

2022 Financial Report

City of Medicine Hat
Medicine Hat, Alberta, Canada

December 31, 2022

City of Medicine Hat, Alberta, Canada

2022 FINANCIAL REPORT

For the year ended December 31, 2022

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



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

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City Council



Back row: Shila Sharps, Darren Hirsch, Cassi Hider, Robert Dumanowski

Front row: Andy McGrogan, Ramona Robins, Linnsie Clark, Alison Van Dyke, Allison Knodel

STANDING COMMITTEES

Administrative & Legislative Review Committee

Councillor A. McGrogan, Chair
Councillor A. Knodel, Vice Chair
Councillor R. Robins

Audit Committee

Councillor D. Hirsch, Chair
Councillor S. Sharps, Vice Chair
Councillor A. McGrogan
D. Egert, Corporate Services Managing Director & CFO, Advisor

Corporate Services Committee

Councillor R. Dumanowski, Chair
Councillor S. Sharps, Vice Chair
Councillor C. Hider

Council Employee Committee

Councillor S. Sharps, Chair
Councillor R. Robins, Vice Chair
Councillor A. Van Dyke

Emergency Advisory Committee

Mayor L. Clark
Councillor R. Robins
Councillor A. Van Dyke

Energy & Infrastructure Committee

Councillor A. Van Dyke, Chair
Councillor R. Dumanowski, Vice Chair
Councillor A. McGrogan

Public Services Committee

Councillor R. Robins, Chair
Councillor A. Van Dyke, Vice Chair
Councillor A. Knodel

Administrative Committee

L. Clark, Mayor
Vacant, City Manager, Chair
B. Mastel, Public Services Managing Director
D. Egert, Corporate Services Managing Director & CFO
B. Maynes, Energy & Infrastructure Managing Director
R. Pancoast, Strategic Management & Analysis Managing Director
B. Bullock, City Solicitor
A. Karbashewski, City Clerk
C. Graham, Corporate Communications Director, Advisor

SPECIAL COMMITTEES

Chamber of Commerce: Councillor A. Knodel

Civic Functions: Councillor A. Knodel

Community Futures Entre-Corp: B. Mastel, Public Services Managing Director

Cypress View Foundation: Councillors D. Hirsch & R. Robins

Friends of Medalta Society: Councillor A. Knodel

Highway #3 Twinning Association: Councillor D. Hirsch

Intermunicipal Committee: Councillor R. Dumanowski & S. Sharps

Medicine Hat Community Housing Society: Councillor R. Robins

Medicine Hat Exhibition & Stampede: Councillor A. McGrogan

Medicine Hat Public Library: Councillor R. Robins

Municipal Names Committee: Councillor C. Hider

Municipal Planning Commission: Councillors D. Hirsch & A. McGrogan

Palliser Economic Partnership: Councillors C. Hider & S. Sharps

Police Commission: Councillors S. Sharps & A. Van Dyke

Regional Drainage: Councillor A. Van Dyke

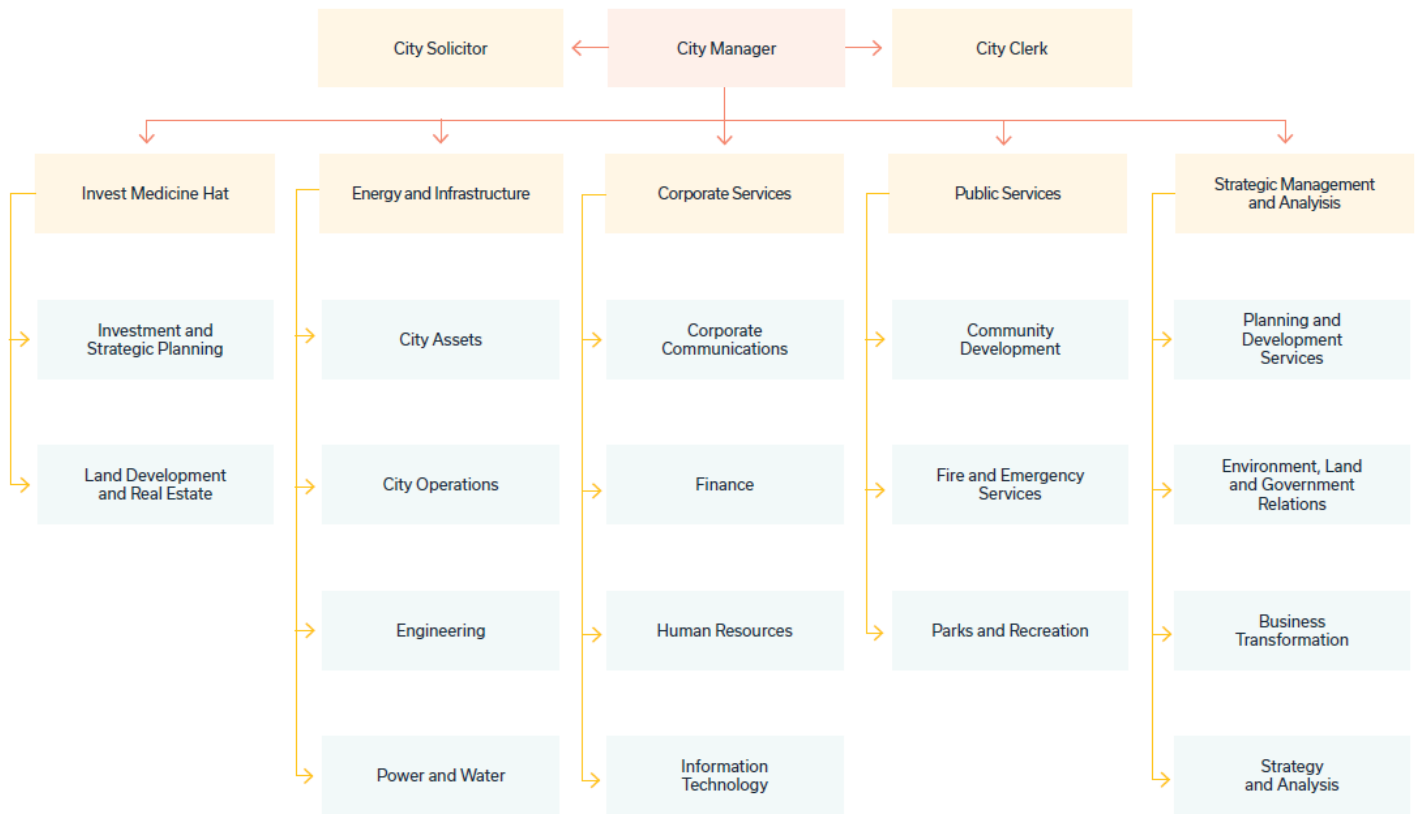
Shortgrass Library System: Councillor A. Van Dyke

Subdivision & Devel. Appeal Board: Councillors R. Dumanowski & C. Hider

Tourism Medicine Hat: Councillor C. Hider

Organizational Structure

As at December 31, 2022



CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2022. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 17, 2023.

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

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

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

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

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

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2022. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used compared to budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Chief Financial Officer's Report.
- **Canadian GFOA Award for Financial Reporting** - Recognition of high-quality financial reports.
- **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, 2022. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



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

Dennis Egert
Managing Director of Corporate
Services/Chief Financial Officer
April 17, 2023

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2021, for the twentieth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

RISK MANAGEMENT

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

(a) Enterprise Risk Management

In 2021 the City engaged a consultant to support the development and implementation of an Enterprise Risk Management (ERM) framework. The ERM framework is the guiding document that defines the methodology, process and the related roles and responsibilities. It will support strong and well-informed governance decision making and ensure that enterprise risks are identified, assessed and mitigated to an acceptable level. The implementation is progressing resulting in a framework, a risk register, and an approved risk action plans which will be incorporated into the strategic planning process.

(b) Operational Risk Management

As a result of continued premium rate increases over the past few years, the City undertook a third-party review of its insurance program that included recommendations to self-insure certain components of the City's insurance program in order to reduce overall costs while remaining within the City's risk tolerance. The insurance program continues to provide insurance coverage for the majority of the City's major losses that involves third party property damage or bodily injury and/or property damage to City property (buildings/equipment/vehicles), contributing to long term sustainability of City assets. To accommodate self-insuring certain components of the insurance program, a formal insurance reserve was established (included within the operating reserve) to mitigate future large insurance claims.

(c) Public Safety

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

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

The City operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island, a regional population of approximately 77,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization and overall protocol compliance.

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

(d) Treasury Management

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

In 2021, the City engaged a consultant to perform a review its investment portfolio with the objective of assessing the appropriateness of the current asset mix policy and exploring alternative asset mixes while maintaining an appropriate balance between return and risk. The recommendation was to transition the City's investment portfolio from significant fixed income exposure to a more diverse portfolio including fixed income, equities and alternative investments. This new portfolio has been structured to achieve the City's overall long-term objectives of optimizing investment returns through the investment cycle while maintaining an appropriate level of risk; generating sufficient investment return to cover annual net spending; capital preservation; as well as conforming to all provincial statutes and regulations governing the investment of municipal funds.

The new investment portfolio is well diversified and includes internally managed portfolios consisting of investments in money market instruments and bonds as well as external investment portfolios managed by third party investment managers, Addenda Capital, Alberta Investment Management Corporation (AIMCo), Arrow Street Capital, Brookfield Asset Management, Connor Clark & Lunn, Manulife Investment Management, Igneo Infrastructure Partners, JP Morgan Asset Management, Mesirow, and Phillips Hager & North consisting of fixed income securities, Canadian and foreign equities and alternative investments. These funds are invested in assets permitted by the Major Cities Investment Regulation.

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

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

(d) Environmental

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

(e) Market Commodity Prices

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

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

MANAGEMENT REPORTING AND CONTROL

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

(a) Strategic Planning and Budgeting

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

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



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

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

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

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

(b) Accounting

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

(c) Auditing

The *Municipal Government Act* requires municipal councils to appoint an independent auditor. KPMG LLP was awarded a one-year Audit Contract in 2020 with a year-to-year extension through 2024, subject to City Council's annual reappointment of auditors. City council approved KPMG LLP's appointment for the 2022 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.

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2022

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

In 2022 the City experienced higher annual surplus despite the external pressures stemming from rising inflation, ongoing impacts from COVID-19, the Government of Alberta reduction in municipal funding and continued market volatility impacting commodity prices and investment returns. The higher surplus is primarily due to increased revenues as a result of higher electric commodity prices and the reversal of prior years' gas asset impairments as a result of the increase in provable and probable reserves and the increase in current and forward market commodity price.

In 2022 the City's municipal budget anticipated a \$9.0 million gap which was funded through financial reserves to achieve a balanced budget. The 2022 actual municipal deficit was \$17.9 million, which required an additional transfer of \$8.9 million from reserves to fund the deficit. The City continues to focus its efforts on identifying strategic opportunities including revenue growth, cost containment, service level adjustments, and leveraging technology and digital innovation to reduce its reliance on the reserves to achieve a balanced budget.

As a result of the declining gas and oil commodity prices over the past few years, the City decided to accelerate the abandonment and reclamation of its uneconomic oil and gas properties. The budgeted cost of the program is expected to be \$125 million to be financed through a combination of working capital (\$45 million) and debenture borrowing (\$80 million). As of year-end 2022 the accelerated abandonment program is virtually complete with almost 1,800 wells fully abandoned and under reclamation. Technical and logistical issues continue to be examined for the remaining wells in the program and abandonment will occur as these issues are resolved. The program ensures the City is fostering the wellbeing of the environment by safely meeting end of life obligations for its energy development activities.

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

Financial Summary

In thousands of dollars

Consolidated Financial Position	2022	2021
Assets	\$ 791,421	\$ 668,430
Liabilities	802,831	831,561
Net financial debt	(11,410)	(163,131)
Non-financial assets	43,180	67,257
Net tangible capital assets	1,422,663	1,389,183
Total non-financial assets	1,465,843	1,456,440
Accumulated surplus	\$1,454,433	\$1,293,309

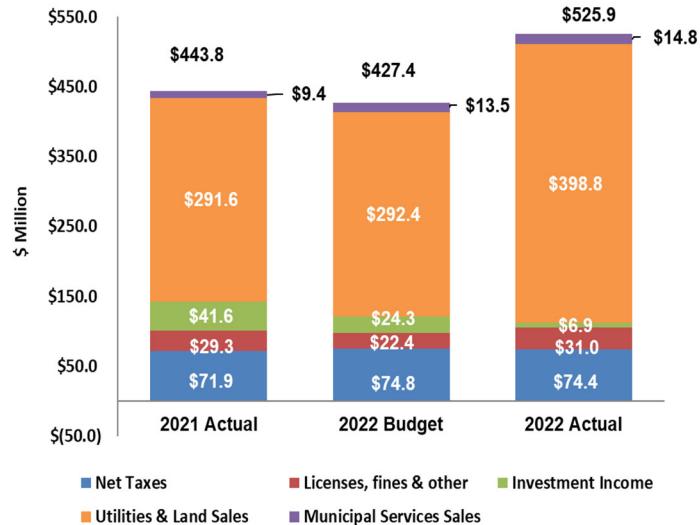
In 2022 financial assets increased at a higher rate than financial liabilities resulting in a significant decrease in net financial debt of \$151.7 million from 2021. The increase in assets was due to an increase in financial investments as a result of higher contributions from our integrated commodity business. Liability decreases were a result of a decrease in asset retirement obligations due to cost estimate changes and the accelerated abandonment program.

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

In thousands of dollars			Annual
2022 Operating Results	Revenue	Expenses	Surplus
General Fund	\$ 275,536	\$ 220,602	\$ 54,934
Utilities	514,269	446,606	67,663
Consolidation adjustments	(263,870)	(266,676)	2,806
Subtotal	525,935	400,532	125,403
Capital contributions and grants	35,721	-	35,721
Total	\$ 561,656	\$ 400,532	\$ 161,124

The 2022 annual surplus was \$161.1 million primarily due to higher electric commodity prices. Capital contributions and grants represent funding used for various capital projects such as: Flood mitigation projects; campground upgrades; Towne Square development; Athletic Ball Park enhancements; Pickle Ball Courts; building rehabilitations, pedestrian trails and bridge rehabilitation, and sidewalk, roads and storm sewer rehabilitation.



Revenues

Revenue before capital contributions and grants was \$98.5 million higher than budget (\$525.9 million versus budget of \$427.4 million). This is mainly due to Utilities and Land sales revenues being higher than budget by \$106.4 million as a result of higher electric revenues of \$115.2 million related to higher commodity prices. This is offset by lower land sales of \$5.9 million primarily due to lower lot sales and lower than budget investment income of \$17.3 million as a result of financial impacts from the War on Ukraine and destabilized markets as well as higher inflation rates.

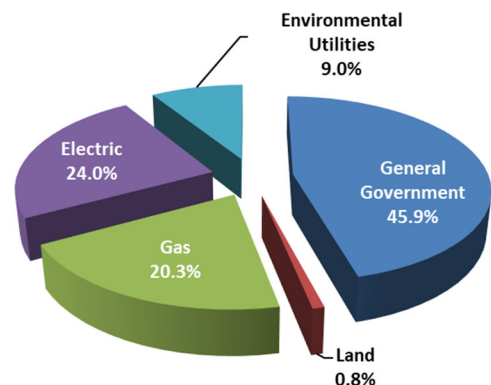
Revenues in 2022 are higher than 2021 revenues by \$82.1 million primarily due to higher electric commodity prices offset by lower investment income.

Expenses

Overall, the City operating expenses for the year were \$28.2 million less than budget mainly due to reversal of prior years' impairments recognized on gas assets, offset by higher purchases of gas to meet consumption demand and an increase in electric production variable expenses related to increased sales in the market.

2022 expenses are less than 2021 expenses by \$19.5 million primarily due to the reversal of prior years' gas asset impairments offset by higher purchases of gas to meet demand consumption.

Consolidated Operating Expenses by Division



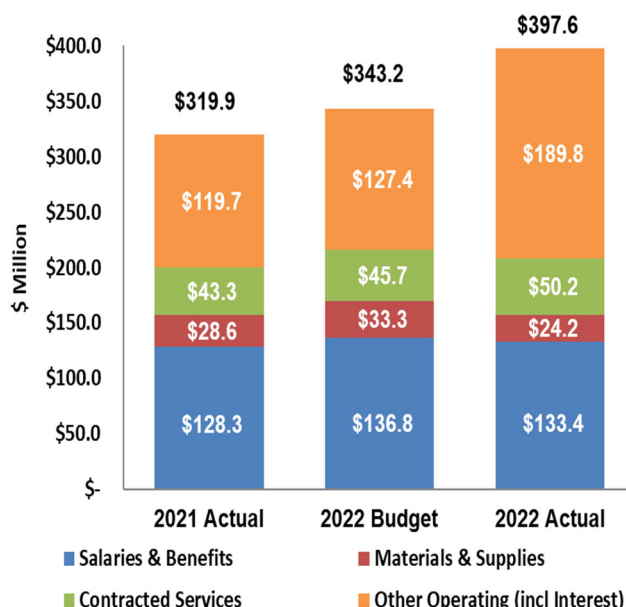
CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Expenses by Type

The Consolidated Schedule of Expenses by Object details 2022 actual (\$400.5 million) and budget (\$428.7 million) by expense type. The chart to the right excludes non-cash items such as amortization, impairments, and disposal expenses of \$2.9 million (2022 budget of \$85.5 million). Variances from budget for salaries and benefits is primarily related to positional vacancies as a result of the 2021 corporate restructuring. Contracted services is higher than budget as a result of unbudgeted fees paid to external investment managers, and higher box office fees as a result of bigger shows at Co-op Place and the Esplanade. Materials and supplies are less than budget due to purchasing less electricity from the power purchase agreement. Variances from budget for other operating expense is due to higher purchases of gas to meet consumption demand and an increase in electric production variable expenses related to increased sales in the market.

The 2022 actual expenses by type are higher than 2021 primarily due to higher gas purchases to meet consumption demand and an increase in electric production variable expenses related to increased sales in the market.

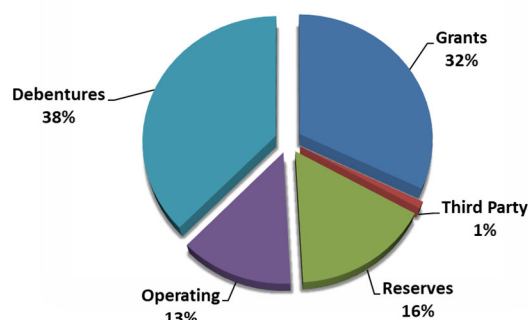


2022 Capital Expenditures

The City's approved 2022 budget for capital items was \$79.1 million. Actual capital expenditures for the year were \$76.3 million plus contributions from developers of \$0.1 million. The current year expenditures include \$48.9 million for projects carried forward from previous budget years.

The 2022 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, and third-party contributions.

Capital Funding Sources

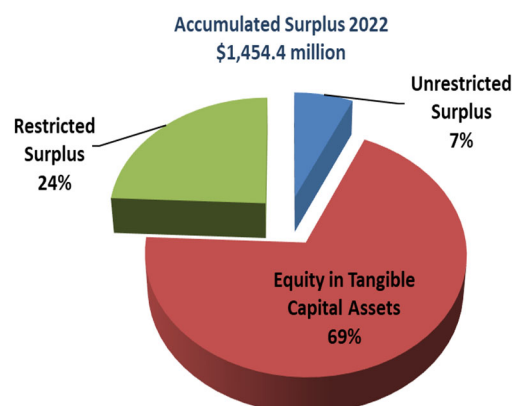


Accumulated Surplus

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 2022, the consolidated fund and equity balances increased by \$161.1 million to \$1,454.4 million.

\$97.1 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 \$353.2 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets increased by \$21.2 million to \$1,004.1 million this year as a result of an increase in City assets and reversal of prior years' impairment, offset by accumulated amortization and debt.

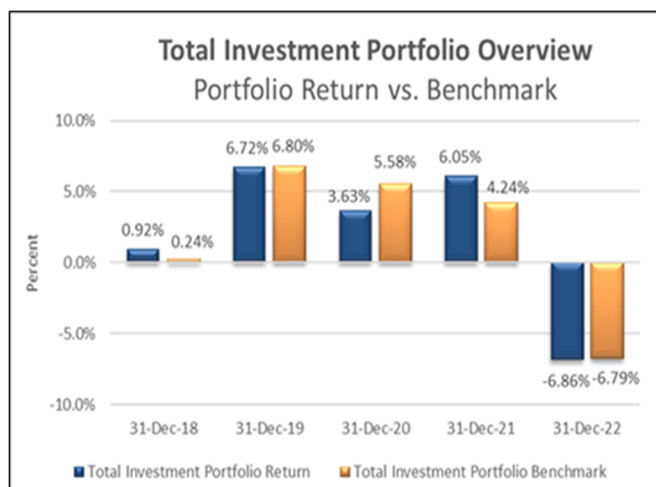
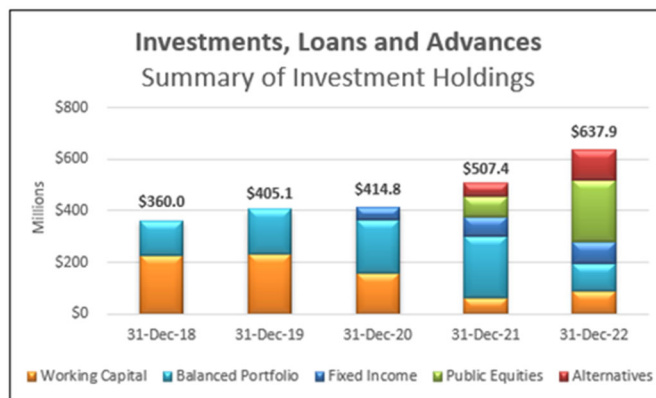


CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Investments

Investments, loans and advances increased \$130.5 million from 2021 to \$637.9 million largely due to higher contributions from our integrated commodity business.



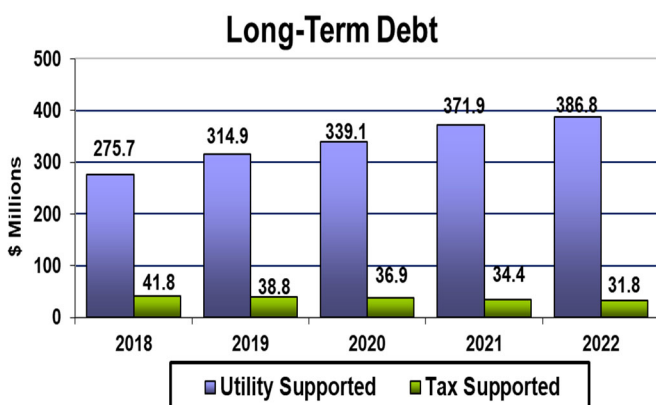
The City of Medicine Hat generated a total investment portfolio return of -6.86% for the year ended December 31, 2022, slightly below the corresponding benchmark of -6.79%. The lower returns in 2022 are a result of the financial impacts from the War on Ukraine and destabilized markets as well as higher inflation rates.

