, end of year</b>	<b>48,596</b>	<b>108,027</b>	<b>318,604</b>	<b>1,246,959</b>	<b>827,258</b>	<b>111,843</b>	<b>49,079</b>	<b>2,710,366</b>	<b>2,606,121</b>	<b>2,477,278</b>
<b>Accumulated amortization:</b>										
Balance, beginning of year	-	37,244	75,752	497,540	692,658	39,881	26,291	1,369,366	1,325,748	1,268,896
Annual amortization	-	4,065	6,928	30,053	11,755	5,446	4,784	63,031	66,530	65,071
Accumulated amortization on disposals	-	(36)	(556)	(1,372)	-	(723)	(5,295)	(7,982)	(22,912)	(8,219)
<b>Balance, end of year</b>	<b>-</b>	<b>41,273</b>	<b>82,124</b>	<b>526,221</b>	<b>704,413</b>	<b>44,604</b>	<b>25,780</b>	<b>1,424,415</b>	<b>1,369,366</b>	<b>1,325,748</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 48,596</b>	<b>\$ 66,754</b>	<b>\$ 236,480</b>	<b>\$ 720,738</b>	<b>\$ 122,845</b>	<b>\$ 67,239</b>	<b>\$ 23,299</b>	<b>\$ 1,285,951</b>	<b>\$ 1,236,755</b>	<b>\$ 1,151,530</b>
<b>2015 net book value of tangible capital assets (Note 16)</b>	<b>\$ 48,140</b>	<b>\$ 65,691</b>	<b>\$ 222,315</b>	<b>\$ 673,734</b>	<b>\$ 137,745</b>	<b>\$ 64,962</b>	<b>\$ 24,168</b>	<b>\$ 1,236,755</b>		
<b>2014 net book value of tangible capital assets (Note 16)</b>	<b>\$ 46,902</b>	<b>\$ 36,736</b>	<b>\$ 195,460</b>	<b>\$ 652,124</b>	<b>\$ 158,558</b>	<b>\$ 39,976</b>	<b>\$ 21,774</b>	<b>\$ 1,151,530</b>		

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

**Schedule of Municipal Taxes**  
**For the year ended December 31, 2016**  
*(in thousands of dollars)*

	<b>2016 Budget</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Taxation</b>				
Real property taxes	\$ 84,555	\$ 84,634	\$ 80,220	\$ 76,119
Linear property taxes	1,124	1,124	1,067	947
Special assessments and local improvement taxes	352	348	350	356
	86,031	86,106	81,637	77,422
<b>Requisitions</b>				
Alberta School Foundation	18,614	18,639	17,853	17,741
Catholic Board of Education	3,515	3,519	3,361	3,337
Cypress View Foundation	826	827	796	808
	22,955	22,985	22,010	21,886
<b>Municipal taxes</b>	<b>\$ 63,076</b>	<b>\$ 63,121</b>	<b>\$ 59,627</b>	<b>\$ 55,536</b>

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



**Schedule of Government Transfers**

**For the year ending December 31, 2016 (in thousands of dollars)**

	<b>2016</b>			<b>2015</b>	<b>2014</b>
	<b>Provincial</b>	<b>Federal</b>	<b>Total</b>		
<b>Unconditional transfers</b>					
Payment in place of taxes	\$ 1,358	\$ 66	\$ 1,424	\$ 808	\$ 1,403
<b>Conditional operating</b>					
Alberta Emergency Services	574	-	574	-	-
Alberta Disaster Recovery Program (DRP)	(21)	-	(21)	2,136	3,556
Alberta Employment Programs	82	7	89	-	3
Alberta Foundation for the Arts	-	30	30	35	33
Alberta Foundation of the Arts Travelling Exhibition Program	186	-	186	194	141
Alberta Museums Association	25	-	25	25	25
Basic Municipal Transportation Grant (BMTG)	119	-	119	102	122
Canada Council for the Arts	-	-	-	-	41
Canadian Heritage Grant	45	57	102	45	45
Child and Family Services Alberta (CFSA)	115	-	115	114	112
Family and Community Support Services (FCSS)	1,532	-	1,532	1,333	1,333
Fire Services & Emergency Preparedness Program (FSEPP)	19	-	19	6	-
Gas Tax Fund (GTF)	-	-	-	93	-
GreenTrip	11	-	11	1	3
Historic Inventory	-	-	-	11	-
Historical Resources	-	-	-	87	-
Major Community Facilities Program (MCFP)	-	-	-	-	40
Municipal Assist	-	-	-	44	-
Municipal Internship Program for Administrators	24	-	24	-	-
Municipal Policing Assistance	-	-	-	979	979
Municipal Sustainability Initiative (MSI)	90	-	90	9	532
Municipal Sustainability Initiative Operating (MSIO)	192	-	192	448	-
Police Officer Grant	400	-	400	400	400
Regional Collaboration Program (RCP)	326	-	326	92	-
Regional Municipality of Wood Buffalo	7	-	7	-	-
Southern Alberta Flood Recovery Program (SAFRP)	12	-	12	20	-
Victims of Crime Fund Grant	150	-	150	150	150
Young Canada Works	-	-	-	4	-
911 Mobility Grant	353	-	353	367	143
	<b>5,599</b>	<b>160</b>	<b>5,759</b>	<b>7,503</b>	<b>9,061</b>
<b>Conditional capital</b>					
Affordable Housing Grant	303	-	303	390	891
Alberta Community Partnership (ACP)	143	-	143	41	-
Alberta Disaster Recovery Program (DRP)	-	-	-	-	852
Alberta Environment Eco Trust Funding Grant	-	-	-	15	-
Alberta Recycling Management Grant	7	-	7	15	-
Basic Municipal Transportation Grant (BMTG)	47	-	47	1,093	5,071
Climate Change & Emissions Management Corp (CCEMC)	-	-	-	16	-
Community Infrastructure Improvement Fund	-	-	-	-	5
Enabling Accessibility Fund (EAF)	-	38	38	40	-
Gas Tax Fund (GTF)	-	3,638	3,638	2,492	6,683
Flood Readiness Supplies Grant	-	-	-	26	1,371
Flood Recovery Erosion Control Program (FREC)	538	-	538	8,399	4,274
GreenTrip	857	-	857	2,326	646
Local Flood Mitigation Measures (LFM)	-	-	-	4,309	-
Major Community Facilities Program (MCFP)	2,218	-	2,218	5,290	1,863
Municipal Sustainability Initiative (MSI)	10,658	-	10,658	9,525	7,096
New Building Canada Fund (NBCF)	-	2,035	2,035	5,290	-
New Deals for Public Transit (NDPT)	-	-	-	-	409
Recreational Infrastructure Canada Program (RinC)	-	-	-	-	1,863
	<b>14,771</b>	<b>5,711</b>	<b>20,482</b>	<b>39,267</b>	<b>31,024</b>
<b>Total government transfers</b>	<b>\$ 20,370</b>	<b>\$ 5,871</b>	<b>\$ 26,241</b>	<b>\$ 46,770</b>	<b>\$ 40,085</b>

**Schedule of Segment Disclosures (Note 27) For the year ended December 31, 2016 (in thousands of dollars)**

**Schedule 4**

	<b>Tax Supported</b>	<b>Gas Utility</b>	<b>Electric Utility</b>	<b>Utilities Business Support</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Land &amp; Properties</b>	<b>Consolidation Adjustments</b>	<b>2016 Consolidated</b>
<b>Revenue</b>										
Net municipal taxes	\$ 66,673	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (3,778)	\$ 63,121
Sales of services	8,878	102,568	63,558	-	18,384	15,294	8,914	3,321	(19,350)	201,567
Investment income	3,250	5,148	1,934	14	-	-	-	-	(284)	10,062
Licenses, fines and penalties	6,160	-	-	-	-	-	-	1	-	6,161
Insurance recovery	232	-	-	-	2	-	-	-	-	234
Development levies	1,182	(71)	506	-	263	282	-	-	-	2,162
Charitable gifts	-	-	-	-	-	-	-	-	-	-
Government transfers for operating	5,769	-	3	-	(7)	-	(13)	7	-	5,759
Other	6,243	1,516	2,496	-	383	64	34	2,399	3,781	16,916
Internal recoveries	36,182	144	2,561	1,024	859	3	862	-	(41,635)	-
Transfer from Utilities and Land	4,809	-	-	-	-	-	-	-	(4,809)	-
	139,378	109,305	71,058	1,038	19,997	15,756	9,797	5,728	(66,075)	305,982
<b>Expenses</b>										
Salaries, wages and benefits	87,337	15,969	13,672	541	4,477	4,349	2,775	552	92	129,764
Contracted and general services	18,649	20,681	6,602	80	1,129	769	1,798	214	256	50,178
Materials, goods and utilities	9,258	17,377	11,297	8	1,478	1,583	581	2,389	(1,533)	42,438
Provisions for allowances	29	73	102	-	37	31	17	-	-	289
Bank charges and short term interest	144	70	-	-	-	-	-	2	-	216
Interest on long term debt	1,590	548	2,951	-	2,929	2,342	134	-	(284)	10,210
Total grants and other transfers	3,940	-	-	-	-	-	-	-	-	3,940
Other operating expenses	1,781	44,551	684	335	13	-	(431)	-	(2,709)	44,224
Amortization of tangible capital assets	29,619	13,501	13,385	1	3,413	2,647	334	131	-	63,031
Impairment	-	13,432	-	-	-	-	-	178	-	13,610
Loss on disposal of tangible capital assets	442	105	250	-	19	1	2	(45)	-	774
Internal charges and transfers	20,809	7,244	23,119	276	4,376	3,547	2,785	1,135	(63,291)	-
	173,598	133,551	72,062	1,241	17,871	15,269	7,995	4,556	(67,469)	358,674
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (34,220)</b>	<b>\$ (24,246)</b>	<b>\$ (1,004)</b>	<b>\$ (203)</b>	<b>\$ 2,126</b>	<b>\$ 487</b>	<b>\$ 1,802</b>	<b>\$ 1,172</b>	<b>\$ 1,394</b>	<b>\$ (52,692)</b>
<b>Other</b>										
Contributed assets	\$ 2,606	\$ -	\$ 25	\$ -	\$ 223	\$ 529	\$ -	\$ -	\$ (927)	\$ 2,456
Government transfers for capital	20,482	-	-	-	-	-	-	-	-	20,482
<b>Total other</b>	<b>23,088</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>223</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>(927)</b>	<b>22,938</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (11,132)</b>	<b>\$ (24,246)</b>	<b>\$ (979)</b>	<b>\$ (203)</b>	<b>\$ 2,349</b>	<b>\$ 1,016</b>	<b>\$ 1,802</b>	<b>\$ 1,172</b>	<b>\$ 467</b>	<b>\$ (29,754)</b>

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

**Schedule of Segment Disclosures (Note 27) For the year ended December 31, 2014 (in thousands of dollars)**

**Schedule 4**

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



**CONSOLIDATED****Schedule 5****Schedule of Expenses By Object****For the year ended December 31, 2016***(in thousands of dollars)*

	<b>2016 Budget</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Expenses</b>				
Salaries, wages and benefits	\$133,103	\$ 129,764	\$ 125,450	\$ 123,167
Contracted and general services	57,182	50,178	52,547	60,982
Materials, goods and utilities	56,463	42,438	42,510	61,431
Provisions for allowances	293	289	670	30
Bank charges and short term interest	317	216	205	168
Interest on long term debt	10,543	10,210	9,648	9,399
Total grants and other transfers	3,427	3,940	3,391	4,100
Other operating expenses	52,585	44,224	46,358	50,990
Amortization of tangible capital assets	69,252	63,031	66,530	65,071
Impairments	-	13,610	55,388	28,383
Loss (gain) on disposal of tangible capital assets	(300)	774	502	1,135
<b>Total expenses</b>	<b>\$ 382,865</b>	<b>\$ 358,674</b>	<b>\$ 403,199</b>	<b>\$ 404,856</b>

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

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

### **(A) BASIS OF CONSOLIDATION**

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

#### **1. Municipal Services**

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

#### **2. Utility Services**

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

Allied Oil & Gas Corp., was a wholly-owned subsidiary of the City, and was accounted for by using the modified equity basis, consistent with Canadian public sector accounting standards treatment of government business enterprises. In 2015, the Municipal Council of the City of Medicine Hat, in its capacity as sole shareholder of Allied Oil and Gas Corp., adopted a special resolution to transfer the assets of Allied Oil and Gas Corp. into the City of Medicine Hat's asset portfolio. The transferred asset portfolio is managed by the City of Medicine Hat's Natural Gas and Petroleum Resources (NGPR) business unit. As a result, effective December 1, 2015, Allied Oil & Gas Corp. was no longer treated as a government business enterprise and the remaining assets, liabilities and operations have been consolidated into the financial statements of the City of Medicine Hat.

Interdepartmental and organizational transactions and balances are eliminated.

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

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

The Schedule of Municipal Taxes levied includes operating requisitions for the Alberta School Foundation, Catholic Board of Education, Cypress View Foundation as well as 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 18.

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## **(B) BASIS OF ACCOUNTING**

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

### **1. Revenues**

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

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

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

### **2. Tax Revenues**

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

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

### **3. Expenses**

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

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

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #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 effective interest method. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

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

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

## **(D) INVENTORIES FOR RESALE / GAS IN STORAGE**

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

**(E) LAND HELD FOR RESALE**

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

**(F) PENSION EXPENSES**

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

**(G) JOINT VENTURE ACCOUNTING**

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

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

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

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

**(I) DECOMMISSIONING OBLIGATION**

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

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

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

**(K) NON-FINANCIAL ASSETS**

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



# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## 1. Tangible Capital Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

D&P assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 11 CGUs. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

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

## **(iii) Subsequent Costs**

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

## **Depletion and Depreciation**

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

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

## **(iv) Impairment**

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

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

### **PP&E:**

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

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

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

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

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

### **3. Contribution of Tangible Capital Assets**

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

### **4. Historical Assets**

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

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

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

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

### **1. Gas Utility**

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

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

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

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

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

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

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

Liabilities for contaminated sites are included in other long term liabilities in the Consolidated Statement of Financial Position (note 14C).

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

### **1. Related Party and Inter-Entity Transactions**

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

### **2. Assets, Contingent Assets**

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



# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## **3. Contractual Rights**

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

## **4. Restructuring Transactions**

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

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

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

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

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

## **6. Portfolio Investments**

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

# NOTES

For the year ended December 31, 2016

(In thousands of dollars)

## NOTE 2: CASH AND TEMPORARY INVESTMENTS

	2016	2015	2014
Cash	\$ 6,772	\$ 4,621	\$ 20,775
Temporary Investments	38,627	35,745	38,978
<b>TOTAL</b>	<b>\$ 45,399</b>	<b>\$ 40,366</b>	<b>\$ 59,753</b>

Temporary investments represent restricted amounts aggregating \$38,301 (2015 - \$34,892; 2014 - \$25,847) for programs including the Municipal Sustainability Initiative Capital Fund Program, Federal Gas Tax Fund, Alberta Community Resilience Program for overland flooding, which are held exclusively for eligible capital projects, Municipal Sustainability Initiative Operating Grant Program and the Regional Emergency Management Grant funding for operating activities, and restricted amounts aggregating \$326 (2015 - \$853; 2014 - \$13,131) for Alberta Disaster Recovery program funding for the 2014 flood damages and related mitigation measures.

These investments have an average yield of 1.42 (2015 - 1.40; 2014 - 1.68) per cent and an average term of 322 (2015 - 291; 2014 - 292) days to maturity.

## NOTE 3: ACCOUNTS RECEIVABLE, Net of Allowances

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

	2016	2015	2014
Current Taxes Receivable	\$ 2,619	\$ 2,308	\$ 2,523
City Centre Development Agency	16	18	7
Less: Allowance for Tax Adjustments	(4)	(5)	(3)
<b>SUB-TOTAL</b>	<b>\$ 2,631</b>	<b>\$ 2,321</b>	<b>\$ 2,527</b>

### (B) ACCOUNTS RECEIVABLE

	2016	2015	2014
Trade Accounts Receivable	\$ 39,636	\$ 48,710	\$ 56,395
Less: Allowance for Doubtful Accounts	(1,412)	(1,335)	(867)
<b>SUB-TOTAL</b>	<b>\$ 38,224</b>	<b>\$ 47,375</b>	<b>\$ 55,528</b>
<b>TOTAL</b>	<b>\$ 40,855</b>	<b>\$ 49,696</b>	<b>\$ 58,055</b>

## NOTE 4: ADVANCES TO SUBSIDIARY

	2016	2015	2014
Unsecured, non-interest bearing advances with no fixed terms of repayment	\$ -	\$ -	\$ 69
Unsecured note, bearing interest at prime plus 1% due on demand	-	-	10,097
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$10,166</b>

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 5: INVESTMENT IN SUBSIDIARY

As a result of the transfer of Allied's assets and liabilities to the City of Medicine Hat (note 1A), the current assets of \$1,169 at December 31, 2015 were consolidated into the City of Medicine Hat's statements. (Net Assets for 2014 comprised of a surplus of \$12,356 and contributed surplus of \$3,224).

