

Purpose. Pride. Progress.

# The City of Calgary 2015 ANNUAL REPORT

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**The City of Calgary, Alberta** | ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2015  
Produced by the Chief Financial Officer's Department of The City of Calgary, in cooperation  
with all civic departments, offices and agencies.



## Calgary at a glance

- 1,230,915 *Population*
- 2.99% *Population growth*
- 35.5 *Median age*
- 6.1% *Unemployment rate*
- 848 km<sup>2</sup> *City area (same as 2014)*
- 800 km *City pathways*
- 270 *City-supported events*
- \$469,359 *MLS average selling price*
- 2,869 *Single family housing starts*
- 16,132 *Total building permits issued*



# Message From The Mayor

Over the past year, we've seen the value of public service come into sharper focus. A changing economic environment means that your City government must adapt to new realities.

**But one thing hasn't changed: We have always been there for you and your family when you need us. And we always will be.**

Despite the current economic situation, Calgary continues to draw new citizens from across the country and around the world. It is our responsibility to ensure every Calgarian, newcomers and long-time residents alike, enjoys the opportunity this city provides: A great place to make a living. A great place to make a life.

Whether The City of Calgary is building more and improved transportation options or creating more innovative ways for citizens to do business or interact with their City, your government is acting with purpose to make this community better every day. That's one reason our four-year budget and business plan is called the Action Plan. We are always working hard to improve the lives of Calgarians.

City Council unanimously passed a resilience budget responding to the current economic downturn. I can't recall the last time a budget was unanimously passed and that is a testament to the confidence Council has in the ability of this government to serve Calgarians very well. As many of our fellow citizens feel the pain of layoffs due to the drop in oil prices, The City is here to provide the services and build the infrastructure Calgarians need – while slightly reducing the planned property tax increase.

I am particularly proud of the work done this year to create more opportunity for all Calgarians. Investments in public transit, the public library and recreation facilities pay dividends for all citizens.

A highlight for me this year was the launch of the Fair Entry single-application process for City-subsidized programs. By making important programming more accessible to Calgarians in need, we're fulfilling the promise of a government that truly serves all its citizens.

In our last Citizen Satisfaction Survey, 86 per cent of Calgarians said the quality of life is good and 88 per cent agree Calgary is on the right track to being a better city 10 years from now.

The same survey showed we are more nervous about the future but we remain proud, optimistic, and happy with our municipal government. Thanks to my over 15,000 colleagues at The City for the work they do every day to keep this community one of the very best places in the world to live.



Naheed Nenshi  
Mayor







## City Council



Ward 1 Councillor  
**Ward Sutherland**  
[calgary.ca/ward1](http://calgary.ca/ward1)



Ward 2 Councillor  
**Joe Magliocca**  
[calgary.ca/ward2](http://calgary.ca/ward2)



Ward 3 Councillor  
**Jim Stevenson**  
[calgary.ca/ward3](http://calgary.ca/ward3)



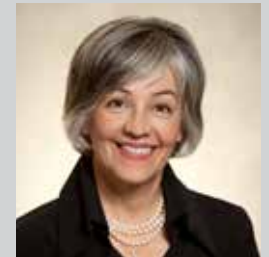
Ward 4 Councillor  
**Sean Chu**  
[calgary.ca/ward4](http://calgary.ca/ward4)



Ward 5 Councillor  
**Ray Jones**  
[calgary.ca/ward5](http://calgary.ca/ward5)



Ward 6 Councillor  
**Richard Pootmans**  
[calgary.ca/ward6](http://calgary.ca/ward6)



Ward 7 Councillor  
**Druh Farrell**  
[calgary.ca/ward7](http://calgary.ca/ward7)



Ward 8 Councillor  
**Evan Woolley**  
[calgary.ca/ward8](http://calgary.ca/ward8)



Ward 9 Councillor  
**Gian-Carlo Carra**  
[calgary.ca/ward9](http://calgary.ca/ward9)



Ward 10 Councillor  
**Andre Chabot**  
[calgary.ca/ward10](http://calgary.ca/ward10)



Ward 11 Councillor  
**Brian Pincott**  
[calgary.ca/ward11](http://calgary.ca/ward11)



Ward 12 Councillor  
**Shane Keating**  
[calgary.ca/ward12](http://calgary.ca/ward12)



Ward 13 Councillor  
**Diane Colley-Urquhart**  
[calgary.ca/ward13](http://calgary.ca/ward13)



Ward 14 Councillor  
**Peter Demong**  
[calgary.ca/ward14](http://calgary.ca/ward14)

The role of City Council is to govern The City of Calgary, Calgary's municipal corporation, to ensure it provides the civic services Calgarians need and want. In carrying out its many duties, City Council must respond to citizens' concerns, as well as anticipate emerging opportunities and plan for the community's long-term development and growth.

## Corporate Governance and Accountability

Accordingly, City Council members sit on a variety of boards, commissions and committees. Their participation provides a critical link between Calgary's communities, agencies and the workings of the municipal government. The City has implemented corporate governance following current best practices and the Corporate governance guidelines of the Canadian Securities Administrators to the extent they may be applicable to municipalities.

City Council is comprised of 14 Councillors, each representing a ward, and the Mayor, representing the entire city. They are elected by and accountable to the people of Calgary. The Mayor and Councillors hold office for four-year terms. After every civic election, the City Clerk and City Solicitor brief new Members of Council on the responsibilities of their office, the Procedures Bylaw, and other information pertinent to their positions, including ethical guidelines which require them to excuse themselves from all discussions involving issues in which they have a financial interest. Throughout their term in office, Members of Council pursue ongoing training and education. Council meets on two Mondays each month (except in August).

One of these meetings is a regular Council meeting where the recommendations from the Standing Policy Committees (SPC) are approved and the results of any strategic planning sessions are shared. The other meeting is a combined Council meeting and public hearing where planning matters are also discussed. Regular and open communication with Administration is central to setting and achieving The Corporation's mission, vision, goals, strategies and actions.

### CITY OF CALGARY COMMITTEES

In 2015, Council set priorities, established policies and made decisions through the Standing Policy Committees, which include the SPC on Community & Protective Services, SPC on Planning and Urban Development, SPC on Transportation & Transit, and SPC on Utilities and Corporate Services, along with Council Strategic Sessions, the Priorities and Finance Committee, the Intergovernmental Affairs Committee, the Gas, Power and Telecommunications Committee, the Audit Committee, and the Land and Asset Strategy Committee. The public is welcome to attend and make presentations at SPCs.

The decisions and directions that come out of committee meetings are forwarded to City Council for final approval. The Priorities and Finance Committee generally meets twice monthly. During 2015, the committee recommended appointments to various boards, commissions, committees and other bodies when vacancies occurred throughout the year following Council's Organizational Meeting. The committee maintained a process for regular review and reporting of Council's legislative governance practices and proposed legislative amendments related to governance. The Priorities and Finance Committee also provides annual written performance evaluations of the City Manager and ongoing monitoring as required by the Municipal Government Act. The Audit Committee oversees the activities of the City Auditor's Office, the external auditor, and The City's internal controls and management information systems. This ensures Administration's accountability to Council and adherence to the Integrated Risk Management Policy.



For more information about City Council, the various boards, commissions and committees, and any of the Administration and Council policies referenced here, visit [calgary.ca](http://calgary.ca).

## CITY OF CALGARY POLICIES

Council establishes policies for governing The City and Administration provides employee conduct policies. The City's Code of Conduct and Conflict of Interest policies, which apply equally to all City employees, provide guidelines for employee conduct in fulfilling their day-to-day responsibilities.

The Code of Conduct is a suite of policies directing employee behaviour in the workplace – including the Acceptable Use of City Technology Resources Policy, Occupational Health and Safety Policy and a Respectful Workplace Policy. It demonstrates our commitment to creating and sustaining a healthy, safe, and caring work environment where all employees are treated with respect, honesty and integrity.

The Council-approved Whistle-Blower Policy is also a part of The City's ongoing efforts to support open, ethical, accountable and transparent local government. This policy provides additional mechanisms to ensure processes are in place to prevent, detect, report and investigate any suspected acts of waste or wrongdoing.

In 2014, Council adopted a Disclosure Policy for Members of Council. Through proactive disclosure to the public of Real Estate and Financial Holdings, Members of Council help build confidence in their ability to separate personal and corporate interests and increase transparency to the public.

Council employs a Triple Bottom Line decision-making approach, under the umbrella of the Sustainability 20/20 direction that takes into account the potential environmental, social and economic impacts of The City's actions and operations. The City's EnviroSystem, our ISO 14001-registered environmental Management System, helps identify, track and continually improve The City's performance and decision-making. The City's Sustainable Environmental and Ethical Procurement Policy

also supports the purchase of products and services that minimize any negative impact on society and the environment, while obtaining good value for money.

Public availability of The City's financial information is a cornerstone of transparency and accountability. Council leads an accountable and transparent business planning and budget preparation process by directing Administration with early guidelines for spending on services and revenue generation, and by providing opportunities for public engagement, review and comment on the budget prior to approval.

The City of Calgary develops its business plans and budgets in multi-year cycles in order to set priorities, improve services, and connect daily operations with our City's long-range plans. Approved December 1, 2014, Action Plan 2015-2018 is The City's current business plan and budget. Based on extensive citizen engagement, it provides a detailed roadmap for Calgary over the next four years. This includes direction to more than 15,000 City of Calgary employees and community partners in how to deliver important City programs and infrastructure for all Calgarians.

With The City's engage! Policy, Council assigns priority to informing and involving citizens and other stakeholders early on, and throughout the planning process, when City decisions affect their lives. Through an annual survey of Calgary's citizens, Council is able to regularly monitor public satisfaction with the delivery of services, and consider citizen preferences for the nature and delivery of future services to the public.

For more information about City Council, the various boards, commissions and committees, and any of the Administration and Council policies referenced here, visit [calgary.ca](http://calgary.ca).



# Audit Committee

One of the Audit Committee's primary goals in fulfilling its mandate is to provide effective audit governance supporting increased accountability, transparency and a well run City.

In 2015 the Audit Committee held 11 meetings with their membership of seven independent members appointed by City Council; four City Councillors, one who is elected by the Committee as Chair, and three volunteer citizen members with financial expertise.

The Audit Committee oversees the activities of the external auditor and the City Auditor's Office to assist in ensuring City Administration's accountability to City Council. The Audit Committee engages an independent external auditor in order to fulfill The City's legislated audit requirements. The current external auditor for The City is Deloitte LLP.

Deloitte LLP carried out the audit of The City of Calgary's 2015 financial accounts in accordance with Canadian Generally Accepted Auditing Standards, and had full and unrestricted access to the Audit Committee to discuss the audit and related findings. This external audit function provides assurance over The City's financial statements and reporting processes. Audit Committee reviews The City's Annual Financial Statements and recommends to City Council approval as audited and presented in this 2015 Annual Report.

The City Auditor's Office is the independent internal auditor for The City of Calgary. The City Auditor's Office operates independently from City Administration and reports directly to Council through Audit Committee. The City Auditor's authority, mandated in the City Auditor's Bylaw and Charter, provides the City Auditor with unrestricted

access to all municipal personnel, records, property, policies, procedures, processes and systems necessary to conduct audits. The risk-based activities of the City Auditor's Office are approved by Audit Committee through an annual work plan. This work plan can be added to by Audit Committee; however, they cannot remove items. The results of formal audits by the City Auditor's Office, as well as follow-up on audit recommendations, are presented to Audit Committee and Council for discussion, and made public through The City's website.

The City Auditor's Office oversees the Whistle-Blower Program to ensure allegations received from City employees or members of the public regarding waste or wrongdoing are subject to an appropriate investigation and resolution. The City Auditor reports annually to Audit Committee, in accordance with the Whistle-Blower Policy, information related to reports received and investigations conducted during the year.

In addition to the major areas of focus, in 2015 the Audit Committee coordinated its governance responsibilities by reviewing presentations by the audit committees of The City's major autonomous civic entities. Oversight of The City's integrated risk management framework, financial disclosure and accounting practices, Code of Conduct, legal compliance and control environment was provided by receiving from City Administration the following reports:

- City Manager's Annual Risk Report

- City Employee Code of Conduct – Annual Report
- 2015 Law Department Legal Compliance, Claims and Risk Management Report
- Whistle-Blower Program – 2014 Annual Report
- Control Environment Assessment and Management Representations Update
- 2014 Annual Investment Report
- Annual Update – Information Technology Risk Management
- Integrated Risk Management Model Update
- Civic Partner Audit Report – In Camera
- Status of Community Associations and Social Recreation Organizations on City-Owned Land

Working together with the Chief Financial Officer, the City Auditor and the External Auditor, the Audit Committee continuously refines procedures and processes to enhance their effectiveness for citizens of Calgary. Audit Committee reviews the Audit Committee Bylaw regularly to ensure best practices in audit governance are reflected.

The Audit Committee believes it has the right professionals and the appropriate level of resources in place to fulfill their mandate.



**Richard Pootmans**, Ward 6 Councillor  
Chair, Audit Committee



## Quality of life in Calgary

**86%**

are satisfied with their quality of life

**84%**

agree Calgary is a great place to make a life

**83%**

perceive their neighbourhood as safe

**88%**

agree we are on track to becoming a better city

**86%**

are proud to live in their neighbourhood

## City programs and services



**95%**

are satisfied with the *quality of drinking water*



**84%**

are satisfied with *land use planning*



**82%**

are satisfied with *roads and infrastructure*



**96%**

are satisfied with Calgary's *parks, playgrounds and open spaces*



**91%**

are satisfied with The City's *environmental performance*



**80%**

are satisfied with *Calgary Transit*

## Calgary's economy



**57%**

say the economic downturn has impacted their household



**75%**

think it is a good time for The City to be investing in new projects like roads, public transportation and local facilities



**61%**

describe the current economic situation in Calgary as bad

The annual citizen satisfaction survey provides opinions to what The City is doing well and what needs improvement. This year, 2,452 Calgarians, 18 and older, provided their thoughts.

# City of Calgary Administration

Calgary's municipal government is responsible for supporting, encouraging and strengthening our community's dynamic development.

**It is Administration's responsibility to provide, manage and sustain civic infrastructure, facilities and programs that support the quality of life that is so much a part of Calgary's appeal.**

## THE ROLE OF THE CITY MANAGER

The City Manager leads the Administrative Leadership Team (ALT) and works closely with Council. The City Manager implements the decisions of Council, provides advice and manages City Administration. He is responsible and accountable for ensuring all City work, projects, operations and services comply with Council's policies, priorities and direction.

## ADMINISTRATIVE LEADERSHIP TEAM

The ALT oversees all City operations and strategic management, leading, managing and co-ordinating The City's programs, projects and initiatives. The ALT also plays a major role in developing and implementing public policy as well as balancing the priorities and best interests of the community with The City's corporate goals and available resources.