In 2021, the City approved an update to the Investment Policy to include a new strategic asset allocation consisting of public equities, fixed income, working capital, and alternatives. It is expected that the new investment portfolio asset allocation will earn an average nominal return of 5.5% annually measured over a rolling five-year period. The transition to the new asset allocation is a long-term strategy to optimize the risk-return ratio for the City.

Long-Term Debt

During 2022, total long-term debt increased \$12.2 million to \$418.6 million with debt principal repayments of \$29.5 million being offset by new debt issued of \$41.7 million. New debt represents \$1.9 million for improvements to general government assets, \$17.1 million related to environmental utility assets, \$20.4 million relate to electric utility assets, and \$2.3 million relate to gas utility assets.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long and short-term debt as well as loan guarantees in the amount of \$1.1 million and letters of credit issued of \$45.4 million.



The City's 2022 debt limits are as follows:

(in millions of dollars)	2022
Debt Limit	\$ 1,051.9
Actual Total Debt	465.1 44%
AMOUNT UNDER LIMIT	\$ 586.8
Debt Servicing Limit	\$ 184.1
Actual Debt Servicing	41.7 23%
AMOUNT UNDER LIMIT	\$ 142.4

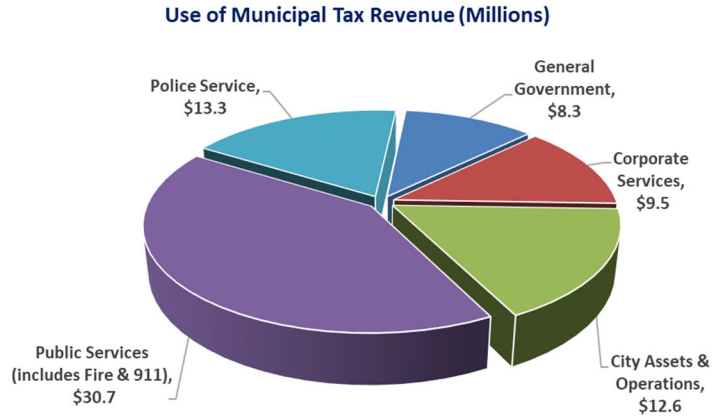
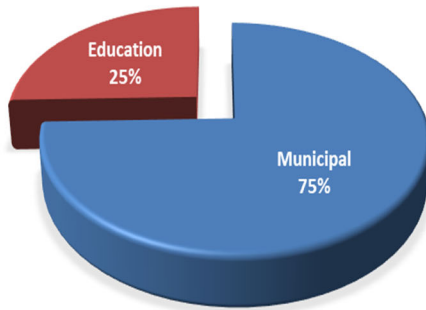
CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

Use of Municipal Tax Revenue

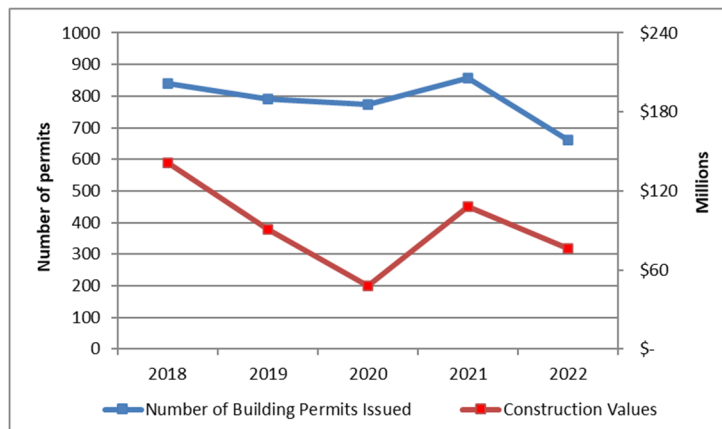
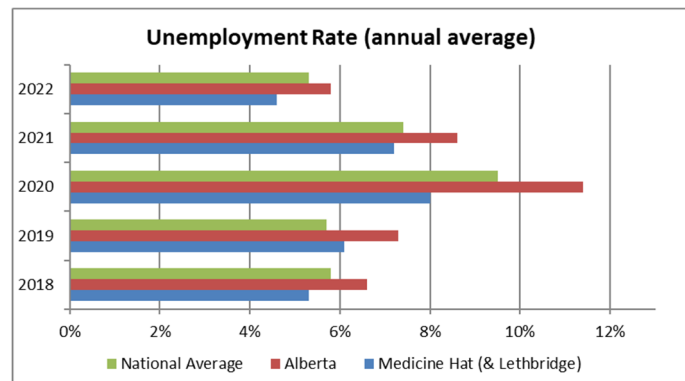
Net municipal property tax revenue of \$74.4 million is used to fund the consolidated general fund operating expenses of \$183.9 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2022.



Economic Indicators

The combined unemployment rate for the Medicine Hat and Lethbridge region at the end of 2022 was 2.8%, while the 2022 average was 4.6%. The average Alberta unemployment rate for 2022 was 5.8% compared to 5.3% for Canada. The decreases are primarily due to the easing of the COVID-19 pandemic restrictions in the year.



Number of Building Permits Issued and Related Construction Values

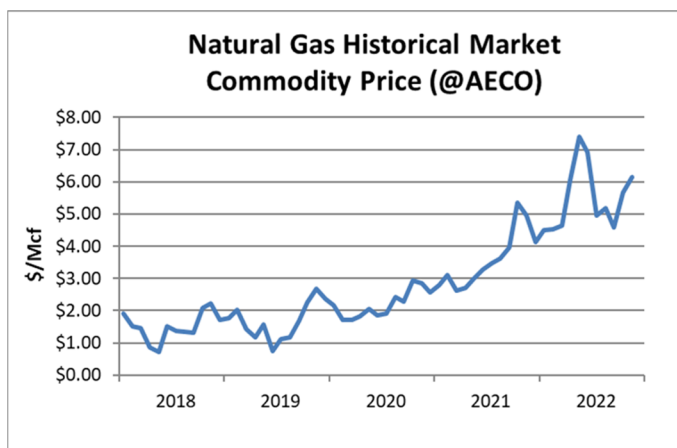
In 2022, the number of building permits issued decreased to 662 primarily due to a decrease in new development. The related estimated value of construction in 2022 also saw a decrease from prior year to \$76.0 million due to lower construction values.

CHIEF FINANCIAL OFFICER'S REPORT

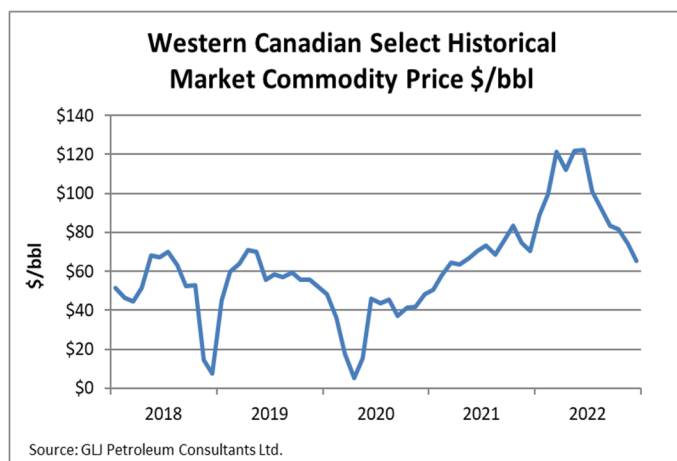
FOR THE YEAR ENDED DECEMBER 31, 2022

Gas

Natural gas prices showed an upward trend in 2022, however started to decline in December 2022 and early 2023 as result of the warmer winter in North America and Europe. This resulted in the demand for Liquid Natural Gas (LNG) to decline significantly causing an oversupplied market similar to pre 2021 and Russia / Ukraine conflict. Prices could continue in a downward trend as indicators show supply outpacing demand in the near future with the potential economic recession as well as more renewable electric generation sources coming online.



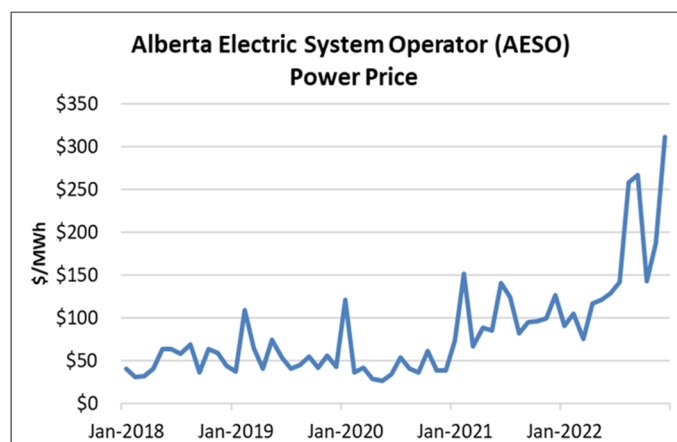
Oil



Oil prices declined to below the levels seen before the Russian/Ukrainian conflict. However, Russia is still able to get volumes to market and the market is in balance for supply demand which has resulted in less volatility. City of Medicine Hat has limited oil exposure at this time as there are only two remaining oil wells in service as the Manyberries field is currently in the abandonment and reclamation stage.

Power

Power prices in 2022 settled at higher levels than 2021 which set the record price since the market was deregulated in 1996. Market volatility remained high due to coal-fired generators transitioning to natural gas or being mothballed as well as limited replacement of baseload generation. Renewables have replaced some of the coal fired generation capacity however only on an intermittent basis thereby still contributing to volatility in the market. The increased carbon cost and economic withholding in the market have also contributed to higher pool prices. The market outlook continues to be volatile as the supply/demand balance remains tight.



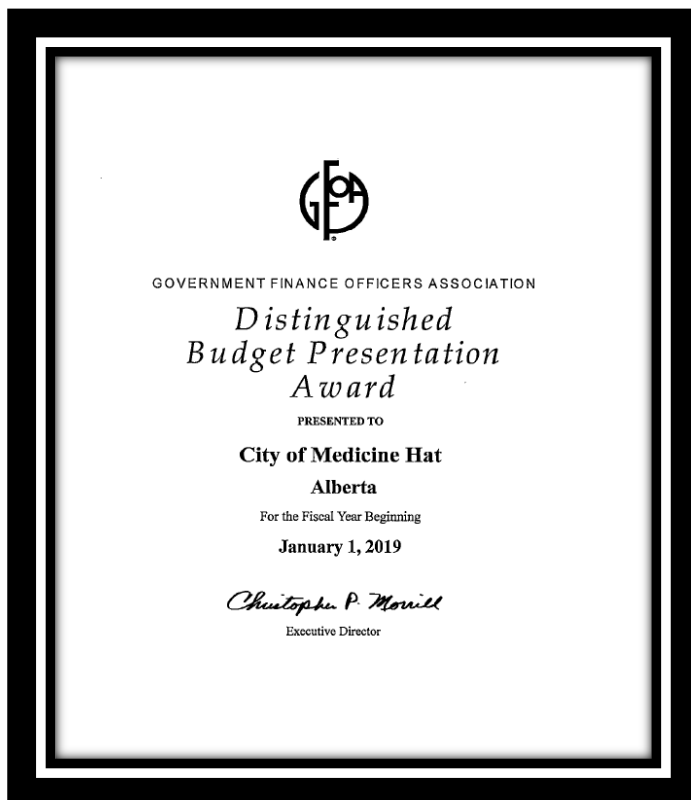
Financial Statements and Notes

Government Finance Officers Association Awards

The City of Medicine Hat has provided award winning financial reporting for the past 20 years.

The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. Its attainment represents a significant accomplishment by a municipal government and its management.

GFOA also provides a Distinguished Budget Presentation Award to municipalities that prepare high-quality budget documents and strive to improve budget transparency in their community. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool. The City of Medicine Hat received the Distinguished Budget Presentation Award for its four-year budget cycle (2019-2022).



Management's Responsibility for Reporting

For the Year Ended December 31, 2022

The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2022 and the results of its operations for the year then ended.

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

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

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

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



City Manager



Chief Financial Officer

April 17, 2023



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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and its consolidated results of operations, changes in net financial debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

We also:

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

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

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Lethbridge, Canada

April 17, 2023

CONSOLIDATED
Statement of Financial Position
As at December 31, 2022 (in thousands of dollars)

	2022	2021
Financial assets		
Cash and cash equivalents (Note 2)	\$ 44,188	\$ 68,004
Accounts receivable, net of allowances (Note 3)	97,523	78,551
Investments, loans and advances (Note 4)	637,870	507,362
Land held for resale (Note 5)	10,523	10,653
Inventories for resale (Note 6)	151	140
Deposits (Note 7)	1,166	3,720
Total financial assets	791,421	668,430
Liabilities		
Trade accounts payable	56,026	36,835
Accrued liabilities (Note 8)	26,417	22,100
Deferred revenue (Note 9)	55,896	61,498
Long-term debt (Note 11)	418,581	406,316
Other long-term liabilities (Note 12)	245,911	304,812
Total liabilities	802,831	831,561
Net financial debt	(11,410)	(163,131)
Non-financial assets		
Inventories for consumption	15,620	14,317
Prepaid assets	2,917	3,102
Land held for future development (Note 13)	17,288	16,479
Long lived assets	7,355	33,359
Tangible capital assets (Schedule 1) (Note 14)	1,422,663	1,389,183
Total non-financial assets	1,465,843	1,456,440
Accumulated surplus (Note 15)	\$ 1,454,433	\$ 1,293,309

Commitments, operating and capital (Notes 20 and 22)
Contingent asset and liabilities (Note 23)
Contractual rights (Note 24)

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

CONSOLIDATED
Statement of Operations
For the year ended December 31, 2022 (in thousands of dollars)

	2022 Budget	2022	2021
Revenue (Schedule 4)			
Municipal taxes (Schedule 2)	\$ 74,843	\$ 74,430	\$ 71,910
Sale of services			
General Government	13,464	14,812	9,434
Gas	50,721	46,549	36,361
Electric	177,334	292,563	196,393
Water	23,070	23,783	23,453
Sewer	21,941	23,005	21,613
Solid Waste	9,806	9,194	9,724
Invest Medicine Hat	9,573	3,701	4,082
Other income			
Investment income	24,262	6,954	41,572
Licenses, fines and penalties	6,695	5,313	6,142
Insurance recovery	123	336	2,895
Development levies	718	896	1,674
Government transfers for operating (Schedule 3)	4,723	16,643	5,223
Other	10,118	7,756	13,342
Total revenue	427,391	525,935	443,818
Expenses (Schedule 4 and Schedule 5)			
General Government	175,476	183,875	166,723
Gas	124,759	81,257	130,116
Electric	80,033	96,228	84,824
Water	16,110	16,394	15,925
Sewer	14,627	14,247	14,312
Solid Waste	6,663	5,196	4,500
Invest Medicine Hat	11,063	3,335	3,565
Total expenses	428,731	400,532	419,965
Excess (deficiency) of revenue over expenses			
- before other revenue	(1,340)	125,403	23,853
Other revenue (Schedule 4)			
Contributed tangible capital assets	-	133	2,195
Government transfers for capital (Schedule 3)	21,909	35,588	29,455
Total other revenue	21,909	35,721	31,650
Annual surplus	20,569	161,124	55,503
Accumulated surplus, beginning of year	1,293,309	1,293,309	1,237,806
Accumulated surplus, end of year	\$ 1,313,878	\$ 1,454,433	\$ 1,293,309

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

CONSOLIDATED

Statement of Change in Net Financial Debt For the year ended December 31, 2022 (in thousands of dollars)

	2022 Budget	2022	2021
Annual surplus	\$ 20,569	\$ 161,124	\$ 55,503
Amortization of tangible capital assets	85,115	88,320	79,539
Impairments (recoveries)	-	(84,424)	13,574
Loss on disposal of tangible capital assets	-	1,454	2,609
Developers contribution of tangible capital assets	-	(133)	(2,195)
Acquisition of tangible capital assets	(127,922)	(76,309)	(101,495)
Proceeds from sale of tangible capital assets	-	123	487
Decrease (increase) in long lived assets	4,610	64,003	(14,907)
	(17,628)	154,158	33,115
Acquisition of inventories and supplies	(23,235)	(23,235)	(19,921)
Net acquisition (disposition) of land held for future development	(543)	(1,320)	3,124
Acquisition of prepaid assets	(10,792)	(10,792)	(11,049)
Consumption of inventories and supplies	21,932	21,932	20,795
Use of prepaid assets	10,978	10,978	10,095
	(1,660)	(2,437)	3,044
Decrease (increase) in net financial debt	(19,288)	151,721	36,159
Net financial debt, beginning of year	(163,131)	(163,131)	(199,290)
Net financial debt, end of year	\$ (182,419)	\$ (11,410)	\$ (163,131)

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2022 (in thousands of dollars)

	2022	2021
Net inflow (outflow) of cash related to the following activities:		
Operating		
Annual surplus	\$ 161,124	\$ 55,503
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	88,320	79,539
Impairments (recoveries)	(84,424)	13,574
Loss on disposal of tangible capital assets	1,454	2,609
Developers contribution of tangible capital assets	(133)	(2,195)
Non-cash items relating to capital and investing activities:		
Decrease (increase) in long lived assets	64,003	(14,907)
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	(18,972)	(31,144)
Decrease (increase) in land held for resale	(381)	24,218
Decrease (increase) in inventories for resale	(11)	(26)
Decrease (increase) in deposits	2,554	(626)
Increase (decrease) in trade accounts payable	19,191	10,751
Increase (decrease) in accrued liabilities	4,317	(12,126)
Increase (decrease) in deferred revenue	(5,602)	22,856
Increase (decrease) in other long-term liabilities	(58,901)	17,089
Decrease (increase) in inventories for consumption	(1,303)	874
Decrease (increase) in prepaid assets	185	(954)
Decrease (increase) in land held for future development	(809)	3,490
Cash provided by operating transactions	170,612	168,525
Capital		
Acquisition of tangible capital assets	(76,309)	(101,495)
Proceeds from sale of tangible capital assets	123	487
Cash applied to capital transactions	(76,186)	(101,008)
Investing		
Decrease (increase) in investments, loans and advances	(130,508)	(92,581)
Cash applied to investing transactions	(130,508)	(92,581)
Financing		
Long-term debt issued and assumed	41,741	57,941
Long-term debt repaid	(29,475)	(27,697)
Cash provided by financing transactions	12,266	30,244
Change in cash and equivalents during the year	(23,816)	5,180
Cash and cash equivalents, beginning of year	68,004	62,824
Cash and cash equivalents, end of year	44,188	68,004

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

CONSOLIDATED
SCHEDULE OF TANGIBLE CAPITAL ASSETS
As at December 31, 2022 (in thousands of dollars)

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2022	2021
Cost:									
Balance, beginning of year	\$ 48,399	\$ 161,220	\$ 376,706	\$ 1,545,674	\$ 606,655	\$ 134,136	\$ 52,475	\$ 2,925,265	\$ 2,831,676
Acquisition of tangible capital assets	-	9,553	11,953	90,575	1,247	3,152	791	117,271	93,382
Construction-in-progress	-	(1,790)	(2,584)	(36,944)	128	127	234	(40,829)	10,308
Disposal of tangible capital assets	-	(114)	(1,430)	(2,520)	(6,585)	(648)	(947)	(12,244)	(21,281)
Write up (down) of tangible capital assets	-	-	-	-	46,935	-	-	46,935	11,180
Balance, end of year	48,399	168,869	384,645	1,596,785	648,380	136,767	52,553	3,036,398	2,925,265
Accumulated amortization:									
Balance, beginning of year	-	68,614	119,107	680,100	571,913	68,001	28,347	1,536,082	1,474,728
Annual amortization	-	7,436	10,019	47,954	8,749	9,991	4,171	88,320	79,539
Accumulated amortization on disposals	-	(114)	(129)	(2,374)	(6,586)	(570)	(894)	(10,667)	(18,185)
Balance, end of year	-	75,936	128,997	725,680	574,076	77,422	31,624	1,613,735	1,536,082
Net book value of tangible capital assets (Note 14)	\$ 48,399	\$ 92,933	\$ 255,648	\$ 871,105	\$ 74,304	\$ 59,345	\$ 20,929	\$ 1,422,663	\$ 1,389,183
2021 net book value of tangible capital assets (Note 14)	\$ 48,399	\$ 92,606	\$ 257,599	\$ 865,574	\$ 34,742	\$ 66,135	\$ 24,128	\$ 1,389,183	

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

CONSOLIDATED**Schedule 2**

Schedule of Municipal Taxes
For the year ended December 31, 2022
(in thousands of dollars)

	2022 Budget	2022	2021
Taxation			
Real property taxes	\$ 100,641	\$ 100,301	\$ 97,205
Linear property taxes	659	660	545
Special assessments and local improvement taxes	229	203	227
	<hr/> 101,529	<hr/> 101,164	<hr/> 97,977
Requisitions			
Alberta School Foundation	21,783	21,820	21,171
Catholic Board of Education	3,912	3,921	3,916
Cypress View Foundation	964	964	954
Designated Industrial Property	27	29	26
	<hr/> 26,686	<hr/> 26,734	<hr/> 26,067
Municipal taxes	<hr/> \$ 74,843	<hr/> \$ 74,430	<hr/> \$ 71,910

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

CONSOLIDATED
Schedule of Government Transfers
For the year ending December 31, 2022
(In thousands of dollars)

Schedule 3

	2022			2021
	Provincial	Federal	Total	
Unconditional operating transfers				
Payment in Place of Taxes	\$ 653	\$ 81	734	\$ 670
Conditional operating				
Alberta Community Partnership (ACP)	(6)	-	(6)	107
Alberta Energy - Electricity & Natural Gas Rebate Program	9,666	-	9,666	-
Alberta Foundation of the Arts Travelling Exhibition Program	196	-	196	208
Alberta Health - SafeLink Alberta Society (Needle Debris Mitigation)	54	-	54	-
Alberta Historic Resources Foundation	-	-	-	1
Alberta Museums Association	25	-	25	25
Alberta Traffic Safety Fund	-	-	-	2
Alberta Transportation - Highway 3 Shuttle	-	-	-	41
Alberta Labour Market Partnership Program (LMPP)	10	-	10	-
Alberta Relief for Shortfalls for Transit Operators (RESTOR)	628	-	628	-
Alberta Senate Election Act and Referendum Payments Regulation (SEARPR)	-	-	-	127
All Hazards Incident Management Team (AHIMT)	15	-	15	8
Canadian Council of Archives	-	-	-	12
Canada Council for the Arts	-	60	60	72
Canadian Heritage Grant	-	574	574	53
Canadian Museums Association	-	20	20	8
Family and Community Support Services (FCSS)	1,599	-	1,599	1,599
Municipal Policing Assistance	1,012	-	1,012	1,012
Municipal Sustainability Initiative Operating (MSIO)	710	-	710	228
Police Officer Grant	400	-	400	400
Victims of Crime Fund Grant	276	-	276	300
911 Mobility Grant	670	-	670	350
	15,908	735	16,643	5,223
Conditional capital				
Airport Capital Assistance Program (ACAP)	-	428	428	1,091
Alberta Community Resilience Program (ACRP)	756	-	756	3,207
Canadian Heritage Foundation	-	-	-	40
Canada Community-Building Fund (CCBF)	9,590	-	9,590	1,402
Canada Community Revitalization Fund (CRF)	-	750	750	-
Environment & Parks - Industrial Energy Efficiency and Carbon Capture Utilization and Storage Program	4,223	-	4,223	-
Federal Small Communities Fund (SCF)	-	-	-	887
Investing in Canada Infrastructure Program (ICIP)	-	1,373	1,373	8,829
Municipal Climate Change Action Center (MCCAC)	281	-	281	267
Municipal Sustainability Initiative (MSI)	8,404	-	8,404	7,209
Municipal Stimulus Program (MSP)	760	-	760	6,523
Site Rehabilitation Program (SRP)	9,023	-	9,023	-
	33,037	2,551	35,588	29,455
Total government transfers	\$ 48,945	\$ 3,286	\$ 52,231	\$ 34,678