	2016	2015	2014
<b>Financial position</b>			
Current assets	\$ -	\$ 1,169	\$ 5,983
Deferred income tax asset	-	-	-
Tangible capital assets	-	-	24,353
<b>Total assets</b>	<b>-</b>	<b>1,169</b>	<b>30,336</b>
Current liabilities	-	-	1,360
Advances from City of Medicine Hat	-	-	10,166
Decommissioning obligation	-	-	2,277
Deferred income tax Liability	-	-	947
Other liabilities	-	-	6
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>14,756</b>
<b>NET ASSETS</b>	<b>\$ -</b>	<b>\$ 1,169</b>	<b>\$ 15,580</b>
	2016	2015	2014
Revenues	\$ -	\$ 14,650	\$ 24,132
Operating expenses	-	6,770	12,639
Cash flow from operations	-	7,880	11,493
Charitable gift	-	32,001	3,000
Depletions and accretion	-	2,670	3,698
Transfer of assets to Parent	-	(32,001)	-
Net income before income tax	-	5,210	4,795
Income tax expense	-	91	1,312
Net income	-	5,119	3,483
Earnings (deficit), beginning of year	-	12,527	9,044
Transfer to Parent	-	(17,646)	-
Retained earnings (deficit), end of year	-	-	12,527
Preferred Shares	-	-	6
<b>INVESTMENT IN SUBSIDIARY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,533</b>

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

In 2015, Allied distributed assets with a fair market value of \$11,567 to the City of Medicine Hat in consideration for the assumption of its liabilities having a face value of \$11,567. In addition, the Company donated its gross remaining net assets with a fair market value of \$32,001 as a charitable gift as described in the Canadian Income Tax Act. As these transactions occurred between the City and its wholly owned subsidiary, the items have been recorded at their net book value with any unrealized gain eliminated from the Consolidated Financial Statements.

## NOTE 6: INVESTMENTS, LOANS AND ADVANCES

	2016		2015		2014	
	Cost	Market Value	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 15,610	\$ 19,613	\$ 16,249	\$ 21,296	\$ 16,897	\$ 20,268
Provincial Government and Agencies	68,497	68,618	52,949	53,196	26,353	26,771
Canadian Banks	236,266	236,852	246,912	248,125	265,126	267,734
Others	112,401	112,753	141,282	142,288	150,595	151,770
<b>TOTAL</b>	<b>\$ 432,774</b>	<b>\$ 437,836</b>	<b>\$ 457,392</b>	<b>\$ 464,905</b>	<b>\$ 458,971</b>	<b>\$ 466,543</b>

These investments are fixed income and bonds with interest rates from 1.04 per cent to 9.98 per cent and mature in periods 2017 through 2108. The investments have an average expected yield of 2.35 (2015 – 2.57; 2014 – 2.85) per cent and an average term of 2.60 (2015 – 4.35; 2014 – 6.84) years to maturity.

The amounts categorized as others in investments, loans and advances includes loans receivable of \$2,712 (2015 - \$2,718; 2014 - \$2,973). The following table provides details of the loans receivable.

	2016			2015	2014	Original Loan	Term (Years)	Year Loaned	Interest Rate
	Valuation Balance	Allowance <sup>1</sup>	Principal Payments						
Loyal Order of Moose	\$ 7	\$ -	\$ 7	\$ 14	\$ 21	\$ 150	20	1998	5.30%
Medicine Hat Public Library	9	-	9	18	27	109	10	1999	5.88%
SALTA Gymnastics Club	44	9	8	49	55	150	20	2003	4.27%
Medicine Hat YMCA	271	104	20	275	278	500	20	2003	6.00%
Medicine Hat Public Library	10	-	4	14	18	41	18	2009	4.00%
Cypress View Foundation	1,901	-	70	1,972	2,149	2,444	25	2008	5.50%
City Centre Development Authority	107	13	20	123	143	200	11	2011	5.50%
Cypress View Foundation	223	-	30	253	282	336	10	2012	5.50%
Medicine Hat Curling Club	140	-	-	-	-	140	15	2016	2.25%
<b>SUB-TOTAL</b>	<b>\$ 2,712</b>	<b>\$ 126</b>	<b>\$ 168</b>	<b>\$ 2,718</b>	<b>\$ 2,973</b>				

<sup>1</sup> Valuation Allowances related to interest free loans



# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 7: INVENTORIES FOR RESALE

	2016	2015	2014
Gas Inventory	\$ 1	\$ 1	\$ 1
Concessions	74	65	96
<b>TOTAL</b>	<b>\$ 75</b>	<b>\$ 66</b>	<b>\$ 97</b>

## NOTE 8: DEPOSITS

	2016	2015	2014
Tax Requisition Over Levies	\$ -	\$ 92	\$ -
Postage	2	48	28
Refundable Containers	33	33	34
Operating Deposits	616	672	1,192
Gas Royalty Deposits	38	96	2,621
<b>TOTAL</b>	<b>\$ 689</b>	<b>\$ 941</b>	<b>\$ 3,875</b>

## NOTE 9: PROPERTIES HELD FOR SALE

In 2016 the City entered into an agreement to divest of certain non-core assets located in southern Alberta, which represents 0.5% of our yearly production. The transaction is expected to close at February 28, 2017.

The assets and related liabilities have been classified as assets held for sale and recorded at the lesser of fair value less costs to sell and their carrying amount, and depletion at December 31, 2016. The liabilities classified as held for sale represents the asset retirement obligation associated with this disposition.

## NOTE 10: ACCRUED LIABILITIES

	2016	2015	2014
Accrued Wages and Salaries	\$ 3,753	\$ 2,679	\$ 7,638
Vacation Pay	6,826	6,504	6,436
Accrued Interest on Long-Term Debt	1,776	1,682	1,515
Deferred Charges	-	196	941
Accrued Royalties	118	67	141
Other Accrued Liabilities	3,615	2,764	2,513
<b>TOTAL</b>	<b>\$ 16,088</b>	<b>\$ 13,892</b>	<b>\$ 19,184</b>

# NOTES

For the year ended December 31, 2016

(In thousands of dollars)

## NOTE 11: DEFERRED REVENUE & GOVERNMENT TRANSFERS

### (A) DEFERRED REVENUE

	Balance 2014	Balance 2015	Additions 2016	Reductions 2016	Balance 2016
Deposits	\$ 216	\$ 309	\$ 778	\$ 638	\$ 449
Deferred Revenue	2,141	3,107	5,666	5,934	2,839
Alberta Cities Transportation Program	1,371	149	549	97	601
Alberta Emergency Disaster Program	13,131	8	-	8	-
Federal Gas Tax Fund	535	1,284	7,302	7,674	912
Municipal Sustainability Initiative	17,866	30,366	13,408	13,789	29,985
Public Housing Grant	238	242	4	246	-
Major Community Facilities Program	4,005	2,193	1,566	3,759	-
AB Community Partnership	-	370	6	144	232
Local Flood Mitigation	-	845	13	532	326
Community Facility Enhancement	-	70	49	117	2
Theatre Donations	-	10	-	-	10
Enabling Accessibility Fund	-	38	-	38	-
Regional Emergency Management	132	42	-	42	-
Affordable Housing Grant	510	128	378	433	73
Alberta Environment Eco Trust Funding Grant	1,190	-	-	-	-
Alberta Community Resilience Grant	-	-	6,494	8	6,486
<b>TOTAL</b>	<b>\$ 41,335</b>	<b>\$ 39,161</b>	<b>\$ 36,213</b>	<b>\$ 33,459</b>	<b>\$ 41,915</b>

Funds from Alberta Cities Transportation Program, Federal Gas Tax Fund, Municipal Sustainability Initiative, Major Community Facilities Program (MCFP), Alberta Community Partnership, Community Facility Enhancement Grant and Public Housing Grants, and Alberta Environment Eco Trust Funding Grant are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments (note 2) of \$38,301 (2015 - \$34,892; 2014 - \$25,847) held exclusively for these projects. An additional \$326 (2015 - \$853; 2014 - \$13,131) is held for funding flood damages and mitigation measures.

### (B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Municipal Transportation Grant (used primarily for road works); Municipal Sustainability Initiative Capital Grant (used primarily for the construction and relocation of the Fire Station and road works), Municipal Sustainability Initiative Operating Grant (used primarily for storm sewer and sidewalk maintenance, and support to not for profit organizations), Family and Community Support Services (used for not for profit organizations providing social services), Affordable Housing Grant, Federal Gas Tax Grant (used primarily for storm water infrastructure upgrades), GreenTRIP (used for Transit); Regional Emergency Management (used for the regional emergency collaboration program), Major Community Facilities Program (used for the Regional Event Centre and the Family Leisure Centre expansion), New Building Canada Fund (used for the Family Leisure Centre expansion), Local Flood Mitigation Measures, Flood Recovery Erosion Control and Alberta Community Resilience Grant (used for River Berms), and Alberta Disaster Recovery Program (used to rebuild City assets destroyed in the 2010, 2011, 2013 and 2014 floods).

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 12: SHORT-TERM DEBT

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

At December 31, 2016, there were Letters of Credit issued in the amount of \$38,816 (2015 – \$38,816; 2014 – \$18,466).

## NOTE 13: LONG-TERM DEBT

(A)

	2016	2015	2014
Tax Supported	\$ 36,662	\$ 38,805	\$ 24,901
Utilities			
- Electric	103,385	75,124	68,151
- Gas	14,992	15,715	14,340
- Water	75,759	75,083	70,152
- Sewer	67,989	60,189	47,891
- Solid Waste	3,094	3,544	2,834
Total Utilities	265,219	229,655	203,368
<b>TOTAL DEBT</b>	<b>\$ 301,881</b>	<b>\$ 268,460</b>	<b>\$ 228,269</b>

	2016	2015	2014
Comprised of:			
- Alberta Capital Finance Authority	\$ 301,881	\$ 268,460	\$ 228,269
<b>TOTAL DEBT</b>	<b>\$ 301,881</b>	<b>\$ 268,460</b>	<b>\$ 228,269</b>

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

	Principal	Interest
2017	\$ 22,527	\$ 10,684
2018	22,963	9,774
2019	21,763	8,850
2020	18,489	8,026
2021	18,284	7,300
2021-2046	197,855	45,986
<b>TOTAL</b>	<b>\$ 301,881</b>	<b>\$ 90,620</b>

The debentures have interest payable at rates ranging from 1.088 per cent to 8.250 per cent per annum before Provincial Subsidy, and mature in periods 2017 through 2045. The average annual interest rate for 2016 is 4.17 (2015 – 4.30; 2014 – 4.68) 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 2016 was \$10,210 (2015 – \$9,648; 2014 – \$9,399).

# NOTES

For the year ended December 31, 2016

(In thousands of dollars)

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

	2016	2015	2014
Tax Supported Debentures	\$ 582	\$ 616	\$ 407
Rate Supported Debentures	4,209	3,644	3,324
<b>TOTAL</b>	<b>\$ 4,791</b>	<b>\$ 4,260</b>	<b>\$ 3,731</b>

Debt per capita is based on the official census of 63,018 for 2016, (63,018 for 2015; 61,180 for 2014) 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 2.0 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees.

	2016	2015	2014
Debt Limit	\$ 611,964	\$ 671,261	\$ 847,382
Loan Guarantees (Note 13 E)	2,140	2,640	2,640
Actual Total Debt	301,881	268,460	228,269
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 307,943</b>	<b>\$ 400,161</b>	<b>\$ 616,473</b>

Debt Servicing Limit	\$ 107,094	\$ 117,471	\$ 148,292
Actual Debt Servicing (Long and Short-Term Debt)	33,211	33,047	30,509
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 73,883</b>	<b>\$ 84,424</b>	<b>\$ 117,783</b>

## (E) LOAN GUARANTEES

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations to a maximum of \$2,140.

Bylaw Number	Guarantee	Maximum Loan Amount	Bylaw Passed by City Council
Bylaw 3790	Medicine Hat Musical Theatre and the Medicine Hat Firehall Theatre Society	\$ 500	May 23, 2007
Bylaw 4187	Connaught Golf & Country Club	965	September 3, 2013
Bylaw 4138	Medicine Hat Golf & Country Club	675	November 6, 2012
<b>TOTAL</b>		<b>\$2,140</b>	

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years. All loans are in good standing at December 31, 2016.

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 14: OTHER LONG-TERM LIABILITIES

(A)

	2016	2015	2014
Offsite Contributions	\$ 1,930	\$ 3,011	\$ 3,088
Asset Retirement Obligation - Gas	265,275	247,956	186,069
Contaminated Sites Abandonment & Restoration	289	347	-
Deferred Charges	1,379	1,330	1,732
Employee Retirement Benefits Liability (Note 21)	5,618	6,027	5,776
Sanitary Landfill - Site Abandonment and Restoration	4,754	5,185	4,991
<b>TOTAL</b>	<b>\$ 279,245</b>	<b>\$ 263,856</b>	<b>\$201,656</b>

(B) At December 31, 2016 the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$426,552 (2015 - \$400,387; 2014 - \$314,349), calculated using an inflation rate of 1.88 (2015 - 2.16; 2014 - 2.26) per cent per annum. The estimated fair value of this liability was \$265,275 (2015 - \$247,956; 2014 - \$186,069) after discounting the estimated cash flows at a rate of 5.34 (2015 - 5.18; 2014 - 5.36) per cent. At December 31, 2016, the expected timing of payment for settlement of the obligations ranges from 1 to 43 years.

(C) At December 31, 2016 the estimated undiscounted cash flows required to settle the contaminated sites were \$300 (2015 - \$365; 2014 - \$0), calculated using an inflation rate of 1.88 (2015 - 1.10; 2014 - 0) per cent per annum. The estimated fair value of this liability was \$289 (2015 - \$347; 2014 - \$0) after discounting the estimated cash flows at a rate of 2.31 (2015 - 2.15; 2014 - 0) per cent. The amount of anticipated recoveries included in this estimate is \$nil.

The sources of the contamination for which the liability has been recorded include: a site where underground storage tanks with gas and diesel have leaked, a snow dump site where Tier 1 guidelines have been exceeded (contamination exceeds environmental standards for residential building), and a site where soil contaminated with Benzene has been identified. At December 31, 2016, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years.

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

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

(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 3.37 (2015 - 3.19; 2014 - 3.18) per cent assuming inflation of 1.88 (2015 - 2.16; 2014 - 2.26) per cent.



# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

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

	2016	2015	2014
Estimated Closure Costs	\$ 9,360	\$ 8,935	\$ 8,935
Estimated Post Closure Costs	3,685	3,667	3,718
<b>Estimated Total Costs</b>	<b>13,045</b>	<b>12,602</b>	<b>12,653</b>
Estimated Capacity remaining m <sup>3</sup> (000's)	1,835	1,917	2,026
Portion of Total Liability remaining to be recognized	8,291	7,417	7,662
Estimated Capacity used m <sup>3</sup> (000's)	2,690	2,608	2,499
<b>ACCRUED LIABILITY PORTION</b>	<b>\$ 4,754</b>	<b>\$ 5,185</b>	<b>\$ 4,991</b>

The total capacity of the site is estimated at 4,525,000 cubic meters. The estimated remaining capacity of the landfill site is 1,835,078 (2015 – 1,917,074; 2014 – 2,052,890) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2035. The City has not designated assets for settling closure or post closure liabilities.

## NOTE 15: 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 16: TANGIBLE CAPITAL ASSETS

	2016 Net Book Value	2015 Net Book Value	2014 Net Book Value
Land	\$ 48,596	\$ 48,140	\$ 46,902
Land Improvements	66,754	65,691	36,736
Buildings	236,480	222,315	195,460
Engineering Structures	720,738	673,734	652,124
Gas and Oil Properties	122,845	137,745	158,558
Machinery, Equipment and Furnishings	67,239	64,962	39,976
Vehicles	23,299	24,168	21,774
<b>TOTAL</b>	<b>\$ 1,285,951</b>	<b>\$ 1,236,755</b>	<b>\$ 1,151,530</b>

The net book value of capital assets not being amortized and under construction changed by \$16,367 (2015 – (\$27,453); 2014 – \$35,121). 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 \$2,456 (2015 - \$371; 2014 – \$1,152). 2016 contributed capital assets relate primarily to private subdivision developers contributing storm systems, roads, curbs and sidewalks.

In 2016, the City did not capitalize any interest. The City did recognize an impairment of \$13.6 million (2015 - \$55.4 million; 2014 - \$28.4 million) of which \$13.4 million is related to the oil and gas assets as a result of the continually declining current and forward market commodity price for natural gas and oil; and \$0.2 million is related to Land and Property assets as a result of flood damage.