In late 2014, The ALT expanded to include The City Solicitor, Directors from City Clerk's, Human Resources, Information Technology and Customer Service & Communications.





# City of Calgary Administration

MAYOR AND COUNCIL

**JEFF FIELDING**  
City Manager



City Auditor's Office  
**KATHARINE PALMER**  
City Auditor



Law  
**GLEND A COLE**  
City Solicitor



City Clerk's Office  
**SUE GRAY**  
Director /City Clerk



Chief Financial Officer  
**ERIC SAWYER**  
Chief Financial Officer

- Customer Service & Communications
- Finance & Supply
- Human Resources
- Information Technology



Community Services & Protective Services  
**STUART DALGLEISH**  
General Manager

- Animal & Bylaw Services
- Calgary Emergency Management Agency
- Calgary Fire Department
- Calgary Housing
- Community & Neighbourhood Services
- Parks
- Recreation



Deputy City Manager's Office  
**BRAD STEVENS**  
Deputy City Manager

- Corporate Properties & Buildings
- Fleet Services
- Infrastructure & Information Services
- Office of Land Servicing & Housing



Planning Development & Assessment  
**ROLLIN STANLEY**  
General Manager

- Assessment
- City Wide Policy & Integration
- Inspections & Permit Services
- Local Area Planning & Implementation



Transportation  
**MAC LOGAN**  
General Manager

- Roads
- Transit
- Transportation Infrastructure
- Transportation Planning



Utilities & Environmental Protection  
**ROB PRITCHARD**  
General Manager

- Environmental & Safety Management
- Waste & Recycling Services
- Water Resources
- Water Services



Jeff Fielding  
City Manager

# Message From The City Manager

In 2015, The City experienced a remarkable transition. In the first six months we focused on accommodating new people as North America's fastest growing city. During the second half we focused on supporting a local economy hit hard by falling oil prices.

On behalf of The City of Calgary Administration, I am proud to present the 2015 annual report, a summary of accomplishments made through the work of dedicated City of Calgary employees and engaged citizens.







During the past few years, The City of Calgary has employed a strategy to meet the challenges of a booming economy, where annually we grew by about 37,000 people. We've done it well. Our financial position is solid.

Now there's a new challenge. A global collapse in oil prices has led to the loss of tens of thousands of jobs in Calgary and across the province.

The two critical questions for The Corporation are: How do we address the economic downturn? What are our key priorities that will help the local economy in 2016 and beyond?

We started to address these questions and alter our work in 2015. We set five focus areas, the most crucial being investment in infrastructure to support the local economy. It's about how we can use tax dollars to invest in quality infrastructure to reduce the infrastructure gap, and how we can create jobs through strategic infrastructure investments.

Council also responded accordingly and began to accelerate The City's capital program to provide Calgarians with new job opportunities. In doing so, The City can take advantage of lower construction costs and be ready to act on any infrastructure commitments offered by the federal and provincial governments, such as Green Line LRT development.

To make the most of these opportunities we have strategically aligned our organizational structure. For example, we created a new initiative called Infrastructure Calgary that will prioritize and manage projects across departments, track our capital spending, address risk and ensure we have sufficient staff resources with the capability to deliver projects on time, on budget and within scope.

While our priorities have changed, our corporate strategy remains. In 2014, we began altering our service model to find the services that make the biggest difference in the quality of life of Calgarians and become an even better organization.

We introduced a culture based on the 4Cs: Character, behaving the right way; Competence, doing things the right way; Commitment, dedication to the greater public good; and Collaboration, working together for a common purpose.

That common purpose is *Making Life Better Every Day* for the more than 1.2 million people we are privileged to serve – whatever challenging times we face.

A handwritten signature in black ink, appearing to read 'Jeff Fielding'.

Jeff Fielding  
City Manager

*“The two critical questions for The Corporation are: How do we address the economic downturn? What are our key priorities that will help the local economy in 2016 and beyond?”*



# Making life better every day.

This is our common **purpose** at The City of Calgary. It's a point of **pride**, the opportunity to have an impact on the lives of more than 1.2 million Calgarians. The year 2015 has been a difficult one for thousands of Calgarians due to the collapse of oil prices. Yet, in partnership with so many citizens, we continue to make **progress** in building a great city. Here is a snapshot of what we do.

## Dedicated to safety

- City crews begin converting all school zones to playground zones, increasing safety for children by reducing speeds to 30 km/h between 7:30 a.m. and 9 p.m. seven days a week.
- The 8 Street S.W. underpass, between 8 Avenue and 10 Avenue, is enhanced to provide greater safety and comfort for the 8,700 people using the walkways weekdays.
- Solar-powered Rectangular Rapid Flashing Beacons at crosswalks prove highly effective in having vehicles stop for pedestrians.

## Moving people

- Four-car CTrain service begins on the 201 Red Line ahead of the scheduled December launch. Expansion of four-car service happens in 2016 as new train cars, each with a capacity to carry 200 passengers, begin arriving in January.
- Four months after opening the Cycle Track Network pilot project, 1,440 bike trips, on average, are reported each weekday at the 5 Street S.W./CPR underpass location.
- A new real-time information app improves the customer experience by reducing uncertainty of bus arrival times at stops.







City crews begin converting all school zones to playground zones, increasing safety for children by reducing speeds to 30 km/h.



70,000

residents will annually benefit from the new Fair Entry system.

A new real-time information app improves the customer experience by reducing uncertainty of bus arrival times at stops.







The 2014 September snowstorm damaged one-half of our urban forest. This year, we planted about 7,500 trees and pruned approximately 60,000 trees in 80 communities.



**Clockwise from top: Century Gardens Park, Variety Spray Park, Shaw Millenium Park and the Sherwood ReTree YYC Event.**



## Helping those in need

- The Fair Entry system will help about 70,000 residents annually. Low-income Calgarians now need only apply once – providing one-window access to five City subsidy programs. The new process respects a person's time and dignity.
- Construction for affordable housing continues in Crescent Heights (16 units), Kingsland (32 units) and Bridgeland (24 units). Another 48 units are planned for construction in Wildwood in 2016.
- Renters can now verify if a secondary suite has been inspected and met Alberta building codes at the time of approval through [calgary.ca/secondariesuites](http://calgary.ca/secondariesuites).

## Integrating services

- City business units work with government and community partners to offer more than 130 Family & Community Support Services preventive social programs. More than 95,000 Calgarians use the programs, supported by 24,000 volunteers.
- Police officers, paired with social workers, are reducing criminal activity and gang involvement among at-risk youth ages 10 to 17.
- The new Calgary Connector Program helps immigrant professionals expand their local networks.

## Working with youth

- The City collaborates with 19 not-for-profit organizations to provide quality after-school programming to youth in more than 50 communities.
- The Youth Employment Centre's 17th annual Hiring Fair attracts more than 80 employers, 5,000 attendees and results in 1,000 positions being filled.
- About 3,600 students attend Safety Expo.

## Surveying citizens

- The annual Citizen Satisfaction Survey provides opinions to what The City is doing well and what needs improvement. This year, 2,452 Calgarians, 18 and older, provided their thoughts.
- Overall, 86 per cent are satisfied with their quality of life; 88 per cent agree we're on track to become a better city.
- As well, 86 per cent are proud to live in their neighbourhood; 83 per cent feel safe in their community.

## Promoting activity

- The City's GetMovingYYC week-long awareness campaign involves more than 5,000 people in events to "turn the curve" on sedentary behaviour.
- Skateboarders and inline skaters get their wish to keep Shaw Millennium Park open 24/7/365 while construction begins on three other skate parks.
- South Glenmore Park's Variety Spray Park reopens with a \$1.25-million facelift to meet today's standards, including greater water conservation.

## Environmental caretakers

- The 2014 September snowstorm damaged one-half of our urban forest. This year, we planted about 7,500 trees and pruned approximately 60,000 trees in more than 80 communities.
- Our curriculum-based school programs on environmental stewardship involve about 7,000 students and 1,600 adults.
- We manage about 8,000 hectares of parkland and natural areas as well as a popular 800-plus kilometre pathway system.

*The Fair Entry system will help about 70,000 residents annually. Low-income Calgarians now need only apply once – providing one-window access to five City subsidy programs. The new process respects a person's time and dignity.*

## Gathering in spaces & places

- Calgary's newest public space, Parkdale Plaza, opens with a functional public art piece titled Outflow. The plaza is along the Bow River pathway and part of Calgary's Landscape of Memory.
- About 250,000 Calgarians celebrate Canada's 148th birthday, one of about 270 events The City supports annually.
- We offer more than 12,000 programs, from skating to arts to day camps that bring Calgarians of all ages together.

## Planning for tomorrow

- The City and community partners launch the Seniors Age-Friendly Strategy, outlining how Calgary will support a population estimated to include 20 per cent seniors by 2036.
- We train 80 local facilitators in 16 communities this year kicking off the ReadyCalgary program that builds awareness around emergency preparedness.
- A new City guide provides information on how persons with disabilities can prepare for emergencies and disasters along with first responders, family, friends and caregivers.

## Innovative partnerships

- The City, partnering with the University of Calgary, opens an integrated research facility in the Pine Creek Wastewater Treatment Plant. City staff and scientists will work side by side on wastewater treatment research projects.
- The City and ENMAX offset some of the Southland Leisure Centre's electricity usage by installing 600 solar panels, about the size of an NHL rink, on the facility's roof. This produces about 184,000 kWh annually.
- The City of Calgary hackathons promote the use of open data by encouraging citizens to create innovative service delivery options.

## Engaging Calgarians

- The Engage Team supports 312 online and in-person public engagement activities. Citizens and other stakeholders give input on City projects and programs before decisions are made.
- Calgarians volunteer 1,335 hours in workshops, at planning information sessions and online, discussing the future of 24 main streets across the city.
- Nearly 2,000 people attend the second annual Baconfest festival to discuss urban planning concepts and their relationship to Calgary.

## Thinking green

- The City conducts more than 110 Community Cleanups, helping residents dispose of large household items and property waste too large for black carts.
- Measures within City of Calgary operations, combined with the help of citizens, businesses and partners, have resulted in a 16 per cent reduction in water withdrawn from our rivers since 2003.
- Between 2015-2018, we will retrofit streetlights with effective LED lighting that reduces energy consumption and saves about \$6 million per year.

## Recovering with resilience

- As a result of the June 2013 flood, 222 projects have been identified in the Municipal Infrastructure Recovery Program. As of December 2015, 150 projects are completed, 50 are underway and the remainder are pending, deferred or cancelled.
- Projects include repairs to/or construction of roadways, transit, bridges, pathways, parks, buildings and utility infrastructure, including the Bonnybrook Wastewater Treatment Plant.
- City staff help civic partners complete work at the Talisman Centre, Calgary Public Library, East Village and the Calgary Zoo.

*The City and community partners launch the Seniors Age-Friendly Strategy, outlining how Calgary will support a population estimated to include 20 per cent seniors by 2036.*



We offer more than 12,000 programs, from skating to arts to day camps that bring Calgarians of all ages together.



**Clockwise from top: Parkdale Plaza, Canada Day at Prince's Island Park, Volunteer Litter Clean-Up at Inglewood Bird Sanctuary and Southland Leisure Centre.**



## Connecting with Calgarians

- Citizen Dashboard is our newest online tool providing Calgarians with information about The City's performance, including performance measures and data using interactive graphs, charts and maps.
- The civic census, for the first time, is filled out online by about 86,000 households, supplementing the traditional door-to-door campaign.
- Eleven million calls later, our 311 service, the first of its kind in Canada, celebrates its 10th anniversary.

## Online accessibility

- The City's ePermit program, a first for Canadian cities, gives homebuilders a single online tool to apply for permits, pay for services and process all their inspections.
- The City adds a web-based search option for finding licensed contractors to enhance customer service and address safety concerns, plus help reduce home improvement fraud.
- Citizens' View is an online panel that lets Calgarians participate in shaping programs and services through surveys, discussions and engagement activities.

*The civic census, for the first time, is filled out online by about 86,000 households.*

## Building infrastructure

- The composting facility moves into the design and build stage. Once completed, it will compost residential food and yard waste and biosolids from City wastewater treatment plants. The city-wide Green Cart Program remains on track for mid-2017.
- Construction starts on the Royal Vista Multi-Service Facility and Fire Station 34, serving six growing northwest communities. It will also be home to Animal & Bylaw Services and includes a 20-person citizens' meeting room.
- The Green Line project, which will add 40 kilometres of LRT track to the existing 59-kilometre network when built, receives \$1.5 billion in funding from Ottawa.

## Enhancing service

- The City works closely with members of the land development and home building industry to create a new off-site levy bylaw that is unanimously approved by Council in January 2016.
- The City, together with industry, develops a monthly dashboard that provides community level lot supply information on all serviced and subdivided lots.
- We issue 89 per cent of all building permits within a week.





The Green Line project will add 40 kilometres of LRT track to the existing 59-kilometre network when built.



89%

of all building permits are issued within a week.

Eleven million calls later, our 311 service, the first of its kind in Canada, celebrates its 10th anniversary.





# Financial Information

The City of Calgary, Alberta





# 2015 Financial Statement Discussion & Analysis

## INTRODUCTION

The City of Calgary ("The City") 2015 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by Canadian Public Sector Accounting Standards (PSAS) of Chartered Professional Accountants (CPA) Canada, as required by the *Alberta Municipal Government Act*.

The financial statements consist of:

- Consolidated statement of financial position (summary of financial assets and liabilities, net financial assets (debt), non-financial assets and accumulated surplus at year end),
- Consolidated statement of operations and accumulated surplus (summary of the annual surplus for the year, consisting of revenues reflecting what operating and capital funds were raised in the year and expenses reflecting how funds were used during the year, including the annual costs for owning and using capital assets (depreciation), plus the change in the net value of the government business enterprise),
- Consolidated statement of cash flows (summary of how The City's cash position changed during the year, highlighting sources and uses of cash, including the use of cash to acquire capital assets), and
- Consolidated statement of changes in net financial assets (debt) (a reconciliation between the net revenues earned in the year to the change in net financial assets (debt)). This statement shows the net revenues, with a reversal of the non-cash accruals for depreciation and sale of assets, less donated assets and the spending to acquire new capital assets in the year. The change in net financial assets (debt) is an indicator of whether revenues raised in the year were sufficient to cover the spending in the year.

The City Administration is responsible for preparing the following financial statement discussion and analysis (FSD&A). It should be read in conjunction with the audited consolidated financial statements and the financial and statistical schedules.

The FSD&A reports to stakeholders on how the financial resources entrusted to The City are being managed to provide municipal infrastructure and services. It explains the significant differences in the financial statements between the reported year and the previous year as well as between budgeted and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications.

For 2015, The City was able to implement its business plans and budgets essentially as expected. The City enters 2016 as the second year of a four-year plan reflecting its long-term goals, and it continues to monitor its financial performance carefully so that it can address local effects resulting from the recent economic downturn. These issues are touched on in the risk management and outlook sections at the end of the FSD&A, following the financial analysis of 2015.