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

Consolidated Schedule of Segmented Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2022 (in thousands of dollars)

	Tax Supported	Reserve Fund	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2022 Consolidated
Revenue										
Municipal taxes	\$ 79,272	\$ -	\$ -	\$ -	\$ 54	\$ 113	\$ -	\$ -	\$ (5,009)	\$ 74,430
Sales of services	14,812	-	131,513	298,872	23,783	23,633	9,962	3,820	(92,788)	413,607
Investment income	4,589	-	2,365	-	-	-	-	-	-	6,954
Licenses, fines and penalties	5,313	-	-	-	-	-	-	-	-	5,313
Insurance recovery	333	-	-	-	3	-	-	-	-	336
Development levies	118	-	234	544	-	-	-	-	-	896
Government transfers for operating	6,977	-	-	9,666	-	-	-	-	-	16,643
Other	7,317	-	(1,022)	(3,648)	52	25	346	622	4,064	7,756
Internal recoveries	23,369	-	66	3,180	996	41	2,340	4,492	(34,484)	-
Contribution from reserves	23,000	110,286	1,721	-	496	-	-	-	(135,503)	-
Transfer from Utilities and Land	150	-	-	-	-	-	-	-	(150)	-
	165,250	110,286	134,877	308,614	25,384	23,812	12,648	8,934	(263,870)	525,935
Expenses										
Salaries, wages and benefits	94,784	-	7,253	17,216	6,030	4,564	2,785	780	-	133,412
Contracted and general services	29,940	-	5,302	10,161	721	667	2,586	780	-	50,157
Materials, goods and utilities	13,494	-	960	6,491	1,679	1,379	157	3,169	(3,083)	24,246
Provisions for allowances	4	-	937	(138)	(136)	(61)	44	-	-	650
Bank charges and short term interest	224	-	108	3	-	-	5	18	-	358
Interest on long-term debt	1,035	-	1,001	4,086	3,015	2,906	38	-	-	12,081
Total grants and other transfers	3,695	-	-	-	-	-	-	383	-	4,078
Other operating expenses	(348)	-	142,078	32,021	16	53	(1,175)	-	-	172,645
Amortization of tangible capital assets	40,220	-	10,972	26,354	5,017	4,693	755	309	-	88,320
Impairments/ (recoveries)	-	-	(84,935)	-	-	-	-	511	-	(84,424)
Loss on disposal of tangible capital assets	827	-	26	34	52	46	1	468	-	1,454
Gain on disposal of long lived assets	-	-	(2,445)	-	-	-	-	-	-	(2,445)
Internal charges and transfers	11,510	-	4,951	96,145	6,497	3,933	3,847	1,207	(128,090)	-
Contribution to reserves	-	25,217	3,823	99,171	-	986	2,530	3,776	(135,503)	-
	195,385	25,217	90,031	291,544	22,891	19,166	11,573	11,401	(266,676)	400,532
Excess (deficiency) of revenue over expenses	\$ (30,135)	\$ 85,069	\$ 44,846	\$ 17,070	\$ 2,493	\$ 4,646	\$ 1,075	\$ (2,467)	\$ 2,806	\$ 125,403
Other										
Contributed assets	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133
Government transfers for capital	13,979	-	9,023	4,223	3,035	4,578	-	750	-	35,588
Total other	14,112	-	9,023	4,223	3,035	4,578	-	750	-	35,721
Annual surplus (deficit)	\$ (16,023)	\$ 85,069	\$ 53,869	\$ 21,293	\$ 5,528	\$ 9,224	\$ 1,075	\$ (1,717)	\$ 2,806	\$ 161,124

Consolidated Schedule of Segmented Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2021 (in thousands of dollars)

	Tax Supported	Reserve Fund	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2021 Consolidated
Revenue											
Municipal taxes	\$ 76,161	\$ -	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (4,477)	\$ 71,910
Sales of services	9,434	-	89,876	202,039	-	23,948	22,130	9,845	4,082	(60,294)	301,060
Investment income	19,823	-	21,749	-	-	-	-	-	-	-	41,572
Licenses, fines and penalties	6,139	-	-	-	-	-	-	-	3	-	6,142
Insurance recovery	324	-	-	2,566	-	5	-	-	-	-	2,895
Development levies	311	-	300	1,024	-	-	-	-	39	-	1,674
Government transfers for operating	5,223	-	-	-	-	-	-	-	-	-	5,223
Other	5,804	-	615	3,950	-	94	27	320	730	1,802	13,342
Internal recoveries	23,696	-	223	2,292	-	978	49	2,410	4,236	(33,884)	-
Contribution from reserves	-	95,228	6,900	-	-	-	4,385	-	-	(106,513)	-
Transfer from Utilities and Land	150	-	-	-	-	-	-	-	-	(150)	-
	147,065	95,228	119,663	211,871	-	25,138	26,704	12,575	9,090	(203,516)	443,818
Expenses											
Salaries, wages and benefits	89,741	-	8,858	15,461	-	5,547	4,555	2,710	1,227	227	128,326
Contracted and general services	21,518	-	6,829	10,054	-	1,052	457	2,574	805	-	43,289
Materials, goods and utilities	8,262	-	1,281	15,398	-	1,311	1,749	121	3,240	(2,800)	28,562
Provisions for allowances	388	-	618	145	-	38	32	17	-	-	1,238
Bank charges and short term interest	310	-	144	-	-	-	-	5	9	-	468
Interest on long-term debt	1,124	-	513	4,054	-	3,014	2,740	43	-	-	11,488
Total grants and other transfers	4,681	-	-	-	-	-	-	-	518	-	5,199
Other operating expenses	283	-	88,014	14,766	-	(3)	(11)	(1,724)	-	-	101,325
Amortization of tangible capital assets	39,265	-	5,109	24,898	-	4,901	4,422	746	198	-	79,539
Impairments/ (recoveries)	-	-	13,208	-	-	-	-	-	366	-	13,574
Loss on disposal of tangible capital assets	986	-	1,180	26	-	56	359	2	-	-	2,609
Loss on disposal of long lived assets	-	-	4,348	-	-	-	-	-	-	-	4,348
Internal charges and transfers	11,313	-	7,274	64,143	-	5,776	3,401	3,901	973	(96,781)	-
Contribution to reserves	2,677	11,285	5,076	82,003	-	275	-	2,750	2,447	(106,513)	-
	180,548	11,285	142,452	230,948	-	21,967	17,704	11,145	9,783	(205,867)	419,965
Excess (deficiency) of revenue over expenses	\$ (33,483)	\$ 83,943	\$ (22,789)	\$ (19,077)	\$ -	\$ 3,171	\$ 9,000	\$ 1,430	\$ (693)	\$ 2,351	\$ 23,853
Other											
Contributed assets	\$ 2,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ -	\$ 60	\$ -	\$ 2,195
Government transfers for capital	27,464	-	-	-	-	12	-	-	1,979	-	29,455
Total other	29,480	-	-	-	-	12	119	-	2,039	-	31,650
Annual surplus (deficit)	\$ (4,003)	\$ 83,943	\$ (22,789)	\$ (19,077)	\$ -	\$ 3,183	\$ 9,119	\$ 1,430	\$ 1,346	\$ 2,351	\$ 55,503

CONSOLIDATED
Schedule of Expenses By Object
For the year ended December 31, 2022
(in thousands of dollars)

Schedule 5

	2022 Budget	2022	2021
Expenses			
Salaries, wages and benefits	\$ 136,763	\$ 133,412	\$ 128,326
Contracted and general services	45,698	50,157	43,289
Materials, goods and utilities	33,330	24,246	28,562
Provisions for allowances	363	650	1,238
Bank charges and short term interest	919	358	468
Interest on long-term debt	11,710	12,081	11,488
Total grants and other transfers	3,469	4,078	5,199
Other operating expenses (Schedule 5A)	110,964	172,645	101,325
Amortization of tangible capital assets	85,515	88,320	79,539
Impairments	-	(84,424)	13,574
Loss on disposal of tangible capital assets	-	1,454	2,609
Loss (gain) on disposal of long lived assets	-	(2,445)	4,348
Total expenses	\$ 428,731	\$ 400,532	\$ 419,965

CONSOLIDATED
Schedule of Other Operating Expenses
For the year ended December 31, 2022
(in thousands of dollars)

Schedule 5A

	2022 Budget	2022	2021
Other Operating Expenses			
Natural Gas & Oil asset retirement obligation depreciation & accretion	\$ 17,475	\$ 25,735	\$ 24,171
Natural Gas purchases	71,247	99,219	55,214
Natural Gas & Oil surface and mineral leases	9,384	7,108	7,779
Natural Gas & Oil royalties	421	680	470
Taxes or taxes in lieu	9,355	22,480	10,050
Natural Gas & Oil transportation	336	228	357
Other	2,746	17,195	3,284
Total other operating expenses	\$ 110,964	\$ 172,645	\$ 101,325

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF CONSOLIDATION

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

1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Invest Medicine Hat, Corporate Services (Finance, Human Resources, Information & Technology and Corporate Communications), Public Services (Emergency Services, Community Development, Parks & Recreation), Strategy, Management & Analysis (Strategy & Analysis, Environment, Land and Government Relations, Planning & Development Services, and Business Transformation Office), Energy & Infrastructure (City Operations, Surface and Airport and City Assets, Building and Fleet Services), and Police Service (Police Service and Bylaw Enforcement).

2. Energy/Utility Services

Self-supporting activities, which provide Electricity (Generation, Distribution and Retail), Natural Gas (Production, Distribution, and Marketing), and Environmental Utilities (Water, Sewer and Solid Waste).

Interdepartmental and organizational transactions and balances are eliminated.

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

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

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

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

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

(B) BASIS OF ACCOUNTING

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

1. Revenues

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

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

The City passed Bylaw No. 4422 to establish a Heritage Savings Reserve, which will be administered as an endowment fund for the benefit of citizens of the City. Endowment contributions consist of internal allocations by the City, the principal of which is required to be maintained intact in perpetuity. Investment income allocated for the preservation of endowment capital is recognized in the statement of operations in the period it is received.

2. Tax Revenues

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

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

3. Expenses

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

(C) INVESTMENTS, LOANS AND ADVANCES

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. Included in investments are internally managed portfolios consisting of investments in money market instruments and bonds. The City also has external investment portfolios managed by third party investment managers Addenda Capital, Alberta Investment Management Corporation (AIMCo), Arrow Street Capital, Brookfield Asset Management, Connor Clark & Lunn, Manulife Investment Management, Igneo Infrastructure Partners, Mesirow, and Phillips Hager & North, consisting of fixed income securities, Canadian and foreign equities, currency overlay and alternative investments. Investments are recorded at the original cost net of amortized discounts and premiums on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

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

(D) INVENTORIES FOR RESALE

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

(E) LAND 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 is determined on a specific item basis.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

development costs incurred to provide infrastructure such as water, sewer, gas, electric, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function.

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

(F) PENSION EXPENSES

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

(G) JOINT VENTURE ACCOUNTING

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

(H) OVER-LEVIES AND UNDER-LEVIES

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

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

(I) DECOMMISSIONING OBLIGATION

The City's oil and gas production activities give rise to dismantling, decommissioning and site disturbance remediation activities. A 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(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 are amortized on a straight-line basis over their estimated useful lives as follows:

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

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

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

(iii) Subsequent Costs

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

(iv) Depletion and Depreciation

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

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

(v) Impairment

E&E Assets:

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

PP&E:

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

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate, which would be applied by such a market participant to arrive at a net present value of the CGU.

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

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

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

(L) LOAN GUARANTEES

Periodically the City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in the City's consolidated financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of the City until the City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, the City's resulting liability would be recorded in the consolidated financial statements.

(M) USE OF ESTIMATES AND JUDGEMENT

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

estimates are recognized in the year in which the estimates are revised and in any future periods affected.

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

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

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

2. Liability for Contaminated Sites

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

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

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

(N) FUTURE ACCOUNTING CHANGES

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

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

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

2. Portfolio Investments

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

3. Asset Retirement Obligations

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

4. Revenue

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

5. Public Private Partnerships

The Canadian Public Sector Accounting Board approved PS 3160, which comes into effect for fiscal years beginning on or after April 1, 2023. PS 3160 provides standards for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements. This section is to be adopted retroactively with or without prior period restatement. The City has not yet adopted this section or determined the effect on the Financial Statements.

6. Purchased Intangibles

The Canadian Public Sector Accounting Board issued a new guideline PSG 8, which comes into effect for fiscal years beginning on or after April 1, 2023. PSG 8 provides guidance on recognizing purchased intangibles in financial statements. This section is to be adopted retroactively with or without prior period restatement. The City has not yet adopted this section or determined the effect on the Financial Statements.

(O) ADOPTION OF NEW ACCOUNTING STANDARDS

No new accounting standards were adopted in the year ended December 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 2: CASH AND CASH EQUIVALENTS

	2022	2021
Cash	\$ 11,880	\$ 37,250
Designated assets	32,308	30,754
TOTAL	\$ 44,188	\$ 68,004

Designated assets represent restricted amounts aggregating \$32,308 (2021 - \$30,754) for programs held exclusively for eligible capital projects (Note 9).

NOTE 3: ACCOUNTS RECEIVABLE, net of allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2022	2021
Current Taxes Receivable	\$ 4,643	\$ 5,683
City Centre Development Agency	-	3
SUB-TOTAL	\$ 4,643	\$ 5,686

(B) ACCOUNTS RECEIVABLE

	2022	2021
Trade Accounts Receivable	\$ 94,046	\$ 74,992
Less: Allowance for Doubtful Accounts	(1,166)	(2,127)
SUB-TOTAL	\$ 92,880	\$ 72,865
TOTAL	\$ 97,523	\$ 78,551

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

The accounts receivable written off was \$1,149 (2021 - \$188); the tax receivable written off was \$nil (2021 - \$16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 4: INVESTMENTS, LOANS AND ADVANCES

	2022		2021	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 2,451	\$ 2,243	\$ 6,609	\$ 8,177
Managed Portfolio Funds	547,811	496,202	444,263	442,900
Canadian Banks	76,053	76,053	54,756	54,756
Others	11,555	11,555	1,734	1,734
TOTAL	\$ 637,870	\$ 586,053	\$ 507,362	\$ 507,567

These investments include both internally and externally managed funds. The internally managed funds are invested in high interest savings accounts and fixed income investments recorded at cost with interest rates from 1.35 percent to 5.45 percent (2021 - 0.15 percent to 8.0 percent) and mature in periods 2023 through 2031 (2021 - 2022 through 2031). The investments have an average expected yield of 3.86 (2021 - 1.11) percent and an average term of 1.16 (2020 - 0.50) years to maturity. The managed portfolio funds are externally managed by Addenda Capital, Alberta Investment Management Corporation (AIMCo), Arrow Street Capital, Brookfield Asset Management, Connor Clark & Lunn, Igneo Infrastructure Partners, JP Morgan, Manulife Investment Management, Mesirow, and Phillips Hager & North. These investments are recorded at cost and consist of fixed income securities, Canadian and foreign equities, and alternative investments.

The amounts categorized as others in investments, loans and advances includes \$50 (2021 - \$1,137) of prepayment security from Rainbow Energy Marketing Corporation, which forms part of a 2017 energy purchase agreement between the City of Medicine Hat and Rainbow Energy Marketing Corporation, as well as loans receivables of \$223 (2021 - \$359). No allowance for doubtful accounts has been recognized on the loans receivables. The following table provides details of the loans receivable.

	2022			2021		
	Balance	Valuation Allowance ¹	Principal Payments	Balance	Valuation Allowance ¹	Principal Payments
SALTA Gymnastics Club	\$ 7	\$ -	\$ 7	\$ 14	\$ 1	\$ 7
Medicine Hat YMCA	118	15	132	238	27	35
City Centre Development Authority	-	-	-	-	-	60
Medicine Hat Curling Club	98	-	11	107	-	-
SUB-TOTAL	\$ 223	\$ 15	\$ 150	\$ 359	\$ 28	\$ 102

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

NOTE 5: LAND HELD FOR RESALE

Land held for resale includes \$10,523 of developed properties held for sale (2021 - \$10,653).

NOTE 6: INVENTORIES FOR RESALE

	2022	2021
Concessions	151	140
TOTAL	\$ 151	\$ 140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 7: DEPOSITS

	2022	2021
Postage	\$ 20	\$ 16
Membership	-	15
Refundable Containers	28	34
Gas Operating Deposits	6	2,537
Supply Transmission Deposit	1,100	1,100
Gas Royalty Deposits	12	18
TOTAL	\$ 1,166	\$ 3,720

NOTE 8: ACCRUED LIABILITIES

	2022	2021
Wages and Salaries	\$ 5,856	\$ 5,586
Vacation Pay	6,981	6,817
Interest on Long-Term Debt	1,648	1,760
Deferred Charges	3,174	769
Royalties	68	42
Other Liabilities	8,690	7,126
TOTAL	\$ 26,417	\$ 22,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 9: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2021	Additions 2022	Reductions 2022	Balance 2022
Deposits	\$ 10,678	\$ 3,175	\$ 687	\$ 13,166
Deferred Revenue	4,177	629	835	3,971
Airport Capital Assistance Program	-	447	-	447
Alberta Community Partnership	-	7	-	7
Alberta Community Resilience Grant	738	18	756	-
All Hazards Incident Management Team (AHIMT) Grant	124	54	15	163
Bell West	10	-	-	10
Canada Community- Building Fund (CCBF)	14,088	4,179	9,590	8,677
Community Warmth Deposits	2	31	30	3
Investing in Canada Infrastructure Program	-	1	-	1
Municipal Climate Change Action Centre – Climate Resilience Capacity Building Program	-	60	-	60
Municipal Stimulus Program (MSP) - COVID-19	930	20	760	190
Municipal Sustainability Initiative - Capital	30,271	7,020	8,404	28,887
Municipal Sustainability Initiative - Operating	478	544	710	312
Pitch Trust	2	-	-	2
TOTAL	\$ 61,498	\$ 16,185	\$ 21,787	\$ 55,896

Funds from Airport Capital Assistance Program, Alberta Community Partnership, All Hazards Incident Management Team Grant, Canada Community- Building Fund, Investing in Canada Infrastructure Program, Municipal Climate Change Action Centre, Municipal Stimulus Program, and Municipal Sustainability Initiative are restricted to eligible projects as approved under the funding agreement. Unexpended funds related to the advances are supported by cash and cash equivalents (Note 2) of \$32,308 (2021 - \$30,754) held exclusively for these projects. Included in deferred revenue for Municipal Sustainability Initiative – Capital is \$6,436 (2021 - \$15,875) of funds not yet received.

(B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Alberta Community Resilience Program (used for flood protection), Alberta Energy – Electricity & Natural Gas Rebate Program (used to offset utility bills of rate payers), Alberta Relief for Shortfalls for Transit Operations (used to offset lost revenue as a result of COVID-19), Canada Community Building Fund (used primarily for bridge infrastructure upgrades and recreation infrastructure), Canada Community Revitalization Fund (used to fund Town Square project), Environment & Parks Industrial Energy efficiency and Carbon Capture Utilization and Storage Program (used for carbon capture, utilization and storage projects), Family and Community Support Services (used for not for profit organizations providing social services), Investing in Canada Infrastructure Program (used to reduce air and water pollution, build strong communities and strengthen access to services), Municipal Sustainability Initiative Capital Grant (used primarily for rehabilitation of road and storm sewer infrastructure and rehabilitation of various administrative buildings and public facilities), Municipal Sustainability Initiative Operating Grant (used primarily for sidewalk maintenance and bridge maintenance), Municipal Policing Assistance and Police Officer grant (used to support police services), 911 Mobility Grant (used to fund operating costs of 911 operations) and Municipal Stimulus Program (used to promote economic development, tourism, and stimulate the economy).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 10: SHORT-TERM DEBT

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

At December 31, 2022, there were Letters of Credit issued in the amount of \$45,360 (2021 – \$46,960) and a Municipal Operating Loan Facility of \$4,640 (2021 - \$3,040).

NOTE 11: LONG-TERM DEBT

(A)

	2022	2021
Tax Supported	\$ 31,757	\$ 34,387
Utilities Rate Supported		
- Electric	154,261	145,750
- Gas	37,370	36,245
- Water	95,189	93,572
- Sewer	98,895	95,085
- Solid Waste	1,109	1,277
Total Utilities Rate Supported	386,824	371,929
TOTAL DEBT	\$ 418,581	\$ 406,316
Comprised of:		
- Alberta Capital Finance Authority	\$ 398,581	\$ 386,316
- Other Long Term-Debt	20,000	20,000
TOTAL DEBT	\$ 418,581	\$ 406,316

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

	Principal	Interest
2023	28,928	13,158
2024	26,536	12,157
2025	24,150	11,280
2026	24,104	10,457
2027	26,827	9,606
2028-2051	288,036	66,452
TOTAL	\$ 418,581	\$ 123,110

The debentures have interest payable at rates ranging from 1.79 percent to 6.25 percent (2021 - 1.09 percent to 6.75 percent) per annum before Provincial Subsidy and mature in periods 2023 through 2051 (2021 - 2022 through 2050). The average annual interest rate for 2022 is 3.59 (2021 – 3.80) percent. For qualifying debentures, the Province of Alberta rebates 60 percent of interest in excess of 8 percent, 9 percent, and 11 percent to a maximum annual rate of 12.5 percent depending on the date borrowed. Debenture debt is issued on the credit and security of the City of Medicine Hat.

Interest on long-term debt paid in 2022 was \$12,081 (2021 – \$11,488).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

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

	2022	2021
Tax Supported Debentures	\$ 502	\$ 543
Rate Supported Debentures	6,114	5,878
TOTAL	\$ 6,616	\$ 6,421

Debt per capita is based on the official census of 63,271 for 2022 (63,271 for 2021) for the City of Medicine Hat.

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

	2022	2021
Debt Limit	\$1,051,870	\$ 887,636
Loan Guarantees (Note 11E)	\$ 1,157	\$ 1,244
Letters of Credit Issued (Note 10)	\$ 45,360	\$ 46,960
Actual Total Debt	\$ 418,581	\$ 406,316
AMOUNT UNDER LIMIT	\$ 586,772	\$ 433,116

Debt Servicing Limit	184,077	155,336
Actual Debt Servicing (Long and Short-Term Debt)	\$ 41,666	\$ 39,224
AMOUNT UNDER LIMIT	\$ 142,411	\$ 116,112

(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.