# NOTES

For the year ended December 31, 2016

(In thousands of dollars)

## NOTE 17: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2016	Total 2015	Total 2014
Balance, beginning of year	\$ 48,847	\$ 289,522	\$ 968,295	\$1,306,664	\$1,340,834	\$1,310,387
Annual (deficit) surplus	(29,754)	-	-	(29,754)	(34,170)	30,447
Unrestricted funds designated for future use	(110,254)	110,254	-	-	-	-
Restricted funds used for operations	152,532	(152,532)	-	-	-	-
Funded tangible capital assets	(69,202)	-	69,202	-	-	-
Contributed tangible capital assets	(2,456)	-	2,456	-	-	-
Disposal of tangible capital assets	2,091	-	(2,091)	-	-	-
Impairment	13,610	-	(13,610)	-	-	-
Annual amortization expense	63,031	-	(63,031)	-	-	-
Long term debt repaid	(22,849)	-	22,849	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 45,596</b>	<b>\$ 247,244</b>	<b>\$ 984,070</b>	<b>\$1,276,910</b>	<b>\$1,306,664</b>	<b>\$1,340,834</b>

### 1. Unrestricted Surplus

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

The General Fund Policy directs that special one-time grants and any surplus not required in order to maintain the unrestricted target balance of seven per cent of prior year's budgeted gross expenses be designated a restricted amount. In 2016 there were \$514 excess surplus funds designated restricted (2015 - \$997; 2014 - \$3,200).

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 2016, the Electric Utility did not have an excess surplus to designate as a restricted amount. Excess surplus designated as a restricted amount in 2015 was \$10,834 and in 2014 was \$2,529.

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 2016 and 2015, the Gas Utility did not have an excess surplus to designate as a restricted amount. Excess surplus designated as a restricted amount in 2014 was \$15,083.

UNRESTRICTED SURPLUS	2016	2015	2014
General Government	\$ 11,298	\$ 10,656	\$ 10,640
Utilities Business Support	(24)	54	41
Gas	7,643	8,820	8,835
Electric	5,480	6,135	5,657
Water	2,576	4,623	3,585
Sewer	369	2,778	4,108
Solid Waste	5,810	5,170	6,447
Land	12,444	10,611	13,861
<b>TOTAL</b>	<b>\$ 45,596</b>	<b>\$ 48,847</b>	<b>\$ 53,174</b>

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## Restricted Surplus

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

	2016	2015	2014
Restricted Surplus - Capital	\$ 57,966	\$ 52,288	\$ 38,238
Restricted Surplus - Reserves	189,278	237,234	326,161
<b>TOTAL</b>	<b>\$ 247,244</b>	<b>\$ 289,522</b>	<b>\$ 364,399</b>

## Restricted Surplus - Capital

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

RESTRICTED SURPLUS - CAPITAL	2016	2015	2014
General Government	\$ 7,149	\$ 12,082	\$ 14,964
Gas	5,414	3,781	5,033
Electric	15,587	10,945	14,524
Water	6,485	5,566	(423)
Sewer	18,330	15,384	2,309
Solid Waste	4,365	3,384	350
Land and Properties	636	1,146	1,481
<b>TOTAL</b>	<b>\$ 57,966</b>	<b>\$ 52,288</b>	<b>\$ 38,238</b>

## Restricted Surplus - Reserves

These amounts are used to report on and manage monies that have a specific restriction regarding their intended uses.

RESTRICTED SURPLUS - RESERVES	Balance 2014	Balance 2015	2016 Additions	2016 Reductions	Balance 2016
Employee Development	\$ 1,533	\$ 1,490	\$ 173	\$ 19	\$ 1,644
Victim Assistance	19	19	14	16	17
Second Street Properties	84	84	-	-	84
Fleet Replacement	3,444	1,338	7,393	6,891	1,840
Art Acquisitions	78	86	25	12	99
Infrastructure	21,759	23,176	10,183	11,987	21,372
Employee Benefits	6,782	6,532	1,663	1,755	6,440
Community Capital	41,324	30,572	1,051	5,277	26,346
Event Centre	12,536	74	-	74	-
Tax Rate Stabilization	42,813	21,730	-	21,730	-
Nature's Best	1,045	993	215	338	870
Electric Facility and Equipment	78,848	78,651	5,234	14,950	68,935
Gas Depletion	103,369	72,489	-	10,858	61,631
<b>SUB TOTAL</b>	<b>313,634</b>	<b>237,234</b>	<b>25,951</b>	<b>73,907</b>	<b>189,278</b>
Equity in Subsidiary	12,527	-	-	-	-
<b>TOTAL</b>	<b>\$ 326,161</b>	<b>\$ 237,234</b>	<b>\$ 25,951</b>	<b>\$ 73,907</b>	<b>\$ 189,278</b>

# NOTES

For the year ended December 31, 2016

(In thousands of dollars)

## 2. Equity in Tangible Capital

EQUITY IN TANGIBLE CAPITAL ASSETS	2016	2015	2014
Tangible capital assets (Schedule 1)	\$ 2,710,366	\$ 2,606,121	\$ 2,477,278
Accumulated amortization (Schedule 1)	(1,424,415)	(1,369,366)	(1,325,748)
Long term debt (Note 13)	(301,881)	(268,460)	(228,269)
<b>TOTAL</b>	<b>\$ 984,070</b>	<b>\$ 968,295</b>	<b>\$ 923,261</b>

## NOTE 18: 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, 2016 are \$2,713 (2015 - \$3,292; 2014 - \$1,875). 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 2014	Balance 2015	Additions	Interest Earned	Funds Released	Balance 2016
Cemetery - Perpetual Care	\$ 1,803	\$ 1,848	\$ 769	\$ 30	\$ 730	\$ 1,917
Seniors Foundation	45	53	1	1	-	55
Art Gallery Acquisitions	10	11	-	-	2	9
Donna MacLean Museum Trusts	7	1	-	1	-	2
Pitch Trust	1	1	-	1	-	2
Bell West	9	9	-	-	-	9
Museum Special Projects	-	81	-	-	41	40
Veiner Centre Renovation	-	1,288	-	1	610	679
<b>TOTAL TRUST FUNDS</b>	<b>\$ 1,875</b>	<b>\$ 3,292</b>	<b>\$ 770</b>	<b>\$ 34</b>	<b>\$ 1,383</b>	<b>\$ 2,713</b>

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 19: 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 <sup>1</sup>	Benefits & Allowances <sup>2</sup>	Total 2016	2015	2014
Mayor Ted Clugston	\$ 68	\$ 53	\$ 121	\$ 123	\$ 119
Councillor:					
Cocks, W	23	22	45	42	46
Dumanowski, R	23	18	41	41	40
Friesen, J	23	20	43	44	43
Mcintosh, J	21	18	39	42	37
Pearson, L	23	19	42	46	46
Symmonds, C	21	18	39	43	40
Turner, J	21	18	39	45	40
Varga, B	21	19	40	46	44
CAO - Municipal Services	327	33	360	341	318
COO - Energy Services	-	-	-	221	474
Designated Officers (7 in 2016 & 2015; 6 in 2014)	1,435	243	1,678	1,352	1,202

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

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

On July 6, 2015 City Council approved a revised organizational structure for the City where the Energy Services Division is combined with the Municipal Services Division within a single City organizational structure under one Chief Administrative Officer (CAO).



# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 20: 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 244,621 in 2015 (237,612 2014) people and 426 in 2015 (423 in 2014) employers. The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 6,993 in 2015 (6,878 in 2014) members and 7 employers. The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2016 the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 11.39 per cent of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84 per cent for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 per cent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2016 were \$12,084 (2015 - \$12,286; 2014 - \$11,313). Total current service contributions by the employees for 2016 were \$11,160 (2015 - \$11,357; 2014 - \$10,451).

At December 31, 2015 LAPP disclosed an actuarial deficit of \$923.4 million

At December 31, 2015 SFPP disclosed an actuarial deficit of \$161.6 million

## NOTE 21: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2017, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2016 with a projection for 2017. Information about the plan is as follows:

	2016	2015	2014
<b>Accrued Benefit Obligation</b>			
Balance, Beginning of Year	\$ 6,027	\$ 5,776	\$ 5,460
Current Service Cost	177	170	163
Interest Cost	246	238	221
Benefits Paid	(159)	(157)	(171)
Unrecognized Actuarial Losses (Gains)	(673)	-	103
<b>BALANCE, END OF YEAR</b>	<b>\$ 5,618</b>	<b>\$ 6,027</b>	<b>\$ 5,776</b>

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

	2016	2015	2014
Discount Rate	4.10%	4.10%	4.05%
Rate of Compensation Increases	3%	3%	3%
Expected Average Remaining Service Life	7.53 years	8.53 years	7.58 years

## NOTE 22: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2016 was \$284 (Gas) and \$8,877 (Electric) (2015 - \$354 and \$8,725; 2014 - \$681 and \$8,604).

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## NOTE 23: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2016 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 23 provides the approved capital budget for 2016.

	2016 Budget
<b>Revenue</b>	
Approved operating budgets	\$ 442,012
Adjustments	(80,487)
	<u>361,525</u>
<b>Expense</b>	
Approved operating expenses	477,310
Adjustments	(94,445)
	<u>382,865</u>
<b>Other revenue</b>	
Contributed capital assets	3,086
Adjustments	(1,406)
Government transfers for capital	20,623
	<u>22,303</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 963</b>

## NOTE 24: CAPITAL COMMITMENTS

### (A) 2016 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 2016 approved Capital Budget. The actual expenditures reported includes incomplete capital projects in the amount of \$93,821 (2015 - \$137,587; 2014 - \$126,001) carried forward from previous budget years, as well as costs related to the 2016 Budget.

### (B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2016 a number of capital projects were in progress and will be completed in 2017 or subsequent years. The unexpended appropriation related to these projects is \$412,241 (2015 - \$400,200; 2014 - \$368,866). Significant projects are:

- **Gas Utility**

Oil and Gas Drilling (\$22,231), Oil and Gas Well Facilities (\$9,977), Oil and Gas Well Gathering (\$1,504), Well Repair and Abandonments (\$15,533), Facility & Pipeline Repair & Abandonment (\$18,152), Surface Lease Abandonment (\$20,316), Exploration (\$2,065), and Projects Operated by Third Parties (\$13,323).

- **Electric Utility**

Unit 16 – LM6000 Simple Cycle Generator (\$30,537), Control System Upgrades (\$4,051), 13kV Distribution Systems (\$3,534), Distribution Substations (\$3,559), and Distribution Transmission System (\$5,898).

## NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

- **Municipal Works**

Storm Trunk Design and Construction (\$10,000); Flood Mitigation Projects (\$10,345), Runway Rehabilitation (\$7,500), and South Railway Street Upgrades (\$7,300).

- **Parks**

Canalta Centre tenant space build outs (\$1,314) and Parks Infrastructure Rehabilitation (\$966).

- **Corporate Asset Management**

Fleet Services 2015 and 2016 Mobile Equipment Replacement Programs (\$8,335), Municipal Works Building (\$7,084), Senior Centre Development Design (\$10,992), and Fire Station #1 (\$4,047).

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

2016 Trunked Radio (\$2,455).

- **Community Development**

9-1-1 Centre relocation, next generation, and alarm monitoring (\$417); Electronic Fare Boxes (\$1,800).

- **Water Utility**

Water Treatment Plant projects (\$12,429), Water Main Replacements (\$3,818).

- **Sewer Utility**

Sewer Main Replacements and Lift Stations (\$24,077).

- **Solid Waste Utility**

Landfill Enhancements (\$4,680).

- **Land & Properties**

Unspent budgets relating to subdivisions being developed for sale include: Riverwalk (\$48,528), Ranchlands (\$12,912), Southlands (\$4,554), Burnside Heights (\$1,681); Saamis Heights 7 (\$2,895); Airport (\$5,531); and Brier Run (\$31,989).

### **(C) CAPITAL IMPROVEMENT PLAN**

The following is the City Council approved 2016 Capital Improvement Plans with projections for 2017 – 2023 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Land and Properties:

2016	\$ 170,733
2017	341,236
2018 - 2023 Projection	419,080
<b>TOTAL</b>	<b>\$ 931,049</b>

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

Financing sources identified:

	2016	2017
Government Grants	\$ 21,214	\$ 7,814
Current Revenues	58,196	133,526
Debentures		
Tax Supported	14,564	15,250
Utilities	26,005	66,225
Reserves	40,995	108,268
Direct Charges and Other	9,759	10,153
<b>TOTAL</b>	<b>\$ 170,733</b>	<b>\$ 341,236</b>

## NOTE 25: CONTINGENT LIABILITIES

Various claims have been made against the City as at December 31, 2016. If proven, it is possible that these claims may have a materially adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

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

### Southridge Recreation and Wellness Centre:

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1.8 million, together with an additional contribution at opening of \$24,654. However if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1.2 million contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

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

# NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

## **NOTE 26: FINANCIAL INSTRUMENTS**

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

## **NOTE 27: SEGMENT DISCLOSURES**

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

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

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
  - Legislative is comprised of Mayoral and Aldermanic services.
  - General Government is comprised of corporate administration, City Clerk and Legal, Health Safety & Environment, and Corporate Communications.
  - Corporate Services is comprised of Finance, Information and Computer Services and Corporate Asset Management (Building Services and Fleet Services) Human Resources.
  - Development & Infrastructure is comprised of Planning, Building and Development, Municipal Works (municipal operations and airport) and Business Support.
  - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit and 9-1-1 Communications), Cultural Development (cultural administration, art gallery, Esplanade theatre, archives and cultural history), and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
  - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Utility Business Support 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, 2016**

*(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 revenue and expenses sorted by object code. The City's object codes are defined as follows:

## **A) REVENUE**

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

## **B) EXPENSES**

- **Salaries wages and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, supplies and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.

## NOTES

**For the year ended December 31, 2016**

*(In thousands of dollars)*

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

### NOTE 28: SUBSEQUENT EVENTS

Subsequent to year end, the City of Medicine Hat has entered into an agreement to sell approximately 25% of its natural gas wells and related assets and retirement obligations to a third party with the effective date of the sale being January 1, 2017. Proceeds of the disposition totaled \$53.5 million including liabilities assumed. The proceeds will exceed the net carrying value of the related assets and liabilities resulting in a gain on disposition of \$28.7 million.

### NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.



# Financial and Statistical Schedules (unaudited)



*Peace Tree International invites teachers and students around the world to celebrate peace and diversity under local schools. Peace trees on Peace Tree Day!*

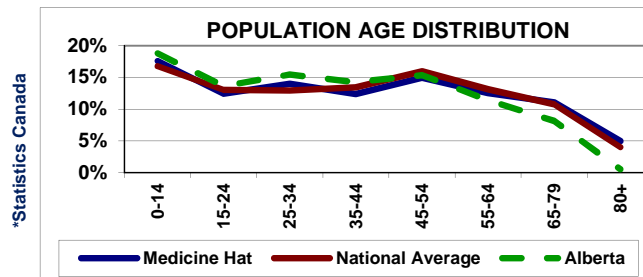
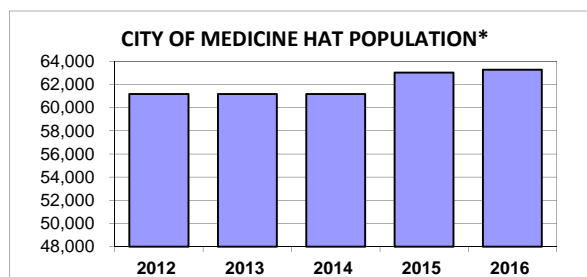


# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

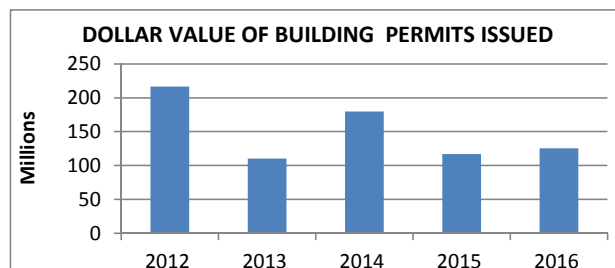
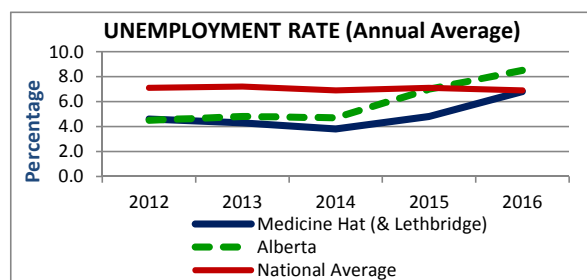
FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

## DEMOGRAPHICS & OTHER INFORMATION

2011-2016 Medicine Hat Census



\*Statistics Canada



### OTHER

Area, square kilometers  
Km of wastewater mains  
Km of water mains  
Km of storm drainage mains

	2012	2013	2014	2015	2016
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	392	396	398	400	402
Km of water mains	425	429	428	429	429
Km of storm drainage mains	238	236	248	248	252

### PRINCIPAL CORPORATE TAX PAYERS IN MEDICINE HAT

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

### PRINCIPAL EMPLOYERS IN MEDICINE HAT

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

### CITY OF MEDICINE HAT FULL TIME EQUIVALENT EMPLOYEES

	2012 Restated	2013 Restated	2014 Restated	2015	2016
Legislative	1.5	1.0	1.0	1.0	1.0
General Government	21.5	21.5	31.1	35.1	35.3
Corporate Services	163.5	158.1	163.7	166.1	166.1
Public Services	343.6	344.1	340.6	338.7	342.1
Police Service	157.0	157.0	157.0	153.5	153.5
Development & Infrastructure	96.4	98.2	98.6	98.6	99.6
<b>Total Tax Supported Full Time Equivalent Employees:</b>	<b>783.5</b>	<b>779.9</b>	<b>792.0</b>	<b>793.0</b>	<b>797.6</b>
Gas Utility	151.0	156.0	155.0	146.0	145.0
Electric Utility (& Utilities Business Support)	117.7	117.7	123.7	127.3	127.3
Water Utility	40.8	41.3	41.3	42.3	42.3
Sewer Utility	39.7	40.2	40.2	41.2	41.2
Solid Waste Utility	34.4	34.4	34.4	34.4	34.4
Land & Properties	5.0	5.0	5.0	5.0	5.0
<b>Total Utility Full Time Equivalent Employees:</b>	<b>388.6</b>	<b>394.6</b>	<b>399.6</b>	<b>396.2</b>	<b>395.2</b>
<b>Total Full Time Equivalent Employees:</b>	<b>1,172.1</b>	<b>1,174.5</b>	<b>1,191.6</b>	<b>1,189.2</b>	<b>1,192.8</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2012 - 2016

(In thousands of dollars)

### STATEMENT OF FINANCIAL POSITION

	2016	2015	2014	2013	2012
<b>Financial assets</b>					
Cash and temporary investments	\$ 45,399	\$ 40,366	\$ 59,753	\$ 65,050	\$ 43,612
Accounts receivable (net of allowances)	40,855	49,696	58,055	60,386	49,520
Advances to subsidiary	-	-	10,166	10,669	11,204
Investment in subsidiary	-	-	12,533	9,050	4,078
Investments, loans & advances	432,774	457,392	458,971	482,542	446,651
Land held for resale	5,924	6,544	6,608	2,951	5,957
Inventories for resale	75	66	97	106	89
Deposits	689	941	3,875	1,520	586
Properties held for sale	701	-	-	-	-
<b>Total financial assets</b>	<b>\$ 526,417</b>	<b>\$ 555,005</b>	<b>\$ 610,058</b>	<b>\$ 632,274</b>	<b>\$ 561,697</b>
<b>Liabilities</b>					
Trade accounts payable	\$ 27,748	\$ 34,826	\$ 35,784	\$ 38,552	\$ 26,111
Accrued liabilities	16,088	13,892	19,184	19,557	13,844
Liabilities Associated with Properties Held for Sale	1,703	-	-	-	-
Deferred revenues	41,915	39,161	41,335	55,990	47,409
Long-term debt	301,881	268,460	228,269	211,129	206,254
Other long-term liabilities	279,245	263,856	201,656	183,428	173,101
<b>Total liabilities</b>	<b>668,580</b>	<b>620,195</b>	<b>526,228</b>	<b>508,656</b>	<b>466,719</b>
<b>Net financial (debt) assets</b>	<b>(142,163)</b>	<b>(65,190)</b>	<b>83,830</b>	<b>123,618</b>	<b>94,978</b>
<b>Non-financial assets</b>					
Inventories for consumption	11,749	11,489	11,045	10,916	11,773
Prepaid assets	2,689	2,181	2,644	2,225	1,958
Land held for future development	15,359	13,349	13,316	16,583	13,880
Long lived asset	103,325	108,080	78,469	71,750	70,671
Tangible capital assets	1,285,951	1,236,755	1,151,530	1,085,295	1,088,824
	1,419,073	1,371,854	1,257,004	1,186,769	1,187,106
	<b>\$ 1,276,910</b>	<b>\$ 1,306,664</b>	<b>\$ 1,340,834</b>	<b>\$ 1,310,387</b>	<b>\$ 1,282,084</b>



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2012 - 2016

(In thousands of dollars)

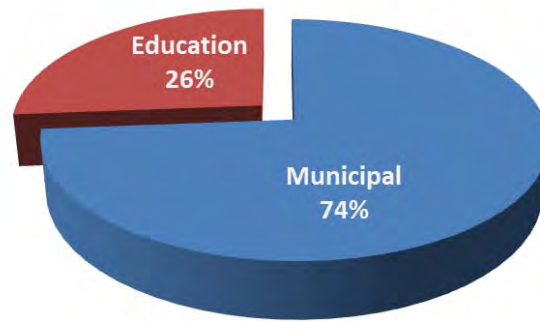
### STATEMENT OF OPERATIONS

	2016	2015	2014	2013	2012
<b>REVENUE FROM:</b>					
Taxes	\$ 86,106	\$ 81,637	\$ 77,422	\$ 73,167	\$ 70,558
Less - requisitions	(22,985)	(22,010)	(21,886)	(21,963)	(22,080)
	63,121	59,627	55,536	51,204	48,478
<b>Sale of services</b>					
General Government	8,878	8,618	9,756	9,812	9,733
Gas	87,565	87,728	129,588	107,722	92,122
Electric	59,630	72,610	89,548	113,268	105,744
Water	18,227	19,123	17,223	16,272	15,756
Sewer	15,189	14,997	14,178	13,219	12,717
Solid Waste	8,757	8,207	8,049	7,906	7,816
Land and Properties	3,321	6,751	10,533	9,626	7,706
<b>Other income</b>					
Investment income	10,062	12,130	15,347	13,087	14,485
Investment in subsidiary	-	5,119	3,483	4,972	3,194
Licenses, fines and penalties	6,161	6,317	6,395	6,092	7,327
Insurance recovery (clawback)	234	(925)	3,490	7,791	466
Development levies	2,162	3,453	9,368	7,698	1,693
Charitable gifts	-	-	3,000	1,500	1,000
Government transfers for operating	5,759	7,503	9,061	13,507	9,143
Other	16,916	18,133	18,572	32,475	22,586
<b>Total revenue</b>	<b>\$ 305,982</b>	<b>\$ 329,391</b>	<b>\$ 403,127</b>	<b>\$ 416,151</b>	<b>\$ 359,966</b>
<b>EXPENSES:</b>					
General Government	\$ 153,027	\$ 143,113	\$ 141,250	\$ 141,312	\$ 132,101
Gas	123,972	175,640	169,831	188,443	181,754
Electric	48,928	52,224	60,860	64,479	59,417
Energy Sustainability	968	434	531	858	947
Water	12,164	11,881	12,040	11,335	10,278
Sewer	12,152	11,558	11,323	11,070	10,586
Solid Waste	5,821	6,479	7,328	6,631	6,275
Land and Properties	1,642	1,870	1,693	1,387	1,491
<b>Total expenses</b>	<b>\$ 358,674</b>	<b>\$ 403,199</b>	<b>\$ 404,856</b>	<b>\$ 425,515</b>	<b>\$ 402,849</b>
<b>(Deficiency) Excess of revenue over expenses</b>					
- before other revenue	\$ (52,692)	\$ (73,808)	\$ (1,729)	\$ (9,364)	\$ (42,883)
<b>Other</b>					
Contributed tangible capital assets	2,456	371	1,152	1,126	188
Government transfers for capital	20,482	39,267	31,024	36,541	29,668
<b>Total other</b>	22,938	39,638	32,176	37,667	29,856
<b>Annual (deficit) surplus</b>	<b>\$ (29,754)</b>	<b>\$ (34,170)</b>	<b>\$ 30,447</b>	<b>\$ 28,303</b>	<b>\$ (13,027)</b>

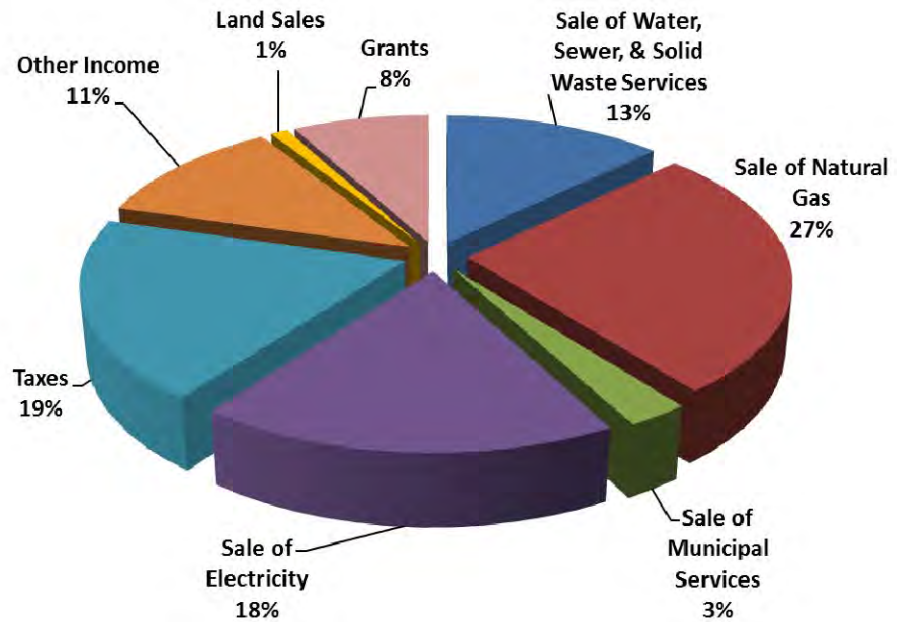
# FINANCIAL SYNOPSIS 2016

## Operating Activities

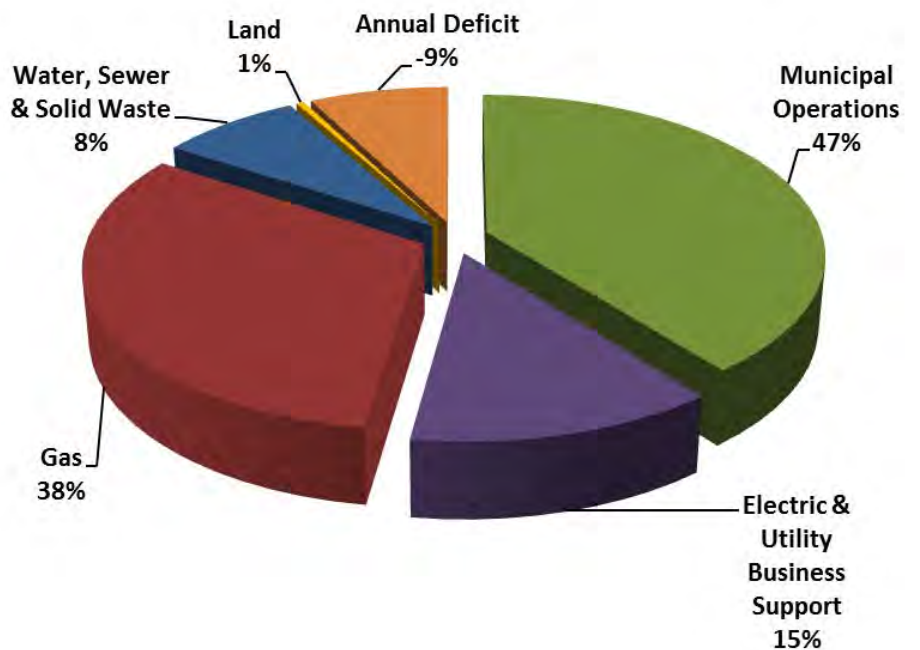
Where our tax dollars went in 2016  
Education / Municipal  
Property Tax



Where the money comes  
from \$329 Million



Where the money goes  
\$329 Million



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

## TAXATION & ASSESSMENT

### MILL RATES

	2016	2015	2014	2013	2012
<b>MUNICIPAL</b>					
Single family	6.1569	6.0257	6.0536	5.6662	5.2292
Apartments	7.4770	7.1917	7.2300	6.6854	6.3365
Farmland	28.8641	27.7597	26.2393	24.3444	23.0108
Commercial and industrial	14.4213	13.5598	13.6415	13.0669	14.3528
<b>EDUCATION</b>					
Single family	2.3924	2.3602	2.5121	2.5971	2.7165
Apartments	2.3924	2.3602	2.5121	2.5971	2.7165
Farmland	2.3924	2.3602	2.5121	2.5971	2.7165
Commercial and industrial	3.7349	3.4391	3.8626	3.5509	3.7519
<b>OTHER</b>					
Single family	0.0975	0.0957	0.1035	0.1012	0.1027
Apartments	0.0975	0.0957	0.1035	0.1012	0.1027
Farmland	0.0975	0.0957	0.1035	0.1012	0.1027
Commercial and industrial	0.0975	0.0957	0.1035	0.1012	0.1027

### PROPERTY TAXES LEVIED

(In thousands of dollars)

PROPERTY TAX LEVY	2016	2015	2014	2013	2012
Municipal	\$ 61,649	\$ 58,210	\$ 54,233	\$ 49,971	\$ 47,155
Education	22,158	21,214	21,078	21,181	21,313
Other	827	796	808	782	767
<b>TOTAL REAL PROPERTY</b>	<b>\$ 84,634</b>	<b>\$ 80,220</b>	<b>\$ 76,119</b>	<b>\$ 71,934</b>	<b>\$ 69,235</b>
Current taxes collected	83,139	78,979	74,548	70,185	67,929
% of current taxes collected	96.95%	97.16%	96.73%	96.39%	96.76%
<b>OTHER MAJOR TAXES LEVIED</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Linear property taxes	\$ 1,124	\$ 1,067	\$ 947	\$ 877	\$ 966
Local improvements	348	350	356	356	357
<b>TOTAL MAJOR TAX LEVIED</b>	<b>\$ 1,472</b>	<b>\$ 1,417</b>	<b>\$ 1,303</b>	<b>\$ 1,233</b>	<b>\$ 1,323</b>

### ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2016	2015	2014	2013	2012
Residential	\$ 6,528,357,231	\$ 6,327,792,004	\$ 5,894,794,196	\$ 5,811,948,992	\$ 5,756,285,834
Multi-family	269,857,171	252,347,841	253,713,060	267,260,081	238,931,193
Farmland	5,900,334	7,428,524	3,148,194	4,532,224	4,547,194
Commercial and industrial	1,773,582,591	1,776,602,802	1,696,172,475	1,642,661,593	1,509,509,856
<b>TOTAL TAXABLE ASSESSMENT</b>	<b>\$ 8,577,697,327</b>	<b>\$ 8,364,171,171</b>	<b>\$ 7,847,827,925</b>	<b>\$ 7,726,402,890</b>	<b>\$ 7,509,274,077</b>

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

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

( In thousands of dollars)

## SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2016	2015	2014	2013	2012
General	\$ 11,298	\$ 10,656	\$ 10,640	\$ 10,216	\$ 9,156
Energy Sustainability	(24)	54	41	41	21
Gas	7,643	8,820	8,835	8,888	8,396
Electric	5,480	6,135	5,657	6,156	5,959
Water	2,576	4,623	3,585	3,011	1,722
Sewer	369	2,778	4,108	3,816	3,505
Solid Waste	5,810	5,170	6,447	6,451	5,029
Land & Properties	12,444	10,611	13,861	11,743	13,047
<b>TOTAL UNRESTRICTED SURPLUS</b>	<b>45,596</b>	<b>48,847</b>	<b>53,174</b>	<b>50,322</b>	<b>46,835</b>
<b>RESTRICTED SURPLUS - RESERVES</b>					
Employee development	1,644	1,490	1,533	1,186	873
Victim assistance	17	19	19	24	22
Second street properties	84	84	84	84	84
Fleet replacement	1,840	1,338	3,444	6,837	4,485
Art acquisitions	99	86	78	88	65
Infrastructure	21,372	23,176	21,759	28,658	27,402
Employee benefits	6,440	6,532	6,782	7,708	8,512
Community capital	26,346	30,572	41,324	38,278	44,371
Event Centre	-	74	12,536	51,767	35,922
Tax Rate Stabilization Reserve	-	21,730	42,813	-	-
Natures Best Reserve	870	993	1,045	861	3,479
Electric facilities and equipment	68,935	78,651	78,848	112,593	81,191
Gas depletion	61,631	72,489	103,369	103,497	114,198
Equity in subsidiary company	-	-	12,527	9,044	4,072
<b>TOTAL RESTRICTED SURPLUS - RESERVES</b>	<b>189,278</b>	<b>237,234</b>	<b>326,161</b>	<b>360,625</b>	<b>324,676</b>
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>\$ 234,874</b>	<b>\$ 286,081</b>	<b>\$ 379,335</b>	<b>\$ 410,947</b>	<b>\$ 371,511</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