In 2015, as a result of continued usage and refinement of capital asset accounting and management systems, certain asset balances were identified that required correction. These tangible capital asset balances primarily consisted of land improvement, engineered structures, buildings, and machinery and equipment. As a result, approximately \$16.0 million in net adjustments was restated and \$4.4 million in tangible capital assets was reclassified to land inventory for 2014. These restated amounts relate solely to the accounting for tangible capital assets and had no effect on The City's cash balances, net financial asset (debt) position, property tax revenues or any other balances influencing The City's operating budget, capital budget, grants received, debt borrowings, property tax assessments or any other related balances.

Since inception, the Calgary Arts Development Authority Ltd. (CADA) and the Calgary Economic Development Ltd. (CED) have been accountable for the administration of their financial affairs and resources to The City and have been controlled by The City. In 2015, it was determined that cSPACE Projects and the Calgary Film Centre Ltd. ("CFCL") were accountable and controlled by CADA and CED respectively. Accordingly, CADA and CED have been consolidated in the financial statements of The City, with the 2014 comparative figures restated for this change in accounting treatment. This restatement had the effect of increasing financial assets by \$13.5 million, financial liabilities of \$11.4 million and non financial assets of \$13.4 million.

## Economic Environment

Economic growth in the Calgary Economic Region was about – 1.0% in 2015, while Calgary's population increased by 3.0%.

	2015	2014	Change
<b>Calgary</b>			
Population (April census)	<b>1,230,915</b>	1,195,194	3.0%
Employment <sup>(1)</sup>	<b>732,000</b>	713,000	2.7%
Residential housing starts	<b>10,128</b>	13,833	(26.8%)
Building permit applications	<b>16,132</b>	19,339	(16.6%)
Building permit value (\$ billions)	<b>6.3</b>	6.5	(3%)
<b>Calgary Census Metro Area</b>			
CPI inflation rate	<b>1.2%</b>	3.0%	(1.8%)
<b>Calgary Economic Region</b>			
Unemployment rate	<b>6.2%</b>	5.0%	1.2%

Sources: see schedule of demographic and other information on page 99 except:

(1) Estimated by The City of Calgary – Corporate Economics based on Statistics Canada Labour Force Survey.

Population growth from April 2014 to April 2015 was 35,721 (3.0%) compared to 38,508 (3.3%) for the year ending April 2014. The annual rate of population growth is estimated at 1.8% over the next ten years.

Population growth for 2016 will continue to drive demand for infrastructure and services from The City.

## FINANCIAL HIGHLIGHTS

### Revenues and Expenses

The City had consolidated revenues of \$3.735 billion in 2015 before external transfers for infrastructure (grants and revenue sharing from other governments plus funds and tangible capital assets from developers totaling \$0.990 billion) (2014 – \$3.651 billion, before external transfers of \$0.922 billion).

City consolidated expenses were \$3.586 billion before net ENMAX Corporation (“ENMAX”) adjustments of \$0.025 billion (2014 – \$3.451 billion, before net ENMAX adjustments of \$0.042 billion). Included in expenses is depreciation in the amount of \$0.576 billion (2014 – \$0.548 billion) as the estimated annual cost of owning and using The City’s capital assets.

For 2015, net revenues including external contributions to infrastructure of funds and tangible capital assets totaled \$1.139 billion (2014 – \$1.122 billion).

Operating budgets were exceeded for both revenues and expenses once again, which resulted from greater than anticipated growth and demand for municipal services for most of 2015.

### Consolidated Financial Position

As at December 31 (in thousands of dollars)

	2015	2014 (Restated)
A. Financial Assets	\$ 7,083,365	\$ 6,646,555
B. Liabilities	5,834,125	5,933,954
C. Net Financial Assets (A minus B)	1,249,240	712,601
D. Non-Financial Assets	15,000,613	14,372,340
E. Accumulated Surplus (C plus D)	16,249,853	15,084,941

The City’s net financial assets increased by \$537 million (2014 – \$140 million) primarily due to the increase in its investment balances and decreases in long term debt and partially offset by an increase in bank indebtedness, capital deposits, and employee benefit obligations.

The City’s accumulated surplus (net assets) increased by \$1,165 million (7.7%) in 2015, primarily from the net increase in tangible capital assets (purchased and donated) of \$625 million, increase in investments of \$415 million, and increase in capital deposits of \$108 million.

The long-term debt component of liabilities (including self-supported debt and excluding ENMAX) decreased by \$266 million to \$3,361 million.

The City’s long-term debt ratings were affirmed at AA+ by Standard and Poor’s and AA (high) by Dominion Bond Rating Service (DBRS) in 2015.

### Cash Flow

The City’s cash and cash equivalents increased by \$23 million to \$104 million while investments increased by \$415 million to \$4,118 million. The increase in investments largely reflects increases in various grant investment balances to fund capital projects, and increases in other capital and operating reserves.

### Cash provided by operating activities

In 2015, cash provided by operating activities was \$1,649 million, compared to \$1,358 million in 2014. In addition to the annual surplus, this increase was driven primarily by increases in capital deposits, employee benefit obligations and accounts receivables offset by a decrease in land inventory.

### Cash used in capital activities

Cash used in capital activities was \$(1,026) million, compared to \$(991) million in 2014, and includes:

- Additions to capital assets of \$(1,051) million; and
- Proceeds from sale of tangible capital assets of \$25 million.

### Cash used in investing activities

Cash used in investing activities was \$(357) million, compared to \$(320) million used in investing activities in 2014, and includes:

- Net purchases of investments of \$(415) million; and
- Dividends from ENMAX of \$56 million; and
- Receipt of Co-Ownership distribution of \$2 million.

### Cash provided by financing activities

Cash used in financing activities was \$(243) million, compared to \$(32) million of cash used in 2014, and includes:

- Proceeds from long-term debt issued of \$222 million;
- Long-term debt repayments of \$(488) million; and
- Net increase in bank indebtedness of \$23 million.

## FINANCIAL ANALYSIS REVIEW

### Revenues – Budget to Actual Comparison

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

	Budget 2015	Actual 2015	Favourable/ (Unfavourable)	Percent Change
Net taxes available for municipal purposes	\$ 1,898,496	\$ 1,926,096	\$ 27,600	1%
Sales of goods and services	1,270,250	1,275,403	5,153	0%
Government transfers and revenue sharing agreements				
Federal	3,969	3,812	(157)	(4%)
Province of Alberta	104,442	128,431	23,989	23%
Investment income	53,583	79,185	25,602	48%
Fines and penalties	73,384	80,451	7,067	10%
Licences, permits and fees	94,468	124,358	29,890	32%
Miscellaneous revenue	22,647	68,181	45,534	201%
Equity in earnings of ENMAX	105,000	48,725	(56,275)	(54%)
Equity in earnings of Co-Ownership	–	618	618	N/A
Total revenues (before external transfers for infrastructure)	\$ 3,626,239	\$ 3,735,260	\$ 109,021	3%
Developer contributions	\$ 288,570	\$ 107,734	\$ (180,836)	(63%)
Government transfers related to capital	730,619	699,349	(31,270)	(4%)
Developer contributions-in-kind related to capital	–	183,277	183,277	N/A
Total external transfers for infrastructure	\$ 1,019,189	\$ 990,360	\$ (28,829)	(3%)

Total City revenues (before external transfers for infrastructure) were approximately 3% greater than budgeted for 2015, mainly as a result of greater than anticipated net municipal taxes, investment income, licenses, permits and fees, government transfers and revenue sharing from the provincial government, and higher miscellaneous revenue, offset by lower than budgeted equity earnings of ENMAX and co-ownership.

**Government transfers and revenue sharing agreements (Provincial)** were approximately 23% higher than budgeted primarily due to provincial transfer for flood recovery and resiliency projects, and new provincial government grants on 9-1-1 Cell Phone to help fund 9-1-1 operational and capital projects. The City does not budget for the above revenues.

**Investment income** was approximately 48% higher than budgeted due to higher principal balances invested, as well as slightly higher than budgeted blended yield.

**Fines and penalties** were approximately 10% higher than budgeted mainly due to increased court fines.

**Licences, permits and fees** were approximately 32% higher than budgeted as a result of higher activities in development, combined with a positive impact resulting from the change of Alberta Building Code effective in November 2015.

**Miscellaneous revenue** was approximately 201% higher than budgeted due to a variety of items, but primarily due to higher rebate from programs, unbudgeted revenue received from insurance companies for the 2013 flood, and proceeds on sales of Tangible Capital Assets.

**Equity in earnings of ENMAX** was approximately 54% lower than budgeted primarily as a result of lower actual price of electricity.

**Developer contributions** were approximately 63% below budget due to differences in the estimates of anticipated contributions used during the year.

**Government transfers related to capital** were approximately 4% lower than budgeted primarily due to unanticipated changes in timing of use of government grants.

**Developer contributions-in-kind related to capital** were higher than budget as capital acquisitions of this nature are not budgeted.



## Expenses – Budget to Actual Comparison

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

	2015 Budget (excluding Depreciation)	2015 Actual (excluding Depreciation)	Favourable/ (Unfavourable)	Percent Change	2015 Budget Depreciation Expense	2015 Actual Depreciation Expense
Police	\$ 457,173	\$ 455,728	\$ 1,445	0%	\$ –	\$ 17,999
Fire	268,954	273,729	(4,775)	(2%)	–	15,862
Public Transit	427,069	432,339	(5,270)	(1%)	–	110,058
Roads, traffic and parking	245,324	253,913	(8,589)	(4%)	9,909	151,369
Water services and resources	334,363	367,619	(33,256)	(10%)	74,359	107,383
Waste and recycling services	122,135	117,379	4,756	4%	–	10,634
Community and social development	75,019	70,579	4,440	6%	–	138
Social housing	128,462	139,484	(11,022)	(9%)	3,081	3,102
Parks and recreation facilities	216,581	216,166	415	0%	–	46,861
Societies and related authorities	83,674	76,248	7,426	9%	–	329
Calgary Public Library Board	51,954	47,589	4,365	8%	–	6,938
General government	381,776	265,621	116,155	30%	–	34,697
Public works	216,498	196,418	20,079	9%	29,688	47,501
Real estate services	141,945	96,994	44,951	32%	–	23,447
	\$ 3,150,927	\$ 3,009,806	\$ 141,121	4%	\$ 117,037	\$ 576,318

Given 2009 was the first year of adoption of Tangible Capital Assets standards (PS 3150), The City had yet to integrate these standards for budget preparation, and so depreciation charges for most tax supported assets are not included in the budget process. The four year budget cycle 2015-2018 has incorporated depreciation charges for information only.

### The following variance explanations exclude the impact of depreciation expense.

**Roads, traffic and parking** were approximately 4% higher than budgeted primarily due to an increase in salary and wages cost for unbudgeted positions, increased costs from more than expected street repairs and paving, an increase in supplies purchases due to increased demand, higher interest charges than budgeted, and a loss on sale of TCA which is not budgeted for.

**Water services and resources** was approximately 10% higher than budgeted due to higher costs required for servicing and equipment maintenance, partially offset by lower electricity costs.

**Waste and recycling services** was approximately 4% lower than budgeted due to lower recyclable processing fees as a result of less tonnage, partially offset by higher fleet maintenance costs.

**Community and social development** expenses were approximately 6% lower than the prior year due to higher transfers from associated parties.

**Social housing** was higher than budgeted by approximately 9% primarily due to higher cost of sales than budgeted.

**Societies and related authorities** expenses were approximately 9% lower than budget due to lower than anticipated transfer payments to related authorities.

**Calgary Public Library Board** was approximately 8% lower than budgeted primarily due to higher transfers from associated parties.

**General government expenses** include the costs of Council, City Manager, Chief Financial Officer, City Auditor, City Clerk's, Law, Supply, Customer Service & Communications, Human Resources, Information Technology and Corporate Costs. Expenses were approximately 30% lower than budgeted primarily due to lower provisions for corporate contingencies.

**Public works** was approximately 9% lower than budgeted primarily due to lower costs of contract and general services for infrastructure.

**Real estate services** expenses were approximately 32% lower than anticipated due to lower than budgeted industrial land sale costs.

## Revenues – Comparison to Prior Year

For the years ended December 31 (in thousands of dollars)

	Actual 2015	Actual 2014 (Restated)	Increase/ (Decrease)	Percent Change
Net taxes available for municipal purposes	\$ 1,926,096	\$ 1,801,262	\$ 124,834	7%
Sales of goods and services	1,275,403	1,214,406	60,997	5%
Government transfers and revenue sharing agreements				
Federal	3,812	4,507	(695)	(15%)
Province of Alberta	128,431	150,584	(22,153)	(15%)
Investment income	79,185	61,794	17,391	28%
Fines and penalties	80,451	72,121	8,330	12%
Licences, permits and fees	124,358	116,331	8,027	7%
Miscellaneous revenue	68,181	44,082	24,099	55%
Equity in earnings of ENMAX	48,725	184,069	(135,344)	(74%)
Equity in earnings of Co-Ownership	618	1,992	(1,374)	(69%)
Total revenues (before external transfers for infrastructure)	\$ 3,735,260	\$ 3,651,148	\$ 84,112	2%
Developer contributions	\$ 107,734	\$ 89,637	\$ 18,097	20%
Government transfers related to capital	699,349	602,220	97,129	16%
Developer contributions-in-kind related to capital	183,277	229,982	(46,705)	(20%)
Total external transfers for infrastructure	\$ 990,360	\$ 921,839	\$ 68,521	7%

**Net taxes available for municipal purposes** were approximately 7% higher in 2015 than the previous year primarily due to an increase in tax rate combined with growth in the assessment base as a result of higher market value and physical growth of more houses.

**Sales of goods and services** was approximately 5% higher in 2015 primarily as a result of increases in the sales revenue of water due to a rate increase, higher customer base and related consumption in residential metered, higher revenues in Calgary Transit due to the overall price increase, higher revenues in recreation as a result of increased demand for recreational services, increased sales in attainable homes units and land sales in East Village, offset by lower land sales in the Office of Land Servicing and Housing due to softer market conditions.

**Government transfers and revenue sharing agreements (Provincial)** were approximately 15% lower in 2015 primarily due to lower Disaster Recovery Program payments, Municipal Staffing Capacity grant and Flood Preparedness grant to The City in 2015.

**Investment income** was approximately 28% higher than 2014 primarily due to higher principal invested than prior year and slightly higher blended yield.

**Fines and penalties** were approximately 12% higher in 2015 mainly due to increased revenue for court fines.

**Licences, permits and fees** in 2015 were approximately 7% higher than 2014 primarily due to increased development activities and a positive impact from Alberta Building Code changes effective in November 2015.