Bylaw Number	Bylaw Passed by City Council	Guarantee	2022 Maximum Loan Amount	2022 Balance	2021 Maximum Loan Amount	2021 Balance
Bylaw 4187	September 3, 2013	Connaught Golf & Country Club	965	657	965	702
Bylaw 4138	November 6, 2012	Medicine Hat Golf & Country Club	675	440	675	473
Bylaw 4436	June 20, 2017	Medicine Hat Golf & Country Club	100	60	100	69
TOTAL			\$ 1,740	\$ 1,157	\$ 1,740	\$ 1,244

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years (2021 – 20 years). All loans are in good standing at December 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 12: OTHER LONG-TERM LIABILITIES

(A)

	2022	2021
Offsite Contributions	\$ 19,385	\$ 17,714
Asset Retirement Obligation - Gas and Oil Properties	214,322	274,204
Risk Management	-	232
Contaminated Sites - Abandonment & Restoration	347	310
Sanitary Landfill - Site Abandonment and Restoration	2,764	3,939
Deferred Charges	1,448	1,486
Employee Retirement Benefits Liability (Note 19)	7,645	6,927
TOTAL	\$ 245,911	\$ 304,812

(B) At December 31, 2022, the estimated undiscounted cash flows, prior to any current year cost change estimates, required to settle the decommissioning obligations with respect to the Gas Utility were \$235,669 (2021 - \$244,130), calculated using an inflation rate of 2.27 (2021 - 1.74) percent per annum. The estimated fair value of this liability was \$214,322 (2021 - \$274,204) after discounting the estimated cash flows at a rate of 6.31 (2021 - 4.71) percent. At December 31, 2022, the expected timing of payment for settlement of the obligations ranges from 1 to 15 years (2021 - 1 to 15 years). The City has not designated assets for settling decommissioning obligations.

During the year ended December 31, 2022, the City accelerated the abandonment of certain wells and compressors which expedited the abandonment time frame. A total of \$19,169 (2021 - \$15,129) was incurred to settle the obligations. \$13,050 (2021 - \$8,739) was charged to operating expenses as a result of accelerating the timeline on the abandonment program, resulting in a net reduction of \$6,119 (2021 - \$6,390) related to decommissioning liabilities.

In May 2020, the Government of Alberta announced the Site Rehabilitation Program ("SRP") whereby qualified contractors (the "Contractors") could apply for grants to assist with the abandonment and reclamation activities of upstream oil and gas wells, pipelines and associated facilities. The Government of Saskatchewan announced a similar program called the Accelerated Site Closure Program ("ASCP"). These government programs provide grant funding to successful Contractors in the oil and gas field services sector who have entered into, and comply with, an oil and gas field service contract with a qualifying energy company. The funding is provided directly to the Contractors by the provincial governments.

As work is completed, the contractors submit invoices to the provincial governments for reimbursement for the pre-approved funding amounts. The City of Medicine Hat recognizes the assistance once the abandonment, remediation and reclamation work has been completed by the contractor. The amount for 2022 was \$9,023 (2021 - \$nil).

(C) At December 31, 2022 the estimated undiscounted cash flows required to settle the contaminated sites were \$400 (2021 - \$315), calculated using an inflation rate of 2.38 (2021 - 1.74) per cent per annum. The estimated fair value of this liability was \$347 (2021 - \$310) after discounting the estimated cash flows at a rate of 4.90 (2021 - 1.68) per cent. The amount of anticipated recoveries included in this estimate is \$nil (2021 - \$nil). The City has not designated assets for settling decommissioning obligations. The change in estimated cash flows required from 2021 to 2022, relates to revised cost estimates on the industrial berm site, two snow dump sites, and the sites of two former fuel stations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

The sources of the contamination for which the liability has been recorded include: one site where underground storage tanks have leaked, and two sites where polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines. At December 31, 2022, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years (2021 – 1 to 10 years).

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.

Additional sites where liabilities have not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations include: two snow dump sites; a site where hydrocarbon values exceed Alberta Tier 1 guideline; a site where the soil lead impacts exceed current guidelines; a former electric transformer repair building, where old tanks and barrels/drums could potentially contain polychlorinated biphenyl (PCBs); a compost facility near the Landfill; a former shooting range, where there is potential soil and groundwater contamination; a site where hydrocarbon and metals contamination exceeds guidelines. This site had been leased to a third party and is now vacant and not being utilized for a productive purpose. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs. There were no new sites added in 2022.

- (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 4.90 (2021 – 3.46) percent assuming inflation of 2.27 (2021 – 1.74) percent.
- (E) The following summarizes the total net present value for the estimated costs of Sanitary Landfill closure and post closure care:

	2022	2021
Estimated Site Capacity m ³ (000's)	4,635	4,635
Estimated Capacity used m ³ (000's)	3,112	3,051
Estimated Capacity remaining m³ (000's)	1,523	1,584
	32.9%	34.2%
Estimated Closure Costs	\$ 9,360	\$ 9,360
Estimated Post Closure Costs	3,543	3,543
Estimated Total Costs	12,903	12,903
Portion of Total Liability remaining to be recognized	10,139	8,964
ACCRUED LIABILITY PORTION	\$ 2,764	\$ 3,939
	21.4%	30.5%

The total capacity of the site is estimated at 4,635,000 cubic meters. The estimated remaining capacity of the landfill site is 1,523,000 (2021 – 1,584,000) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2056 (34 years). The City has not designated assets for settling closure or post closure liabilities.

NOTE 13: LAND HELD FOR FUTURE DEVELOPMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 14: TANGIBLE CAPITAL ASSETS

	2022 Net Book Value	2021 Net Book Value
Land	\$ 48,399	\$ 48,399
Land Improvements	92,933	92,606
Buildings	255,648	257,599
Engineering Structures	871,105	865,574
Gas and Oil Properties	74,304	34,742
Machinery, Equipment and Furnishings	59,345	66,135
Vehicles	20,929	24,128
TOTAL	\$ 1,422,663	\$ 1,389,183

Capital assets under construction are carried at cost. Amortization will commence with productive use. Included in the above is capital assets under construction aggregating \$33,624 (2021- \$74,453). The value of capital assets currently under construction and not being amortized decreased by \$40,829 (2021 – increased by \$10,308) as a net transfer to productive use. Contributed capital assets received and recognized in the year from developers for various infrastructure works and related land and parks is \$133 (2021 - \$2,195). 2022 contributed capital assets relate solely to leasehold improvements from the local golf courses.

The City did recognize a write up \$84,935 (2021 - \$13,574 impairment), which relates to the oil and gas assets as a result of the increase in provable and probable reserves and the increase in current and forward market commodity price for natural gas and oil.

NOTE 15: ACCUMULATED SURPLUS

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

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2022	Total 2021
Balance, beginning of year	\$ 57,515	\$ 252,927	\$ 982,867	\$ 1,293,309	\$ 1,237,806
Annual surplus (deficit)	161,124	-	-	161,124	55,503
Unrestricted funds designated for future use	(163,159)	163,159	-	-	-
Restricted funds used for operations	62,868	(62,868)	-	-	-
Funded tangible capital assets	(34,569)	-	34,569	-	-
Contributed tangible capital assets	(133)	-	133	-	-
Disposal of tangible capital assets	1,577	-	(1,577)	-	-
Impairment	(46,935)	-	46,935	-	-
Annual amortization expense	88,320	-	(88,320)	-	-
Long term debt repaid	(29,475)	-	29,475	-	-
BALANCE, END OF YEAR	\$ 97,133	\$ 353,218	\$ 1,004,082	\$ 1,454,433	\$ 1,293,309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

1. Unrestricted Surplus

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

UNRESTRICTED SURPLUS (DEFICIT)	2022	2021
General Government	\$ 12,274	\$ 12,185
Gas	15,607	(1,973)
Electric	6,339	(10,682)
Water	19,525	18,439
Sewer	8,973	6,296
Solid Waste	14,129	11,890
Invest Medicine Hat	20,286	21,360
TOTAL	\$ 97,133	\$ 57,515

2. Restricted Surplus

The City of Medicine Hat developed Financial Reserve Policy #0168 and a Distributable Funds/Dividend Policy #0169, which were adopted by Council on December 21, 2020.

The objective of these policies is to promote strong financial leadership and planning to encourage long term sustainability of the Corporation. The policies require earnings are retained at a level to account for all administration, operation, sustaining capital and maintenance costs of existing equipment required to provide the current level of service in each business unit. As well, the policies require that distributable funds (free cash flow) are provided to fund financial reserves (operating and capital) for financing future growth capital and future asset retirement obligations, supporting asset management planning, and planning for operational contingencies.

The Financial Reserve Policy established the following reserves:

- The Operating Reserve Fund is to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
- The Capital Reserve Fund is to maintain adequate capital to fund the City's Growth Capital requirements and Asset Retirement Obligations (ARO).
- The Heritage Savings Reserve Fund is to provide an endowment fund for the benefit of the citizens of the City.

The distributable funds/dividends are allocated in a tiered priority to the various reserves in accordance with the Financial Reserve Policy.

RESTRICTED SURPLUS - RESERVES	Balance 2021	2022 Additions	2022 Reductions	Balance 2022
Operating	\$ 35,822	\$ 20,254	\$ 17,803	\$ 38,273
Capital	156,475	44,356	45,065	155,766
Heritage Savings	60,630	98,549	-	159,179
TOTAL	\$ 252,927	\$ 163,159	\$ 62,868	\$ 353,218

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2022	2021
Tangible capital assets (Schedule 1)	\$ 3,036,398	\$ 2,925,265
Accumulated amortization (Schedule 1)	(1,613,735)	(1,536,082)
Long-term debt (Note 11)	(418,581)	(406,316)
TOTAL	\$ 1,004,082	\$ 982,867

NOTE 16: TRUST FUNDS

Funds held in trust are monies received and held on behalf of third parties. These monies are maintained, invested and accounted for in accordance with the terms of the trust arrangements. Trust investments are held in temporary investments in money market instruments such as term deposits, treasury bills, and commercial paper. Investments are recorded at the lower of original cost or market value.

The cost of these investments at December 31, 2022 are \$1,504 (2021 - \$1,703). 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 2021	Additions	Interest Earned	Funds Released	Balance 2022
Cemetery - Perpetual Care	\$ 1,703	\$ 258	\$ 17	\$ 474	\$ 1,504
TOTAL TRUST FUNDS	\$ 1,703	\$ 258	\$ 17	\$ 474	\$ 1,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 17: SALARY AND BENEFITS DISCLOSURE

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

	2022 Salary ¹	2022 Benefits & Allowances ²	Total 2022	2021 Salary ¹	2021 Benefits & Allowances ²	Total 2021
Mayor Linnse Clark	\$ 141	\$ 27	\$ 168	\$ 17	\$ 5	\$ 22
Mayor Ted Clugston	-	-	-	116	20	136
Councillor:						
Dumanowski, R	46	12	58	44	12	56
Hirsch, D	46	10	56	43	10	53
Knodel, A	47	5	52	6	1	7
Hider, C	47	11	58	6	2	8
Robins, R	45	9	54	6	2	8
Sharps, S	47	14	61	6	2	8
Van Dyke, A	45	8	53	6	1	7
McGrogan, A	47	14	61	6	2	8
Friesen, J	-	-	-	39	8	47
Mcintosh, J	-	-	-	38	10	48
Samraj, K	-	-	-	39	8	47
Turnbull, P	-	-	-	38	7	45
Turner, J	-	-	-	34	3	37
Varga, B	-	-	-	39	10	49
Chief Administrative Officer (CAO) ³	432	32	464	347	33	380
Designated Officers (10 in 2022; 8 in 2021)	1,477	259	1,736	1,542	256	1,798

¹ Salary includes regular base pay and vacation payouts.

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

³ Chief Administrative Officer (CAO) includes interim CAO's hired to fill the vacancy during the year.

NOTE 18: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves 281,765 members in 2021 (275,863 in 2020) and 435 employers in 2021 (433 in 2020). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves 7,670 members in 2021 (7,538 in 2020) and 7 employers (2020 – 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2022, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 8.45 percent (2021 – 9.39 percent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.80 percent (2021 – 13.84 percent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 percent (2021 - 14.55).

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2022 were \$10,236 (2021 - \$10,726). Total current service contributions by the employees for 2022 were \$9,240 (2021 - \$9,775).

At December 31, 2021 LAPP disclosed an actuarial surplus of \$11.9 billion (2020 - surplus of \$5.0 billion).

At December 31, 2021 SFPP disclosed an actuarial surplus of \$424.2 million (2020 – surplus of \$9.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2022, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2022 with a projection for 2023. The 2022 valuation gave rise to an actuarial gain, the gain will offset the prior year loss and will begin amortization in 2023. The unamortized balance is \$2,264 (2021 - \$1,805). Information about the plan is as follows:

	2022	2021
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 6,927	\$ 6,376
Current Service Cost	286	278
Interest Cost	248	236
Benefits Paid	(14)	(160)
Amortization of net actuarial loss	198	197
BALANCE, END OF YEAR (Note 12A)	\$ 7,645	\$ 6,927

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

	2022	2021
Discount Rate	5.05%	2.80%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	9.12 years	10.12 years

NOTE 20: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2022 was \$30,850 (Gas) and \$9,726 (Electric) (2021 - \$19,145 and \$9,588 respectively).

NOTE 21: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2022 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 22 provides the approved capital budget for 2022.

	2022 Budget
Revenue	
Approved operating budgets	\$ 531,120
Adjustments	(103,729)
	427,391
Expense	
Approved operating budgets	556,400
Adjustments	(127,669)
	428,731
Other revenue	
Government transfers for capital	21,909
	21,909
ANNUAL SURPLUS (DEFICIT)	\$ 20,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 22: CAPITAL COMMITMENTS

(A) 2022 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2022 approved Capital Budget. The actual expenditures of \$76,442 (2021 - \$103,690) includes amounts carried forward from previous budget years, as well as costs related to the 2022 Budget and developer contributions of tangible capital assets. In 2022, actual expenditures are presented net of properties held for sale.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2022 a number of capital projects were in progress and will be completed in 2023 or subsequent years. The unexpended appropriation related to these projects is \$275,697 (2021 - \$239,893). Significant projects are:

- **Gas Utility**
Oil and Gas Facilities (\$2,763), Well Repair and Abandonments (\$120,875), Projects Operated by Third Parties (\$2,844), Pipeline and Wells (\$7,883) and Distribution Systems (\$3,426).
- **Electric Utility**
T5R Generator Step Up Transformer Replacement (\$1,285), Unit 17 (\$13,414), LM6000PD Engine to LM6000PF Engine Conversion (\$1,558), Unit 12 Generator Rotor Replacement (\$2,472), Hot Section Replacements (\$1,320), and Distribution Systems (\$3,256).
- **City Assets**
Infrastructure Rehabilitation Program (\$2,169) and Flood Mitigation Projects (\$2,516).
- **Parks and Recreation**
South Saskatchewan River Recreation Opportunities Program (\$245), Pickleball Court (\$390), Pedestrian Bridge Deck (\$143), and Parks Infrastructure Rehabilitation Program (\$1,897).
- **City Operations**
Moose Ice Slab Replacement (\$88), FLC Congregation (\$98), Building Services Infrastructure Rehabilitation Program for 2022 (\$393) and vehicle and equipment purchases (\$2,189).
- **Information Technology**
Capital Improvement Plan (\$76), Citizen Facing Digital Strategy (\$136) and Cityworks Phase 3 (\$347).
- **Water Utility**
Water Main Replacements (\$4,097), Waste Solids Handling Facility (\$25,888).
- **Sewer Utility**
Sewer Main Asset Management Program (\$2,583), Lift Station Facility Upgrade (\$1,000), Brier Park Gravity Bypass (\$2,191).
- **Invest Medicine Hat**
Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$15,473), Riverwalk (\$2,173), Airport (\$928), Brier Run (\$13,409), and NW Industrial Park (\$13,025).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

(C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2022 Capital Improvement Plans with projections for 2023 – 2027 for the Gas Utility, Electric Utility, Environmental Utilities, Municipal Services, and Invest Medicine Hat:

2022	\$ 79,085
2023 Projection	112,552
2024 - 2027 Projection	1,544,558
TOTAL	\$ 1,736,195

Financing sources identified:

	2022	2023
Government Grants	\$ 20,565	\$ 13,259
Current Revenues	31,325	22,385
Debentures		
Tax Supported	2,590	11,896
Utilities Rate Supported	9,176	51,094
Reserves	15,375	13,918
Direct Charges and Other	54	-
TOTAL	\$ 79,085	\$ 112,552

NOTE 23: CONTINGENT ASSETS AND LIABILITIES

(A) Contingent Assets

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

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

(B) Contingent Liabilities

Various claims have been made against the City as at December 31, 2022. If proven, it is possible that these claims may have a material adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

1. Southridge Recreation and Wellness Centre:

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

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

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

NOTE 24: CONTRACTUAL RIGHTS

The City has entered into the following agreements:

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

NOTE 25: FINANCIAL INSTRUMENTS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

NOTE 26: SEGMENTED DISCLOSURES

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

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

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - General Government is comprised of Corporate Administration, Mayoral and Councilor services, City Solicitor and Clerk.
 - Corporate Services is comprised of Finance, Information Technology, Corporate Communications, and Human Resources.
 - Energy & Infrastructure is comprised of City Asset (roads and airport), and City Operations (buildings and mobile equipment).
 - Public Services is comprised of Emergency Services (Fire and 9-11), Community Development (social development, senior services, transit, cultural development), 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.
 - Strategic Management & Analysis is comprised of Integrated Project Planning & Execution, Strategy & Analysis, Environment, Land & Government Relations, and City Planning.
- 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) 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.
- e) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated wastewater meets the rigid safety, environmental, monitoring, recording and reporting parameters of Federal, Provincial, wastewater industry and local standards. The Sewer Utility is operated on a self-sustaining basis.
- f) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

- g) Invest Medicine Hat is comprised of the land development, municipal use property activities, and the Investment & Strategic Planning department. Land development includes the City's role as a land developer in the areas of acquisition, development, and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land department is operated on a self-sustaining basis. Investment & Strategic Planning department is supported by property taxes.

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

A) REVENUE

- **Municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third-party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.
- **Investment income** includes all investment revenue earned on account of short-term and long-term deposits and investments.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.
- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Contribution from reserves** includes funds transferred from reserves as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169. The funds are transferred to a corporate reserve fund before being distributed to business units and allocated to the appropriate restricted reserves.
- **Transfers from Utilities and Land** include contributions from Utilities and Land to tax supported operations.

B) EXPENSES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(in thousands of dollars)

- **Bank charges and short-term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long-term debt** includes interest charge on the principal portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time and must eventually be replaced. Depreciation shows the cost of the "use of the asset" each year over the life of the asset.
- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company's balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value. **Reversal of Impairments** are recorded when factors or circumstances that triggered the original impairment have changed. Impairments can be reversed up to the amount necessary to restore the asset to its pre-impairment carrying amount, less any subsequent depletion and depreciation that would have been recognized.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Gain on disposal of long-lived assets** reflects the reduction in the decommissioning liabilities associated with the disposal of the Gas properties.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.
- **Contribution to reserves** includes funds transferred from the business units to the restricted reserve funds as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169.

NOTE 27: COMPARATIVE INFORMATION

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

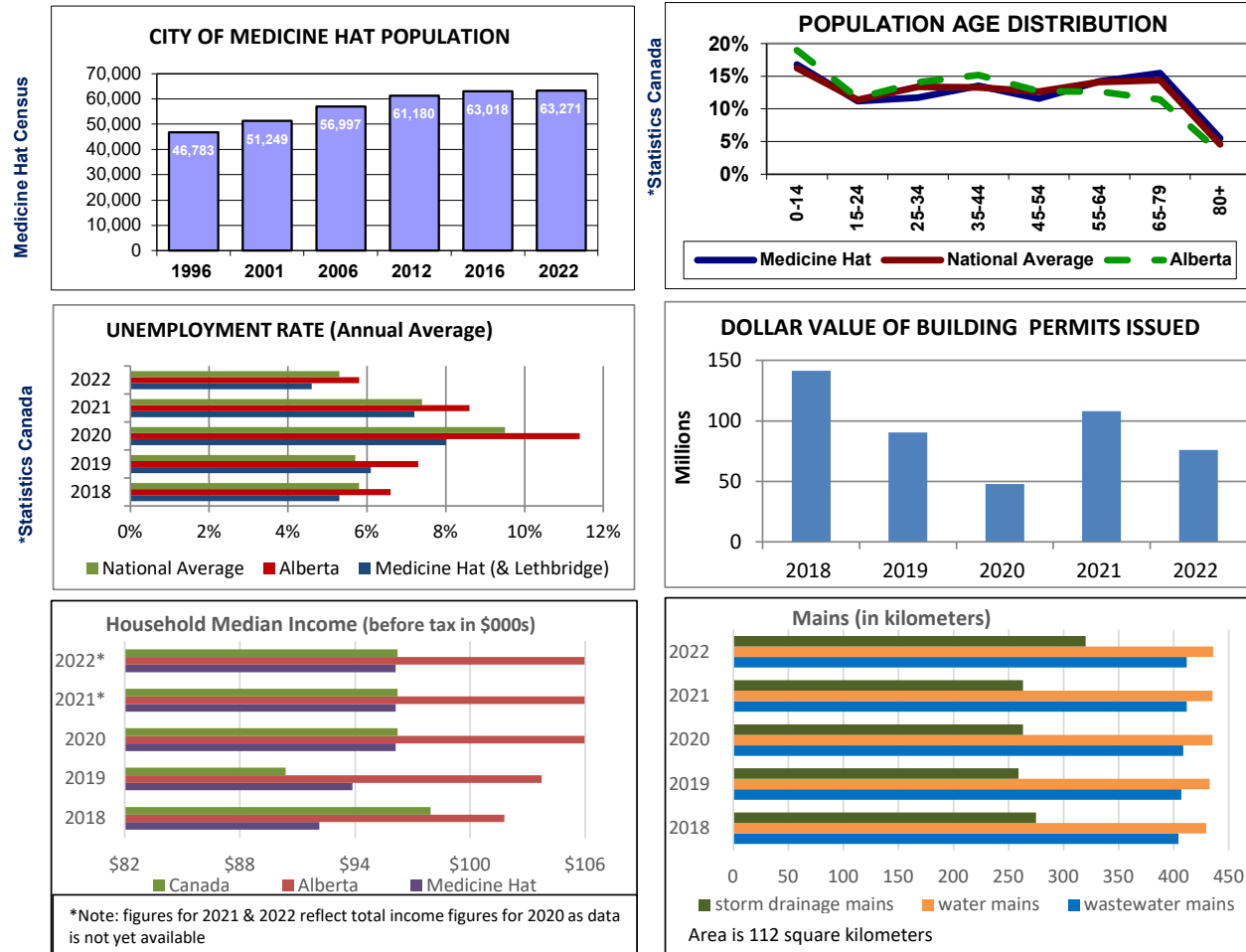
NOTE 28: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules (unaudited)