( In thousands of dollars)

## LONG TERM DEBT

	2016	2015	2014	2013	2012
<b>LONG TERM DEBT</b>					
Debt supported by taxes	\$ 36,662	\$ 38,805	\$ 24,901	\$ 23,243	\$ 22,464
Debt supported by utilities	265,219	229,655	203,368	187,886	183,790
<b>TOTAL TAX SUPPORTED AND UTILITIES DEBT</b>	<b>\$ 301,881</b>	<b>\$ 268,460</b>	<b>\$ 228,269</b>	<b>\$ 211,129</b>	<b>\$ 206,254</b>

## DEBT PER CAPITA

(not in thousands of dollars)

	2016	2015	2014	2013	2012
Tax supported	\$ 582	\$ 616	\$ 407	\$ 380	\$ 367
Utility supported	4,209	3,644	3,324	3,071	3,004
<b>TOTAL DEBT PER CAPITA</b>	<b>\$ 4,791</b>	<b>\$ 4,260</b>	<b>\$ 3,731</b>	<b>\$ 3,451</b>	<b>\$ 3,371</b>

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

	2016	2015	2014	2013	2012
Actual debt servicing (short and long term)	\$ 33,211	\$ 33,047	\$ 30,509	\$ 30,258	\$ 29,626
Total operating expenses	358,674	403,199	404,856	425,515	402,849
<b>PERCENTAGE</b>	<b>9.26%</b>	<b>8.20%</b>	<b>7.54%</b>	<b>7.11%</b>	<b>7.35%</b>

## LEGAL DEBT LIMIT

	2016	2015	2014	2013	2012
Debt limit	\$ 611,964	\$ 671,261	\$ 847,382	\$ 865,099	\$ 748,605
Loan guarantees	2,140	2,640	2,640	2,640	2,475
Actual debt	301,881	268,460	228,269	211,129	206,254
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 307,943</b>	<b>\$ 400,161</b>	<b>\$ 616,473</b>	<b>\$ 651,330</b>	<b>\$ 539,875</b>
Percentage used	49.68%	40.39%	27.25%	24.71%	27.88%

## DEBT SERVICING LIMIT

	2016	2015	2014	2013	2012
Debt servicing limit	\$ 107,094	\$ 117,471	\$ 148,292	\$ 151,392	\$ 131,006
Actual debt servicing (short and long term)	33,211	33,047	30,509	30,258	29,626
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 73,883</b>	<b>\$ 84,424</b>	<b>\$ 117,783</b>	<b>\$ 121,134</b>	<b>\$ 101,380</b>
Percentage used	31.01%	28.13%	20.57%	19.99%	22.61%

# **FINANCIAL & STATISTICAL SCHEDULES (Unaudited)**

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

*( In thousands of dollars)*

## **CONSOLIDATED EXPENSES BY OBJECT**

	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Salaries, wages and benefits	\$ 133,103	\$ 129,764	\$ 125,450	\$ 123,167	\$ 121,057	\$ 117,304
Contracted and general services	57,182	50,178	52,547	60,982	61,720	46,803
Materials, goods and utilities	56,463	42,438	42,510	61,431	51,264	45,927
Provisions for allowances	293	289	670	30	390	437
Bank charges and short-term interest	317	216	205	168	134	157
Interest on long-term debt	10,543	10,210	9,648	9,399	9,697	10,231
Grants and other transfers	3,427	3,940	3,391	4,100	2,370	3,347
Other operating expenses	52,585	44,224	46,358	50,990	52,460	44,796
Amortization of tangible capital assets	69,252	63,031	66,530	65,071	72,151	77,573
Impairment	-	13,610	55,388	28,383	52,715	55,375
Loss (gain) on disposal of tangible capital assets	(300)	774	502	1,135	1,557	899
<b>TOTAL EXPENSES</b>	<b>\$ 382,865</b>	<b>\$ 358,674</b>	<b>\$ 403,199</b>	<b>\$ 404,856</b>	<b>\$ 425,515</b>	<b>\$ 402,849</b>



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### GENERAL FUND

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	3,004	3,018	3,068	2,891	2,380	1,983
Corporate Services	101,787	105,276	100,804	164,807	133,122	124,081
Development & Infrastructure	16,919	10,044	10,817	15,204	15,024	10,729
Public Services	14,311	13,634	14,055	16,850	18,472	14,646
Police Services	7,742	7,406	7,567	6,970	8,146	8,125
<b>TOTAL REVENUE</b>	<b>143,763</b>	<b>139,378</b>	<b>136,311</b>	<b>206,722</b>	<b>177,144</b>	<b>159,564</b>
<b>EXPENSES</b>						
Legislative	654	650	643	628	577	565
General Government	6,003	6,080	5,945	4,896	4,642	3,848
Corporate Services	44,086	42,076	38,688	35,453	37,045	34,646
Development & Infrastructure	35,311	35,822	35,049	36,592	36,256	34,114
Public Services	62,024	64,253	59,084	56,946	56,559	53,727
Police Services	25,214	24,717	24,756	23,645	23,516	22,972
<b>TOTAL EXPENSES</b>	<b>173,292</b>	<b>173,598</b>	<b>164,165</b>	<b>158,160</b>	<b>158,595</b>	<b>149,872</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (29,529)</b>	<b>\$ (34,220)</b>	<b>\$ (27,854)</b>	<b>\$ 48,562</b>	<b>\$ 18,549</b>	<b>\$ 9,692</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### LEGISLATIVE

*Mayor, Councillors*

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Mayor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aldermen	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Mayor	296	310	304	281	229	243
Aldermen	358	340	339	347	348	322
<b>TOTAL EXPENSES</b>	654	650	643	628	577	565
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (654)</b>	<b>\$ (650)</b>	<b>\$ (643)</b>	<b>\$ (628)</b>	<b>\$ (577)</b>	<b>\$ (565)</b>

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MAYOR, COUNCILLORS

*General Government*

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other Income</b>						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	564	579	578	552	491	506
Other personnel costs	46	23	26	37	39	21
Contracted and general services	22	25	20	23	25	24
Materials and supplies	4	7	6	8	11	6
Internal charges	18	16	13	8	11	8
<b>TOTAL EXPENSES</b>	654	650	643	628	577	565
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (654)</b>	<b>\$ (650)</b>	<b>\$ (643)</b>	<b>\$ (628)</b>	<b>\$ (577)</b>	<b>\$ (565)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### GENERAL GOVERNMENT

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
CAO & Commissioners	\$ 424	\$ 417	\$ 412	\$ 381	\$ 368	\$ 363
City Solicitor & City Clerk	1,152	1,153	1,201	1,370	1,380	1,257
Corporate Communications	342	349	359	337	337	330
Health, Safety & Environment	1,086	1,099	1,096	803	295	33
<b>TOTAL REVENUE</b>	3,004	3,018	3,068	2,891	2,380	1,983
<b>EXPENSES</b>						
CAO & Commissioners	1,830	1,774	1,732	1,619	1,825	1,638
City Solicitor & City Clerk	1,650	1,678	1,722	1,602	1,949	1,679
Corporate Communications	611	614	555	495	419	416
Health, Safety & Environment	1,912	2,014	1,936	1,180	449	115
<b>TOTAL EXPENSES</b>	6,003	6,080	5,945	4,896	4,642	3,848
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,999)</b>	<b>\$ (3,062)</b>	<b>\$ (2,877)</b>	<b>\$ (2,005)</b>	<b>\$ (2,262)</b>	<b>\$ (1,865)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CAO & COMMISSIONERS

#### General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 417	\$ 417	\$ 412	\$ 379	\$ 364	\$ 362
Other revenue	7	-	-	2	4	1
<b>Government transfers</b>						
Government transfers for operating	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	424	417	412	381	368	363
<b>EXPENSES</b>						
Salaries, wages and benefits	1,484	1,538	1,483	1,329	1,475	1,360
Other personnel costs	42	14	13	42	21	27
Contracted and general services	69	12	35	76	145	86
Materials and Supplies	41	23	26	28	41	27
Internal charges	194	187	175	144	143	138
<b>TOTAL EXPENSES</b>	1,830	1,774	1,732	1,619	1,825	1,638
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,406)</b>	<b>\$ (1,357)</b>	<b>\$ (1,320)</b>	<b>\$ (1,238)</b>	<b>\$ (1,457)</b>	<b>\$ (1,275)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CITY SOLICITOR, CITY CLERK & BOARDS & COMMITTEES

#### General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 1,145	\$ 1,148	\$ 1,194	\$ 1,364	\$ 1,347	\$ 1,234
Other revenue	7	5	7	6	33	23
<b>TOTAL REVENUE</b>	1,152	1,153	1,201	1,370	1,380	1,257
<b>EXPENSES</b>						
Salaries, wages and benefits	1,212	1,255	1,265	1,332	1,367	1,236
Other personnel costs	90	73	75	78	70	58
Contracted and general services	139	191	288	31	387	281
Materials and Supplies	41	39	38	58	47	41
Interest on long-term debt - infrastructure	6	3	8	5	-	-
Amortization	68	21	41	40	22	5
Internal charges	94	96	7	58	56	58
<b>TOTAL EXPENSES</b>	1,650	1,678	1,722	1,602	1,949	1,679
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (498)</b>	<b>\$ (525)</b>	<b>\$ (521)</b>	<b>\$ (232)</b>	<b>\$ (569)</b>	<b>\$ (422)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE COMMUNICATIONS

#### General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 342	\$ 348	\$ 358	\$ 332	\$ 327	\$ 330
Other revenue	-	1	1	-	2	-
<b>Government transfers</b>						
Government transfers for operating	-	-	-	5	8	-
<b>TOTAL REVENUE</b>	342	349	359	337	337	330
<b>EXPENSES</b>						
Salaries, wages and benefits	463	493	427	396	316	340
Other personnel costs	9	5	5	5	3	4
Contracted and general services	100	77	78	62	69	44
Materials and supplies	8	7	11	11	9	5
Internal charges	31	32	34	21	22	23
<b>TOTAL EXPENSES</b>	611	614	555	495	419	416
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (269)</b>	<b>\$ (265)</b>	<b>\$ (196)</b>	<b>\$ (158)</b>	<b>\$ (82)</b>	<b>\$ (86)</b>

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HEALTH, SAFETY & ENVIRONMENT

#### General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sales and user charges</b>						
Internal recovery	1,049	1,048	967	76	-	-
Other revenue	32	32	31	30	32	31
<b>Government transfers</b>						
Government transfers for operating	5	19	93	697	94	2
Flood Assistance	-	-	5	-	169	-
<b>TOTAL REVENUE</b>	<b>1,086</b>	<b>1,099</b>	<b>1,096</b>	<b>803</b>	<b>295</b>	<b>33</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	1,632	1,537	1,465	338	242	84
Other personnel costs	42	52	40	13	10	4
Contracted and general services	105	171	150	68	167	11
Materials and supplies	30	20	34	662	8	15
Amortization of tangible capital assets	11	140	139	69	-	-
Internal charges	92	94	108	30	22	1
<b>TOTAL EXPENSES</b>	<b>1,912</b>	<b>2,014</b>	<b>1,936</b>	<b>1,180</b>	<b>449</b>	<b>115</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (826)</b>	<b>\$ (915)</b>	<b>\$ (840)</b>	<b>\$ (377)</b>	<b>\$ (154)</b>	<b>\$ (82)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### CORPORATE SERVICES

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Finance	\$ 6,330	\$ 6,271	\$ 6,478	\$ 6,639	\$ 6,614	\$ 6,148
Information & Computer Services	5,244	5,555	5,062	2,954	2,610	2,861
Corporate Asset Management	14,476	14,687	13,477	12,384	15,269	11,704
Human Resources	1,734	1,850	1,798	1,820	2,131	1,701
General Municipal Revenues	74,003	76,913	73,989	141,010	106,498	101,667
<b>TOTAL REVENUE</b>	101,787	105,276	100,804	164,807	133,122	124,081
<b>EXPENSES</b>						
Finance	11,007	11,833	8,630	10,183	9,833	9,847
Information & Computer Services	6,580	6,549	5,675	3,626	3,167	3,049
Corporate Asset Management	22,275	19,380	19,705	17,418	18,348	15,821
Human Resources	3,497	3,163	3,357	3,150	3,695	3,449
General Municipal Revenues	727	1,151	1,321	1,076	2,002	2,480
<b>TOTAL EXPENSES</b>	44,086	42,076	38,688	35,453	37,045	34,646
<b>Excess of revenue over expenses</b>	<b>\$ 57,701</b>	<b>\$ 63,200</b>	<b>\$ 62,116</b>	<b>\$ 129,354</b>	<b>\$ 96,077</b>	<b>\$ 89,435</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GENERAL MUNICIPAL REVENUES

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Net taxes	\$ 66,626	\$ 66,673	\$62,980	\$ 59,000	\$ 54,628	\$ 52,228
Other income						
Investment income	3,066	3,250	4,235	6,009	4,784	5,346
Licences, fines and penalties	270	248	262	279	232	232
Internal recovery	-	49	68	138	91	80
Other revenue	381	467	648	528	677	1,861
Charitable gifts	-	-	-	3,000	1,500	1,000
Contributions from utilities	2,302	4,809	4,988	70,653	43,231	39,667
Government transfers						
Government transfers for operating	1,358	1,417	808	1,403	1,355	1,253
<b>TOTAL REVENUE</b>	<b>\$74,003</b>	<b>76,913</b>	<b>73,989</b>	<b>141,010</b>	<b>106,498</b>	<b>101,667</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	117	285	246	323	1,446	2,021
Contracted and general services	329	218	307	273	330	264
Materials and supplies	-	409	122	80	91	88
Other expenses	281	2	246	278	108	92
Internal charges	-	237	400	122	27	15
<b>TOTAL EXPENSES</b>	<b>727</b>	<b>1,151</b>	<b>1,321</b>	<b>1,076</b>	<b>2,002</b>	<b>2,480</b>
<b>Excess of revenue over expenses</b>	<b>\$ 73,276</b>	<b>\$ 75,762</b>	<b>\$ 72,668</b>	<b>\$ 139,934</b>	<b>\$ 104,496</b>	<b>\$ 99,187</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FINANCE

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 5,653	\$ 5,538	\$ 5,730	\$ 5,898	\$ 5,874	\$ 5,441
Insurance recovery	-	-	-	-	15	-
Other revenue	677	702	708	717	706	707
<b>Government transfers</b>						
Grants - federal and provincial	-	12	20	-	-	-
Government transfers for operating	-	19	20	24	19	-
<b>TOTAL REVENUE</b>	<b>6,330</b>	<b>6,271</b>	<b>6,478</b>	<b>6,639</b>	<b>6,614</b>	<b>6,148</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	7,692	7,738	7,619	7,861	7,462	7,228
Other personnel costs	135	101	113	133	117	105
Contracted and general services	606	709	402	377	605	695
Materials and supplies	398	326	252	261	304	228
Provision for allowances	27	27	27	50	26	25
Bank charges	61	1,510	(1,482)	46	(11)	55
Interest on long-term debt - ACFA	40	26	-	-	-	-
Interest on long-term debt - infrastructure	45	29	52	37	27	37
Other operating expenses	26	52	340	(17)	20	101
Amortization of tangible capital assets	629	47	46	124	205	205
Internal charges	1,348	1,268	1,261	1,311	1,078	1,168
<b>TOTAL EXPENSES</b>	<b>11,007</b>	<b>11,833</b>	<b>8,630</b>	<b>10,183</b>	<b>9,833</b>	<b>9,847</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (4,677)</b>	<b>\$ (5,562)</b>	<b>\$ (2,152)</b>	<b>\$ (3,544)</b>	<b>\$ (3,219)</b>	<b>\$ (3,699)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 5,197	\$ 5,509	\$ 5,054	\$ 2,934	\$ 2,588	\$ 2,859
Insurance recovery	-	-	(1)	-	14	-
Other revenue	47	38	9	15	8	2
<b>Government transfers</b>						
Government transfers for operating	-	8	-	5	-	-
<b>TOTAL REVENUE</b>	5,244	5,555	5,062	2,954	2,610	2,861
<b>EXPENSES</b>						
Salaries, wages and benefits	3,687	3,746	3,315	2,102	2,114	2,092
Other personnel costs	101	56	71	57	55	58
Contracted and general services	1,596	1,557	1,370	1,195	780	627
Materials and supplies	237	321	365	40	(6)	56
Interest on long-term debt - ACFA	60	38	-	-	-	-
Interest on long-term debt - infrastructure	36	18	15	9	9	12
Other operating expenses	-	-	5	-	4	-
Amortization of tangible capital assets	589	528	289	130	122	117
Internal charges	274	285	245	93	89	87
<b>TOTAL EXPENSES</b>	6,580	6,549	5,675	3,626	3,167	3,049
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,336)</b>	<b>\$ (994)</b>	<b>\$ (613)</b>	<b>\$ (672)</b>	<b>\$ (557)</b>	<b>\$ (188)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### CORPORATE ASSET MANAGEMENT