**Miscellaneous revenue** was approximately 55% higher than 2014 primarily due to revenue received from insurance companies for the 2013 flood.

**Equity in earnings of ENMAX** was lower by approximately 74% primarily due to the impairment of the Battle River power purchase agreement, as well as lower electricity prices in 2015 compared to the previous year.

**Developer contributions** were approximately 20% higher in 2015 primarily due to unanticipated changes in timing for contributions used during the year.

**Government transfers related to capital** were approximately 16% higher than 2014 primarily due to an increase in the use of The Municipal Sustainability Initiative ("MSI") used for several different projects primarily related to transportation infrastructure, transit platforms and GreenTRIP.

**Developer contributions-in-kind related to capital** were approximately 20% lower than 2014 due to the timing of completion of developer donated assets.



## Expenses – Comparison to Prior Year

For the years ended December 31 (in thousands of dollars)

	Actual 2015	Actual 2014 (Restated)	Increase/ (Decrease)	Percent Change
Police	\$ 473,727	\$ 451,128	\$ 22,599	5%
Fire	289,591	279,986	9,605	3%
Public transit	542,397	513,595	28,802	6%
Roads, traffic and parking	405,282	433,667	(28,385)	(7%)
Water services and resources	475,002	438,648	36,354	8%
Waste and recycling services	128,013	136,683	(8,670)	(6%)
Community and social development	70,717	67,567	3,150	5%
Social housing	142,586	127,250	15,336	12%
Parks and recreation facilities	263,027	266,664	(3,637)	(1%)
Societies and related authorities	76,577	86,290	(9,713)	(11%)
Calgary Public Library	54,527	52,898	1,629	3%
General government	300,318	278,582	21,736	8%
Public works	243,919	214,329	29,590	14%
Real estate services	120,441	103,595	16,846	16%
	\$ 3,586,124	\$ 3,450,882	\$ 135,242	4%

Other than general inflation which applies to all items below, most increases from 2014 to 2015 were growth-related in various services.

**Police** expenses were approximately 5% higher than in 2014 due to higher salaries and wages and increased costs in materials, equipments and supplies.

**Fire** increase of approximately 3% in expenses in 2015 includes costs associated with salaries and fringe benefits and increased spending for fire stations under construction.

**Public transit** costs were approximately 6% higher than 2014 primarily due to higher labour costs, increased costs of Calgary Transit Access services, and higher insurance premium and contract services costs in 2015.

**Roads, traffic and parking** decreased by approximately 7% over the prior year primarily due to lower costs in snow clearing service and fuel purchase for street repairs in 2015.

**Water services and resources** were approximately 8% higher primarily due to increased labour costs, increased billing charges as a result of a new contract, and higher franchise fees.

**Waste and recycling services** were approximately 6% lower than prior year primarily due to lower spending on fuel as a result of lower energy market prices.

**Community and social development** expenses were approximately 5% higher than the prior year due to increased labour costs.

**Social housing** increased by approximately 12% over the prior year due to higher costs of sales, as a result of higher sales.

**Societies and related authorities** expenses from prior year decreased by approximately 11%, these include transfer payments to third parties for capital projects, which can vary in amount from year to year.

**Calgary Public Library Board** was approximately 3% higher than the prior year primarily due to increased costs for Information Technologies maintenance and upgrade and new library branding cost.

**General government** was approximately 8% higher than 2014 primarily due to higher labour costs and increased transfer payments to associated parties.

**Public Works** was approximately 14% higher due to many contributing factors such as an increase in labour and maintenance costs.

**Real estate services** were approximately 16% higher than the prior year primarily due to higher costs related to land sales.

## Tangible Capital Assets

For the years ended December 31 (in thousands of dollars)

	2015 Net book value	2014 Net book value (Restated)	Increase/ (Decrease)
Land	\$ 2,080,136	\$ 2,039,874	40,262
Land improvements	650,873	595,614	55,259
Engineered structures	8,780,335	8,577,448	202,887
Buildings	1,311,004	1,275,915	35,089
Machinery and equipment	341,192	363,881	(22,689)
Vehicles	679,263	693,750	(14,487)
	13,842,803	13,546,482	296,321
Work in progress			
Land	10,559	9,014	1,545
Construction	1,056,474	729,089	327,385
Tangible capital assets	\$ 14,909,836	\$ 14,284,585	625,251

During 2015, The City spent \$1,451 million on capital projects (2014 – \$1,476 million), which included \$1,127 million for tax-supported projects (2014 – \$1,159 million). Spending on capital projects was primarily on roads and water projects and transit platform enhancements.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 2 to 100 years.

During the year, there were no write-downs. Donated assets (related to waterworks and wastewater distribution and collection systems, parks and roads) are capitalized and are recorded at their estimated fair value upon acquisition. Parks, roads and water assets contributed to The City totaled \$183 million (2014 – \$230 million).

## SIGNIFICANT TRENDS

### Revenues (before external transfers for infrastructure)

For the years ended December 31 (in thousands of dollars)

	Actual 2015	Actual 2014 (Restated)	Actual 2013 (Restated)	Actual 2012 (Restated)	Actual 2011
Net taxes available for municipal purposes	\$ 1,926,096	\$ 1,801,262	\$ 1,805,666	\$ 1,593,447	\$ 1,467,317
Sales of goods and services	1,275,403	1,214,406	1,116,298	1,028,539	966,413
Government transfers					
Federal	3,812	4,507	4,462	6,117	6,418
Province of Alberta	128,431	150,584	108,906	117,974	118,512
Investment income	79,185	61,794	47,357	41,753	43,980
Fines and penalties	80,451	72,121	69,503	75,477	69,680
Licences, permits and fees	124,358	116,331	103,645	90,938	74,527
Miscellaneous revenue	68,181	44,082	95,292	44,339	35,319
Equity in earnings of ENMAX	48,725	184,069	352,483	225,038	184,581
Equity in earnings of Co-Ownership	618	1,992	–	–	–
Total revenues (before external transfers for infrastructure)	\$ 3,735,260	\$ 3,651,148	\$ 3,703,612	\$ 3,223,622	\$ 2,966,747

The comparisons between current and prior year revenues largely reflect rate and growth-related increases.

**Net taxes available for municipal purposes** generally increases with growth and tax rate increases; however, it includes local access fees that are charged in lieu of taxes to some utilities for using the City right-of-way based on the cost of the service and commodity being provided. Fluctuations in commodity prices can affect this revenue.

**Sales of goods and services** have generally increased due to growth and rate increases. In 2015, water, wastewater and drainage rates were increased by 2.0%, 16.9% and 19.1% respectively, which combined with an increase in population, contributed to an increase of approximately \$58 million over 2014. In addition, increased transit ridership resulted in a year-over-year increase of approximately \$5 million. Sales were also higher in attainable homes units and land sales in East Village, which was offset by a significant decrease in land sales due to weaker market conditions in 2015.

**Government transfers (Provincial)** decreased in 2015 compared to 2014, as a result of lower Disaster Recovery Program payments, Municipal Staffing Capacity grant and Flood Preparedness grant to The City in 2015.

**Investment income** for the years 2011 to 2013 was influenced by much lower interest rates than previous years, decreasing the amount of investment income earned in each of these years. Investment income resumed a favourable trend in 2014 primarily due to better yields and increased investment balances over the year. This trend of increased principal balances continued through 2015 and has resulted in higher investment income than previous years.

**Licences, permits and fees** reflect the building permit revenues driven by Calgary's growth, which has been steadily growing since 2011. Revenues have been increasing as a result of increased activities and growth in development and building permit acquisitions, and this trend has continued through 2015. The change of Alberta Building Code effective in November 2015 also contributed to the increase in building permit revenues in 2015.

**Miscellaneous revenue** has increased for 2015 primarily due to revenue received from insurance companies for the 2013 flood. In 2013, miscellaneous revenue was higher primarily due to increased transactions with third parties, after remaining stable through 2012 and 2011.

**Equity in earnings of ENMAX** comprises the net equity increase in The City's government business enterprise ENMAX. In 2011, ENMAX did not experience the same growth rate as in previous years. In 2012, ENMAX experienced higher revenues as a result of increased rates for electricity. For 2013, ENMAX experienced higher revenues due to a one-time, non-recurring sale of ENMAX Envision Inc. (Envision) for a gain of \$175 million which resulted in a decline in 2014 revenues. Also, in 2014 a realized loss on derivative designated cash flow hedges contributed to the decrease in earnings. The equity in earnings of ENMAX decreased in 2015 as a result of lower electricity prices.

**Equity in earnings of Co-Ownership** comprises of Attainable Homes Calgary Corporation's share of net income earned from the Co-Ownership that was entered into in 2013.



## LIQUIDITY AND DEBT

### Financial Position – Net Financial Assets (Debt)

As at December 31 (in thousands of dollars)

	Actual 2015	Actual 2014 (Restated)	Actual 2013 (Restated)	Actual 2012 (Restated)	Actual 2011
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	\$ 104,499	\$ 81,085	\$ 62,021	\$ 47,429	\$ 61,172
Investments	4,117,988	3,702,773	3,317,463	2,709,358	2,333,003
Receivables	255,517	248,099	312,617	209,350	230,247
Land inventory	207,877	235,108	229,765	249,499	243,109
Other assets	98,279	96,887	90,231	29,899	20,310
Investment in ENMAX	2,299,205	2,281,064	2,460,204	2,161,986	1,943,731
Investment in Co-ownership	–	1,539	3,438	–	–
	<b>7,083,365</b>	<b>6,646,555</b>	<b>6,475,739</b>	<b>5,407,521</b>	<b>4,831,572</b>
<b>LIABILITIES</b>					
Bank indebtedness and short-term borrowing	58,424	35,261	29,215	30,385	57,922
Accounts payable and accrued liabilities	728,460	728,516	749,870	648,205	639,457
Deferred revenue	89,108	86,738	69,771	59,089	57,934
Capital deposits	1,054,794	946,576	929,765	687,310	639,567
Provision for landfill rehabilitation	87,488	86,946	64,700	60,100	56,100
Employee benefit obligations	455,249	423,740	398,827	361,810	329,455
Long-term debt	3,360,602	3,626,177	3,661,382	3,420,540	3,228,887
	<b>5,834,125</b>	<b>5,933,954</b>	<b>5,903,530</b>	<b>5,267,439</b>	<b>5,009,322</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>\$ 1,249,240</b>	<b>\$ 712,601</b>	<b>\$ 572,209</b>	<b>\$ 140,082</b>	<b>\$ (177,750)</b>

In 2012, net financial assets increased by approximately \$318 million primarily due to ENMAX's net asset increase, and increases in liquid assets, and this trend continued through 2013 and 2014 with a further increase of \$432 million and \$140 million respectively. The growth trend continued in 2015 with an increase of \$537 million compared to 2014. These liquid assets are

offset primarily by liabilities which are governed by agreements with the parties involved, including funds owed for goods and services already received (accounts payable and accrued liabilities), capital deposits that must be spent on specific types of capital, and employee benefit obligations.

## Long-Term Debt

As at December 31 (in thousands of dollars)

	2015	2014	2013	2012	2011
<b>Opening balance</b>	<b>\$ 3,626,177</b>	\$ 3,661,382	\$ 3,420,540	\$ 3,228,887	\$ 2,945,662
<b>Increase (decrease)</b>					
Tax-supported	<b>(38,424)</b>	(41,985)	209,329	(46,991)	(28,061)
Self-sufficient tax-supported	<b>(275,895)</b>	(142,183)	74,378	238,514	247,643
Self-supported	<b>48,744</b>	148,963	(42,865)	130	63,643
<b>Net increase during the year</b>	<b>(265,575)</b>	(35,205)	240,842	191,653	283,225
<b>Closing balance</b>	<b>3,360,602</b>	3,626,177	3,661,382	3,420,540	3,228,887
ENMAX debt in The City's name	<b>1,211,055</b>	1,088,771	915,510	827,828	732,877
Total debt attributable to The City	<b>\$ 4,571,657</b>	\$ 4,714,948	\$ 4,576,892	\$ 4,248,368	\$ 3,961,764

In 2015, Standard & Poor's affirmed The City's long-term debt rating at AA+ and commercial paper rating of A-1+ reflecting The City's growth prospects; strong budgetary results; healthy cash and investment balances; manageable debt; and the significant and committed funding support The City receives from other orders of government. DBRS Limited also maintained The City's long-term debt notional rating at AA (high) and The City's commercial paper rating at R-1 (high). These excellent independent ratings reflect Calgary's strong financial policies/practices.

The City utilizes debt to finance certain capital projects on the premise that the cost of these projects should be borne by the taxpayers and utility users who will benefit from the projects. Debt financing smoothes the impact on annual property tax rates while providing appropriate infrastructure to meet citizens' needs.

In 2006, Council approved three categories of debt, including:

- Tax-supported – debt issued for capital expenditures that is funded in whole or in part from tax revenues;
- Self-sufficient tax-supported – debt for non-utility operations or programs that are self-funded by revenues or cash flows from a dedicated funding source; and
- Self-supported – debt for utility services which is not funded by tax revenues but by rates charged directly to users and cash flows generated from operations.

Council's 2002 capital financing policy allows for increasing the tax-supported debt outstanding as long as annual debt servicing charges do not exceed 10% of the tax-supported gross expenditure (net of recoveries). The policy would allow The City to provide some additional growth-related capital infrastructure if desired.

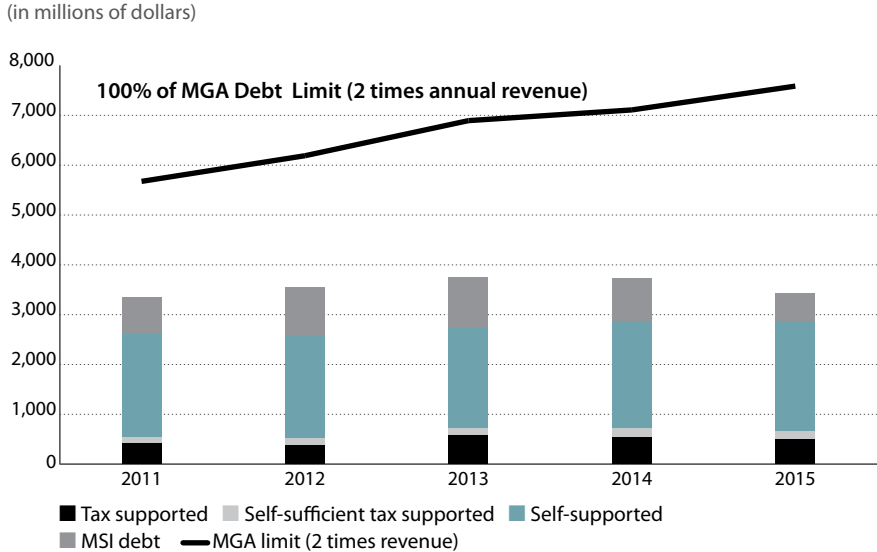
In 2015, \$7.3 million in new tax-supported debt was obtained to finance growth-related projects, which was \$38 million less than tax-supported debt repayments. The City's tax-supported long-term debt was \$490.4 million as at December 31, 2015. The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 12.3% (including MSI) and 2.3% (excluding MSI), this is not within The City's 10% policy limitation but is strictly related to MSI and was expected.