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

DEMOGRAPHICS & OTHER INFORMATION



LARGEST CORPORATE TAXPAYERS IN MEDICINE HAT

Medicine Hat Mall Inc
2105657 Alberta Ltd (Aurora Sun)
Boulevard Real Estate Equities Ltd
The Meadowlands Development Corporation
Skyline Retail Real Estate Holdings Inc

South Country Co-op Limited
Canadian Tire Properties Inc
Cancarb Limited
Wal-Mart Canada Corp
Chinook Village Housing Society

LARGEST EMPLOYERS IN MEDICINE HAT

Public

Medicine Hat Regional Hospital
City of Medicine Hat
Medicine Hat School District
Medicine Hat College
Province of Alberta

Private

South Country Co-op (all locations)
The Real Canadian Superstore
Canadian Pacific Railway
Wal-Mart
Goodyear

CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2018 - 2022

	2018	2019	2020	2021	2022
General Government	41	37	36	24	26
Corporate Services	178	191	201	149	155
Public Services	275	275	275	257	256
Police	151	150	150	148	154
Invest Medicine Hat	6	6	9	8	8
Strategy Management & Analysis	15	20	20	79	86
Energy & Infrastructure	337	325	313	359	365
Development & Infrastructure	89	83	83	-	-
Total Permanent Positions	1,092	1,087	1,087	1,024	1,050

Note: As part of the 2021 organizational restructuring, Development & Infrastructure departments were relocated to Energy & Infrastructure and Strategy Management & Analysis

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2018 - 2022

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2022	2021	2020	2019	2018
Financial assets					
Cash and cash equivalents	\$ 44,188	\$ 68,004	\$ 62,824	\$ 71,119	\$ 56,375
Accounts receivable (net of allowances)	97,523	78,551	47,407	42,716	45,955
Investments, loans & advances	637,870	507,362	414,781	405,053	359,996
Land and other assets held for resale	10,523	10,653	35,237	4,679	5,542
Inventories for resale	151	140	114	63	84
Deposits	1,166	3,720	3,094	3,258	784
Total financial assets	\$ 791,421	\$ 668,430	\$ 563,457	\$ 526,888	\$ 468,736
Liabilities					
Trade accounts payable	\$ 56,026	\$ 36,835	\$ 26,084	\$ 29,820	\$ 27,705
Accrued liabilities	26,417	22,100	34,226	20,467	18,377
Deferred revenue	55,896	61,498	38,642	52,966	44,316
Long-term debt	418,581	406,316	376,072	353,727	317,562
Other long-term liabilities	245,911	304,812	287,723	281,343	262,364
Total liabilities	802,831	831,561	762,747	738,323	670,324
Net financial debt	(11,410)	(163,131)	(199,290)	(211,435)	(201,588)
Non-financial assets					
Inventories for consumption	15,620	14,317	15,191	15,678	13,796
Prepaid assets	2,917	3,102	2,148	2,131	1,960
Land held for future development	17,288	16,479	19,969	18,924	16,714
Long lived assets	7,355	33,359	42,840	60,752	61,367
Tangible capital assets	1,422,663	1,389,183	1,356,948	1,381,269	1,359,967
Total non-financial assets	1,465,843	1,456,440	1,437,096	1,478,754	1,453,804
Accumulated surplus	\$ 1,454,433	\$ 1,293,309	\$ 1,237,806	\$ 1,267,319	\$ 1,252,216

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2018 - 2022

(In thousands of dollars)

STATEMENT OF OPERATIONS

	2022	2021	2020	2019	2018
REVENUE:					
Taxes	\$ 101,164	\$ 97,977	\$ 98,560	\$ 96,178	\$ 93,261
Less - requisitions	(26,734)	(26,067)	(25,427)	(24,429)	(23,888)
	74,430	71,910	73,133	71,749	69,373
Sale of services					
General Government	14,812	9,434	7,579	10,901	10,485
Gas	46,549	36,361	37,235	53,784	55,053
Electric	292,563	196,393	127,710	139,725	116,702
Water	23,783	23,453	21,467	22,098	21,630
Sewer	23,005	21,613	18,870	19,000	17,367
Solid Waste	9,194	9,724	9,584	9,252	9,584
Invest Medicine Hat	3,701	4,082	5,548	4,204	6,986
Other income					
Investment income	6,954	41,572	13,963	25,096	5,093
Licenses, fines and penalties	5,313	6,142	4,909	6,404	6,723
Insurance recovery	336	2,895	813	300	1,788
Development levies	896	1,674	6,977	4,804	3,089
Government transfers for operating	16,643	5,223	12,607	6,098	6,154
Other	7,756	13,342	12,121	15,786	7,047
Total revenue	\$ 525,935	\$ 443,818	\$ 352,516	\$ 389,201	\$ 337,074
EXPENSES:					
General Government	\$ 183,875	\$ 166,723	\$ 160,368	\$ 162,422	\$ 156,254
Gas	81,257	130,116	115,792	122,161	126,883
Electric	96,228	84,824	79,741	68,660	60,945
Water	16,394	15,925	15,504	15,072	14,097
Sewer	14,247	14,312	14,372	13,730	13,585
Solid Waste	5,196	4,500	7,384	6,520	5,953
Utilities Business Development & Support	-	-	3,796	2,845	2,032
Invest Medicine Hat	3,335	3,565	4,785	3,546	3,367
Total expenses	\$ 400,532	\$ 419,965	\$ 401,742	\$ 394,956	\$ 383,116
Excess (Deficiency) of revenue over expenses					
- before other revenue	\$ 125,403	\$ 23,853	\$ (49,226)	\$ (5,755)	\$ (46,042)
Other					
Contributed tangible capital assets	133	2,195	243	538	105
Government transfers for capital	35,588	29,455	19,470	20,320	29,495
Total other	35,721	31,650	19,713	20,858	29,600
Annual (deficit) surplus	\$ 161,124	\$ 55,503	\$ (29,513)	\$ 15,103	\$ (16,442)

Trends:

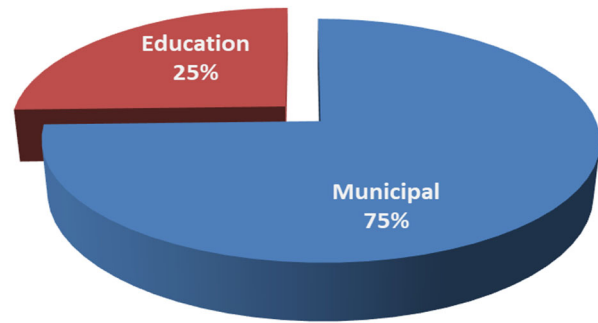
Revenues have increased from 2018 to 2022 mainly due to higher property taxes to align with inflationary increases as well as higher Electric revenues as a result of higher commodity prices. In 2020 revenues decreased due to the COVID-19 pandemic and a decline in oil, gas and electric commodity prices. 2022 revenues increased primarily due to higher electric, gas, and oil commodity prices.

Expenses have increased since 2018 mainly due to inflationary increases and increased activity in Electric resulting in higher taxes in lieu as well as higher amortization due to the implementation of new simple cycle generation. The decrease in 2022 expenses is due to staffing vacancies held throughout the organization as well as the reversal of prior years impairments in oil and gas as a result of the increase in provable and probable reserves and the increase in current and forward market commodity price for natural gas and oil.

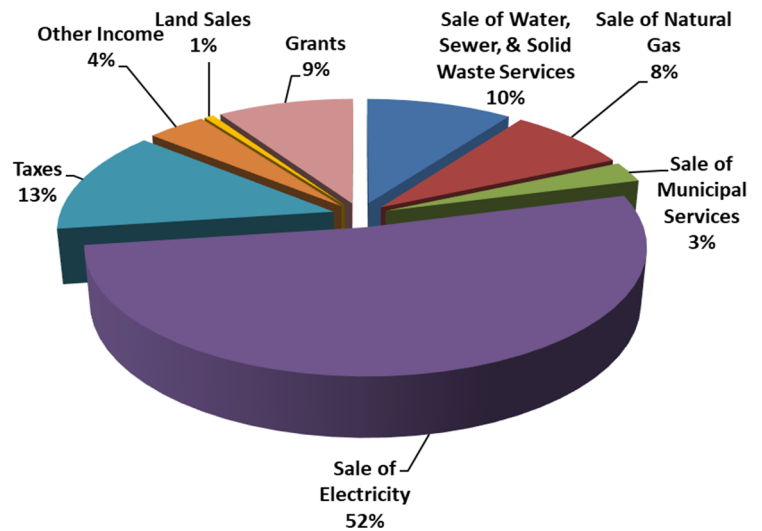
FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

Financial Synopsis: 2022 Operating Activities

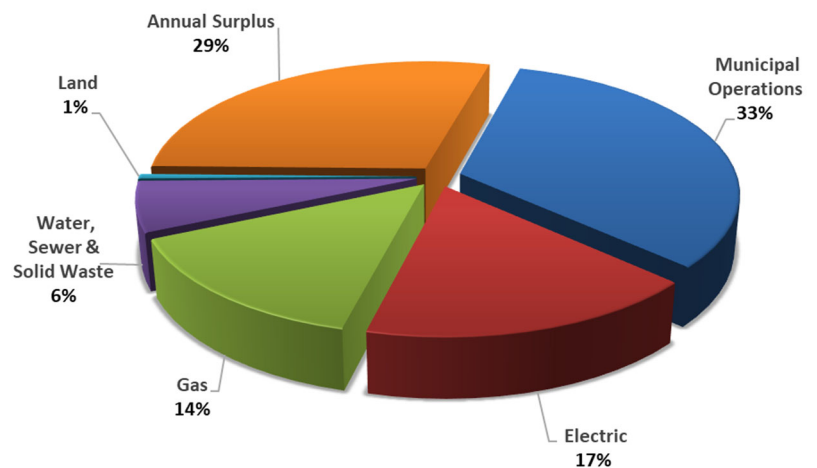
Where our tax dollars went in 2022
Education / Municipal
Property Tax



Where the money comes
from \$562 Million



Where the money goes
\$562 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2017 - 2021

TAXATION & ASSESSMENT

MILL RATES

	2022	2021	2020	2019	2018
MUNICIPAL					
Single family	6.8108	6.8034	7.1152	6.7302	6.6563
Apartments	7.9557	8.3090	8.8781	8.7125	8.4588
Farmland	17.3438	16.4809	34.5368	33.2291	32.2613
Commercial and industrial	15.7962	15.2807	15.7102	15.1159	15.3104
EDUCATION					
Single family	2.6137	2.5465	2.4622	2.5883	2.5249
Apartments	2.6137	2.5465	2.4622	2.5883	2.5249
Farmland	2.6137	2.5465	2.4622	2.5883	2.5249
Commercial and industrial	4.1613	3.7467	3.4922	3.5949	3.4146
OTHER					
Single family	0.1053	0.1067	0.1035	1.040	0.1038
Apartments	0.1053	0.1067	0.1035	1.040	0.1038
Farmland	0.1053	0.1067	0.1035	1.040	0.1038
Commercial and industrial	0.1053	0.1067	0.1035	1.040	0.1038

PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2022	2021	2020	2019	2018
Municipal	\$ 73,567	\$ 71,138	\$ 72,126	\$ 70,320	\$ 67,954
Education	25,741	25,087	24,474	23,474	22,974
Other	993	980	953	955	914
TOTAL REAL PROPERTY	\$ 100,301	\$ 97,205	\$ 97,553	\$ 94,749	\$ 91,842
Current taxes collected	96,318	92,067	89,429	90,828	88,937
% of current taxes collected (includes real + linear property taxes)	95.40%	94.19%	91.21%	94.79%	95.72%
OTHER MAJOR TAXES LEVIED	2022	2021	2020	2019	2018
Linear property taxes	\$ 660	\$ 545	\$ 497	\$ 1,074	\$ 1,074
Local improvements	203	227	510	355	344
TOTAL MAJOR TAX LEVIED	\$ 863	\$ 772	\$ 1,007	\$ 1,429	\$ 1,418

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2022	2021	2020	2019	2018
Residential	\$ 6,998,752,689	\$ 6,748,869,568	\$ 6,709,679,101	\$ 6,748,338,079	\$ 6,623,705,015
Multi-family	347,462,670	324,069,416	304,505,120	285,797,772	283,264,172
Farmland	1,095,600	1,196,118	1,243,600	1,232,900	2,079,900
Commercial and industrial	1,920,232,705	1,945,336,496	2,022,067,648	1,957,893,244	1,802,923,977
TOTAL TAXABLE ASSESSMENT	\$ 9,267,543,664	\$ 9,019,471,598	\$ 9,037,495,469	\$ 8,993,261,995	\$ 8,711,973,064

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2022	2021	2020	2019	2018
General	\$ 12,274	\$ 12,185	\$ 11,350	\$ 12,633	\$ 12,667
Utilities Business Development & Support	-	-	323	323	288
Gas	15,607	(1,973)	7,848	8,109	10,499
Electric	6,339	(10,682)	7,100	6,044	5,507
Water	19,525	18,439	15,834	14,938	8,995
Sewer	8,973	6,296	(2,577)	(2,484)	(1,555)
Solid Waste	14,129	11,890	10,496	9,503	7,706
Economic Development & Land	20,286	21,360	22,253	19,885	18,912
TOTAL UNRESTRICTED SURPLUS	97,133	57,515	72,627	68,951	63,019
RESTRICTED SURPLUS - RESERVES					
Operating	38,273	35,822	40,510	50,220	29,905
Capital	155,766	156,475	93,968	76,299	94,670
Heritage Savings	159,179	60,630	49,825	44,307	22,217
TOTAL RESTRICTED SURPLUS - RESERVES	353,218	252,927	184,303	170,826	146,792
TOTAL RESERVES & SURPLUS	\$ 450,351	\$ 310,442	\$ 256,930	\$ 239,777	\$ 209,811

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

LONG TERM DEBT

LONG TERM DEBT

	2022	2021	2020	2019	2018
Debt supported by taxes	\$ 31,757	\$ 34,387	\$ 36,928	\$ 38,791	\$ 41,817
Debt supported by utilities	386,824	371,929	339,144	314,936	275,745
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 418,581	\$ 406,316	\$ 376,072	\$ 353,727	\$ 317,562

DEBT PER CAPITA

(not in thousands of dollars)

	2022	2021	2020	2019	2018
Tax supported	\$ 502	\$ 543	\$ 584	\$ 613	\$ 661
Utility supported	6,114	5,878	5,361	4,978	4,359
TOTAL DEBT PER CAPITA	\$ 6,616	\$ 6,421	\$ 5,945	\$ 5,591	\$ 5,020

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

	2022	2021	2020	2019	2018
Actual debt servicing (long and short term)	\$ 41,666	\$ 39,224	\$ 37,518	\$ 36,862	\$ 36,410
Total operating expenses	400,532	419,965	401,742	394,956	383,116
PERCENTAGE	10.40%	9.34%	9.34%	9.33%	9.50%

LEGAL DEBT LIMIT

	2022	2021	2020	2019	2018
Debt limit	\$ 1,051,870	\$ 887,636	\$ 705,032	\$ 778,402	\$ 674,148
Total debt	418,581	406,316	376,072	353,727	317,562
Loan guarantees	1,157	1,244	1,740	1,740	2,240
Letters of credit issued	45,360	46,960	46,960	47,310	40,413
AMOUNT UNDER LIMIT	\$ 586,772	\$ 433,116	\$ 280,260	\$ 375,625	\$ 313,933
Percentage used	44.22%	51.21%	60.25%	51.74%	53.43%

DEBT SERVICING LIMIT

	2022	2021	2020	2019	2018
Debt servicing limit	\$ 184,077	\$ 155,336	\$ 123,381	\$ 136,220	\$ 117,976
Actual debt servicing (short and long term)	41,666	39,224	37,518	36,862	36,410
AMOUNT UNDER LIMIT	\$ 142,411	\$ 116,112	\$ 85,863	\$ 99,358	\$ 81,566
Percentage used	22.64%	25.25%	30.41%	27.06%	30.86%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Salaries, wages and benefits	\$ 136,763	\$ 133,412	\$ 128,326	\$ 131,885	\$ 134,236	\$ 129,327
Contracted and general services	45,698	50,157	43,289	47,096	48,291	51,152
Materials, goods and utilities	33,330	24,246	28,562	26,982	29,729	27,698
Provisions for allowances	363	650	1,238	1,124	998	376
Bank charges and short-term interest	919	358	468	386	334	343
Interest on long-term debt	11,710	12,081	11,488	11,382	10,963	11,072
Grants and other transfers	3,469	4,078	5,199	5,429	3,817	3,570
Other operating expenses	110,964	172,645	101,325	69,679	72,117	60,868
Amortization of tangible capital assets	85,515	88,320	79,539	79,292	79,325	72,931
Impairments	-	(84,424)	13,574	17,187	14,550	25,033
Loss on disposal of tangible capital assets	-	1,454	2,609	11,389	1,227	746
Loss (gain) on disposal of long lived liabilities	-	(2,445)	4,348	(89)	(631)	-
TOTAL EXPENSES	\$ 428,731	\$ 400,532	\$ 419,965	\$ 401,742	\$ 394,956	\$ 383,116

FINANCIAL STATISTICAL SCHEDULES (Unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2018-2022
(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

GENERAL FUND

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
General Government	\$ 116,563	\$ 121,054	\$ 109,673	\$ 122,441	\$ 162,719	\$ 135,213
Corporate Services Division	7,846	7,847	8,113	7,079	7,478	8,650
Energy & Infrastructure Division	8,090	8,724	7,563	8,420	9,371	9,327
Public Services Division	14,993	17,666	10,028	9,682	14,878	14,561
Police	4,583	4,715	4,776	4,353	3,832	3,689
Strategic Management & Analysis Division	6,806	5,244	6,912	2,417	3,008	3,523
TOTAL REVENUE	158,881	165,250	147,065	154,392	201,286	174,963
EXPENSES						
General Government	10,190	13,433	13,929	9,472	12,339	11,154
Corporate Services Division	28,465	28,181	26,670	23,110	21,771	23,083
Energy & Infrastructure Division	51,507	54,462	51,774	49,507	49,228	47,187
Public Services Division	59,144	64,646	55,580	57,165	60,526	58,734
Police	24,448	25,142	23,585	23,187	23,397	23,451
Strategic Management & Analysis Division	11,799	9,521	9,011	5,505	5,652	5,423
TOTAL EXPENSES	185,553	195,385	180,549	167,946	172,913	169,032
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (26,672)	\$ (30,135)	\$ (33,484)	\$ (13,554)	\$ 28,373	\$ 5,931

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

GENERAL GOVERNMENT

Mayor & Councilors, City Manager & Managing Directors, City Solicitor, General Municipal Revenues

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Manager & Managing Directors	\$ 6,951	\$ 6,850	\$ 5,628	\$ 6,307	\$ 6,153	\$ 4,588
City Solicitor	339	332	482	330	332	902
General Municipal Revenues	109,273	113,872	103,563	115,804	156,234	129,723
TOTAL REVENUE	116,563	121,054	109,673	122,441	162,719	135,213
EXPENSES						
Mayor & Councilors	1,043	840	700	755	741	695
City Manager & Managing Directors	2,508	2,567	2,923	3,164	3,817	2,882
City Solicitor	1,595	1,243	1,632	1,540	1,420	1,632
General Municipal Revenues	5,044	8,783	8,674	4,013	6,361	5,945
TOTAL EXPENSES	10,190	13,433	13,929	9,472	12,339	11,154
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 106,373	\$ 107,621	\$ 95,744	\$ 112,969	\$ 150,380	\$ 124,059

*The above represents actual transactions before consolidation eliminations.
Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).*

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

MAYOR & COUNCILORS General Government

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	999	812	691	740	717	627
Contracted and general services	42	25	8	12	22	36
Materials, goods & utilities	2	3	1	3	2	7
Internal charges and transfers	-	-	-	-	-	25
TOTAL EXPENSES	1,043	840	700	755	741	695
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,043)	\$ (840)	\$ (700)	\$ (755)	\$ (741)	\$ (695)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY MANAGER & MANAGING DIRECTORS General Government

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	\$ 6,951	\$ 6,850	\$ 5,628	\$ 6,307	\$ 6,153	\$ 4,588
TOTAL REVENUE	6,951	6,850	5,628	6,307	6,153	4,588
EXPENSES						
Salaries, wages and benefits	2,259	2,245	2,493	2,212	2,117	1,958
Contracted and general services	160	209	359	591	147	64
Materials, goods & utilities	29	53	13	19	23	19
Internal charges and transfers	60	60	58	342	1,530	841
TOTAL EXPENSES	2,508	2,567	2,923	3,164	3,817	2,882
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 4,443	\$ 4,283	\$ 2,705	\$ 3,143	\$ 2,336	\$ 1,706

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY SOLICITOR General Government

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Government transfers for operating	\$ -	\$ -	\$ 127	\$ -	\$ 11	\$ -
Other revenue	5	(2)	21	3	7	10
Internal recovery	334	334	334	327	314	892
TOTAL REVENUE	339	332	482	330	332	902
EXPENSES						
Salaries, wages and benefits	1,403	1,115	1,122	1,366	1,255	1,282
Contracted and general services	144	98	265	103	109	163
Materials, goods & utilities	30	14	229	53	35	34
Other operating expenses	-	-	(1)	-	-	-
Amortization and provision for abandonment	18	16	17	18	18	18
Internal charges and transfers	-	-	-	-	3	135
TOTAL EXPENSES	1,595	1,243	1,632	1,540	1,420	1,632
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,256)	\$ (911)	\$ (1,150)	\$ (1,210)	\$ (1,088)	\$ (730)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

GENERAL MUNICIPAL REVENUES General Government

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Municipal taxes	\$ 79,627	\$ 79,272	\$ 76,159	\$ 76,929	\$ 75,896	\$ 73,434
Sale of services	2,968	3,143	3,054	2,033	1,090	-
Investment income	19,162	4,589	19,823	6,805	3,514	2,793
Licenses, fines and penalties	3,749	2,918	3,596	3,023	4,004	3,569
Government transfers for operating	564	734	670	7,559	1,021	1,048
Other revenue	88	15	70	5,039	1	1,128
Contribution from utilities and land	3,115	3,150	150	13,860	70,271	47,302
Internal recovery	-	51	41	556	437	449
Contribution from reserves	-	20,000	-	-	-	-
TOTAL REVENUE	109,273	113,872	103,563	115,804	156,234	129,723
EXPENSES						
Salaries, wages and benefits	179	197	472	-	-	-
Contracted and general services	-	1,609	228	-	-	-
Materials, goods & utilities	200	2,704	338	1,488	2,471	991
Provision for allowances	-	-	259	648	679	2
Bank charges & short term interest	-	4	171	-	21	-
Other operating expenses	400	7	80	-	(2)	22
Internal charges and transfers	4,265	4,262	4,449	1,877	3,192	4,930
Contribution to reserves	-	-	2,677	-	-	-
TOTAL EXPENSES	5,044	8,783	8,674	4,013	6,361	5,945
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 104,229	\$ 105,089	\$ 94,889	\$ 111,791	\$ 149,873	\$ 123,778

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Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