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 221	\$ 214	\$ 208	\$ 230	\$ 227	\$ 225
<b>Other income</b>						
Internal recovery	14,036	13,734	12,764	10,453	10,934	11,341
Insurance recovery	87	101	(44)	1,598	4,044	98
Other revenue	132	638	95	68	44	25
<b>Government transfers</b>						
Grants - federal and provincial	-	-	454	-	-	-
Government transfers for operating	-	-	-	35	20	15
<b>TOTAL REVENUE</b>	<b>14,476</b>	<b>14,687</b>	<b>13,477</b>	<b>12,384</b>	<b>15,269</b>	<b>11,704</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	4,625	4,365	4,320	3,413	3,506	3,068
Other personnel costs	87	86	66	79	37	40
Contracted and general services	4,439	3,786	4,509	4,820	5,942	3,632
Materials and supplies	857	726	1,244	588	550	557
Interest on long-term debt - ACFA	311	273	276	205	223	474
Interest on long-term debt - infrastructure	32	40	-	-	-	-
Other operating expenses	-	66	(69)	41	(10)	6
Amortization of tangible capital assets	10,730	8,542	8,284	7,403	7,020	7,186
Loss (gain) on disposal of tangible capital assets	(300)	(52)	(221)	(260)	(7)	(205)
Internal charges	1,494	1,548	1,296	1,129	1,087	1,063
<b>TOTAL EXPENSES</b>	<b>22,275</b>	<b>19,380</b>	<b>19,705</b>	<b>17,418</b>	<b>18,348</b>	<b>15,821</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (7,799)</b>	<b>\$ (4,693)</b>	<b>\$ (6,228)</b>	<b>\$ (5,034)</b>	<b>\$ (3,079)</b>	<b>\$ (4,117)</b>

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### HUMAN RESOURCES

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ 1,714	\$ 1,837	\$ 1,781	\$ 1,783	\$ 1,739	\$ 1,683
Other revenue	20	6	17	20	81	16
<b>Government transfers</b>						
Government transfers for operating	-	7	-	17	311	2
<b>TOTAL REVENUE</b>	1,734	1,850	1,798	1,820	2,131	1,701
<b>EXPENSES</b>						
Salaries, wages and benefits	2,370	2,193	2,451	2,237	2,645	2,519
Other personnel costs	47	25	27	25	33	37
Contracted and general services	546	477	399	339	481	348
Materials and supplies	100	68	80	149	136	89
Interest on long-term debt - infrastructure	9	9	12	15	18	26
Amortization of tangible capital assets	142	141	150	160	160	159
Internal charges	283	250	238	225	222	271
<b>TOTAL EXPENSES</b>	3,497	3,163	3,357	3,150	3,695	3,449
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,763)</b>	<b>\$ (1,313)</b>	<b>\$ (1,559)</b>	<b>\$ (1,330)</b>	<b>\$ (1,564)</b>	<b>\$ (1,748)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### DEVELOPMENT & INFRASTRUCTURE

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Business Support	\$ -	\$ -	\$ -	\$ 2	\$ 1	\$ -
Planning, Building & Development	2,275	2,525	2,406	3,347	2,606	3,034
Municipal Works	14,644	7,519	8,411	11,855	12,417	7,695
<b>TOTAL REVENUE</b>	16,919	10,044	10,817	15,204	15,024	10,729
<b>EXPENSES</b>						
Business Support	1,448	1,386	1,268	2,254	1,439	1,286
Planning, Building & Development	4,846	4,583	4,473	4,777	4,925	4,803
Municipal Works	29,017	29,853	29,308	29,561	29,892	28,025
<b>TOTAL EXPENSES</b>	35,311	35,822	35,049	36,592	36,256	34,114
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (18,392)</b>	<b>\$ (25,778)</b>	<b>\$ (24,232)</b>	<b>\$ (21,388)</b>	<b>\$ (21,232)</b>	<b>\$ (23,385)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### BUSINESS SUPPORT

#### General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Internal recovery	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -
Other revenue	-	-	-	-	1	-
<b>Government transfers</b>						
Grants - federal and provincial	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	2	1	-
<b>EXPENSES</b>						
Salaries, wages and benefits	131	136	154	138	134	126
Other personnel costs	-	2	2	2	2	1
Contracted and general services	1,212	1,165	1,002	2,029	1,206	1,063
Materials and supplies	4	3	2	3	3	11
Other transfers	17	17	20	2	19	13
Amortization of tangible capital assets	4	4	10	18	18	18
Internal charges	80	59	78	62	57	54
<b>TOTAL EXPENSES</b>	1,448	1,386	1,268	2,254	1,439	1,286
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,448)</b>	<b>\$ (1,386)</b>	<b>\$ (1,268)</b>	<b>\$ (2,252)</b>	<b>\$ (1,438)</b>	<b>\$ (1,286)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PLANNING, BUILDING & DEVELOPMENT

#### Development & Infrastructure

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Licences, fines and penalties	\$ 1,981	\$ 2,183	\$ 2,013	\$ 2,614	\$ 1,781	\$ 2,457
Internal recovery	2	40	50	403	228	149
Insurance recovery	-	-	2	32	20	1
Other revenue	292	278	297	292	356	351
<b>Government transfers</b>						
Government transfers for operating	-	24	44	6	221	41
Flood assistance	-	-	-	-	-	35
<b>TOTAL REVENUE</b>	2,275	2,525	2,406	3,347	2,606	3,034
<b>EXPENSES</b>						
Salaries, wages and benefits	4,028	3,968	3,720	3,505	3,673	3,769
Other personnel costs	98	81	66	56	49	56
Contracted and general services	172	135	270	724	662	443
Materials and supplies	137	60	79	79	102	102
Other expenses	-	-	-	5	49	-
Amortization of tangible capital assets	60	10	11	15	36	65
Internal charges	351	329	327	393	354	368
<b>TOTAL EXPENSES</b>	4,846	4,583	4,473	4,777	4,925	4,803
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,571)</b>	<b>\$ (2,058)</b>	<b>\$ (2,067)</b>	<b>\$ (1,430)</b>	<b>\$ (2,319)</b>	<b>\$ (1,769)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### MUNICIPAL WORKS

#### Development & Infrastructure

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Sale of services	\$ 518	\$ 472	\$ 464	\$ 515	\$ 484	\$ 480
Taxes	125	158	131	135	-	135
Other income						
Internal recovery	4,599	4,942	4,974	4,228	3,621	3,829
Insurance recovery	-	27	112	44	141	53
Developer levies	8,880	1,182	1,410	4,928	4,687	100
Other revenue	394	575	674	699	671	566
Government transfers						
Government transfers for operating	128	163	646	1,306	1,243	367
Flood assistance	-	-	-	-	1,570	2,165
<b>TOTAL REVENUE</b>	14,644	7,519	8,411	11,855	12,417	7,695
<b>EXPENSES</b>						
Salaries, wages and benefits	5,667	5,515	5,069	4,895	4,812	4,320
Other personnel costs	58	41	32	50	46	56
Contracted and general services	2,724	3,200	3,635	3,572	5,650	5,212
Materials and supplies	1,911	1,667	2,190	3,745	2,249	2,368
Interest on long-term debt - ACFA	544	520	594	654	656	696
Interest on long-term debt - infrastructure	65	103	65	53	5	-
Other operating expenses	-	9	68	20	-	67
Amortization of tangible capital assets	12,223	12,866	12,066	11,218	10,575	9,990
Loss (gain) on disposal of tangible capital assets	-	368	190	344	54	743
Internal charges	5,825	5,564	5,399	5,010	5,000	4,573
Transfer to other government	-	-	-	-	845	-
<b>TOTAL EXPENSES</b>	29,017	29,853	29,308	29,561	29,892	28,025
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (14,373)</b>	<b>\$ (22,334)</b>	<b>\$ (20,897)</b>	<b>\$ (17,706)</b>	<b>\$ (17,475)</b>	<b>\$ (20,330)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

### PUBLIC SERVICES

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Community Development	\$ 7,092	\$ 6,427	\$ 6,622	\$ 6,897	\$ 7,927	\$ 6,984
Parks & Recreation	6,848	6,766	7,008	9,537	10,036	7,230
Fire Services	371	441	425	416	509	432
Public Organizations	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	14,311	13,634	14,055	16,850	18,472	14,646
<b>EXPENSES</b>						
Community Development	19,588	19,334	18,649	18,913	19,001	18,567
Parks & Recreation	25,003	27,409	24,001	21,966	22,872	20,475
Fire Services	14,496	14,334	13,709	13,222	12,021	12,050
Public Organizations	2,937	3,176	2,725	2,845	2,665	2,635
<b>TOTAL EXPENSES</b>	62,024	64,253	59,084	56,946	56,559	53,727
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (47,713)</b>	<b>\$ (50,619)</b>	<b>\$ (45,029)</b>	<b>\$ (40,096)</b>	<b>\$ (38,087)</b>	<b>\$ (39,081)</b>

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### COMMUNITY DEVELOPMENT

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 3,918	\$ 3,383	\$ 3,638	\$ 3,894	\$ 4,080	\$ 4,359
<b>Other income</b>						
Internal recovery	151	146	142	139	128	118
Insurance recovery	-	26	28	5	223	23
Other revenue	603	532	554	759	593	661
<b>Government transfers</b>						
Government transfers for operating	2,420	2,340	2,260	2,100	1,991	1,823
Flood Assistance	-	-	-	-	912	-
<b>TOTAL REVENUE</b>	<b>7,092</b>	<b>6,427</b>	<b>6,622</b>	<b>6,897</b>	<b>7,927</b>	<b>6,984</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	10,546	10,593	10,013	9,974	9,643	9,576
Other personnel costs	173	107	93	88	98	93
Contracted and general services	2,988	2,582	2,950	3,378	3,532	3,430
Materials and supplies	1,922	2,093	2,148	2,447	2,493	2,165
Other expenses	11	22	129	1	30	20
Bank charges	61	62	58	63	63	62
Interest on long-term debt - ACFA	-	-	-	5	-	-
Interest on long-term debt - infrastructure	25	14	12	-	-	-
Grants and other transfers	310	489	173	187	192	179
Amortization of tangible capital assets	441	476	369	260	302	319
Loss (gain) on disposal of tangible capital assets	-	-	-	(2)	-	6
Internal charges	3,111	2,896	2,704	2,512	2,648	2,717
<b>TOTAL EXPENSES</b>	<b>19,588</b>	<b>19,334</b>	<b>18,649</b>	<b>18,913</b>	<b>19,001</b>	<b>18,567</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (12,496)</b>	<b>\$ (12,907)</b>	<b>\$ (12,027)</b>	<b>\$ (12,016)</b>	<b>\$ (11,074)</b>	<b>\$ (11,583)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PARKS & RECREATION

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 5,419	\$ 4,429	\$ 3,886	\$ 4,707	\$ 4,635	\$ 4,277
<b>Other income</b>						
Internal recovery	1,146	1,245	1,120	1,034	992	1,004
Insurance recovery	10	36	(628)	1,741	1,687	9
Other revenue	273	911	1,730	766	879	547
<b>Government transfers</b>				-		
Government transfers for operating	-	145	900	1,289	581	248
Flood assistance	-	-	-	-	1,262	1,145
<b>TOTAL REVENUE</b>	6,848	6,766	7,008	9,537	10,036	7,230
<b>EXPENSES</b>						
Salaries, wages and benefits	9,654	9,694	8,834	8,463	8,070	8,040
Other personnel costs	156	116	108	51	64	57
Contracted and general services	2,514	3,000	3,042	3,926	5,185	3,143
Materials and supplies	1,781	1,939	1,856	2,069	1,991	1,869
Bank charges	26	38	35	30	30	28
Other expenses	10	54	204	4	110	8
Interest on long-term debt - ACFA	460	443	224	165	181	196
Interest on long-term debt - infrastructure	91	34	27	12	4	-
Grants and other transfers	210	179	-	207	201	197
Amortization of tangible capital assets	4,741	6,600	4,147	2,301	2,148	2,048
Loss (gain) on disposal of tangible capital assets	-	102	32	(9)	-	-
Internal charges	5,360	5,210	5,492	4,747	4,888	4,889
<b>TOTAL EXPENSES</b>	25,003	27,409	24,001	21,966	22,872	20,475
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (18,155)</b>	<b>\$ (20,643)</b>	<b>\$ (16,993)</b>	<b>\$ (12,429)</b>	<b>\$ (12,836)</b>	<b>\$ (13,245)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### FIRE SERVICES

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Sale of services	\$ 354	\$ 380	\$ 392	\$ 380	\$ 355	\$ 361
Other income						
Internal recovery	1	5	5	6	25	41
Insurance recovery	-	-	3	3	16	-
Other revenue	16	14	25	12	50	30
Government transfers						
Government transfers for operating	-	42	-	15	63	-
<b>TOTAL REVENUE</b>	<b>371</b>	<b>441</b>	<b>425</b>	<b>416</b>	<b>509</b>	<b>432</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	12,208	12,236	11,662	11,187	9,970	10,008
Other personnel costs	287	302	286	290	308	261
Contracted and general services	160	135	123	130	134	183
Materials and supplies	304	356	337	312	357	313
Interest on long-term debt - ACFA	2	2	4	6	8	10
Interest on long-term debt - infrastructure	-	-	-	1	1	-
Amortization of tangible capital assets	201	137	144	175	161	139
Loss (gain) on disposal of tangible capital assets	-	27	-	-	-	-
Internal charges	1,334	1,139	1,153	1,121	1,082	1,136
<b>TOTAL EXPENSES</b>	<b>14,496</b>	<b>14,334</b>	<b>13,709</b>	<b>13,222</b>	<b>12,021</b>	<b>12,050</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (14,125)</b>	<b>\$ (13,893)</b>	<b>\$ (13,284)</b>	<b>\$ (12,806)</b>	<b>\$ (11,512)</b>	<b>\$ (11,618)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### PUBLIC ORGANIZATIONS

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income						
Internal recovery	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Government transfers						
Grants - federal and provincial	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	-	-	-
<b>EXPENSES</b>						
Salaries, wages and benefits	-	1,994	1,892	-	-	-
Contracted and general services	-	145	39	-	-	-
Interest on long-term debt - ACFA	47	47	50	53	56	59
Grants and other transfers	2,890	825	578	2,792	2,609	2,576
Internal charges	-	165	166	-	-	-
<b>TOTAL EXPENSES</b>	2,937	3,176	2,725	2,845	2,665	2,635
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,937)</b>	<b>\$ (3,176)</b>	<b>\$ (2,725)</b>	<b>\$ (2,845)</b>	<b>\$ (2,665)</b>	<b>\$ (2,635)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### POLICE SERVICE

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Other income</b>						
Licences, fines and penalties	\$ 4,202	\$ 3,729	\$ 4,015	\$ 3,497	\$ 4,078	\$ 4,554
Internal recovery	159	176	183	199	160	151
Insurance recovery	-	42	58	7	166	39
Other revenue	1,854	1,886	1,784	1,733	1,875	1,850
<b>Government transfers</b>						
Government transfers for operating	1,527	1,573	1,527	1,534	1,867	1,531
<b>TOTAL REVENUE</b>	7,742	7,406	7,567	6,970	8,146	8,125
<b>EXPENSES</b>						
Salaries, wages and benefits	19,929	19,874	19,128	18,928	18,794	18,474
Other personnel costs	612	508	707	597	571	601
Contracted and general services	1,758	1,704	2,399	1,827	1,742	1,471
Materials and supplies	1,153	983	914	995	1,148	1,118
Other expenses	16	24	13	38	86	56
Interest on long-term debt - ACFA	-	-	-	-	1	5
Interest on long-term debt - infrastructure	4	4	2	1	-	-
Amortization of tangible capital assets	89	108	97	105	134	182
Internal charges	1,653	1,512	1,496	1,154	1,040	1,065
<b>TOTAL EXPENSES</b>	25,214	24,717	24,756	23,645	23,516	22,972
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (17,472)</b>	<b>\$ (17,311)</b>	<b>\$ (17,189)</b>	<b>\$ (16,675)</b>	<b>\$ (15,370)</b>	<b>\$ (14,847)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### GAS