Self-sufficient tax-supported debt comprises debt for Calgary Municipal Land Corporation's ("CMLC") programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations. Self-sufficient tax-supported debt also includes short-term debt that will be funded from future grant receipts from the Alberta Government's MSI. As at December 31, 2015, CMLC has \$176 million in outstanding debt. In 2009, Council approved a maximum debt of \$1,000 million to provide bridge financing for MSI-funded projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total amount to approximately \$1,600 million. As at December 31, 2015, The City has total outstanding debt of \$581 million for these projects.

Also in 2015, \$210 million in new self-supported debt (primarily related to Water Services & Resources) was obtained, and the new borrowing exceeded the debt repayments by \$49 million, increasing the total self-supported debt to \$2,114 million (excluding \$1,211 million in debt attributable to ENMAX).

The *Municipal Government Act* (MGA) requires The City to comply with two separate debt related limits which are expressed as a percentage of revenue. The MGA Debt Limit stipulates the maximum amount of debt principal that The City can have outstanding, including loan guarantees, and is calculated at two times revenue. Chart A below reports The City's total historical outstanding debt from 2011 to 2015. It indicates that as at December 31, 2015 The City had used 45% of its MGA debt limit.

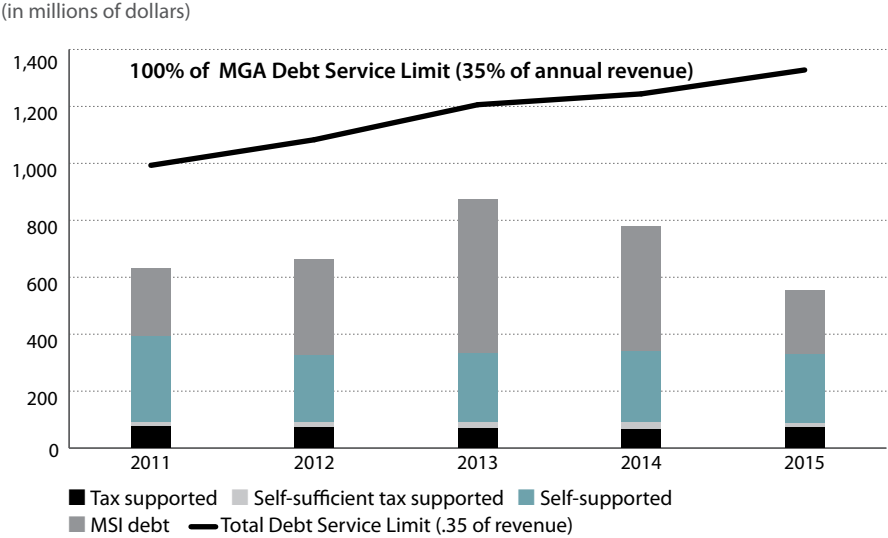
**Chart A — The City Historic Debt Levels**  
**MGA Debt Limits Trend 2011-2015**



The MGA Debt Service Limit sets out the maximum amount of annual debt servicing (principal and interest) that The City can incur and is calculated at 35% of revenue. For MSI bullet debt, the total principal and interest is recognized as debt servicing in the year the debt matures. Chart B reports The City's Debt Servicing Charges is at 42% of the MGA debt service limit at the end of 2015.

**Chart B — Debt Service Limit vs. Debt Servicing Charges**  
**(Principal and Interest)**

**MGA Debt service Limit Trend 2011 – 2015**



In 2002, City Council approved a target for City tax-supported debt service as a percentage of City tax-supported gross expenditures (net of recoveries) to not exceed 10%. This ratio differs from the MGA debt limits which includes all debt. The City was expected to and has exceeded this ratio due to debt associated with MSI bridge financing; this is expected to continue for several years.

Administration continues to monitor and report on an internal maximum level of 80%, as well as the mandated 100% maximums of the MGA limits, ensuring that The City has a sufficient cushion of debt capacity room available to provide financial flexibility.



## Reserves

As at December 31 (in thousands of dollars)

2015	2014	2013	2012	2011
	(Restated)	(Restated)		
<b>\$ 1,876,077</b>	\$ 1,626,276	\$ 1,437,065	\$ 1,297,791	\$ 1,131,968

The reserve balances totaled \$1,876 million at the end of 2015 (2014 – \$1,626 million). The net increase was primarily the result of increases in the Fiscal Stability Reserve, budget savings account, reserves for future capital projects, lifecycle maintenance, Development and Building Approvals sustainment, partially offset by reductions in funds for the real estate services and community investment reserve.

The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies. In 2010, Council approved an updated Financial Reserve Policy that establishes guidelines and criteria for the proper creation and administration of reserve funds. This policy includes a process to ensure each reserve is reviewed for necessity and sufficiency at least once during a three year cycle. This review will include ensuring that required funds are available, outdated reserves are closed and the level of funding is not higher than necessary. During 2015, the second year of the second triennial review period, City staff undertook a review of 18 reserves totaling \$673 million, representing approximately 41% of all reserves' balances as of December 31, 2014. Findings and recommendations of the review were approved by Council in December 2015.

Maintaining financial reserves is good management, allowing funds to be collected as available and spent judiciously as needed to ensure service levels to citizens are maintained. The City classifies reserves into three categories to be used for three distinct purposes:

- Operating reserves are used to fund operating expenses for one-time projects/pilot programs; to stabilize operating budgets for unanticipated fluctuations in revenue or expenses; to comply with a contractual agreement; or for contingency funds for operational emergencies.
- Capital reserves are used to fund capital expenses.
- Sustainment reserves are used to fund both operating and capital expenses for activities that are treated as self-sustaining. Surpluses from these activities are retained in these reserves to offset any future deficits.

The largest reserves are the Fiscal Stability Reserve (2015 – \$488 million; 2014 – \$416 million) which is a contingency reserve for urgent situations with significant financial implications and is also used to fund one-time operating costs and the Reserve for Future Capital (2015 – \$354 million; 2014 – \$318 million) which funds capital projects.

## RISK MANAGEMENT

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. The City Manager is responsible for ensuring compliance with Council's Integrated Risk Management (IRM) Policy and promoting a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives. As an example, risk management has been embedded into multi-year business planning and reporting to enhance the level of accountability, transparency and comparability of operations. Through the IRM framework, risks are identified at all levels across the organization. Some specific risks and mitigation approaches are presented below.

### Economic Monitoring

The City was materially impacted by the sharp fall in world oil prices as it is the head office location for most of Canada's energy sector. The local economy is vulnerable to the impact of external economic pressures due to volatile crude oil prices and the threat of depressed natural gas prices. In keeping with Council's IMR policy, The City continues to monitor economic conditions and The City's financial status so that Council is informed promptly of any changes requiring adjustment to business plans and budgets.

The economy's impact on provincial government revenues has resulted in deferral of a portion of capital grants to The City for infrastructure construction underway and planned for the near future. As a result, The City will take on debt until the deferred grant funding is provided to continue planned projects, thus avoiding costs of delaying projects and taking advantage of a more favourable construction market. Economic activity, population, and the tax assessment base is anticipated to grow at a lower rate in 2016 compared to 2015. Property tax revenue is not anticipated to be significantly impacted in 2016, however franchise fees are expected to be lower than anticipated in 2016. In early April of 2016 the Alberta government will release its 2016/2017 budget. Last year, the Provincial budget increased the fuel tax by 4 cents, which will increase The City's operating costs. The City is also anticipating lower grant in lieu of taxes from the Provincial government. Due to the economic uncertainty of lower oil prices, The City will be monitoring the economy and taking action to mitigate any negative impacts.

Calgary is experiencing the economic impacts of lower oil prices as the local unemployment rate has inched higher than the national average and other jurisdictions. This is expected to negatively impact Calgary's net migration and population growth. Economic activity in Calgary is expected to contract for the second consecutive year in 2016.

## Normal Operational Risk

In the usual course of business, The City is exposed to various risks that are mitigated through operational and financial controls under the umbrella of corporate integrated risk management. These risks include the normal operational risks associated with each of The City's businesses as well as social, legal and regulatory issues and changes to the economy that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

All activities undertaken by The City are covered under the Civic Insurance Program. This program is composed of purchased insurance coverage as well as a self-funded component for any losses below the deductible level of a purchased policy. Certain types of risks will be totally self-funded, as the costs to insure these risks are either prohibitive or unnecessary.

A \$7 million reserve is set aside and is utilized to offset any large claim against The City either in excess of a purchased policy limit or for a loss that is not covered by any insurance policy.

The City has fully met its current year cash contributions for employee benefit obligations at December 31, 2015. The City sponsored registered and non-registered defined benefit pension plans currently have a total unamortized net actuarial loss of \$43.8 million (2014 – \$53.2 million). The City has put in place a plan of action to set aside funding for these losses. The action plans are reviewed and adjusted annually. In addition, there are certain employee benefit obligations that inherently relate to The City with respect to multi-employer pension plans. Civic employees, with the exception of police officers, are members of the Local Authorities Pension Plan ("LAPP"). Police officers are members of the Special Forces Pension Plan ("SFPP"). Both plans are multi-employer, defined-benefit pension plans and are sponsored by the Alberta Minister of Finance and administered by Alberta Pension Services ("APS"). Both plans currently have a plan deficit, where the actuarial value of accrued benefit obligations is greater than the net assets available for benefits. The total deficit at December 31, 2014 for LAPP is \$2,455 million and for SFPP is \$191 million. At December 31, 2014 The City employees represented approximately 8.5% of the employees in LAPP and 50% of the employees in SFPP. The City, in conjunction with other participating member employers (such as Alberta Health Services, other Alberta municipalities, universities, colleges and school boards), and its employees, share in funding the future plan deficits through contribution rate increases. The contributions by one participating employer are not segregated in a separate account or restricted to provide benefits only to employees of The City, but rather are used to provide benefits to employees of all participating employers. The City includes a provision for increasing LAPP and SFPP contributions in its multiple-year budget plans.

The City is continuing to improve efficiency and effectiveness through a variety of approaches. In 2015, a Budget Savings Account program (PFC2015-0181) was set up to encourage business units to seek annual savings, innovation and efficiencies, within their operating and capital budgets. Funding for the Budget Savings Account is generated by favourable budget variances identified by business units through the management of their operating and capital budgets. At the 2015 year end, Business Units' Operating Savings in the amount of \$30.3 million from tax-supported programs were transferred to the Budget Savings Account Reserve. Capital savings identified through the Budget Savings Account program in 2015 was \$73.7 million.

## Environmental Risk

Environmental risk at The City is considered and managed in three ways. First, risks to the environment from City operations are primarily managed through the employment of environmental management professionals to assist business units in achieving and maintaining compliance with environmental laws and regulations. Specifically, The City business units have implemented Environmental Management Systems (EMS) based on the ISO 14001 international standard. Currently, 13 business units are registered, providing a sound model to effectively deal with environmental impacts associated with The City's activities. Environmental concerns related to corporate capital works projects are managed through the ECO (Environmental Construction Operations) Plan program.

Second, risks related to corporate land development and The City's role as a development approving agency are managed through policies and procedures. For example, there are policies in place addressing environmental concerns involved with the purchase, sale or redevelopment of contaminated land. The City has also established an environmental liability assessment program to identify, quantify and manage liability arising from corporately owned contaminated sites, along with measures to address contamination of City lands by others. Further, the Environmental Development Review policy exists to determine the suitability of a site for its intended use with respect to environmental conditions and to ensure that environmental conditions are considered in the planning approval process.

Effective April 1, 2014, The City adopted the new PSAS Liability for Contaminated Sites ("PS 3260"). Through the implementation process of PS 3260, The City identified 142 sites that are at a higher risk for potential contamination. As at December 31, 2015, six sites had been assessed and through March 31, 2016, an additional 46 sites were assessed. No additional provision was required as a result of these assessments. The City's work plan for 2016 includes the assessment of the remaining 90 sites to ensure that any additional liability is recorded for December 31, 2016.

Third, there are risks to The City related to environmental conditions such as climate change and air quality which are dealt with through programs designed to mitigate their occurrence and impacts. Regional air quality concerns are managed through the efforts of the Calgary Region Airshed Zone (CRAZ) of which The City is a founding member. Programs addressing greenhouse gas emission reduction are also being developed and implemented for both The City and the community at large. Infrastructure concerns related to climate change adaptation are also being addressed.

## Commodity Price and Foreign Exchange Risk

To stabilize operating budgets in the face of energy price volatility, The City purchases diesel fuel in the futures market when deemed beneficial and has a long-term fixed-rate contract for electricity. The City has a natural hedge against natural gas price increases because fees for using City rights of way (e.g., for natural gas distribution) are based on the amount billed for those services. The City hedges any foreign currency requirements in excess of \$0.250 million Canadian. At December 31, 2015, The City had U.S. dollar foreign exchange fixed contract arrangements totaling \$36 million U.S. dollars (USD) (2014 – \$42 million USD) at exchange rates ranging from 1.07 to 1.38 Canadian dollars for U.S. dollar contracts. During the fiscal year ended December 31, 2015, the various arrangements for foreign merchandise purchases cost The City \$5.042 million less (2014 – \$4.249 million less) than if the arrangements had not been entered into.

The City has also purchased hedges for future purchases relating to the light rail transit system. At December 31, 2015, the City has invested \$47 million USD (2014 – \$44 million USD) of cash with maturity dates between January 2016 and January 2017. These invested funds will be used to settle committed future foreign merchandise purchases of \$68 million USD (2014 – \$78 million USD). Under the terms of the purchase order agreement, The City has fixed exchange risk on foreign purchases for Canadian dollar trades against the U.S. dollar with the supplier at rates ranging from 1.03 to 1.07. During the fiscal year ended December 31, 2015, the various arrangements for foreign merchandise cost The City \$2.680 million less (2014 – \$4.076 million less) than if the arrangements had not been entered into. The City continues to monitor economic conditions and impacts on The City's financial status and adjusts strategies accordingly.

## ENMAX (THE CITY'S WHOLLY-OWNED SUBSIDIARY)

The City Electric System was a department of The City until 1998 when its assets, responsibilities and liabilities were transferred to ENMAX, a wholly-owned subsidiary of The City. The new structure was deemed necessary to respond to deregulation of the electricity industry in Alberta.