CORPORATE SERVICES DIVISION

Human Resources, Corporate Communications, Finance, Information Technology

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Human Resources	\$ 540	\$ 382	\$ 338	\$ 359	\$ 486	\$ 2,027
Corporate Communications	32	32	491	-	365	360
Finance	5,265	5,410	5,214	4,654	4,660	4,477
Information Technology	2,009	2,023	2,070	2,066	1,967	1,786
TOTAL REVENUE	7,846	7,847	8,113	7,079	7,478	8,650
EXPENSES						
Human Resources	5,623	5,166	4,191	3,379	3,247	4,188
Corporate Communications	684	683	651	-	541	610
Finance	12,993	13,515	13,337	12,838	11,252	11,517
Information Technology	9,165	8,817	8,491	6,893	6,731	6,768
TOTAL EXPENSES	28,465	28,181	26,670	23,110	21,771	23,083
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (20,619)	\$ (20,334)	\$ (18,557)	\$ (16,031)	\$ (14,293)	\$ (14,433)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

HUMAN RESOURCES

Corporate Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Government transfers for operating	-	-	-	-	40	7
Other revenue	210	176	115	116	186	195
Internal recovery	330	206	222	243	259	1,824
TOTAL REVENUE	540	382	337	359	486	2,027
EXPENSES						
Salaries, wages and benefits	4,598	3,842	3,592	2,854	2,718	2,747
Contracted and general services	930	1,286	564	470	456	970
Materials, goods & utilities	79	20	14	34	57	75
Other operating expenses	-	-	-	-	-	(1)
Amortization and provision for abandonment	9	8	10	12	8	5
Internal charges and transfers	7	10	11	9	8	392
TOTAL EXPENSES	5,623	5,166	4,191	3,379	3,247	4,188
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,083)	\$ (4,784)	\$ (3,854)	\$ (3,020)	\$ (2,761)	\$ (2,161)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CORPORATE COMMUNICATIONS

Corporate Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	32	32	491	-	365	360
TOTAL REVENUE	32	32	491	-	365	360
EXPENSES						
Salaries, wages and benefits	522	530	541	-	481	490
Contracted and general services	93	103	68	-	56	66
Materials, goods & utilities	35	33	24	-	5	3
Internal charges and transfers	34	17	18	-	(1)	51
TOTAL EXPENSES	684	683	651	-	541	610
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (652)	\$ (651)	\$ (160)	\$ -	\$ (176)	\$ (250)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

FINANCE

Corporate Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 649	\$ 586	\$ 557	\$ 466	\$ 603	\$ 637
Insurance recovery	-	155	155	-	-	-
Government transfers for operating	-	-	3	-	-	4
Other revenue	209	183	161	200	214	186
Internal recovery	4,407	4,486	4,338	3,988	3,843	3,650
TOTAL REVENUE	5,265	5,410	5,214	4,654	4,660	4,477
EXPENSES						
Salaries, wages and benefits	8,540	8,356	7,812	8,242	7,781	7,896
Contracted and general services	3,789	3,933	3,584	3,215	2,948	3,221
Materials, goods & utilities	196	1,151	234	(829)	217	817
Provision for allowances	27	4	9	45	27	27
Bank charges & short term interest	78	62	56	190	63	66
Grants and other transfers	-	229	1,365	1,786	-	-
Other operating expenses	205	(349)	144	55	77	(561)
Amortization and provision for abandonment	83	15	16	22	24	28
Other asset adjustments	-	37	-	-	-	-
Internal charges and transfers	75	77	117	112	115	23
TOTAL EXPENSES	12,993	13,515	13,337	12,838	11,252	11,517
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (7,728)	\$ (8,105)	\$ (8,123)	\$ (8,184)	\$ (6,592)	\$ (7,040)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)**FOR THE YEARS ENDED DECEMBER 31, 2018-2022***(in thousands of dollars)***SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT****INFORMATION TECHNOLOGY
Corporate Services Division**

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	2,009	2,023	2,070	2,066	1,967	1,786
TOTAL REVENUE	2,009	2,023	2,070	2,066	1,967	1,786
EXPENSES						
Salaries, wages and benefits	3,465	3,584	3,371	3,056	3,082	3,110
Contracted and general services	2,660	2,611	2,906	2,101	1,996	2,137
Materials, goods & utilities	505	487	242	74	59	82
Interest on long-term debt	19	17	27	42	52	9
Other operating expenses	465	-	-	-	4	8
Amortization and provision for abandonment	2,022	2,070	1,876	1,552	1,413	1,145
(Gain)/loss on disposal of assets	-	20	-	-	16	38
Internal charges and transfers	29	28	69	68	109	239
TOTAL EXPENSES	9,165	8,817	8,491	6,893	6,731	6,768
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (7,156)	\$ (6,794)	\$ (6,421)	\$ (4,827)	\$ (4,764)	\$ (4,982)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

ENERGY & INFRASTRUCTURE DIVISION

City Assets, City Operations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Assets	\$ 867	\$ 2,071	\$ 801	\$ 1,317	\$ 2,864	\$ 3,438
City Operations	7,223	6,653	6,762	7,103	6,507	5,889
TOTAL REVENUE	8,090	8,724	7,563	8,420	9,371	9,327
EXPENSES						
City Assets	25,207	26,125	25,247	25,308	24,977	24,620
City Operations	26,300	28,337	25,797	24,199	24,251	22,567
TOTAL EXPENSES	51,507	54,462	51,044	49,507	49,228	47,187
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (43,417)	\$ (45,738)	\$ (43,481)	\$ (41,087)	\$ (39,857)	\$ (37,860)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY ASSETS

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Municipal taxes	\$ 3	\$ 3	\$ 3	\$ 5	\$ 131	\$ 119
Sale of services	460	491	295	364	1,170	996
Insurance recovery	-	5	5	39	16	90
Developer levies	-	-	-	134	818	1,344
Government transfers for operating	142	678	216	414	345	594
Other revenue	264	887	278	351	376	269
Internal recovery	(2)	7	4	10	8	26
TOTAL REVENUE	867	2,071	801	1,317	2,864	3,438
EXPENSES						
Salaries, wages and benefits	5,283	5,252	5,370	5,666	5,489	5,583
Contracted and general services	1,320	2,043	1,580	1,416	1,710	2,352
Materials, goods & utilities	360	590	296	475	281	256
Provision for allowances	-	-	54	-	-	-
Bank charges & short term interest	4	2	1	1	5	2
Interest on long-term debt	307	297	356	414	477	526
Grants and other transfers	-	-	7	17	-	-
Other operating expenses	425	(1)	(15)	1	(18)	36
Amortization and provision for abandonment	16,198	16,492	15,917	15,453	15,304	14,644
(Gain)/loss on disposal of assets	-	45	352	514	315	40
Internal charges and transfers	1,310	1,405	1,329	1,351	1,414	1,181
TOTAL EXPENSES	25,207	26,125	25,247	25,308	24,977	24,620
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (24,340)	\$ (24,054)	\$ (24,446)	\$ (23,991)	\$ (22,113)	\$ (21,182)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY OPERATIONS

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 149	\$ 196	\$ 221	\$ 213	\$ 321	\$ 424
Licenses, fines and penalties	-	-	(2)	-	-	-
Insurance recovery	-	3	40	63	25	696
Developer levies	-	-	-	49	327	801
Government transfers for operating	-	-	-	-	-	61
Other revenue	-	145	122	46	19	28
Internal recovery	7,074	6,309	6,381	6,732	5,815	3,879
TOTAL REVENUE	7,223	6,653	6,762	7,103	6,507	5,889
EXPENSES						
Salaries, wages and benefits	4,890	4,563	3,925	4,054	2,178	1,803
Contracted and general services	3,584	5,054	4,232	5,456	6,873	6,980
Materials, goods & utilities	2,897	4,872	4,093	1,747	1,113	1,109
Provision for allowances	-	-	61	-	-	-
Interest on long-term debt	327	320	355	378	396	492
Grants and other transfers	-	-	-	-	2,184	2,228
Other operating expenses	140	(96)	51	57	52	87
Amortization and provision for abandonment	13,656	12,070	12,100	11,682	10,604	9,359
(Gain)/loss on disposal of assets	-	552	(1)	254	480	(277)
Internal charges and transfers	806	1,002	981	571	371	786
TOTAL EXPENSES	26,300	28,337	25,797	24,199	24,251	22,567
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (19,077)	\$ (21,684)	\$ (19,035)	\$ (17,096)	\$ (17,744)	\$ (16,678)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

PUBLIC SERVICES DIVISION

Emergency Services, Parks & Recreation, Community Development, Other Organizations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Emergency Services	\$ 1,233	\$ 1,881	\$ 1,222	\$ 1,199	\$ 2,419	\$ 2,094
Parks & Recreation	6,256	6,216	3,898	4,392	6,579	6,231
Community Development	7,504	9,569	4,908	4,091	5,880	6,236
TOTAL REVENUE	14,993	17,666	10,028	9,682	14,878	14,561
EXPENSES						
Emergency Services	15,980	17,325	16,368	17,800	17,740	17,239
Parks & Recreation	25,734	24,200	22,564	23,783	25,728	23,652
Community Development	14,616	20,294	13,905	12,790	14,202	14,877
Other Organizations	2,814	2,827	2,743	2,792	2,856	2,966
TOTAL EXPENSES	59,144	64,646	55,580	57,165	60,526	58,734
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (44,151)	\$ (46,980)	\$ (45,552)	\$ (47,483)	\$ (45,648)	\$ (44,173)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

EMERGENCY SERVICES

Public Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 644	\$ 863	\$ 671	\$ 516	\$ 455	\$ 476
Insurance recovery	80	162	42	64	63	-
Developer levies	-	14	14	-	-	-
Government transfers for operating	388	684	369	410	446	383
Other revenue	117	110	89	132	174	6
Internal recovery	4	48	37	77	1,281	1,229
TOTAL REVENUE	1,233	1,881	1,222	1,199	2,419	2,094
EXPENSES						
Salaries, wages and benefits	14,882	16,003	15,244	16,252	16,366	15,633
Contracted and general services	435	461	274	679	626	672
Materials, goods & utilities	221	201	219	282	230	209
Other operating expenses	-	30	12	(3)	(1)	-
Amortization and provision for abandonment	338	502	504	321	307	298
(Gain)/loss on disposal of assets	-	-	-	34	(11)	-
Internal charges and transfers	104	128	115	235	223	427
TOTAL EXPENSES	15,980	17,325	16,368	17,800	17,740	17,239
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (14,747)	\$ (15,444)	\$ (15,146)	\$ (16,601)	\$ (15,321)	\$ (15,145)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2018-2022
(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

PARKS & RECREATION
Public Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 3,786	\$ 3,785	\$ 2,192	\$ 2,296	\$ 4,129	\$ 4,076
Insurance recovery	43	-	15	272	6	7
Developer levies	156	104	337	191	102	185
Government transfers for operating	-	33	-	302	88	6
Other revenue	2,182	2,239	1,279	1,258	2,168	1,796
Internal recovery	89	55	75	73	86	161
TOTAL REVENUE	6,256	6,216	3,898	4,392	6,579	6,231
EXPENSES						
Salaries, wages and benefits	10,618	10,602	9,022	8,865	10,529	10,252
Contracted and general services	2,499	3,218	2,310	2,803	2,447	2,512
Materials, goods & utilities	1,312	1,427	976	1,336	1,497	1,508
Provision for allowances	-	-	6	-	-	-
Bank charges & short term interest	32	59	42	41	59	65
Interest on long-term debt	96	113	86	361	371	394
Grants and other transfers	190	154	164	157	281	214
Other operating expenses	342	7	2	(6)	7	(1)
Amortization and provision for abandonment	8,303	5,421	6,730	7,839	7,700	7,532
Impairments	-	-	-	-	1	-
(Gain)/loss on disposal of assets	-	-	480	87	7	-
Internal charges and transfers	2,342	3,199	2,746	2,300	2,829	1,176
TOTAL EXPENSES	25,734	24,200	22,564	23,783	25,728	23,652
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (19,478)	\$ (17,984)	\$ (18,666)	\$ (19,391)	\$ (19,149)	\$ (17,421)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

COMMUNITY DEVELOPMENT
Public Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 4,519	\$ 5,717	\$ 2,380	\$ 1,666	\$ 3,289	\$ 3,892
Insurance recovery	-	8	36	4	13	6
Government transfers for operating	1,940	3,167	2,020	2,185	2,287	1,982
Other revenue	1,044	677	472	250	308	344
Internal recovery	1	-	-	(14)	(17)	12
TOTAL REVENUE	7,504	9,569	4,908	4,091	5,880	6,236
EXPENSES						
Salaries, wages and benefits	8,297	8,225	7,933	8,336	8,486	8,368
Contracted and general services	3,046	5,621	1,719	2,378	3,441	3,968
Materials, goods & utilities	690	983	587	517	609	607
Bank charges & short term interest	228	82	30	13	51	107
Interest on long-term debt	266	264	274	-	-	-
Grants and other transfers	489	508	430	452	437	219
Other operating expenses	100	2	1	1	1	5
Amortization and provision for abandonment	694	3,431	1,913	549	508	480
(Gain)/loss on disposal of assets	-	211	155	-	250	-
Internal charges and transfers	806	967	863	544	419	1,123
TOTAL EXPENSES	14,616	20,294	13,905	12,790	14,202	14,877
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (7,112)	\$ (10,725)	\$ (8,997)	\$ (8,699)	\$ (8,322)	\$ (8,641)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)**FOR THE YEARS ENDED DECEMBER 31, 2018-2022***(in thousands of dollars)***SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT****OTHER ORGANIZATIONS****Other Organizations**

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	-	-	-	-	1,970	1,942
Contracted and general services	-	-	-	-	-	47
Materials, goods & utilities	-	-	-	-	1	2
Interest on long-term debt	24	23	27	32	36	39
Grants and other transfers	2,790	2,804	2,716	2,760	636	719
Internal charges and transfers	-	-	-	-	213	217
TOTAL EXPENSES	2,814	2,827	2,743	2,792	2,856	2,966
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (2,814)	\$ (2,827)	\$ (2,743)	\$ (2,792)	\$ (2,856)	\$ (2,966)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

POLICE Police

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Police	\$ 4,583	\$ 4,715	\$ 4,776	\$ 4,353	\$ 3,832	\$ 3,689
TOTAL REVENUE	4,583	4,715	4,776	4,353	3,832	3,689
EXPENSES						
Police	24,448	25,142	23,585	23,187	23,397	23,451
TOTAL EXPENSES	24,448	25,142	23,585	23,187	23,397	23,451
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (19,865)	\$ (20,427)	\$ (18,809)	\$ (18,834)	\$ (19,565)	\$ (19,762)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

POLICE Police

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 250	\$ -	\$ 3	\$ -	\$ 1	\$ 17
Licenses, fines and penalties	100	29	48	41	102	108
Insurance recovery	-	-	31	64	171	61
Developer levies	23	-	-	-	-	-
Government transfers for operating	1,690	1,688	1,712	1,595	1,687	1,587
Other revenue	2,406	2,876	2,856	2,529	1,748	1,735
Internal recovery	114	122	126	124	123	181
TOTAL REVENUE	4,583	4,715	4,776	4,353	3,832	3,689
EXPENSES						
Salaries, wages and benefits	20,719	21,368	20,499	20,114	20,115	19,432
Contracted and general services	2,437	2,404	1,735	1,769	1,964	2,494
Materials, goods & utilities	930	896	933	926	923	754
Provision for allowances	-	-	-	2	-	-
Bank charges & short term interest	1	1	1	1	1	1
Other operating expenses	-	18	9	-	-	-
Amortization and provision for abandonment	160	159	144	136	153	142
(Gain)/loss on disposal of assets	-	-	-	-	8	-
Internal charges and transfers	201	296	264	239	233	628
TOTAL EXPENSES	24,448	25,142	23,585	23,187	23,397	23,451
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (19,865)	\$ (20,427)	\$ (18,809)	\$ (18,834)	\$ (19,565)	\$ (19,762)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

STRATEGIC MANAGEMENT & ANALYSIS DIVISION

Environment, Land & Government Relations, Business Transformation Office, Planning & Development Services Strategy & Analysis,

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Environment, Land & Government Relations	\$ 156	\$ 149	\$ 8	\$ -	\$ -	\$ -
Business Transformation Office	1,652	1,355	836	408	497	431
Planning & Development Services	2,846	2,433	2,644	2,009	2,511	3,092
Strategy & Analysis	2,152	1,307	3,424	-	-	-
TOTAL REVENUE	6,806	5,244	6,912	2,417	3,008	3,523
EXPENSES						
Environment, Land & Government Relations	873	981	635	-	-	-
Business Transformation Office	3,180	2,383	1,366	1,111	1,333	912
Planning & Development Services	4,968	4,496	4,308	4,394	4,319	4,511
Strategy & Analysis	2,778	1,661	3,431	-	-	-
TOTAL EXPENSES	11,799	9,521	9,740	5,505	5,652	5,423
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (4,993)	\$ (4,277)	\$ (2,828)	\$ (3,088)	\$ (2,644)	\$ (1,900)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

ENVIRONMENT, LAND & GOVERNMENT RELATIONS

Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	\$ 156	\$ 149	\$ 8	\$ -	\$ -	\$ -
TOTAL REVENUE	156	149	8	-	-	-
EXPENSES						
Salaries, wages and benefits	825	912	538	-	-	-
Contracted and general services	7	10	41	-	-	-
Materials, goods & utilities	2	2	1	-	-	-
Internal charges and transfers	39	57	55	-	-	-
TOTAL EXPENSES	873	981	635	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (717)	\$ (832)	\$ (627)	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

BUSINESS TRANSFORMATION OFFICE Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ -
Internal recovery	1,652	1,355	836	408	465	431
TOTAL REVENUE	1,652	1,355	836	408	497	431
EXPENSES						
Salaries, wages and benefits	2,499	1,744	1,240	800	1,030	800
Contracted and general services	664	629	74	213	235	74
Materials, goods & utilities	17	10	1	46	16	23
Internal charges and transfers	-	-	51	52	52	15
TOTAL EXPENSES	3,180	2,383	1,366	1,111	1,333	912
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,528)	\$ (1,028)	\$ (530)	\$ (703)	\$ (836)	\$ (481)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

PLANNING & DEVELOPMENT SERVICES Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 7	\$ 32	\$ 60	\$ 24	\$ 20	\$ 25
Licenses, fines and penalties	2,839	2,365	2,498	1,846	2,301	3,040
Government transfers for operating	-	(6)	107	111	105	-
Other revenue	-	8	13	9	15	17
Internal recovery	-	34	6	19	30	10
TOTAL REVENUE	2,846	2,433	2,644	2,009	2,511	3,092
EXPENSES						
Salaries, wages and benefits	4,172	4,174	3,830	4,050	3,840	3,840
Contracted and general services	203	256	309	196	357	169
Materials, goods & utilities	61	17	55	61	43	56
Bank charges & short term interest	1	14	9	1	1	1
Other operating expenses	461	-	-	-	-	-
Amortization and provision for abandonment	70	35	37	23	7	8
Internal charges and transfers	-	-	68	63	71	437
TOTAL EXPENSES	4,968	4,496	4,308	4,394	4,319	4,511
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (2,122)	\$ (2,063)	\$ (1,664)	\$ (2,385)	\$ (1,808)	\$ (1,419)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

STRATEGY & ANALYSIS

Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	2,152	1,307	3,424	-	-	-
TOTAL REVENUE	2,152	1,307	3,424	-	-	-
EXPENSES						
Salaries, wages and benefits	2,057	1,262	2,046	-	-	-
Contracted and general services	716	368	1,261	-	-	-
Materials, goods & utilities	5	32	4	-	-	-
Other operating expenses	-	(2)	-	-	-	-
Amortization and provision for abandonment	-	1	1	-	-	-
Internal charges and transfers	-	-	119	-	-	-
TOTAL EXPENSES	2,778	1,661	3,431	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (626)	\$ (354)	\$ (7)	\$ -	\$ -	\$ -

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

GAS

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Energy & Infrastructure Division	\$ 74,771	\$ 92,225	\$ 84,239	\$ 65,649	\$ 73,146	\$ 49,202
Strategic Management & Analysis Division	35,790	42,652	35,423	29,241	29,794	29,390
TOTAL REVENUE	110,561	134,877	119,662	94,890	102,940	78,592
EXPENSES						
Energy & Infrastructure Division	130,008	86,678	138,549	122,505	127,268	130,120
Strategic Management & Analysis Division	4,592	3,353	3,903	3,282	4,222	6,294
TOTAL EXPENSES	134,600	90,031	142,452	125,787	131,490	136,414
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (24,039)	\$ 44,846	\$ (22,790)	\$ (30,897)	\$ (28,550)	\$ (57,822)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

ENERGY & INFRASTRUCTURE DIVISION (GAS)

City Operations, Engineering

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Operations	\$ 74,771	\$ 92,225	\$ 84,239	\$ 65,649	\$ 73,146	\$ 49,202
TOTAL REVENUE	74,771	92,225	84,239	65,649	73,146	49,202
EXPENSES						
City Operations	128,880	86,149	137,831	120,466	123,588	126,516
Engineering	1,128	529	718	2,039	3,680	3,604
TOTAL EXPENSES	130,008	86,678	138,549	122,505	127,268	130,120
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (55,237)	\$ 5,547	\$ (54,310)	\$ (56,856)	\$ (54,122)	\$ (80,918)

The above represents actual transactions before consolidation eliminations.