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 128,110	\$ 102,568	\$ 106,184	\$ 157,701	\$ 131,361	\$ 110,424
Investment in subsidiary	-	-	5,119	3,483	4,972	3,194
<b>Other income</b>						
Investment income	5,300	5,148	5,806	6,518	5,665	6,640
Internal recoveries	50	144	32,455	531	636	281
Development levies	659	(71)	365	642	504	194
Other revenue	1,416	1,516	1,563	(643)	252	760
Government transfers for operating	-	-	(3)	17	192	4
<b>TOTAL REVENUE</b>	135,535	109,305	151,489	168,249	143,582	121,497
<b>EXPENSES</b>						
Salaries, wages and benefits	16,993	15,969	16,382	16,754	17,050	16,560
Contracted and general services	24,991	20,681	21,131	24,704	23,385	18,997
Materials, goods and utilities	24,398	17,377	17,780	31,079	21,979	19,053
Provisions for allowances	79	73	482	(249)	116	104
Bank charges and short term interest	169	70	55	27	23	11
Interest on long term debt	519	548	523	439	334	310
Other operating expenses	50,121	44,551	45,966	47,396	43,002	37,020
Amortization of tangible capital assets	19,919	13,501	19,482	22,968	31,394	34,986
Impairment	-	13,432	55,376	28,383	52,715	55,375
Loss (gain) on disposal of tangible capital assets	-	105	88	172	457	50
Internal charges and transfers	-	7,244	38,651	6,297	6,349	6,061
<b>TOTAL EXPENSES</b>	137,189	133,551	215,916	177,970	196,804	188,527
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	(1,654)	(24,246)	(64,427)	(9,721)	(53,222)	(67,030)
Contribution to General	-	-	1,251	23,621	18,627	19,785
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ (1,654)</b>	<b>\$ (24,246)</b>	<b>\$ (65,678)</b>	<b>\$ (33,342)</b>	<b>\$ (71,849)</b>	<b>\$ (86,815)</b>

*The above represents actual transactions before consolidation eliminations.*



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### ELECTRIC

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Sale of services	\$ 75,642	\$ 63,558	\$ 77,126	\$ 94,494	\$ 118,502	\$ 110,725
Other income						
Investment income	2,334	1,934	2,288	2,955	2,653	2,533
Internal recoveries	3,155	2,561	2,960	4,908	7,991	4,828
Development levies	650	506	923	2,692	1,123	434
Government transfers for operating	-	3	231	131	60	23
Other revenue	4,503	2,496	5,867	7,298	21,691	10,583
<b>TOTAL REVENUE</b>	<b>86,284</b>	<b>71,058</b>	<b>89,395</b>	<b>112,478</b>	<b>152,020</b>	<b>129,126</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	14,519	13,672	13,764	14,762	14,447	12,911
Contracted and general services	8,897	6,602	7,218	10,086	8,367	4,734
Materials, goods and utilities	13,034	11,297	10,001	14,898	14,681	12,953
Provisions for allowances	102	102	104	118	136	133
Interest on long term debt	2,934	2,951	2,959	3,186	3,626	4,038
Other operating expenses	1,521	684	2,827	3,331	8,968	7,727
Amortization of tangible capital assets	13,397	13,385	15,133	14,478	14,556	17,122
Loss (gain) on disposal of tangible capital assets	-	250	420	411	197	90
Internal charges and transfers	26,046	22,207	24,998	33,902	29,675	24,118
<b>TOTAL EXPENSES</b>	<b>80,450</b>	<b>71,150</b>	<b>77,424</b>	<b>95,172</b>	<b>94,653</b>	<b>83,826</b>
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	<b>5,834</b>	<b>(92)</b>	<b>11,971</b>	<b>17,306</b>	<b>57,367</b>	<b>45,300</b>
Contribution to General	965	912	1,552	40,123	21,287	17,554
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 4,869</b>	<b>\$ (1,004)</b>	<b>\$ 10,419</b>	<b>\$ (22,817)</b>	<b>\$ 36,080</b>	<b>\$ 27,746</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### UTILITIES BUSINESS SUPPORT

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
Investment income	\$ -	\$ 14	\$ 16	\$ 16	\$ 67	\$ 61
Internal recoveries	1,326	1,024	486	614	572	512
Other revenue	-	-	-	-	1	1
Transfer from Utilities and Land	-	-	-	200	200	200
<b>TOTAL REVENUE</b>	1,326	1,038	502	830	840	774
<b>EXPENSES</b>						
Salaries, wages and benefits	592	541	121	107	92	98
Contracted and general services	120	80	43	37	65	38
Materials, goods and utilities	9	8	1	4	2	1
Other operating expenses	381	335	268	380	698	537
Amortization of tangible capital assets	-	1	1	1	1	1
Internal charges and transfers	224	276	108	117	2,581	383
<b>TOTAL EXPENSES</b>	1,326	1,241	542	646	3,439	1,058
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ (203)</b>	<b>\$ (40)</b>	<b>\$ 184</b>	<b>\$ (2,599)</b>	<b>\$ (284)</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### WATER

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 114	\$ 113	\$ 113	\$ 114	\$ 114	\$ 114
<b>Sale of services</b>	18,209	18,384	19,304	17,421	16,481	15,955
<b>Other income</b>						
Internal recovery	744	859	1,246	702	1,061	920
Other revenue	260	383	(15)	525	756	258
Developer levies	830	265	429	1,106	965	965
<b>Government transfers</b>						
Government transfers for operating	-	(7)	297	16	305	-
<b>TOTAL REVENUE</b>	20,157	19,997	21,374	19,884	19,682	18,212
<b>EXPENSES</b>						
Salaries, wages & benefits	5,173	4,477	4,208	4,670	4,317	4,912
Contracted and general services	1,005	1,129	1,360	771	1,285	840
Materials and supplies	1,487	1,478	1,622	1,890	1,678	1,466
Provisions for allowances	37	37	34	48	47	46
Interest on long-term debt	2,949	2,929	2,872	2,677	2,474	2,495
Other expenses	-	13	(4)	17	(3)	731
Amortization of tangible capital assets	3,372	3,413	3,132	2,829	2,588	2,544
Loss (gain) on disposal of tangible capital assets	-	19	41	472	8	-
Internal charges and transfers	3,947	3,382	3,577	3,497	3,753	1,566
<b>TOTAL EXPENSES</b>	17,970	16,877	16,842	16,871	16,147	14,600
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	2,187	3,120	4,532	3,013	3,535	3,612
Contribution to General	994	994	920	852	786	723
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	\$ 1,193	\$ 2,126	\$ 3,612	\$ 2,161	\$ 2,749	\$ 2,889

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SEWER

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Taxes</b>	\$ 114	\$ 113	\$ 113	\$ 114	\$ 114	\$ 114
<b>Sale of services</b>	15,395	15,294	15,117	14,310	13,359	12,850
<b>Other income</b>						
Internal recovery	-	3	(18)	-	273	276
Other revenue	4	64	30	58	943	144
Developer levies	337	282	326	-	-	-
<b>Government transfers</b>						
Government transfers for operating	-	-	34	455	22	246
<b>TOTAL REVENUE</b>	15,850	15,756	15,602	14,937	14,711	13,630
<b>EXPENSES</b>						
Salaries, wages & benefits	4,424	4,349	3,914	3,922	3,933	3,589
Contracted and general services	750	769	892	1,149	665	846
Materials and supplies	1,406	1,583	1,511	1,628	1,633	1,444
Provisions for allowances	31	31	29	45	44	43
Interest on long-term debt	2,208	2,342	2,051	1,914	2,010	2,016
Other expenses	8	-	15	7	5	602
Amortization of tangible capital assets	1,940	2,647	2,615	2,385	2,306	2,087
Loss (gain) on disposal of tangible capital assets	-	1	-	-	-	13
Internal charges and transfers	2,789	2,782	2,622	2,389	2,580	1,854
<b>TOTAL EXPENSES</b>	13,556	14,504	13,649	13,439	13,176	12,494
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	2,294	1,252	1,953	1,498	1,535	1,136
Contribution to General	765	765	722	681	641	602
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 1,529</b>	<b>\$ 487</b>	<b>\$ 1,231</b>	<b>\$ 817</b>	<b>\$ 894</b>	<b>\$ 534</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### SOLID WASTE

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 8,996	\$ 8,914	\$ 8,388	\$ 8,247	\$ 8,115	\$ 8,015
<b>Other income</b>						
Internal recovery	925	862	874	768	706	660
Other revenue	32	34	25	36	550	96
Insurance recovery	-	-	-	-	19	235
<b>Government transfers</b>						
Government transfers for operating	-	(13)	(1)	4	1,239	110
<b>TOTAL REVENUE</b>	9,953	9,797	9,286	9,055	10,629	9,116
<b>EXPENSES</b>						
Salaries, wages & benefits	2,757	2,775	2,800	2,738	2,667	2,609
Contracted and general services	1,814	1,798	1,703	1,282	1,823	1,460
Materials and supplies	1,072	581	839	1,118	1,166	1,030
Provisions for allowances	17	17	(14)	18	19	16
Interest on long-term debt	156	134	132	129	146	154
Other expenses	207	(431)	204	1,219	24	539
Amortization of tangible capital assets	662	334	337	362	366	350
Loss (gain) on disposal of tangible capital assets	-	2	3	1	3	12
Internal charges and transfers	2,444	2,392	2,087	1,798	1,789	1,660
<b>TOTAL EXPENSES</b>	9,129	7,602	8,091	8,665	8,003	7,830
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	824	2,195	1,195	390	2,626	1,286
Contribution to General	393	393	393	393	393	361
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 431</b>	<b>\$ 1,802</b>	<b>\$ 802</b>	<b>\$ (3)</b>	<b>\$ 2,233</b>	<b>\$ 925</b>

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016**

(In thousands of dollars)

## SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

### LAND & PROPERTIES

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>REVENUE</b>						
<b>Sale of services</b>	\$ 11,450	\$ 3,321	\$ 6,751	\$ 10,533	\$ 9,626	\$ 7,826
<b>Other income</b>						
Licences fines and penalties	-	1	26	5	1	84
Other revenue	235	2,399	1,172	841	376	359
<b>Government transfers</b>						
Provincial	-	7	-	-	-	-
Flood assistance	-	-	7	2	3	-
<b>TOTAL REVENUE</b>	11,685	5,728	7,956	11,381	10,006	8,269
<b>EXPENSES</b>						
Salaries, wages and benefits	655	552	434	644	567	548
Contracted and general services	126	214	259	111	103	76
Materials and supplies	7,888	2,389	3,969	6,662	5,458	4,962
Other expenses	3	2	1	1	28	-
Amortization of tangible capital assets	34	131	38	38	36	40
Impairment	-	178	12	-	-	-
Gain \ loss on sale of assets	-	(45)	(51)	-	-	-
Internal charges and transfers	796	1,135	803	868	716	694
<b>TOTAL EXPENSES</b>	9,502	4,556	5,465	8,324	6,908	6,320
<b>Excess (deficiency) of revenue over expenses before Contribution</b>	2,183	1,172	2,491	3,057	3,098	1,949
Contribution to General	-	-	-	5,033	1,549	692
<b>Excess (deficiency) of revenue over expenses after Contribution</b>	<b>\$ 2,183</b>	<b>\$ 1,172</b>	<b>\$ 2,491</b>	<b>\$ (1,976)</b>	<b>\$ 1,549</b>	<b>\$ 1,257</b>

*The above represents actual transactions before consolidation eliminations.*



## SCHEDULE OF CAPITAL SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2016 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Utilities Business Support	Water Utility	Sewer Utility	Solid Waste Utility	Land & Properties	Consolidation Adjustments	2016 Consolidated
<b>Financing</b>										
Contributed assets - private	\$ 1,680	\$ -	\$ -	\$ -	\$ 223	\$ 528	\$ -	\$ -	\$ -	\$ 2,431
Debt - ACFA	1,510	-	28,236	-	4,950	11,200	-	-	-	45,896
Debt - infrastructure reserve	4,184	-	-	-	-	-	-	-	-	4,184
Developer levies	-	(71)	506	-	-	-	-	-	-	435
Government transfers for capital	20,482	-	-	-	-	-	-	-	-	20,482
Land Sales	926	-	25	-	-	1	-	-	-	952
Operations	4,809	2,464	10,566	-	3,327	2,144	1,028	30	-	24,368
Other	2,155	-	-	-	-	-	-	-	-	2,155
Reserves	8,887	9,461	11,931	-	-	-	-	-	-	30,279
	44,633	11,854	51,264	-	8,500	13,873	1,028	30	-	131,182
<b>Expenses</b>										
Engineered structures	12,885	9,807	45,296	-	7,001	10,663	6	-	-	85,658
Buildings	20,447	-	921	-	-	-	(105)	-	-	21,263
Machinery and equipment	7,103	415	382	-	607	119	64	26	-	8,716
Land Improvements	4,997	-	23	-	(27)	145	82	4	-	5,224
Land	-	-	-	-	-	-	-	510	-	510
Mobile equipment	4,133	-	-	-	-	-	-	-	-	4,133
Major operating expenses	-	-	-	-	-	-	-	-	-	-
	49,565	10,222	46,622	-	7,581	10,927	47	540	-	125,504
<b>Change in Capital Fund</b>	<b>\$ (4,932)</b>	<b>\$ 1,632</b>	<b>\$ 4,642</b>	<b>\$ -</b>	<b>\$ 919</b>	<b>\$ 2,946</b>	<b>\$ 981</b>	<b>\$ (510)</b>	<b>\$ -</b>	<b>\$ 5,678</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### GENERAL FUND

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
General Government	\$ 375	\$ 55	\$ 502	\$ 1,395	\$ -	\$ 18
Corporate Services	16,379	18,873	21,035	19,985	20,504	10,054
Development & Infrastructure	28,300	13,757	27,150	30,654	23,084	21,456
Public Services	3,955	11,886	53,590	54,198	19,245	4,491
Police Services	10	62	287	166	103	78
<b>TOTAL FINANCING</b>	49,019	44,633	102,564	106,398	62,936	36,097
<b>EXPENSES</b>						
General Government	375	55	394	1,395	-	18
Corporate Services	16,379	22,622	20,424	16,365	20,860	10,548
Development & Infrastructure	28,300	15,016	32,664	21,080	21,716	21,669
Public Services	3,955	11,785	51,717	54,671	19,629	4,893
Police Services	10	87	248	193	77	92
<b>TOTAL EXPENSES</b>	49,019	49,565	105,447	93,704	62,282	37,220
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (4,932)	\$ (2,883)	\$ 12,694	\$ 654	\$ (1,123)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### GENERAL GOVERNMENT

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ 299	\$ 55	\$ 368	\$ 23	\$ -	\$ -
Government transfers	-	-	26	1,372	-	-
Operations	76	-	108	-	-	18
<b>TOTAL FINANCING</b>	375	55	502	1,395	-	18
<b>EXPENSES</b>						
Buildings	-	-	26	-	-	-
Machinery and equipment	375	55	368	1,395	-	18
<b>TOTAL EXPENSES</b>	375	55	394	1,395	-	18
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ 108	\$ -	\$ -	\$ -

### CAO & COMMISSIONERS

General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FINANCING</b>	250	-	-	-	-	-
<b>EXPENSES</b>						
Machinery and equipment	250	-	-	-	-	-
<b>TOTAL EXPENSES</b>	250	-	-	-	-	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### CITY SOLICITOR & CITY CLERK

General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ 49	\$ 55	\$ 368	\$ 23	\$ -	\$ -
Operations	76	-	-	-	-	-
<b>TOTAL FINANCING</b>	125	55	368	23	-	-
<b>EXPENSES</b>						
Machinery and equipment	125	55	368	23	-	-
<b>TOTAL EXPENSES</b>	125	55	368	23	-	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### CORPORATE COMMUNICATIONS

General Government

No Capital

### HEALTH, SAFETY & ENVIRONMENT

General Government

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Operations	\$ -	\$ -	\$ 108	\$ -	\$ -	\$ -
Government transfers	-	-	26	1,372	-	-
<b>TOTAL FINANCING</b>	-	-	134	1,372	-	-
<b>EXPENSES</b>						
Buildings	-	-	26	-	-	-
Machinery and equipment	-	-	-	1,372	-	-
<b>TOTAL EXPENSES</b>	-	-	26	1,372	-	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ 108	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### CORPORATE SERVICES