Deregulation resulted in the introduction of commodity price and volume risk, wholesale and retail competition, and political and regulatory risks to ENMAX's business. Additional risks identified by ENMAX and presented in detail in its annual financial report include operational, development, environmental, legal, human resources, financial resources/liquidity, credit/default, reporting/disclosure, technological, tax, reputation, corporate structure and strategic risks. ENMAX has an integrated approach to risk management across all ENMAX companies and has implemented an Enterprise Risk Management (ERM) framework. The Risk Management Committee, consisting of ENMAX senior management team members, oversees risk management and reports risk exposures to the Board of Directors.

ENMAX Power Corporation, ENMAX's electricity distribution and transmission subsidiary, has been regulated by the Alberta Utilities Commission since January 1, 2008 and prior to that by the Alberta Energy and Utilities Board starting in 2004.

ENMAX is a private Alberta corporation owned by The City. In 2015, The City, as ENMAX's Shareholder, reviewed and confirmed the company's strategic direction and annual operating plans. Approvals for ENMAX's annual budget and major capital projects in excess of \$75 million are sought from the Shareholder, and ENMAX provides The City with annual dividends.

ENMAX's 2015 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), with restatement of prior periods. For purposes of The City's 2015 consolidated financial statements, the change by ENMAX to adopt IFRS has been reported as a change to opening 2014 accumulated surplus, without restatement of prior periods.

Summary financial information for ENMAX, which includes the discussion of the entity's transition to IFRS, is included in Note 7 to the consolidated financial statements.

## THE OUTLOOK

### Calgary Economy and Management of Growth

Calgary's economic prospects are closely connected to shifts in external economic events. These external pressures from the global economy include: shifts in expenditures by other orders of government, slower growth in the emerging economies, recovery in the United States and volatile commodity prices. The sharp decline in oil prices from June 2014 to present has resulted in a corresponding reduction in capital expenditures and staffing levels by the energy sector and reduced economic activity in the local economy. The City will continue to monitor the local economy.

Economic activity in Calgary is expected to contract for the second consecutive year in 2016 as the energy and related sectors continue to reduce investment activity in Alberta. The Calgary Economic Region's (CER) gross domestic product (GDP) is expected to contract by 2.1% in 2016, and grow by 0.3% in 2017 and 1.6% by 2018. Total employment in the CER was estimated at 876,000 in 2015, up from 855,200 in 2014 and 838,000 in 2013. The unemployment rate should increase to 8.3% in 2016, up from 6.1% in 2015 as labour force growth outpaces job creation.

Calgary's economy in 2014-15 remained attractive to people from other locations, with net migration to The City in 2015 of approximately 24,909 people. With job losses and the local unemployment rate rising above the national level, migrants will be deterred by the local economy. Annual net migration in 2016 should significantly fall below the 10 year average of 17,000.



The rapid swings in economic prospects, from the record growth of 2006-2007 to the slump of 2008-2010 to the following robust recovery and the current economic downturn, have validated the flexibility built into The City's process for strategic and business planning. In 2014, Council approved the 2015-2018 Action Plan, The City's four year operating and capital budget. The City has begun to implement the business plan and budget for 2016 and will continue to maintain its flexibility to respond to economic, social, environmental and political changes through the mid-cycle budget review and annual budget adjustment process. Changes to provincial election legislation resulted in four-year terms beginning in October 2013. The City implemented process changes to ensure that the planning and budgeting cycle remain aligned with Council's term.

The City's longer-term perspective carries well beyond its four-year plan. In 2009, Council approved the adoption of new municipal development and transportation plans that will manage future community growth and investment plans for the next 60 years, featuring a balancing of growth between established and new areas of The City. The City has also been a major contributor to the Calgary Metropolitan Plan (CMP) which was approved by the Calgary Regional Partnership (CRP) and endorsed by City Council. The CMP provides a triple bottom line regional growth management strategy, a governance strategy and principles for regional servicing. In September 2015, the Province announced a bold vision for the Calgary metropolitan area. A mandatory metropolitan board (consisting of municipalities in the Calgary region) and a regional growth plan (likely based upon the CMP) are expected to be legislated by 2017. This change represents a formalized shift towards regional collaboration and recognition that municipal issues transcend our boundaries.

The City's rapid growth in the last decade has created a substantial challenge to provide for the maintenance of City assets. Work will continue to address the magnitude of required lifecycle maintenance for the organization's approximately \$60 billion (estimated replacement cost) in assets through continued asset management planning.

From 2014 through 2022, The City is investing in a number of infrastructure improvements at the Bonnybrook Wastewater Treatment Plant to address the City's growing demand. The Bonnybrook Wastewater Treatment Plant is the largest of Calgary's three wastewater treatment plants, with a capacity to serve an equivalent population of 946,000 people. The investments include capacity upgrades, as well as a major plant expansion. The capacity upgrades will allow The City to more efficiently utilize existing Bonnybrook Wastewater Treatment Plant infrastructure and will provide incremental capacity increases to accommodate growth in the short term. The total cost of the capacity upgrades is estimated at \$117 million. The majority of the detailed design for the Bonnybrook Capacity Upgrade project has been completed and tendered, and construction is well underway. The project is expected to be completed in 2018. The major plant expansion (Plant D) will increase the capacity to serve an equivalent of 325,000 people. It will include the addition of new primary, secondary and tertiary treatment infrastructure. The expansion project will also include upgrades and life-cycle replacements of existing processes, ancillary facilities and systems, as well as a flood resiliency component. Detailed design of the plant expansion is underway. The cost estimate for the plant expansion project is \$690 million. The implementation of the expansion project will span a period of 6 to 7 years.

In 2013, Council approved the construction of a city owned composting facility that will be privately designed, built and operated. The facility will compost residential food and yard waste as well as biosolids from The City's wastewater treatment plants. This is significant as it supports diversion from the waste management facilities. The facility is in the design-and-build stages of construction and will be ready for the launch of the city-wide Green Cart Program in 2017.

### Intergovernmental & Corporate Strategy

The City will continue to identify and address methods of spurring growth in the local economy and supporting those efforts through grants and funding from other orders of government. Government relations, as a function of Intergovernmental & Corporate Strategy (ICS), will continue to be critical in allowing The City to respond to the needs of a changing economic environment.

The most substantial funding program is the provincial Municipal Sustainability Initiative (MSI) agreement, introduced by the Province in Alberta in 2007-08 as a commitment totaling \$3,300 million for The City over a ten-year period. Due to the substantial change in provincial revenues, the Alberta government in its 2010-11 budget changed the terms and conditions for MSI funding, to extend the same amount of total funding over a longer time period. In recognition that The City has made several long-term commitments to major construction projects based on the funding agreement, the Province will allow The City to use 7% of its total MSI grant for interest costs on the debt and up to ½ of the total MSI grant that will need to be borrowed to build the required infrastructure improvements. This ability to front-end capital projects against future cash flows from MSI will enable The City to maintain its pace of construction within its infrastructure investment plan. The 2015/16 – 2019/20 Provincial budget continues to support municipalities through the MSI agreement with \$3,912 million allocated over the next five years (2015/16 – 2019/20). The City's allocation for 2015 was \$144 million; the 2016 allocation is estimated to be \$263 million. The MSI and the Basic Municipal Transportation Grant (BMTG – Fuel Tax) were combined into one, the BMTG allocation for 2015 was \$129 million and the 2016 estimated allocation is \$133 million.

Province-wide, GreenTRIP funding totals \$946 million over the next five years (2015/16 – 2019/20). Calgary's allocation was not detailed in the budget; however, out of the \$640 million announced for The City by the Province, The City has \$473 million in GreenTRIP funded projects approved for Calgary over four years to complete planned transit projects. The City also has additional \$163 million of GreenTRIP of the remaining funding for Phase 2 approved in July 2015.

In the provincial budget released in October 2015, the province has allocated \$926 million for flood recovery projects in its 2015-2016 budget, including mitigation measures to protect Albertans from future flooding. This includes \$100 million in new funding for the Elbow River mitigation projects. The province also announced \$297 million for communities along Elbow River for flood protection measures and \$150 million over 10 years for Calgary flood mitigation projects through Alberta Community Resilience Program. The Province will release its 2016 Budget in April. The Government of Canada has committed to providing \$200 million over five years, starting in 2015-16, for a National Disaster Mitigation Program. Costs of projects will be shared with provinces and territories.

The City of Calgary's submission for the *Municipal Government Act* (MGA) Review is complete and the province will propose new MGA legislation in 2016. Recommendations to the Government of Alberta include: the MGA continuing to provide municipalities with broad authority for municipal financial accountability and transparency; consideration of providing municipalities with access to new revenue sources and additional revenue-sharing opportunities that would improve the fiscal capacity of municipalities and diversify their revenue bases; and The City retaining the authority to determine the appropriate use of the additional revenues, leading to a decrease in the reliance on the property tax and addressing the fiscal imbalance between The City and the provincial government.

City Charter discussions continued through 2015 and entered phase 2 of the negotiations. There is a continued commitment to a new relationship that will be realized in City Charters specific to each of Alberta's two largest cities.

### Civic and Community Initiatives

The Community Revitalization Levy is an example of an innovative, own-source approach to obtaining funding that has been approved for a major downtown infrastructure redevelopment project called The Rivers District Community Revitalization Plan. The plan was initiated as a self-sufficient tax-supported program in 2007 under the then newly formed Calgary Municipal Land Corporation, a controlled corporation of The City that is accountable for development and sale of land transferred from The City.

The City currently has two public-private partnerships (P3s) in progress and continues to evaluate major capital projects for P3 suitability. The City of Calgary Composting Facility Project completed its financing agreements in June 2015 and is currently under construction. The Stoney Compressed Natural Gas Bus Storage and Transit Facility are currently in procurement with selection of a Preferred Proponent anticipated in mid-2016.

Launched in 2014 by The City, the Build Calgary initiative is an important effort to focus immediate and collective attention to ensure ongoing financial sustainability related to infrastructure as Calgary continues to grow. Build Calgary addresses pillars four and five of the Leadership Strategic Plan, which is to focus immediate and collective attention on planning and building a great City and to Strengthen The City's financial position.

After extensive industry and public engagement, new off-site levy rates and community services charges were approved by Council for implementation on February 1, 2016. The new levy regime will contribute to the building of complete communities and achieving financial sustainability.

A Capital Investment Strategy was also approved with the objective of providing more accurate cash flows, reviewing the prioritization of projects, aligning capital investment with Federal and Provincial funding initiatives and improving the delivery of infrastructure.

Infrastructure Calgary is an initiative that is set up to oversee the Capital Investment Strategy. It will enhance Administration's ability to prioritize projects across departments and deliver on a citizen focused Corporate Infrastructure Investment Plan. Infrastructure Calgary will also track the capital spend, address risk and ensure we have sufficient staff resources with the capability to deliver projects on time, on budget and within scope while providing economic stimulus during the current economic downturn. In the longer term, Infrastructure Calgary will shift to improving the broader approach to capital investment including the review of Project Management best practices and the development of public facing accountability tools.

## Council and City Administration Actions

Action Plan 2015-2018 represents The City's four year spending plan for meeting Council's priorities. It includes a total operating expenditures of \$15 billion over the four years (\$3.5 billion in 2015, rising to \$4.1 billion by 2018), and \$7 billion in capital investment. This is based on delivering services to an additional 100,000 people over the four year period. The City will revise Action Plan to reflect changing conditions through the annual budget adjustment process as well as a more comprehensive mid-cycle budget adjustment in advance of the 2017 budget year.

Council approved a strategy for ongoing improvements to service efficiency and effectiveness including a "zero based" review (ZBR) approach. A ZBR is an examination of all aspects of an existing service including scope, service level, alignment with long-term policy goals and potential efficiencies in the way services are delivered. By the end of Q1 2016, the ZBR Program had initiated 9 reviews of business units making up 64% of The City's gross operating expenditure budget.

City Council continues to provide policy guidance and to support the longer-term planning perspective afforded by the multi-year approach to business plans and budgets. Administration will use these as a framework to provide recommendations on how best to supply required infrastructure and services for Calgarians within available funding. The recent economic downturn has reinforced the need to respond to our cyclical economy and to monitor the economy and The City's financial status to ensure continuing adaptation to economic uncertainties. In meeting its mandate for public service, The City will continue to make effective and efficient use of experienced and new City staff, whose combined knowledge and skill will provide maximum value from the financial resources provided by citizens.