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY OPERATIONS (GAS)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 69,055	\$ 89,058	\$ 54,807	\$ 36,854	\$ 54,144	\$ 47,309
Investment income	5,100	2,365	21,749	5,935	19,102	-
Realized gain/(loss) on financial instruments	-	-	0	-	0	-
Unrealized gain/(loss) on financial instruments	-	-	-	-	1	0
Insurance recovery	-	-	0	-	0	-
Developer levies	-	233	300	356	532	388
Government transfers for capital	-	-	-	-	-	46
Other revenue	-	71	561	1,088	(174)	1,983
Contribution from utilities and land	-	-	-	21,246	-	-
Internal recovery	616	(1,223)	(79)	171	(459)	(525)
Contribution from reserves	-	1,721	6,900	-	-	-
TOTAL REVENUE	74,771	92,225	84,238	65,649	73,146	49,202
EXPENSES						
Royalties	421	680	-	(1)	(68)	(145)
Salaries, wages and benefits	7,570	6,073	6,503	8,502	10,494	10,165
Contracted and general services	7,398	5,211	6,335	8,227	10,462	10,892
Materials, goods & utilities	1,399	910	968	3,465	3,736	4,096
Cost of oil and gas sold	-	-	(0)	(1)	0	(0)
Provision for allowances	82	893	575	23	54	80
Bank charges & short term interest	572	108	124	117	116	68
Interest on long-term debt	524	1,001	513	546	522	543
Other operating expenses	98,976	142,078	88,013	64,915	64,915	56,343
Amortization and provision for abandonment	5,805	10,972	5,109	9,043	12,700	11,834
Impairments	-	(84,935)	13,209	16,946	13,146	24,991
(Gain)/loss on disposal of assets	-	26	1,180	(26)	7	127
Other asset adjustments	-	(2,445)	4,348	(89)	(631)	-
Internal charges and transfers	4,616	1,754	5,880	8,800	8,136	7,523
Contribution to reserves	1,517	3,823	5,076	-	-	-
TOTAL EXPENSES	128,880	86,149	137,831	120,466	123,588	126,516
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (54,109)	\$ 6,076	\$ (53,592)	\$ (54,817)	\$ (50,442)	\$ (77,314)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

ENGINEERING (GAS)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	957	505	501	1,646	1,747	1,731
Contracted and general services	59	16	190	307	344	1,763
Materials, goods & utilities	110	1	16	67	171	94
Other operating expenses	-	-	1	-	-	-
Impairments	-	-	-	-	1,404	-
Internal charges and transfers	2	7	10	19	14	16
TOTAL EXPENSES	1,128	529	718	2,039	3,680	3,604
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,128)	\$ (529)	\$ (718)	\$ (2,039)	\$ (3,680)	\$ (3,604)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

STRATEGIC MANAGEMENT & ANALYSIS DIVISION (GAS)

Strategy & Analysis, Environment, Land & Government Relations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Strategy & Analysis	\$ 35,790	\$ 42,652	\$ 35,423	\$ 29,241	\$ 29,794	\$ 29,390
TOTAL REVENUE	35,790	42,652	35,423	29,241	29,794	29,390
EXPENSES						
Strategy & Analysis	3,328	2,546	2,901	2,905	2,999	4,989
Environment, Land & Government Relations	1,264	807	1,002	377	1,223	1,305
TOTAL EXPENSES	4,592	3,353	3,903	3,282	4,222	6,294
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 31,198	\$ 39,299	\$ 31,520	\$ 25,959	\$ 25,572	\$ 23,096

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

STRATEGY & ANALYSIS (GAS)

Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 35,640	\$ 42,455	\$ 35,068	\$ 28,787	\$ 27,594	\$ 27,391
Investment income	-	-	-	393	1,556	1,411
Other revenue	150	197	54	26	54	51
Internal recovery	-	-	301	35	590	537
TOTAL REVENUE	35,790	42,652	35,423	29,241	29,794	29,390
EXPENSES						
Royalties	-	-	-	-	68	145
Salaries, wages and benefits	796	591	926	1,312	1,293	2,346
Contracted and general services	362	79	248	78	84	193
Materials, goods & utilities	357	264	287	276	301	308
Provision for allowances	44	44	43	42	41	42
Bank charges & short term interest	-	-	21	-	2	-
Internal charges and transfers	1,769	1,568	1,376	1,197	1,210	1,955
TOTAL EXPENSES	3,328	2,546	2,901	2,905	2,999	4,989
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 32,462	\$ 40,106	\$ 32,522	\$ 26,336	\$ 26,795	\$ 24,401

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

ENVIRONMENT, LAND & GOVERNMENT RELATIONS (GAS) Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	1,134	678	929	326	1,114	1,180
Contracted and general services	57	75	56	37	31	45
Materials, goods & utilities	73	49	10	9	64	67
Other operating expenses	-	-	-	1	1	2
Internal charges and transfers	-	5	7	4	13	11
TOTAL EXPENSES	1,264	807	1,002	377	1,223	1,305
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,264)	\$ (807)	\$ (1,002)	\$ (377)	\$ (1,223)	\$ (1,305)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

ELECTRIC

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Energy & Infrastructure Division	\$ 83,916	\$ 173,722	\$ 104,421	\$ 56,694	\$ 62,514	\$ 42,838
Strategic Management & Analysis Division	103,098	134,892	107,450	88,730	91,144	83,943
TOTAL REVENUE	187,014	308,614	211,871	145,424	153,658	126,781
EXPENSES						
Energy & Infrastructure Division	168,790	280,789	229,568	148,359	169,984	127,977
Strategic Management & Analysis Division	1,212	10,755	1,380	1,395	1,380	989
TOTAL EXPENSES	170,002	291,544	230,948	149,754	171,364	128,966
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 17,012	\$ 17,070	\$ (19,077)	\$ (4,330)	\$ (17,706)	\$ (2,185)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

ENERGY & INFRASTRUCTURE DIVISION (ELECTRIC) City Operations, Medicine Hat Power and Water

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Operations	\$ 1,233	\$ 3,162	\$ 2,931	\$ 8,381	\$ 5,604	\$ 1,529
Medicine Hat Power and Water	82,683	170,560	101,490	48,313	56,910	41,309
TOTAL REVENUE	83,916	173,722	104,421	56,694	62,514	42,838
EXPENSES						
City Operations	21,153	25,558	29,232	21,510	20,778	18,877
Medicine Hat Power and Water	147,637	255,231	200,336	126,849	149,206	109,100
TOTAL EXPENSES	168,790	280,789	229,568	148,359	169,984	127,977
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (84,874)	\$ (107,067)	\$ (125,147)	\$ (91,665)	\$ (107,470)	\$ (85,139)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY OPERATIONS (ELECTRIC) Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 376	\$ 1,125	\$ 507	\$ 803	\$ 1,577	\$ 564
Insurance recovery	-	-	-	94	8	11
Developer levies	-	545	1,024	6,185	2,719	347
Government transfers for operating	-	-	-	-	-	55
Other revenue	27	49	116	35	37	38
Internal recovery	830	1,443	1,284	1,264	1,263	514
TOTAL REVENUE	1,233	3,162	2,931	8,381	5,604	1,529
EXPENSES						
Salaries, wages and benefits	6,345	7,851	7,148	6,637	6,431	5,463
Contracted and general services	1,132	1,314	760	1,190	1,388	1,541
Materials, goods & utilities	24	767	206	126	650	346
Provision for allowances	-	4	23	126	-	-
Interest on long-term debt	1,691	1,560	1,550	1,572	1,230	1,163
Other operating expenses	68	(79)	(12)	(23)	(47)	97
Amortization and provision for abandonment	4,636	5,604	5,319	4,939	4,670	4,314
(Gain)/loss on disposal of assets	-	34	26	7	14	44
Internal charges and transfers	5,687	6,031	5,650	5,538	5,166	4,735
Contribution to reserves	1,570	2,472	8,562	1,398	1,276	1,174
TOTAL EXPENSES	21,153	25,558	29,232	21,510	20,778	18,877
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (19,920)	\$ (22,396)	\$ (26,301)	\$ (13,129)	\$ (15,174)	\$ (17,348)

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Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

MEDICINE HAT POWER AND WATER (ELECTRIC) Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 79,987	\$ 173,792	\$ 96,591	\$ 43,672	\$ 55,109	\$ 38,986
Investment income	-	-	-	799	899	898
Realized gain/(loss) on financial instruments	-	(3,497)	(1,489)	(536)	945	296
Unrealized gain/(loss) on financial instruments	-	(2,991)	235	(6)	(57)	63
Licenses, fines and penalties	-	-	1	-	-	-
Insurance recovery	-	-	2,566	256	(4)	928
Government transfers for operating	-	-	-	-	-	121
Other revenue	2,126	2,789	3,578	4,117	11	4
Internal recovery	570	467	8	11	7	13
TOTAL REVENUE	82,683	170,560	101,490	48,313	56,910	41,309
EXPENSES						
Salaries, wages and benefits	9,837	9,365	8,313	8,644	8,246	7,752
Contracted and general services	9,437	8,847	9,293	9,172	6,994	5,164
Materials, goods & utilities	12,463	5,564	15,074	12,346	12,490	12,053
Bank charges & short term interest	1	3	-	1	1	23
Interest on long-term debt	2,641	2,523	2,499	2,308	2,436	2,605
Other operating expenses	9,287	22,434	14,779	3,869	6,824	5,023
Amortization and provision for abandonment	22,364	20,750	19,580	18,092	17,060	14,941
Impairments	-	-	-	-	65	27
(Gain)/loss on disposal of assets	-	-	-	10,511	2	257
Internal charges and transfers	59,349	89,046	57,357	32,830	31,812	23,339
Contribution to reserves	22,258	96,699	73,441	29,076	63,276	37,916
TOTAL EXPENSES	147,637	255,231	200,336	126,849	149,206	109,100
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (64,954)	\$ (84,671)	\$ (98,846)	\$ (78,536)	\$ (92,296)	\$ (67,791)

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FINANCIAL STATISTICAL SCHEDULES (Unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2018-2022
(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

STRATEGIC MANAGEMENT & ANALYSIS DIVISION (ELECTRIC)
Strategy & Analysis

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Strategy & Analysis	\$ 103,098	\$ 134,892	\$ 107,450	\$ 88,730	\$ 91,144	\$ 83,943
TOTAL REVENUE	103,098	134,892	107,450	88,730	91,144	83,943
EXPENSES						
Strategy & Analysis	1,212	10,755	1,380	1,395	1,380	989
TOTAL EXPENSES	1,212	10,755	1,380	1,395	1,380	989
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 101,886	\$ 124,137	\$ 106,070	\$ 87,335	\$ 89,764	\$ 82,954

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

STRATEGY & ANALYSIS (ELECTRIC)
Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 102,164	\$ 124,057	\$ 106,449	\$ 87,755	\$ 90,131	\$ 83,153
Government transfers for operating	-	9,666	-	-	-	-
Internal recovery	934	1,169	1,001	975	1,013	790
TOTAL REVENUE	103,098	134,892	107,450	88,730	91,144	83,943
EXPENSES						
Salaries, wages and benefits	-	-	-	-	-	1
Contracted and general services	-	-	-	-	-	4
Materials, goods & utilities	-	160	117	72	47	31
Provision for allowances	123	(142)	122	120	110	119
Other operating expenses	-	9,666	-	-	-	-
Internal charges and transfers	1,089	1,071	1,141	1,203	1,223	834
TOTAL EXPENSES	1,212	10,755	1,380	1,395	1,380	989
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 101,886	\$ 124,137	\$ 106,070	\$ 87,335	\$ 89,764	\$ 82,954

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

UTILITIES BUSINESS DEVELOPMENT & SUPPORT

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Strategic Management & Analysis Division	\$ -	\$ -	\$ -	\$ 3,965	\$ 3,207	\$ 2,488
TOTAL REVENUE	-	-	-	3,965	3,207	2,488
EXPENSES						
Strategic Management & Analysis Division	-	-	-	3,913	2,953	2,110
TOTAL EXPENSES	-	-	-	3,913	2,953	2,110
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 52	\$ 254	\$ 378

*The above represents actual transactions before consolidation eliminations.
Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).*

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

STRATEGIC MANAGEMENT & ANALYSIS DIVISION (UTILITIES BUSINESS DEVELOPMENT & SUPPORT)

Strategy & Analysis

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Strategy & Analysis	\$ -	\$ -	\$ -	\$ 3,965	\$ 3,207	\$ 2,488
TOTAL REVENUE	-	-	-	3,965	3,207	2,488
EXPENSES						
Strategy & Analysis	-	-	-	3,913	2,953	2,110
TOTAL EXPENSES	-	-	-	3,913	2,953	2,110
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 52	\$ 254	\$ 378

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

STRATEGY & ANALYSIS (UTILITIES BUSINESS DEVELOPMENT & SUPPORT)

Strategic Management & Analysis Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Investment income	\$ -	\$ -	\$ -	\$ 32	\$ 26	\$ 18
Government transfers for operating	-	-	-	-	32	197
Other revenue	-	-	-	-	1	-
Internal recovery	-	-	-	3,933	3,148	2,273
TOTAL REVENUE	-	-	-	3,965	3,207	2,488
EXPENSES						
Salaries, wages and benefits	-	-	-	2,601	2,101	1,392
Contracted and general services	-	-	-	1,161	706	605
Materials, goods & utilities	-	-	-	28	30	35
Amortization and provision for abandonment	-	-	-	1	1	1
Internal charges and transfers	-	-	-	122	115	77
TOTAL EXPENSES	-	-	-	3,913	2,953	2,110
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 52	\$ 254	\$ 378

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Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

WATER

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Energy & Infrastructure Division	\$ 24,507	\$ 25,384	\$ 25,139	\$ 23,040	\$ 27,483	\$ 24,000
TOTAL REVENUE	24,507	25,384	25,139	23,040	27,483	24,000
EXPENSES						
Energy & Infrastructure Division	23,885	22,891	21,967	20,387	20,071	18,753
TOTAL EXPENSES	23,885	22,891	21,967	20,387	20,071	18,753
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 622	\$ 2,493	\$ 3,172	\$ 2,653	\$ 7,412	\$ 5,247

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

ENERGY & INFRASTRUCTURE DIVISION (WATER)

City Assets, Medicine Hat Power and Water

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Assets	\$ 24,507	\$ 25,384	\$ 25,139	\$ 23,040	\$ 27,483	\$ 24,000
TOTAL REVENUE	24,507	25,384	25,139	23,040	27,483	24,000
EXPENSES						
City Assets	16,281	14,972	14,454	12,889	13,076	11,571
Medicine Hat Power and Water	7,604	7,919	7,513	7,498	6,995	7,182
TOTAL EXPENSES	23,885	22,891	21,967	20,387	20,071	18,753
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 622	\$ 2,493	\$ 3,172	\$ 2,653	\$ 7,412	\$ 5,247

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY ASSETS (WATER)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Municipal taxes	\$ 114	\$ 54	\$ 113	\$ 388	\$ 113	\$ 113
Sale of services	23,466	23,783	23,948	21,732	26,172	21,950
Insurance recovery	-	3	5	47	24	2
Government transfers for operating	-	-	-	-	-	11
Other revenue	137	52	94	(11)	100	1,182
Internal recovery	790	996	979	884	1,074	742
Contribution from reserves	-	496	-	-	-	-
TOTAL REVENUE	24,507	25,384	25,139	23,040	27,483	24,000
EXPENSES						
Salaries, wages and benefits	4,225	4,249	3,933	3,558	3,937	3,289
Contracted and general services	461	462	480	442	439	406
Materials, goods & utilities	375	740	541	582	663	509
Provision for allowances	38	(136)	38	43	38	37
Interest on long-term debt	2,139	2,305	2,234	2,148	1,975	1,925
Other operating expenses	-	16	(3)	(3)	3	(1)
Amortization and provision for abandonment	2,990	2,888	2,813	2,714	2,541	2,342
(Gain)/loss on disposal of assets	-	52	56	7	69	258
Internal charges and transfers	4,945	4,396	4,087	2,333	2,367	1,782
Contribution to reserves	1,108	-	275	1,065	1,044	1,024
TOTAL EXPENSES	16,281	14,972	14,454	12,889	13,076	11,571
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 8,226	\$ 10,412	\$ 10,685	\$ 10,151	\$ 14,407	\$ 12,429

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

MEDICINE HAT POWER AND WATER (WATER)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	1,555	1,781	1,614	2,005	1,640	1,726
Contracted and general services	356	259	572	307	211	341
Materials, goods & utilities	1,072	939	771	903	842	898
Interest on long-term debt	805	710	779	847	890	886
Other operating expenses	-	-	-	-	8	(11)
Amortization and provision for abandonment	2,094	2,129	2,088	1,940	1,817	1,703
(Gain)/loss on disposal of assets	-	-	-	-	(11)	140
Internal charges and transfers	1,722	2,101	1,689	1,496	1,598	1,499
TOTAL EXPENSES	7,604	7,919	7,513	7,498	6,995	7,182
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (7,604)	\$ (7,919)	\$ (7,513)	\$ (7,498)	\$ (6,995)	\$ (7,182)

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Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

SEWER

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Energy & Infrastructure Division	\$ 22,821	\$ 23,812	\$ 26,704	\$ 20,539	\$ 19,613	\$ 18,285
TOTAL REVENUE	22,821	23,812	26,704	20,539	19,613	18,285
EXPENSES						
Energy & Infrastructure Division	18,648	19,166	17,704	19,243	18,354	17,904
TOTAL EXPENSES	18,648	19,166	17,704	19,243	18,354	17,904
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 4,173	\$ 4,646	\$ 9,000	\$ 1,296	\$ 1,259	\$ 381

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

ENERGY & INFRASTRUCTURE DIVISION (SEWER)

City Assets, Medicine Hat Power and Water

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Assets	\$ 22,821	\$ 23,812	\$ 26,704	\$ 20,539	\$ 19,613	\$ 18,285
TOTAL REVENUE	22,821	23,812	26,704	20,539	19,613	18,285
EXPENSES						
City Assets	12,985	13,341	12,469	13,485	12,962	12,159
Medicine Hat Power and Water	5,663	5,825	5,235	5,758	5,392	5,745
TOTAL EXPENSES	18,648	19,166	17,704	19,243	18,354	17,904
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 4,173	\$ 4,646	\$ 9,000	\$ 1,296	\$ 1,259	\$ 381

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY ASSETS (SEWER)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Municipal taxes	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
Sale of services	22,508	23,633	22,130	20,483	19,365	17,709
Insurance recovery	-	-	-	-	-	1
Government transfers for operating	-	-	-	-	-	53
Other revenue	193	25	27	(76)	100	405
Internal recovery	7	41	49	19	35	4
Contribution from reserves	-	-	4,385	-	-	-
TOTAL REVENUE	22,821	23,812	26,704	20,539	19,613	18,285
EXPENSES						
Salaries, wages and benefits	3,592	3,067	3,205	3,351	3,290	3,241
Contracted and general services	304	463	314	566	500	453
Materials, goods & utilities	529	556	1,008	741	969	853
Provision for allowances	32	(61)	32	55	32	31
Interest on long-term debt	2,516	2,636	2,442	2,374	2,187	2,061
Other operating expenses	5	53	(11)	44	19	1
Amortization and provision for abandonment	3,855	3,678	3,443	3,264	3,009	2,722
(Gain)/loss on disposal of assets	-	46	359	1	15	30
Internal charges and transfers	1,299	1,917	1,677	2,270	2,136	1,979
Contribution to reserves	853	986	-	820	804	788
TOTAL EXPENSES	12,985	13,341	12,469	13,485	12,962	12,159
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 9,836	\$ 10,471	\$ 14,235	\$ 7,054	\$ 6,651	\$ 6,126

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

MEDICINE HAT POWER AND WATER (SEWER)

Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	1,392	1,497	1,350	1,506	1,435	1,580
Contracted and general services	171	204	143	204	330	448
Materials, goods & utilities	722	823	741	1,060	794	866
Interest on long-term debt	311	270	298	302	307	328
Amortization and provision for abandonment	1,198	1,015	978	894	826	936
Internal charges and transfers	1,869	2,016	1,725	1,792	1,700	1,587
TOTAL EXPENSES	5,663	5,825	5,235	5,758	5,392	5,745
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,663)	\$ (5,825)	\$ (5,235)	\$ (5,758)	\$ (5,392)	\$ (5,745)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)**FOR THE YEARS ENDED DECEMBER 31, 2018-2022***(in thousands of dollars)***SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION****SOLID WASTE**

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Energy & Infrastructure Division	\$ 12,667	\$ 12,648	\$ 12,575	\$ 12,981	\$ 13,123	\$ 12,096
TOTAL REVENUE	12,667	12,648	12,575	12,981	13,123	12,096
EXPENSES						
Energy & Infrastructure Division	11,439	11,573	11,145	12,695	11,592	11,142
TOTAL EXPENSES	11,439	11,573	11,145	12,695	11,592	11,142
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,228	\$ 1,075	\$ 1,430	\$ 286	\$ 1,531	\$ 954

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT**ENERGY & INFRASTRUCTURE DIVISION (SOLID WASTE)****City Assets**

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
City Assets	\$ 12,667	\$ 12,648	\$ 12,575	\$ 12,981	\$ 13,123	\$ 12,096
TOTAL REVENUE	12,667	12,648	12,575	12,981	13,123	12,096
EXPENSES						
City Assets	11,439	11,573	11,145	12,695	11,592	11,142
TOTAL EXPENSES	11,439	11,573	11,145	12,695	11,592	11,142
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,228	\$ 1,075	\$ 1,430	\$ 286	\$ 1,531	\$ 954

*The above represents actual transactions before consolidation eliminations.**Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).*

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CITY ASSETS (SOLID WASTE) Energy & Infrastructure Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 9,889	\$ 9,962	\$ 9,845	\$ 9,708	\$ 9,473	\$ 9,797
Insurance recovery	-	-	-	3	-	-
Other revenue	346	346	320	882	1,280	194
Internal recovery	2,432	2,340	2,410	2,388	2,370	2,105
TOTAL REVENUE	12,667	12,648	12,575	12,981	13,123	12,096
EXPENSES						
Salaries, wages and benefits	2,882	2,785	2,710	2,968	3,139	3,208
Contracted and general services	2,620	2,586	2,575	2,697	2,233	2,153
Materials, goods & utilities	99	157	121	127	159	224
Provision for allowances	17	44	17	21	17	38
Bank charges & short term interest	2	5	5	5	1	2
Interest on long-term debt	39	38	43	52	64	83
Other operating expenses	-	-	-	-	-	1
Amortization and provision for abandonment	914	755	746	733	610	435
(Gain)/loss on disposal of assets	-	1	2	1	1	61
Other asset adjustments	90	(1,175)	(1,724)	772	270	(191)
Internal charges and transfers	4,338	3,847	3,900	4,898	4,685	4,723
Contribution to reserves	438	2,530	2,750	421	413	405
TOTAL EXPENSES	11,439	11,573	11,145	12,695	11,592	11,142
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,228	\$ 1,075	\$ 1,430	\$ 286	\$ 1,531	\$ 954

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DIVISION

INVEST MEDICINE HAT

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Invest Medicine Hat Division	\$ 14,669	\$ 8,934	\$ 9,090	\$ 8,028	\$ 8,863	\$ 9,806
Corporate Services Division	-	-	-	605	-	-
TOTAL REVENUE	14,669	8,934	9,090	8,633	8,863	9,806
EXPENSES						
Invest Medicine Hat Division	12,273	11,401	9,783	8,651	7,996	12,499
Corporate Services Division	-	-	-	610	-	-
TOTAL EXPENSES	12,273	11,401	9,783	9,261	7,996	12,499
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,396	\$ (2,467)	\$ (693)	\$ (628)	\$ 867	\$ (2,693)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

INVEST MEDICINE HAT DIVISION

Investment & Strategic Planning, Land

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Investment & Strategic Planning	\$ 1,365	\$ 1,392	\$ 1,433	\$ 1,631	\$ 1,618	\$ 1,497
Land	13,304	7,542	7,657	6,397	7,245	8,309
TOTAL REVENUE	14,669	8,934	9,090	8,028	8,863	9,806
EXPENSES						
Investment & Strategic Planning	3,973	1,495	1,611	1,707	1,537	1,417
Land	8,300	9,906	8,172	6,944	6,459	11,082
TOTAL EXPENSES	12,273	11,401	9,783	8,651	7,996	12,499
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,396	\$ (2,467)	\$ (693)	\$ (623)	\$ 867	\$ (2,693)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

INVESTMENT & STRATEGIC PLANNING

Invest Medicine Hat Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Insurance recovery	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
Developer levies	-	-	30	8	-	-
Government transfers for operating	-	-	-	30	38	-
Other revenue	-	27	22	-	-	-
Internal recovery	1,365	1,365	1,381	1,592	1,580	1,497
TOTAL REVENUE	1,365	1,392	1,433	1,631	1,618	1,497
EXPENSES						
Salaries, wages and benefits	536	337	308	458	130	114
Contracted and general services	671	619	628	887	1,007	1,004
Materials, goods & utilities	34	43	21	13	10	4
Cost of land sold	-	-	-	-	-	-
Cost of oil and gas sold	-	-	-	-	-	-
Grants and other transfers	-	383	517	234	278	190
Other operating expenses	2,600	-	-	-	-	-
Amortization and provision for abandonment	8	7	7	8	7	4
Internal charges and transfers	124	106	130	107	105	101
TOTAL EXPENSES	3,973	1,495	1,611	1,707	1,537	1,417
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (2,608)	\$ (103)	\$ (178)	\$ (76)	\$ 81	\$ 80

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

LAND

Invest Medicine Hat Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Sale of services	\$ 9,573	\$ 3,820	\$ 4,082	\$ 5,548	\$ 4,204	\$ 7,037
Licenses, fines and penalties	3	(3)	2	-	(4)	6
Insurance recovery	-	-	-	-	6	-
Developer levies	-	-	9	7	266	-
Other revenue	570	598	708	795	754	656
Internal recovery	3,158	3,127	2,856	47	2,019	610
TOTAL REVENUE	13,304	7,542	7,657	6,397	7,245	8,309
EXPENSES						
Salaries, wages and benefits	529	443	919	1,032	660	676
Contracted and general services	323	161	177	330	226	278
Materials, goods & utilities	76	(34)	(8)	12	(63)	(59)
Cost of land sold	6,188	3,160	3,226	3,773	2,994	4,847
Bank charges & short term interest	-	18	9	17	15	12
Grants and other transfers	-	-	-	23	-	-
Other operating expenses	-	-	-	-	4	-
Amortization and provision for abandonment	99	303	191	58	37	41
(Gain)/loss on disposal of assets	-	468	-	-	-	-
Inventory adjustments	-	511	366	241	-	42
Internal charges and transfers	1,085	1,100	845	1,458	843	819
Contribution to reserves	-	3,776	2,447	-	1,743	4,426
TOTAL EXPENSES	8,300	9,906	8,172	6,944	6,459	11,082
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 5,004	\$ (2,364)	\$ (515)	\$ (547)	\$ 786	\$ (2,773)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

FINANCIAL STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018-2022

(in thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSE BY DEPARTMENT

CORPORATE SERVICES DIVISION

Corporate Communications

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Corporate Communications	\$ -	\$ -	\$ -	\$ 605	\$ -	\$ -
TOTAL REVENUE	-	-	-	605	-	-
EXPENSES						
Corporate Communications	-	-	-	610	-	-
TOTAL EXPENSES	-	-	-	610	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	(5)	\$ -	\$ -

SCHEDULE OF OPERATING REVENUE & EXPENSE BY OBJECT

CORPORATE COMMUNICATIONS

Corporate Services Division

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
REVENUE						
Internal recovery	\$ -	\$ -	\$ -	\$ 605	\$ -	\$ -
TOTAL REVENUE	-	-	-	605	-	-
EXPENSES						
Salaries, wages and benefits	-	-	-	462	-	-
Contracted and general services	-	-	-	87	-	-
Materials, goods & utilities	-	-	-	15	-	-
Internal charges and transfers	-	-	-	46	-	-
TOTAL EXPENSES	-	-	-	610	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	(5)	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. The changes do not affect prior year excess (deficiency).