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 7,220	\$ (325)	\$ 6,450	\$ 3,550	\$ 500	\$ -
Debt - internal	615	2,733	1,367	1,860	1,009	144
Government transfers	6,239	10,096	6,006	5,716	14,093	6,139
Operations	1,070	1,675	970	790	1,094	1,114
Other	550	608	-	1,236	1,595	29
Reserves	685	4,086	6,242	6,833	2,213	2,628
<b>TOTAL FINANCING</b>	16,379	18,873	21,035	19,985	20,504	10,054
<b>EXPENSES</b>						
Buildings	11,709	12,362	7,853	5,323	16,736	7,151
Machinery and equipment	3,985	4,447	4,076	1,624	1,592	869
Mobile equipment	685	5,813	8,495	9,418	2,532	2,528
<b>TOTAL EXPENSES</b>	16,379	22,622	20,424	16,365	20,860	10,548
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (3,749)	\$ 611	\$ 3,620	\$ (356)	\$ (494)

### CORPORATE ASSET MANAGEMENT

Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 4,220	\$ (325)	\$ 2,450	\$ 3,550	\$ -	\$ -
Debt - internal	-	1,320	1,105	342	172	94
Government transfers	6,239	10,096	6,006	5,716	14,093	6,139
Other	550	608	-	1,236	1,595	29
Operations	700	35	895	752	1,065	821
Reserves	685	4,089	6,239	6,833	2,212	2,643
<b>TOTAL FINANCING</b>	12,394	15,823	16,695	18,429	19,137	9,726
<b>EXPENSES</b>						
Buildings	11,709	12,362	7,853	5,323	16,736	7,151
Machinery and equipment	-	-	-	246	201	504
Mobile equipment	685	5,813	8,495	9,418	2,532	2,528
<b>TOTAL EXPENSES</b>	12,394	18,175	16,348	14,987	19,469	10,183
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (2,352)	\$ 347	\$ 3,442	\$ (332)	\$ (457)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### FINANCE

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ 2,000	\$ -	\$ 500	\$ -
Debt - internal	500	483	39	1,376	448	27
Operations	350	1,550	-	-	-	-
<b>TOTAL FINANCING</b>	850	2,033	2,039	1,376	948	27
<b>EXPENSES</b>						
Machinery and equipment	850	1,833	1,831	1,198	876	27
<b>TOTAL EXPENSES</b>	850	1,833	1,831	1,198	876	27
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 200	\$ 208	\$ 178	\$ 72	\$ -

### HUMAN RESOURCES

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Operations	\$ 20	\$ 14	\$ -	\$ -	\$ -	\$ 18
<b>TOTAL FINANCING</b>	20	14	-	-	-	18
<b>EXPENSES</b>						
Machinery and equipment	20	14	-	-	-	18
<b>TOTAL EXPENSES</b>	20	14	-	-	-	18
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### INFORMATION & COMPUTER SERVICES

#### Corporate Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 3,000	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Debt - internal	115	930	223	142	389	23
Reserves	-	(3)	3	-	1	(15)
Operations	-	76	75	38	29	275
<b>TOTAL FINANCING</b>	3,115	1,003	2,301	180	419	283
<b>EXPENSES</b>						
Machinery and equipment	3,115	2,600	2,245	180	515	320
<b>TOTAL EXPENSES</b>	3,115	2,600	2,245	180	515	320
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (1,597)	\$ 56	\$ -	\$ (96)	\$ (37)

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### DEVELOPMENT & INFRASTRUCTURE

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

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ 1,574	\$ 269	\$ 448	\$ 1,082	\$ -
Debt - ACFA	5,351	1,835	-	500	2,500	-
Debt - internal	-	450	1,729	597	1,341	97
Developers levies	8,205	1,080	-	4,928	236	100
Government transfers	13,094	4,491	19,675	14,814	10,024	20,705
Land sales	-	319	2,400	233	2,280	-
Operations	1,650	1,651	1,650	1,730	1,170	511
Other	-	-	1,410	-	4,451	-
Reserves	-	2,357	17	7,404	-	43
<b>TOTAL FINANCING</b>	28,300	13,757	27,150	30,654	23,084	21,456
<b>EXPENSES</b>						
Engineered structures	28,300	14,849	32,109	18,213	622	21,332
Buildings	-	-	-	2,813	20,858	34
Machinery and equipment	-	167	555	54	143	44
Land improvements	-	-	-	-	93	163
Land	-	-	-	-	-	89
Major operating expenses	-	-	-	-	-	7
<b>TOTAL EXPENSES</b>	28,300	15,016	32,664	21,080	21,716	21,669
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (1,259)	\$ (5,514)	\$ 9,574	\$ 1,368	\$ (213)

### BUSINESS SUPPORT

*Development & Infrastructure*

No Capital

*The above represents actual transactions before consolidation eliminations.*

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### PLANNING, BUILDING & DEVELOPMENT

#### Development & Infrastructure

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ 122	\$ -	\$ -	\$ 15	\$ -
Reserves	-	-	-	225	-	-
<b>TOTAL FINANCING</b>	-	122	-	225	15	-
<b>EXPENSES</b>						
Machinery and equipment	-	167	180	-	15	-
<b>TOTAL EXPENSES</b>	-	167	180	-	15	-
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (45)	\$ (180)	\$ 225	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### MUNICIPAL WORKS

#### Development & Infrastructure

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ -	\$ 1,574	\$ 269	\$ 448	\$ 1,082	\$ -
Debt - ACFA	5,351	1,835	-	500	2,500	-
Debt - internal	-	328	1,729	597	1,326	97
Developers levies	8,205	1,080	-	4,928	236	100
Government transfers	13,094	4,491	19,675	14,814	10,024	20,705
Land sales	-	319	2,400	233	2,280	-
Operations	1,650	1,651	1,650	1,730	1,170	511
Other	-	-	1,410	-	4,451	-
Reserves	-	2,357	17	7,179	-	43
<b>TOTAL FINANCING</b>	28,300	13,635	27,150	30,429	23,069	21,456
<b>EXPENSES</b>						
Engineered structures	28,300	14,849	32,109	18,213	622	21,332
Buildings	-	-	-	2,813	20,858	34
Machinery and equipment	-	-	375	54	128	44
Land improvements	-	-	-	-	93	163
Land	-	-	-	-	-	89
Major operating expenses	-	-	-	-	-	7
<b>TOTAL EXPENSES</b>	28,300	14,849	32,484	21,080	21,701	21,669
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (1,214)	\$ (5,334)	\$ 9,349	\$ 1,368	\$ (213)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### PUBLIC SERVICES

Community Development; Parks & Fire Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ 125	\$ 106	\$ 102	\$ 704	\$ 44	\$ 188
Debt - ACFA	-	-	10,000	-	-	-
Debt - internal	1,370	936	531	850	449	204
Developers levies	-	-	-	356	-	-
Government transfers	1,290	5,895	12,721	7,055	7,284	1,943
Land sales	-	607	3,646	734	363	274
Operations	1,170	1,431	1,240	757	292	765
Other	-	461	1,012	5	899	138
Third party contribution	-	7	1	2	3	-
Reserves	-	2,443	24,337	43,735	9,911	979
<b>TOTAL FINANCING</b>	3,955	11,886	53,590	54,198	19,245	4,491
<b>EXPENSES</b>						
Engineered structures	-	-	-	-	-	473
Buildings	100	6,853	37,380	49,240	15,254	1,165
Machinery and equipment	915	1,349	5,006	756	141	519
Land	-	3,551	650	-	-	602
Land improvements	2,940	32	8,681	4,675	4,234	2,134
<b>TOTAL EXPENSES</b>	3,955	11,785	51,717	54,671	19,629	4,893
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 101	\$ 1,873	\$ (473)	\$ (384)	\$ (402)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### COMMUNITY DEVELOPMENT

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ 100	\$ 88	\$ 112	\$ 275	\$ 98	\$ -
Government transfers	-	333	443	1,290	1,832	1,315
Operations	20	215	320	-	-	38
Other	-	-	-	-	-	11
Third party contribution	-	7	1	2	3	-
Reserves	-	(297)	297	685	-	627
<b>TOTAL FINANCING</b>	120	346	1,173	2,252	1,933	1,991
<b>EXPENSES</b>						
Engineered structures	-	-	-	-	-	146
Buildings	100	13	800	1,703	1,359	1,094
Machinery and equipment	20	256	126	547	122	23
Land	-	-	-	-	-	602
Land improvements	-	-	-	2	452	161
<b>TOTAL EXPENSES</b>	120	269	926	2,252	1,933	2,026
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 77	\$ 247	\$ -	\$ -	\$ (35)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### PARKS & RECREATION

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Contributed assets - private	\$ 125	\$ 106	\$ 102	\$ 704	\$ 44	\$ 188
Debt - ACFA	-	-	10,000	-	-	-
Debt - internal	900	243	419	575	351	163
Developers levies	-	-	-	356	-	-
Government transfers	1,290	5,562	12,278	5,765	5,452	628
Land sales	-	607	3,646	734	363	274
Operations	1,150	1,204	920	737	200	700
Other	-	461	1,012	5	899	127
Reserves	-	2,740	24,040	43,058	9,911	352
<b>TOTAL FINANCING</b>	3,465	10,923	52,417	51,934	17,220	2,432
<b>EXPENSES</b>						
Engineered structures	-	-	-	-	-	327
Buildings	-	6,840	36,580	47,537	13,803	71
Machinery and equipment	525	476	4,880	182	15	-
Land	-	3,551	650	-	-	-
Land improvements	2,940	32	8,681	4,673	3,782	1,973
<b>TOTAL EXPENSES</b>	3,465	10,899	50,791	52,392	17,600	2,371
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 24	\$ 1,626	\$ (458)	\$ (380)	\$ 61

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### FIRE SERVICES

#### Public Services

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ 370	\$ 605	\$ -	\$ -	\$ -	\$ 41
Operations	-	12	-	20	92	27
Reserves	-	-	-	(8)	-	-
<b>TOTAL FINANCING</b>	370	617	-	12	92	68
<b>EXPENSES</b>						
Buildings	-	-	-	-	92	-
Machinery and equipment	370	617	-	27	4	496
<b>TOTAL EXPENSES</b>	370	617	-	27	96	496
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ -	\$ -	\$ (15)	\$ (4)	\$ (428)

### POLICE SERVICE

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - internal	\$ -	\$ 9	\$ 185	\$ 132	\$ 26	\$ -
Operations	10	53	57	-	77	83
Third Party Contribution	-	-	45	60	-	-
Reserves	-	-	-	(26)	-	(5)
<b>TOTAL FINANCING</b>	10	62	287	166	103	78
<b>EXPENSES</b>						
Engineered Structures						
Buildings	-	-	83	60	-	-
Machinery and equipment	10	87	165	133	77	92
<b>TOTAL EXPENSES</b>	10	87	248	193	77	92
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ (25)	\$ 39	\$ (27)	\$ 26	\$ (14)

The above represents actual transactions before consolidation eliminations.



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### GAS

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 1,600	\$ -	\$ 2,000	\$ 3,460	\$ 3,300	\$ 1,150
Developers levies	479	(71)	390	642	504	194
Government transfers	-	-	-	-	-	178
Land Sales	-	-	-	-	12	-
Operations	2,042	2,464	1,410	1,970	541	2,108
Other	-	-	(564)	65	(143)	(292)
Reserves	27,415	9,461	6,066	11,727	16,703	57,318
<b>TOTAL FINANCING</b>	31,536	11,854	9,302	17,864	20,917	60,656
<b>EXPENSES</b>						
Engineered structures	30,767	9,807	8,783	18,471	19,265	67,855
Machinery and equipment	769	415	1,771	2,768	2,475	196
Major operating expenses	-	-	-	-	-	322
<b>TOTAL EXPENSES</b>	31,536	10,222	10,554	21,239	21,740	68,373
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 1,632</b>	<b>\$ (1,252)</b>	<b>\$ (3,375)</b>	<b>\$ (823)</b>	<b>\$ (7,717)</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### ELECTRIC

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 32,939	\$ 28,236	\$ 6,950	\$ 8,792	\$ 4,545	\$ 3,724
Developers levies	650	531	923	2,692	1,123	434
Government transfers	-	-	31	-	5,040	902
Land Sales	300	-	125	62	65	-
Operations	13,476	10,566	13,771	4,359	3,322	3,038
Other	-	-	(788)	(3,287)	1,395	301
Reserves	8,460	11,931	11,030	11,924	2,943	13,824
<b>TOTAL FINANCING</b>	55,825	51,264	32,042	24,542	18,433	22,223
<b>EXPENSES</b>						
Engineered structures	16,815	45,296	32,961	18,473	13,464	3,858
Buildings	150	921	997	1,844	300	947
Machinery and equipment	1,035	382	1,442	3,018	3,381	3,191
Land improvements	-	23	221	(171)	497	191
Land	-	-	-	555	-	-
<b>TOTAL EXPENSES</b>	18,000	46,622	35,621	23,719	17,642	8,187
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ 37,825</b>	<b>\$ 4,642</b>	<b>\$ (3,579)</b>	<b>\$ 823</b>	<b>\$ 791</b>	<b>\$ 14,036</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### UTILITIES BUSINESS SUPPORT

No Capital

### WATER

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 13,000	\$ 4,950	\$ 8,751	\$ 14,760	\$ 12,175	\$ 4,560
Developers levies	-	223	429	1,106	-	-
Government transfers	-	-	(51)	1,887	86	30
Land sales	-	-	460	186	583	-
Operations	3,325	3,327	1,921	300	300	374
Other	-	-	(429)	(1,106)	15	-
<b>TOTAL FINANCING</b>	16,325	8,500	11,081	17,133	13,159	4,964
<b>EXPENSES</b>						
Engineered structures	15,825	7,001	3,339	11,949	11,230	4,638
Buildings	150	-	-	18	536	961
Machinery and equipment	350	607	610	3,175	3,994	(420)
Land improvements	-	(27)	1,123	-	-	-
Land	-	-	20	-	-	-
<b>TOTAL EXPENSES</b>	16,325	7,581	5,092	15,142	15,760	5,179
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 919	\$ 5,989	\$ 1,991	\$ (2,601)	\$ (215)

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### SEWER

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ 8,500	\$ 11,200	\$ 15,100	\$ 7,400	\$ 1,870	\$ 6,510
Developers levies	-	528	326	-	-	-
Government transfers	-	-	858	180	15	(229)
Land sales	-	1	485	184	454	-
Operations	2,150	2,144	2,270	95	201	254
Other	-	-	(224)	-	-	-
<b>TOTAL FINANCING</b>	10,650	13,873	18,815	7,859	2,540	6,535
<b>EXPENSES</b>						
Engineered structures	10,650	10,663	4,160	4,865	4,413	3,254
Buildings	-	-	-	18	787	961
Machinery and equipment	-	119	53	110	-	-
Land Improvements	-	145	1,527	-	-	-
<b>TOTAL EXPENSES</b>	10,650	10,927	5,740	4,993	5,200	4,215
<b>CHANGE IN CAPITAL FUND</b>	\$ -	\$ 2,946	\$ 13,075	\$ 2,866	\$ (2,660)	\$ 2,320

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### SOLID WASTE

#### Environmental Utilities

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Debt - ACFA	\$ -	\$ -	\$ 1,050	\$ -	\$ -	\$ 280
Debt - infrastructure	-	-	104	414	-	-
Operations	1,800	1,028	2,065	-	832	450
<b>TOTAL FINANCING</b>	1,800	1,028	3,219	414	832	730
<b>EXPENSES</b>						
Engineered structures	1,800	6	(6)	-	-	(6)
Buildings	-	(105)	126	541	119	192
Machinery and equipment	-	64	46	222	-	26
Land improvement	-	82	19	408	138	61
<b>TOTAL EXPENSES</b>	1,800	47	185	1,171	257	273
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 981</b>	<b>\$ 3,034</b>	<b>\$ (757)</b>	<b>\$ 575</b>	<b>\$ 457</b>

The above represents actual transactions before consolidation eliminations.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2016

(In thousands of dollars)

## SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DEPARTMENT

### LAND & PROPERTIES

	2016 Budget	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual
<b>FINANCING</b>						
Operations	\$ 33,250	\$ 30	\$ (262)	\$ (129)	\$ 1,409	\$ 750
<b>TOTAL FINANCING</b>	33,250	30	(262)	(129)	1,409	750
<b>EXPENSES</b>						
Engineered structures	-	-	944	-	-	16
Buildings	-	-	89	-	-	-
Machinery & Equipment	-	26	82	16	-	-
Land improvements	-	4	517	-	-	-
Land	33,250	510	(1,559)	1,133	74	68
<b>TOTAL EXPENSES</b>	33,250	540	73	1,149	74	84
<b>CHANGE IN CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ (510)</b>	<b>\$ (335)</b>	<b>\$ (1,278)</b>	<b>\$ 1,335</b>	<b>\$ 666</b>

The above represents actual transactions before consolidation eliminations.



## Our Vision

Be a Community of Choice



## Our Mission

Deliver value through  
exceptional public service



## Our Values

Respect  
Integrity  
Accountability  
Courage  
Caring

# *Medicine Hat Council's Strategic Plan 2014-2018*

Six strategic priorities:

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





Medicine Hat  
The Gas City