Calgary, Canada  
April 25, 2016



Government Finance Officers Association

## Canadian Award for Financial Reporting

Presented to  
**The City of Calgary**  
**Alberta**

For its Annual  
Financial Report  
for the Year Ended

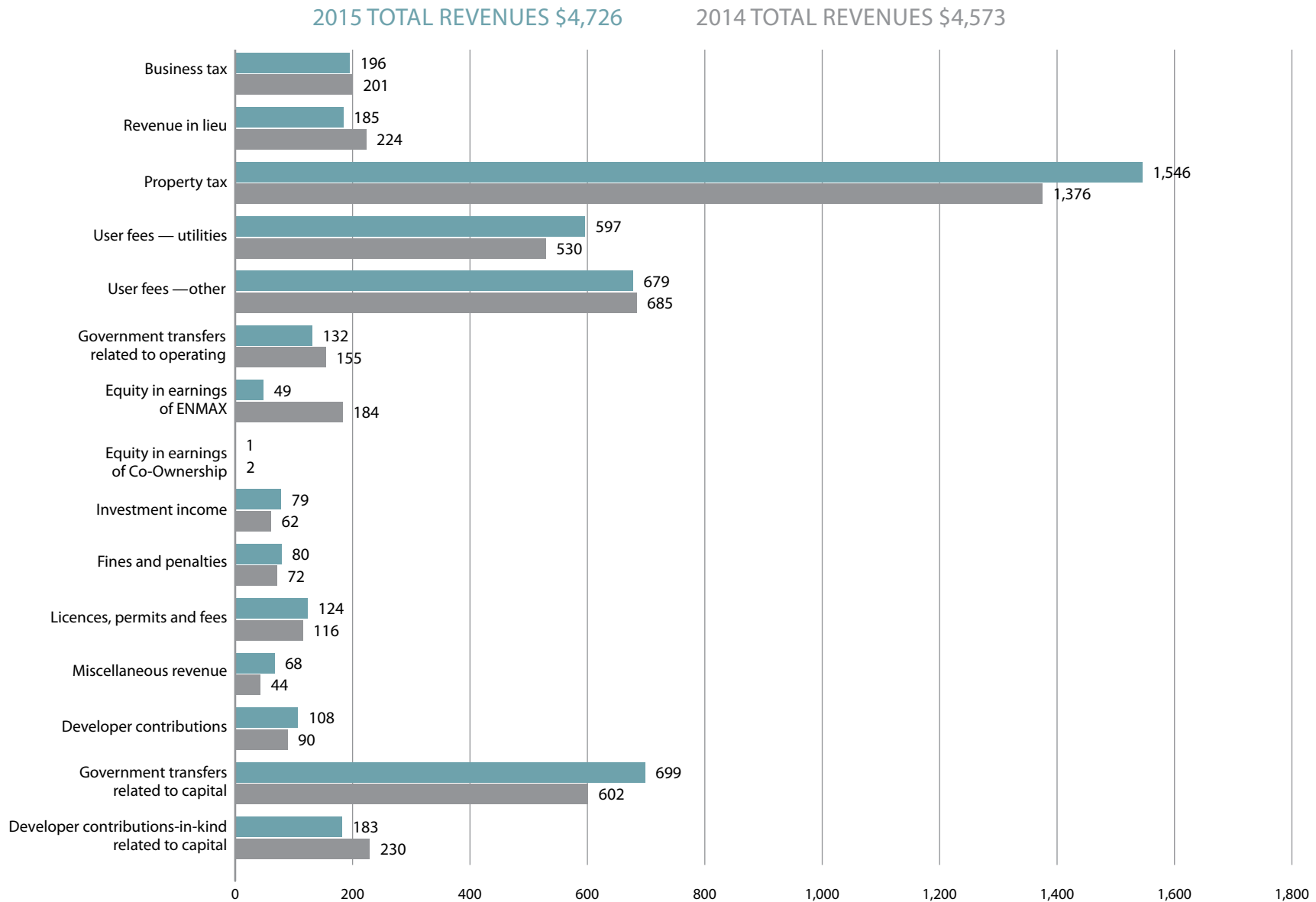
**December 31, 2014**

  
Executive Director/CEO



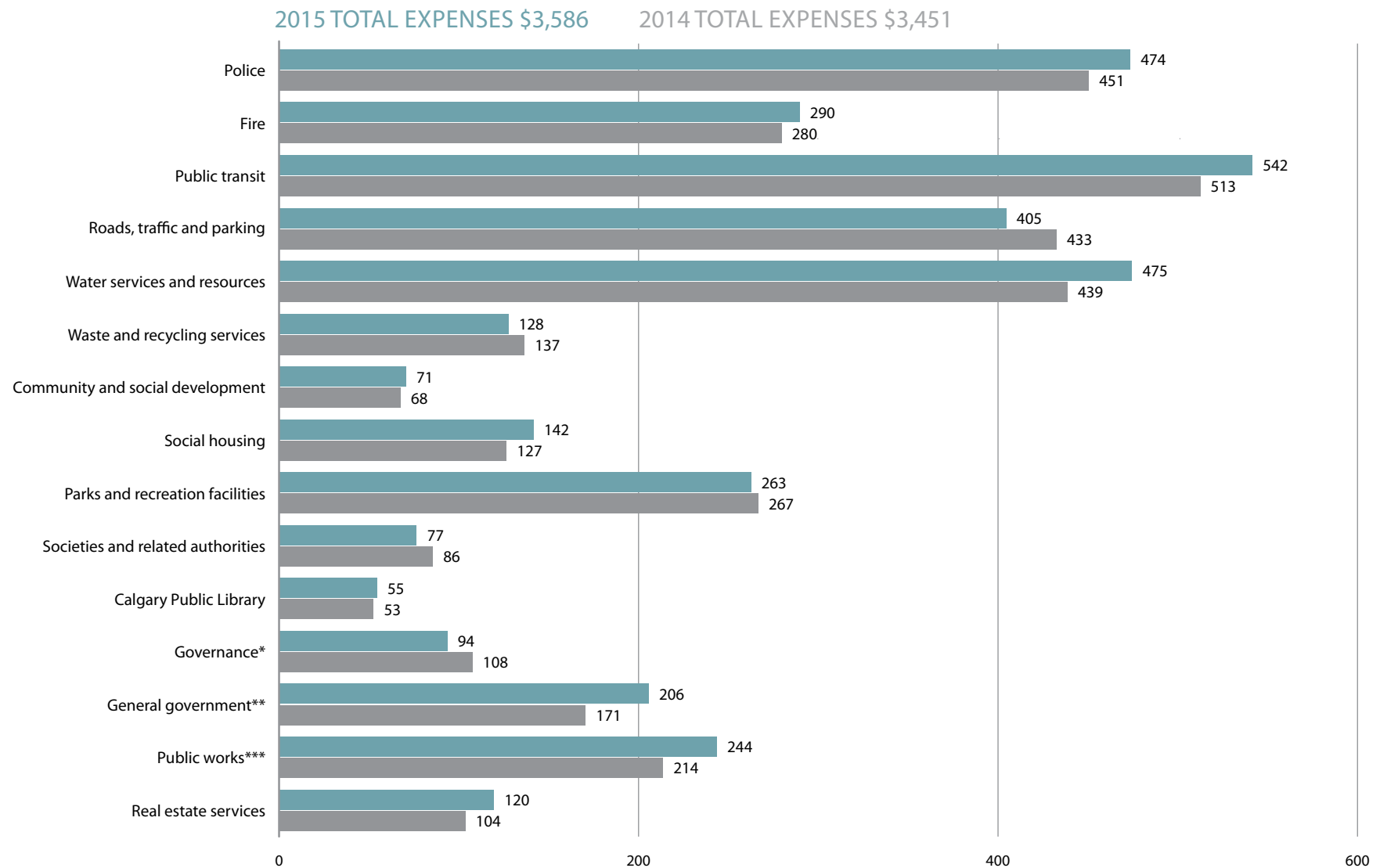
# Financial Synopsis 2015 Sources of Revenue

For the Year Ended December 31 (in millions of dollars)



# Financial Synopsis 2015 Expenses

For the Year Ended December 31 (in millions of dollars)



\* Includes offices of the Mayor, Councillors, City Manager, Chief Financial Officer, City Auditor, City Clerk and Law.

\*\* Includes Assessment Services, Customer Service & Communications, Human Resources, Information Technology and Corporate Costs.

\*\*\* Includes Animal & Bylaw Services, Local Area & Implementation, City Wide Policy & Integration, Inspection & Permit Services, Environmental & Safety Management, Infrastructure & Information Services, Fleet Services, and Corporate Properties & Buildings' facilities.

# Consolidated Financial Statements

The City of Calgary, Alberta





## Responsibility for Financial Reporting

### MANAGEMENT'S REPORT

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

The consolidated financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the consolidated financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the consolidated financial statements.

The City Auditor's Office reports directly to Council, through the Audit Committee, on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

In 2015, City Council fulfilled its responsibility for financial reporting through the Priorities and Finance Committee and its Audit Committee. The Priorities and Finance Committee, which consists of the Mayor, the Chairs of each of the four Standing Policy Committees, the Chair of the Audit Committee and a Councillor at large, meets regularly to deal with, among other issues, financial planning and reporting matters. The Audit Committee consists of four councillors and three citizen representatives, which meets regularly with both the independent external auditor and the City Auditor to review financial control and reporting matters.

Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, have been appointed by City Council to express an audit opinion on The City's consolidated financial statements. Their report follows.

Jeff Fielding, City Manager

Eric Sawyer, Chief Financial Officer

Calgary, Canada  
April 25, 2016

# Responsibility for Financial Reporting

## INDEPENDENT AUDITOR'S REPORT

### *To His Worship Mayor Naheed Nenshi and Members of City Council, The City of Calgary*

We have audited the accompanying consolidated financial statements of The City of Calgary, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, cash flows and changes in net financial assets for the year then ended, and accompanying notes to the consolidated financial statements.

### *City Administration's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The City of Calgary as at December 31, 2015 and its results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Chartered Accountants

Calgary, Alberta  
April 25, 2016

# Consolidated Statement of Financial Position

As at December 31 (in thousands of dollars)

	2015	2014 (Restated Note 30)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 104,499	\$ 81,085
Investments (Note 3)	4,117,988	3,702,773
Receivables (Notes 4 and 7a) iii)	255,517	248,099
Land inventory (Note 5)	207,877	235,108
Other assets (Note 6)	98,279	96,887
Investment in ENMAX Corporation (Note 7a))	2,299,205	2,281,064
Investment in Co-Ownership (Note 7b))	–	1,539
	<b>7,083,365</b>	<b>6,646,555</b>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness (Note 8)	58,424	35,261
Accounts payable and accrued liabilities (Notes 7a) iii)), 9 and 33)	728,460	728,516
Deferred revenue (Note 10)	89,108	86,738
Capital deposits (Notes 11 and 33)	1,054,794	946,576
Provision for landfill rehabilitation (Note 12)	87,488	86,946
Employee benefit obligations (Note 13)	455,249	423,740
Long-term debt (Note 14)	3,360,602	3,626,177
	<b>5,834,125</b>	<b>5,933,954</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,249,240</b>	<b>712,601</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Notes 15, 31 and 32)	14,909,836	14,284,585
Inventory	60,375	62,410
Prepaid assets	30,402	25,113
Land receivable	–	232
	<b>15,000,613</b>	<b>14,372,340</b>
<b>ACCUMULATED SURPLUS</b> (Note 17)	<b>\$ 16,249,853</b>	<b>\$ 15,084,941</b>
<b>Commitments, contingent liabilities and guarantees</b> (Notes 25 and 26)		

See accompanying notes to the consolidated financial statements

Approved on behalf of City Council:

Mayor Naheed Nenshi



# Consolidated Statement of Operations and Accumulated Surplus

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

	Budget 2015 (Note 16)	Actual 2015	Actual 2014 (Restated Note 30)
<b>REVENUES</b>			
Net taxes available for municipal purposes (Note 20)	\$ 1,898,496	\$ 1,926,096	\$ 1,801,262
Sales of goods and services	1,270,250	1,275,403	1,214,406
Government transfers and revenue sharing agreements (Note 23)			
Federal	3,969	3,812	4,507
Province of Alberta	104,442	128,431	150,584
Investment income	53,583	79,185	61,794
Fines and penalties	73,384	80,451	72,121
Licences, permits and fees	94,468	124,358	116,331
Miscellaneous revenue (Note 32)	22,647	68,181	44,082
Equity in earnings of ENMAX Corporation (Note 7a))	105,000	48,725	184,069
Equity in earnings of Co-Ownership (Note 7b))	–	618	1,992
	<b>3,626,239</b>	<b>3,735,260</b>	3,651,148
<b>EXPENSES</b>			
Police	457,173	473,727	451,128
Fire	268,954	289,591	279,986
Public transit	427,069	542,397	513,595
Roads, traffic and parking	255,233	405,282	433,667
Water services & resources	408,722	475,002	438,648
Waste and recycling services	122,135	128,013	136,683
Community and social development	75,019	70,717	67,567
Social housing	131,543	142,586	127,250
Parks and recreation facilities	216,581	263,027	266,664
Societies and related authorities	83,674	76,577	86,290
Calgary Public Library Board	51,954	54,527	52,898
General government	381,776	300,318	278,582
Public works	246,186	243,919	214,329
Real estate services	141,945	120,441	103,595
	<b>3,267,964</b>	<b>3,586,124</b>	3,450,882
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER</b>	<b>358,275</b>	<b>149,136</b>	200,266
<b>OTHER</b>			
Developer contributions	288,570	107,734	89,637
Government transfers related to capital (Note 23)	730,619	699,349	602,220
Developer contributions-in-kind related to capital	–	183,277	229,982
<b>NET REVENUES</b>	<b>1,377,464</b>	<b>1,139,496</b>	1,122,105
ENMAX Corporation – other comprehensive gain/(loss) adjustment (Note 7a))	–	25,416	(41,758)
<b>ANNUAL SURPLUS</b>	<b>1,377,464</b>	<b>1,164,912</b>	1,080,347
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>15,084,941</b>	<b>15,084,941</b>	14,004,594
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 16,462,405</b>	<b>\$ 16,249,853</b>	\$ 15,084,941

See accompanying notes to the consolidated financial statements.

# Consolidated Statement of Cash Flows

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

	2015	2014
		(Restated Note 30)
<b>NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS:</b>		
<b>OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 1,164,912	\$ 1,080,347
Deduct items not affecting cash:		
Equity in earnings of ENMAX Corporation (Note 7a))	(48,725)	(184,069)
ENMAX Corporation – other comprehensive (gain)/loss (Note 7a))	(25,416)	41,758
Equity in earnings of Co-Ownership (Note 7b))	(618)	(1,992)
Amortization of tangible capital assets	576,318	547,552
Net Loss on disposal of tangible capital assets	8,191	9,546
Developer contributions-in-kind related to capital	(183,277)	(229,982)
Change in non-cash items:		
Receivables	(7,418)	65,385
Land inventory	27,231	(5,343)
Other assets	(1,392)	(6,656)
Inventory	2,035	(11,574)
Prepaid assets	(5,289)	(3,267)
Accounts payable and accrued liabilities	(56)	(13,794)
Deferred revenue	2,370	15,960
Capital deposits	108,218	7,197
Provision for landfill rehabilitation	542	22,246
Employee benefit obligations	31,509	24,848
	<b>1,649,135</b>	<b>1,358,162</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,051,308)	(1,015,877)
Proceeds on sale of tangible capital assets	25,057	24,628
	<b>(1,026,251)</b>	<b>(991,249)</b>
<b>INVESTING ACTIVITIES</b>		
Dividends from ENMAX Corporation	56,000	60,000
Receipt of Co-Ownership distribution	2,157	3,891
Purchase of investments, net of sales	(415,215)	(383,688)
	<b>(357,058)</b>	<b>(319,797)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt issued	222,441	405,004
Long-term debt repaid	(488,016)	(440,209)
Net increase in bank indebtedness	23,163	3,117
	<b>(242,412)</b>	<b>(32,088)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,414</b>	<b>15,028</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>81,085</b>	<b>66,057</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 104,499</b>	<b>\$ 81,085</b>

See accompanying notes to the consolidated financial statements.

# Consolidated Statement of Changes in Net Financial Assets

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

	Budget 2015	Actual 2015	Actual 2014
	(Note 16)		(Restated Note 30)
<b>ANNUAL SURPLUS</b>	<b>\$ 1,377,464</b>	<b>\$ 1,164,912</b>	<b>\$ 1,080,347</b>
Amortization of tangible capital assets	117,037	576,318	547,552
Proceeds on sale of tangible capital assets	350	25,057	24,628
Acquisition of supplies inventories	–	176,295	138,377
Use of supplies inventories	–	(174,260)	(149,951)
Acquisition of prepaid assets	–	374,159	211,802
Use of prepaid assets	–	(379,448)	(215,069)
Tangible capital assets received as contributions	–	(183,277)	(229,982)
Net loss on disposal of tangible capital assets	–	8,191	9,546
Acquisition of tangible capital assets	(664,218)	(1,051,308)	(1,015,877)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>830,633</b>	<b>536,639</b>	<b>401,373</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>712,601</b>	<b>712,601</b>	<b>311,228</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 1,543,234</b>	<b>\$ 1,249,240</b>	<b>\$ 712,601</b>

See accompanying notes to the consolidated financial statements.



# Notes to the Consolidated Financial Statements

December 31, 2015 (in thousands of dollars)

The City of Calgary ("The City") is a municipality in the Province of Alberta incorporated in 1884 as a town and in 1894 as a city and operates under provisions of the *Municipal Government Act*.