SCHEDULE OF CAPITAL SEGMENTED REPORTING
FOR THE YEAR ENDED DECEMBER 31, 2022 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2022 Consolidated
Financing									
Contributed assets - private	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133
Debt - ACFA	1,912	\$ 2,253	\$ 20,395	\$ 7,525	\$ 9,656	\$ -	\$ -	-	41,741
Debt - internal	5,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	5,569
Developers levies	118	\$ 234	\$ 544	\$ -	\$ -	\$ -	\$ -	-	896
Government transfers	13,979	\$ 9,023	\$ 4,223	\$ 3,036	\$ 4,577	\$ -	\$ 750	-	35,588
Operations	1,126	\$ 501	\$ 12,272	\$ 562	\$ 845	\$ (600)	\$ (84)	-	14,622
Reserves	9,933	\$ 2,301	\$ -	\$ -	\$ -	\$ -	\$ -	-	12,234
	32,770	14,312	37,434	11,123	15,078	(600)	666	-	110,783
Expenses									
Engineered structures	8,869	3,599	27,083	7,499	7,949	-	7	-	55,006
Buildings	9,334	-	35	-	-	-	-	-	9,369
Machinery and equipment	2,583	5	(3)	81	31	50	532	-	3,279
Land improvements	7,628	-	-	-	-	-	135	-	7,763
Mobile equipment	1,025	-	-	-	-	-	-	-	1,025
	29,439	3,604	27,115	7,580	7,980	50	674	-	76,442
Change in Capital Fund	3,331	10,708	10,319	3,543	7,098	(650)	(8)	-	34,341

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

GENERAL FUND

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Services	103	1,600	2,887	1,478	2,138	881
Public Services	5,625	7,589	15,958	7,398	5,031	5,266
Police Services	454	316	178	175	165	466
Strategic Management & Analysis	-	-	-	13	-	45
Energy & Infrastructure	13,848	23,265	21,852	27,881	37,247	39,537
TOTAL FINANCING	20,030	32,770	40,875	36,945	44,581	46,195
EXPENSES						
General Government	-	-	-	-	-	-
Corporate Services	103	1,177	2,892	1,392	2,471	2,781
Public Services	5,625	9,567	15,144	6,829	4,642	5,386
Police Services	454	71	141	157	165	466
Strategic Management & Analysis	-	-	70	129	4	55
Energy & Infrastructure	13,848	18,624	22,660	28,024	35,548	51,483
TOTAL EXPENSES	20,030	29,439	40,907	36,531	42,830	60,171
CHANGE IN CAPITAL FUND	\$ -	\$ 3,331	\$ (32)	\$ 414	\$ 1,751	\$ (13,976)

GENERAL GOVERNMENT

City Manager & Managing Directors; City Solicitor; General Municipal Revenues; Mayor & Councilors

No Capital

CITY MANAGER & MANAGING DIRECTORS

General Government

No Capital

CITY SOLICITOR

General Government

No Capital

GENERAL MUNICIPAL REVENUES

General Government

No Capital

MAYOR & COUNCILORS

General Government

No Capital

The above represents actual transactions before consolidation eliminations.
Prior years have been reclassified to conform to the presentation used in the current year. Change in capital fund has not been affected.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

CORPORATE SERVICES

Finance; Information Technology; Human Resources; Corporate Communications

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - internal	\$ -	\$ 997	\$ 1,300	\$ 640	\$ 1,237	\$ 225
Government transfers	-	36	437	678	426	555
Operations	103	103	908	160	667	16
Reserves	-	464	242	-	(192)	85
TOTAL FINANCING	103	1,600	2,887	1,478	2,138	881
EXPENSES						
Machinery and equipment	103	1,177	2,892	1,392	2,471	2,781
TOTAL EXPENSES	103	1,177	2,892	1,392	2,471	2,781
CHANGE IN CAPITAL FUND	\$ -	\$ 423	\$ (5)	\$ 86	\$ (333)	\$ (1,900)

FINANCE

Corporate Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -
Reserves	-	-	-	-	(187)	-
TOTAL FINANCING	-	-	-	-	(137)	-
EXPENSES						
Machinery and equipment	-	-	-	-	63	-
TOTAL EXPENSES	-	-	-	-	63	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ (200)	\$ -

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

INFORMATION TECHNOLOGY

Corporate Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - internal	\$ -	\$ 997	\$ 1,300	\$ 640	\$ 1,237	\$ 225
Government transfers	-	36	437	678	426	555
Reserves	-	464	250	-	-	-
Operations	103	103	908	160	617	16
TOTAL FINANCING	103	1,600	2,895	1,478	2,280	796
EXPENSES						
Machinery and equipment	103	1,177	2,892	1,392	2,336	2,781
TOTAL EXPENSES	103	1,177	2,892	1,392	2,336	2,781
CHANGE IN CAPITAL FUND	\$ -	\$ 423	\$ 3	\$ 86	\$ (56)	\$ (1,985)

HUMAN RESOURCES

Corporate Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Reserves	\$ -	\$ -	\$ (8)	\$ -	\$ (5)	\$ 85
TOTAL FINANCING	-	-	(8)	-	(5)	85
EXPENSES						
Machinery and equipment	-	-	-	-	72	-
TOTAL EXPENSES	-	-	-	-	72	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (8)	\$ -	\$ (77)	\$ 85

CORPORATE COMMUNICATIONS

Corporate Services

No Capital

The above represents actual transactions before consolidation eliminations.
Prior years have been reclassified to conform to the presentation used in the current year. Change in capital fund has not been affected.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

PUBLIC SERVICES DIVISION

Community Development; Parks & Recreation; Emergency Services; Other Organizations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 133	\$ 313	\$ 100	\$ 478	\$ 105
Debt - ACFA	2,590	1,592	1,333	1,582	-	-
Debt - internal	1,409	1,604	2,185	880	978	401
Developers levies	-	118	351	191	102	185
Government transfers	31	2,200	10,564	2,706	2,526	3,122
Land sales	-	-	-	-	-	92
Operations	1,297	820	960	925	827	817
Other	-	-	-	-	43	-
Reserves	298	1,122	252	1,014	77	544
TOTAL FINANCING	5,625	7,589	15,958	7,398	5,031	5,266
EXPENSES						
Engineered structures	-	(1,275)	2,351	125	(352)	1,383
Buildings	584	2,507	5,097	830	1,599	671
Machinery and equipment	391	875	366	529	913	399
Land	-	-	-	-	46	-
Land improvements	4,650	7,460	7,330	5,345	2,436	2,933
TOTAL EXPENSES	5,625	9,567	15,144	6,829	4,642	5,386
CHANGE IN CAPITAL FUND	\$ -	\$ (1,978)	\$ 814	\$ 569	\$ 389	\$ (120)

COMMUNITY DEVELOPMENT

Public Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Government transfers	\$ -	\$ 442	\$ 41	\$ 45	\$ 745	\$ 304
Operations	77	-	90	-	116	52
Reserves	298	299	(42)	290	(94)	-
TOTAL FINANCING	375	741	89	335	767	356
EXPENSES						
Buildings	375	261	-	-	175	-
Machinery and equipment	-	554	89	80	576	301
Land improvements	-	-	-	-	-	55
TOTAL EXPENSES	375	815	89	80	751	356
CHANGE IN CAPITAL FUND	\$ -	\$ (74)	\$ -	\$ 255	\$ 16	\$ -

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

PARKS & RECREATION

Public Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 133	\$ 313	\$ 100	\$ 478	\$ 105
Debt - ACFA	2,590	1,592	1,333	1,582	-	-
Debt - internal	1,409	1,604	2,185	880	978	341
Developers levies	-	104	337	191	102	185
Government transfers	31	1,758	10,523	2,661	1,781	2,818
Land sales	-	-	-	-	-	92
Operations	1,160	760	810	770	389	765
Other	-	-	-	-	43	-
Reserves	-	617	294	755	223	518
TOTAL FINANCING	5,190	6,568	15,795	6,939	3,994	4,824
EXPENSES						
Engineered structures	-	(1,275)	2,351	125	(352)	1,383
Buildings	209	2,246	5,097	830	1,424	665
Machinery and equipment	331	246	203	129	302	(58)
Land	-	-	-	-	46	-
Land improvements	4,650	7,460	7,330	5,345	2,436	2,878
TOTAL EXPENSES	5,190	8,677	14,981	6,429	3,856	4,868
CHANGE IN CAPITAL FUND	\$ -	\$ (2,109)	\$ 814	\$ 510	\$ 138	\$ (44)

EMERGENCY SERVICES

Public Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Developers levies	\$ -	\$ 14	\$ 14	\$ -	\$ -	\$ -
Debt - internal	-	-	-	-	-	60
Operations	60	60	60	155	322	-
Reserves	-	206	-	(31)	(52)	26
TOTAL FINANCING	60	280	74	124	270	86
EXPENSES						
Machinery and equipment	60	75	74	320	35	156
TOTAL EXPENSES	60	75	74	320	35	162
CHANGE IN CAPITAL FUND	\$ -	\$ 205	\$ -	\$ (196)	\$ 235	\$ (76)

OTHER ORGANIZATIONS

No Capital

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

POLICE SERVICE

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - internal	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ 292
Operations	250	126	179	175	165	34
Reserves	181	190	(1)	-	-	140
TOTAL FINANCING	454	316	178	175	165	466
EXPENSES						
Machinery and equipment	204	71	141	157	165	466
Land improvements	250	-	-	-	-	-
TOTAL EXPENSES	454	71	141	157	165	466
CHANGE IN CAPITAL FUND	\$ -	\$ 245	\$ 37	\$ 18	\$ -	\$ -

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

STRATEGIC MANAGEMENT & ANALYSIS

Planning & Development Services; Integrated Project Planning & Execution; Environmental, Land & Government Relations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45
Reserves	-	-	-	13	-	-
TOTAL FINANCING	-	-	-	13	-	45
EXPENSES						
Machinery and equipment	-	-	70	129	4	55
TOTAL EXPENSES	-	-	70	129	4	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (70)	\$ (116)	\$ (4)	\$ (10)

PLANNING & DEVELOPMENT SERVICES

Strategic Management & Analysis

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45
Reserves	-	-	-	13	-	-
TOTAL FINANCING	-	-	-	13	-	45
EXPENSES						
Machinery and equipment	-	-	70	129	4	55
TOTAL EXPENSES	-	-	70	129	4	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (70)	\$ (116)	\$ (4)	\$ (10)

INTEGRATED PROJECT PLANNING & EXECUTION

Strategic Management & Analysis

No Capital

ENVIRONMENTAL, LAND & GOVERNMENT RELATIONS

Strategic Management & Analysis

No Capital

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

ENERGY & INFRASTRUCTURE

City Assets; City Operations

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ 1,703	\$ -	\$ -	\$ -
Developers levies	-	-	-	183	1,144	2,145
Debt - ACFA	-	320	580	1,400	1,600	-
Debt - internal	2,085	2,968	974	3,184	5,028	257
Government transfers	7,095	11,743	16,463	16,065	17,265	25,721
Land sales	-	-	-	-	-	6
Operations	-	77	1	150	-	2,968
Other	-	-	-	143	280	595
Reserves	4,668	8,157	2,131	6,756	11,930	7,845
TOTAL FINANCING	13,848	23,265	21,852	27,881	37,247	39,537
EXPENSES						
Engineered structures	7,169	10,144	5,353	13,796	13,672	19,167
Buildings	3,211	6,827	3,978	4,804	9,169	15,408
Machinery and equipment	1,110	460	720	5,456	3,764	2,249
Land improvements	-	168	11,087	123	426	6,777
Mobile equipment	2,358	1,025	1,522	3,845	8,517	7,882
TOTAL EXPENSES	13,848	18,624	22,660	28,024	35,548	51,483
CHANGE IN CAPITAL FUND	\$ -	\$ 4,641	\$ (808)	\$ (143)	\$ 1,699	\$ (11,946)

The above represents actual transactions before consolidation eliminations.

Prior years have been reclassified to conform to the presentation used in the current year. Change in capital fund has not been affected.

FINANCIAL & STATISTICAL SCHEDULES *(Unaudited)*

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

CITY OPERATIONS

Energy & Infrastructure

Building Services, Fleet Services

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Developers levies	\$ -	\$ -	\$ -	\$ 49	\$ 327	\$ 801
Debt - ACFA	-	320	580	1,400	1,600	-
Debt - internal	2,011	2,434	705	2,127	2,126	257
Government transfers	-	1,376	2,510	3,121	9,137	7,320
Other	-	-	-	143	280	595
Operations	-	77	1	150	-	1,718
Reserves	4,668	6,229	2,097	6,477	10,116	8,264
TOTAL FINANCING	6,679	10,436	5,893	13,467	23,586	18,955
EXPENSES						
Engineered structures	-	-	-	-	6	284
Buildings	3,211	6,827	3,978	4,804	9,169	15,408
Machinery and equipment	1,110	460	720	4,838	3,764	2,249
Land improvements	-	-	481	123	366	221
Mobile equipment	2,358	1,025	1,522	3,845	8,517	7,882
TOTAL EXPENSES	6,679	8,312	6,701	13,610	21,822	26,044
CHANGE IN CAPITAL FUND	\$ -	\$ 2,124	\$ (808)	\$ (143)	\$ 1,764	\$ (7,089)

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

CITY ASSETS

Energy & Infrastructure

Surface, MW Engineering, Airport

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ 1,703	\$ -	\$ -	\$ -
Debt - internal	74	534	269	1,057	2,902	-
Developers levies	-	-	-	134	817	1,344
Government transfers	7,095	10,367	13,953	12,944	8,128	18,401
Land sales	-	-	-	-	-	6
Operations	-	-	-	-	-	1,250
Reserves	-	1,928	34	279	1,814	(419)
TOTAL FINANCING	7,169	12,829	15,959	14,414	13,661	20,582
EXPENSES						
Engineered structures	7,169	10,144	5,353	13,796	13,666	18,883
Machinery and equipment	-	-	-	618	-	-
Land improvements	-	168	10,606	-	60	6,556
TOTAL EXPENSES	7,169	10,312	15,959	14,414	13,726	25,439
CHANGE IN CAPITAL FUND	\$ -	\$ 2,517	\$ -	\$ -	\$ (65)	\$ (4,857)

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

GAS

Energy & Infrastructure

Gas Distribution, NGPR

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - ACFA	\$ 3,914	\$ 2,253	\$ 1,618	\$ -	\$ 2,134	\$ 500
Developers levies	-	234	300	355	533	388
Government transfers	-	9,023	-	-	-	-
Operations	514	501	906	1,220	4,055	1,597
Reserves	-	2,301	1,647	461	5,753	17,034
TOTAL FINANCING	4,428	14,312	4,471	2,036	12,475	19,519
EXPENSES						
Engineered structures	4,057	3,599	2,581	3,669	11,698	18,724
Buildings	-	-	-	-	509	-
Machinery and equipment	371	5	22	460	338	575
TOTAL EXPENSES	4,428	3,604	2,603	4,129	12,545	19,299
CHANGE IN CAPITAL FUND	\$ -	\$ 10,708	\$ 1,868	\$ (2,093)	\$ (70)	\$ 220

ELECTRIC

Energy & Infrastructure

Electric Distribution, Electric Generation

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - ACFA	\$ 2,772	\$ 20,395	\$ 11,505	\$ 14,608	\$ 12,146	\$ 4,887
Developers levies	-	544	1,024	6,233	2,719	332
Government transfers	70	4,223	-	-	-	-
Operations	11,727	12,272	11,118	13,418	18,509	9,621
Reserves	-	-	(153)	430	7,330	3,900
TOTAL FINANCING	14,569	37,434	23,494	34,689	40,704	18,740
EXPENSES						
Engineered structures	14,089	27,083	31,774	36,070	29,552	16,526
Buildings	300	35	149	1,287	1,408	3,002
Machinery and equipment	180	(3)	63	180	2,161	229
Land improvements	-	-	-	-	-	153
TOTAL EXPENSES	14,569	27,115	31,986	37,537	33,121	19,910
CHANGE IN CAPITAL FUND	\$ -	\$ 10,319	\$ (8,492)	\$ (2,848)	\$ 7,583	\$ (1,170)

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

WATER

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Debt - ACFA	\$ 1,000	\$ 7,525	\$ 7,987	\$ 10,122	\$ 16,903	\$ 2,900
Government transfers	5,000	3,036	12	-	-	-
Operations	1,395	562	-	1,290	1,028	1,037
Reserves	-	-	(15)	-	-	-
TOTAL FINANCING	7,395	11,123	7,984	11,412	17,931	3,937
EXPENSES						
Engineered structures	7,395	7,499	8,776	10,746	12,863	11,703
Buildings	-	-	-	-	-	150
Machinery and equipment	-	81	501	113	(182)	3,001
Land improvements	-	-	-	-	-	(1)
TOTAL EXPENSES	7,395	7,580	9,277	10,859	12,681	14,853
CHANGE IN CAPITAL FUND	\$ -	\$ 3,543	\$ (1,293)	\$ 553	\$ 5,250	\$ (10,916)

SEWER

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ 119	\$ -	\$ -	\$ -
Debt - ACFA	1,500	9,656	14,917	10,760	18,494	2,900
Debt - Infrastructure	-	-	-	-	174	19
Reserves	-	-	-	-	-	-
Government transfers	8,400	4,577	-	-	-	-
Land sales	-	-	-	-	-	-
Operations	1,095	845	(473)	593	1,713	549
Other	-	-	-	-	-	(45)
TOTAL FINANCING	10,995	15,078	14,563	11,353	20,381	3,423
EXPENSES						
Engineered structures	10,995	7,949	14,260	15,839	12,482	16,005
Buildings	-	-	-	-	-	36
Machinery and equipment	-	31	77	37	146	37
Land Improvements	-	-	-	-	-	(44)
Land	-	-	-	-	173	19
TOTAL EXPENSES	10,995	7,980	14,337	15,876	12,801	16,053
CHANGE IN CAPITAL FUND	\$ -	\$ 7,098	\$ 226	\$ (4,523)	\$ 7,580	\$ (12,630)

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FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2018 - 2022

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES

SOLID WASTE

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Operations	\$ 515	\$ (600)	\$ 564	\$ (248)	\$ (88)	\$ 121
TOTAL FINANCING	515	(600)	564	(248)	(88)	121
EXPENSES						
Engineered structures	-	-	-	-	(164)	25
Buildings	-	-	53	27	130	172
Machinery and equipment	515	50	45	77	46	1,886
Land improvements	-	-	112	161	2,286	(32)
TOTAL EXPENSES	515	50	210	265	2,298	2,051
CHANGE IN CAPITAL FUND	\$ -	\$ (650)	\$ 354	\$ (513)	\$ (2,386)	\$ (1,930)

INVEST MEDICINE HAT

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
FINANCING						
Government transfers	\$ -	\$ 750	\$ 1,979	\$ 21	\$ -	\$ -
Debt - internal	-	-	-	508	9	217
Contributed assets - private	-	-	60	-	-	-
Operations	543	(84)	834	83	-	3
Reserves	-	-	145	(487)	1,441	-
TOTAL FINANCING	543	666	3,018	125	1,450	220
EXPENSES						
Engineered structures	-	7	8	-	16	8
Buildings	-	-	256	612	9	217
Machinery and equipment	-	532	1,699	95	-	4
Land improvements	543	135	2,407	25	-	-
Land	-	-	-	-	-	-
TOTAL EXPENSES	543	674	4,370	732	25	229
CHANGE IN CAPITAL FUND	\$ -	\$ (8)	\$ (1,352)	\$ (607)	\$ 1,425	\$ (9)

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OUR VISION

To make Medicine Hat a “community of choice.”

OUR MISSION

To deliver value through exceptional public service.

OUR VALUES

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

- Respect
- Integrity
- Accountability
- Courage
- Caring

MEDICINE HAT COUNCIL’S STRATEGIC PLAN 2019 - 2022

Six strategic priorities:

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