## 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The City are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS").

### a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the operating fund, capital fund and reserves fund of The City. Inter-departmental balances and transactions have been eliminated from the consolidated financial statements.

The consolidated financial statements include all organizations that are accountable for the administration of their financial affairs and resources to The City and are controlled by The City, except for The City's government business enterprise, ENMAX Corporation ("ENMAX").

#### *Related Authorities*

The eight related authorities included in the consolidated financial statements are Calgary Parking Authority, the Calgary Public Library Board, Calhome Properties Ltd. (operating as Calgary Housing Company), the Calgary Municipal Land Corporation, the Attainable Homes Calgary Corporation, the Calgary Convention Centre Authority (operating as Calgary TELUS Convention Centre), Calgary Economic Development Ltd., and Calgary Arts Development Authority Ltd. (Note 21). Inter-entity transactions and balances between The City and the related authorities have been eliminated.

#### *Civic Partners*

The City has fiscal relationships with many organizations for which control lies outside of Calgary City Council. These consolidated financial statements include operating and capital requisitions for certain educational, cultural, social and other external organizations, but do not include the financial results of these organizations. Separate financial information may be sought directly from such organizations and registered pension plans, which include the following:

Alberta Health Services  
Calgary Board of Education  
Calgary Centre for the Performing Arts  
Calgary Exhibition and Stampede Limited  
Calgary Science Centre & Creative Kids Museum Society  
Calgary Technologies Inc.  
Calgary Roman Catholic Separate School District No.1  
Heritage Park Society  
Lindsay Park Sports Society  
Metropolitan Calgary Foundation  
Parks Foundation Calgary  
Saddledome Foundation  
St. Mary's University College  
The Calgary Zoological Society  
The Fort Calgary Presentation Society

#### *Registered Pension Plans (Note 13)*

Calgary Firefighters' Supplementary Pension Plan  
Calgary Police Supplementary Pension Plan  
Pension Plan for Elected Officials of The City of Calgary  
The City of Calgary Supplementary Pension Plan  
Local Authorities Pension Plan  
Special Forces Pension Plan

#### *Government Business Enterprise*

ENMAX is a government business enterprise, and a wholly-owned subsidiary of The City. ENMAX is accounted for using the modified equity method. Under this method, the business enterprise's accounting principles are not adjusted to conform to those of The City, and inter-organizational transactions are not eliminated (Note 7a)).

#### *Funds Held in Trust*

Funds held in trust and their related operations administered by The City for the benefit of external parties are not included in the consolidated financial statements, but are reported separately in Note 29, Funds Held in Trust.

## **b) Basis of Accounting**

- i) Revenues are accounted for in the period in which the transactions or events giving rise to the revenue occur, providing the revenues are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.
- ii) Taxation revenues are recorded at the time tax billings are issued. Taxation billings are subject to appeal. A provision has been recorded in accounts payable and accrued liabilities for potential losses on taxation revenue appeals outstanding as of December 31, 2015.
- iii) Local improvements are recognized as revenue, and established as a receivable, for the property owners' share of the improvements in the period that the project expenses are incurred.
- iv) Government transfers and grants are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made. Where transfers are received but eligibility criteria or stipulations are not met, government transfers are recognized in Capital Deposits (Capital Grants) or Deferred Revenue (Operating Grants) until eligibility criteria or stipulations are met.
- v) Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.
- vi) Authorized transfers from The City are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated.

## **c) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on deposit, treasury bills and Guaranteed Investment Certificates ("GICs") with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

## **d) Investments**

Included in investments are internally managed portfolios consisting of investments in money market instruments and short term bonds. The City also has externally managed investment portfolios consisting of short and long term investments including money market securities, bonds, mortgages and equities. Investments are recorded at the lower of original cost net of amortized discounts and premiums and market value on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

## **e) Land Inventory**

Land inventory is carried at the lower of cost and net realizable value. Cost includes amounts for land development expenses. These amounts are held for sale in the normal course of business.

## **f) Bank Indebtedness**

Bank indebtedness consists of cheques outstanding in excess of deposits with commercial banks and short term borrowing.

## **g) Deferred Revenue**

Deferred revenue represents amounts received from third parties for a specified operating purpose. These amounts include deferred government transfers, which are externally restricted until used for the purpose intended. Also included in deferred revenue are private contributions, advance sales of goods and services and amounts received for licenses, permits, and application fees, which are recognized as revenue in the period when the related expenses are incurred.

## **h) Capital Deposits**

Capital deposits represent amounts received from third parties for specified capital projects. Deposits must be expended on projects for which they are designated, and are recognized as revenue when expenditures are made.

## **i) Provision for Landfill Rehabilitation**

The *Environmental Enhancement and Protection Act* (Alberta) sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being provided for over the estimated remaining life of the landfill sites based on usage, and is funded through tipping fees. The annual provision is reported as an operating fund expense in Waste & Recycling Services, and the accumulated provision is reported as a liability on the consolidated statement of financial position.

## **j) Provision for Contaminated Sites**

The *Environmental Enhancement and Protection Act* (Alberta) sets out the regulatory requirements to properly maintain and remediate contaminated sites. Under environmental law, there is a requirement for the persons responsible for the contamination to remediate and reclaim the site. A provision is provided for non-productive sites where contamination exists that exceeds an environmental standard. The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up and a reasonable estimate for the provision can be made. Non-productive sites include any site where the contamination is a result of past activities not related to the current use of the site.

The provision reflects The City's best estimate of the amount required to remediate sites to the current minimum standard for the sites' intended use, as of the financial statement date. The provision is determined on a site-by-site basis, and is adjusted to reflect the passage of time, new obligations, and changes to management's intent and actual remediation costs incurred.

The provision for future clean-up costs is an estimate of the minimum remediation costs known for sites where an assessment has been conducted and where there is available information that is sufficient to estimate costs. Where sites require ongoing remediation, monitoring or maintenance, the present value of all estimated future costs are discounted using The City's weighted average cost of capital. The provision is included in accounts payable and accrued liabilities.

#### **k) Employee Benefit Obligations**

The City has fully met its current year cash contribution obligations for employee benefit obligations at December 31, 2015. Long term unamortized actuarial losses will be funded in future periods.

- i) Contributions to multi-employer plans are expensed when the contributions are due.
- ii) The cost of City-sponsored, registered defined-benefit pension plans, non-registered defined-benefit pension plans and post-retirement benefits are recognized when earned by the members. These costs are actuarially determined using the projected benefit method prorated on service and management's best estimate of expected salary and benefit escalation, retirement ages of employees and plan investment performance. Plan obligations are discounted using The City's cost of borrowing using estimated rates for debt with maturities similar to expected benefit payments in the future.
- iii) The City records the actuarially determined excess of the accrued benefit obligation over the market value of the plan assets for City-sponsored, registered defined-benefit pension plans. For jointly sponsored plans, The City records its proportionate share of that excess. For non-registered, defined-benefit plans and other retirement benefit obligations, The City records the actuarially determined accrued benefit obligation and funds these obligations within its cash and investments. No obligations are recorded for multi-employer defined-benefit pension plans administered by external parties as The City's share of those obligations is not readily determinable.

- iv) Adjustments arising from experience gains and losses are amortized on a straight-line basis over the expected average remaining service period of active employees. Adjustments arising from prior service costs related to plan amendments and changes in the valuation allowance are recognized in the period in which the adjustment occurs.

#### **l) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal 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.

#### **m) Accumulated Surplus/Deficit**

Accumulated surplus/deficit represents The City's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that The City has net resources (financial and non-financial) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

#### **n) Tangible Capital Assets**

Tangible capital assets, including assets held under capital leases, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated and contributed assets are capitalized and recorded at their estimated fair value at the time they are transferred to The City. At that same time, the corresponding revenue is recognized. Interest charges are not capitalized.

Work in progress represents assets which are not available for use and therefore are not subject to amortization.

Works of art for display are not recorded as tangible capital assets.

Tangible capital assets are written down when there is permanent and measureable impairment in its tangible capital asset value and the tangible capital asset still exists.



The cost, less residual value, of tangible capital assets is amortized on a straight line basis over the estimated useful life as follows:

	Years
Buildings	
Buildings	10 – 75
Leasehold improvements	5 – 30
Vehicles	
Light rail transit	25
Transit buses and fire trucks	5 – 20
Vehicles	2 – 15
Land improvements	5 – 40
Engineered structures	
Waterworks and wastewater distribution and collection systems and treatment plants	15 – 75
Transit network	10 – 75
Road network	5 – 100
Communication networks and landfills	20 – 50
Machinery and equipment	
Computer equipment	5 – 10
Furniture and equipment	5 – 20
Boats and other mobile machinery	5 – 20
Other equipment and machinery	5 – 20

#### o) Inventories

Inventories comprising materials and supplies are carried at the lower of cost and replacement cost.

#### p) Land Held for Municipal Purposes

Land held for municipal purposes are comprised of land held for future civic use and is carried at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for civic use. Land held for municipal purposes is included in tangible capital assets for financial statement purposes.

#### q) Equity in Non-Financial Assets

Equity in non-financial assets represents the investment in non-financial assets after deducting the portion of these assets that have been financed by long-term debt.

#### r) Budget Figures

The 2015 budget is reflected on the consolidated statement of operations and accumulated surplus. The budget consists of the Council-approved amounts for the operating fund and the capital fund, modified for capital revenue adjustments, assets capitalized on the statement of financial position, and depreciation expense for tax-supported assets. The budgets established for the capital fund are on a project-oriented basis, the costs of which may be carried out over one or more years. The capital budget figures are modified based on the percentage of completion of these projects.

#### s) Environmental Provisions

The City has a formal environmental assessment and reclamation program in place to ensure that it complies with environmental legislation. The City provides for the cost of compliance with environmental legislation when costs are identified and can be reasonably measured.

#### t) Financial Instruments and Fair Values

The City is exposed to the risk that arises from fluctuations in interest rates and exchange rates and the degree of volatility of these rates.

The City utilizes derivative financial instruments in order to manage the impact of fluctuating interest rates and foreign currency on its investment income, as well as to manage foreign exchange on anticipated future expenses in foreign currencies. Gains (losses) on foreign currency translation are included as revenues (losses). The City's policy is not to utilize derivative financial instruments for trading or speculative purposes.

In addition to formal derivative financial instruments, The City also purchases hedges for significant future purchases when deemed beneficial, in order to mitigate foreign exchange risk associated with transacting with vendors in United States Dollars ("USD").

Based on available market information, the carrying value of The City's financial instruments approximates their fair value due to their short period to maturity, except with respect to investments as indicated in Note 3 and long-term debt, as indicated in Note 14(e).

#### u) Loan Guarantees

Periodically The City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in The City's 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.

#### **v) Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where estimation uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from estimates. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, accrued liabilities, employee benefit obligations, provision for tax appeals, provision for landfill rehabilitation, contaminated sites and environmental assessments, contingent liabilities and commitments are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

#### **w) Loans Receivable**

Loans receivable are recorded at cost less allowance for doubtful accounts. Allowance for doubtful accounts is recognized when collection is in doubt, and are stated at the lower of cost and net recoverable value. No interest is charged on owed amounts.

#### **x) Accounting Standards Adopted in the Current Year**

##### *i) Liability for Contaminated Sites*

Effective April 1, 2014, The City adopted the new Public Sector Accounting Board accounting standard, Liability for Contaminated Sites ("PS 3260"). PS 3260 specifies that a liability for a contaminated site must be recognized when, as at the financial reporting date, all of the following criteria are met for a site or a portion of a site which is no longer in productive use:

- i) There is evidence that contamination exists that exceeds an environmental standard as verified by a qualified assessment,
- ii) The City is either directly responsible or has accepted responsibility for the contamination, and
- iii) It is expected that future economic benefits will be given up and a reasonable estimate for the provision can be made.

The City has adopted this standard prospectively. The effects of this change on the current year financial statements is an increase in liabilities and expenses of \$2,513 for the year ended December 31, 2015 (Note 25).

#### **y) Future Accounting Pronouncements Standards effective beginning on or after April 1, 2017**

##### *i) Assets*

Assets ("PS 3210") provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure information about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed.

##### *ii) Contingent Assets*

Contingent Assets ("PS 3320") defines and establishes disclosure on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the confirming future event is likely.

##### *iii) Contractual Rights*

Contractual Rights ("PS 3380") defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual rights is required.

##### *iv) Related Party Transactions*

Related Party Transactions ("PS 2200") defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

##### *v) Inter-entity Transactions*

Inter-entity Transactions ("PS 3420") specifically addresses the reporting of transactions between entities controlled by the government's reporting entity from both a provider and recipient perspective. Disclosure of this information is required whether or not the transaction is given accounting recognition.

#### **Standards effective beginning on or after April 1, 2018**

##### *vi) Restructuring Transactions*

Restructuring Transactions ("PS 3430") establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor.

## Standards effective beginning on or after April 1, 2019

### vii) Financial Statement Presentation

Financial Statement Presentation ("PS 1201") was amended to conform to Financial Instruments ("PS 3450"), and requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

### viii) Portfolio Investments

Portfolio Investments ("PS 3041") has removed the distinction between temporary and portfolio investments. This section was amended to conform to Financial Instruments ("PS 3450"), and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, Temporary Investments ("PS 3030") will no longer apply.

### ix) Foreign Currency Translation

Foreign Currency Translation ("PS 2601") requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.

### x) Financial Instruments

Financial Instruments ("PS 3450") establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

The City continues to assess the impacts of the above standards. While the timing of standards adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation ("PS 1201"), Financial Instruments ("PS 3450"), Foreign Currency Translation ("PS 2601") and Portfolio Investments ("PS 3041") must be implemented at the same time. Related Party Disclosures ("PS 2200") and Inter-Entity Transactions ("PS 3420") also require concurrent adoption.

## 2. CASH AND CASH EQUIVALENTS

	2015	2014 (Restated Note 30)
Cash on deposit	\$ 103,789	\$ 72,743
Treasury bills and GICs with original maturities of 90 days or less	710	8,342
	\$ 104,499	\$ 81,085

Treasury bills and GICs interest rates are approximately 0.5% in 2015 and 1.0% 2014.

## 3. INVESTMENTS

All the investments managed by The City are held in fixed income securities and equity investments. Investments with a cost of \$2,395 (2014 – \$2,257) are managed by the Parks Foundation Calgary<sup>(1)</sup>, and include equity investments of \$1,490 (2014 – \$1,481). The cost and market value of all investments as at December 31 are as follows:

	2015 Cost	2015 Market value	2014 Cost (Restated Note 30)	2014 Market value (Restated Note 30)
Government of Canada	\$ 360,775	\$ 362,277	\$ 312,443	\$ 313,604
Other				
Government	540,840	542,556	500,394	508,199
Corporate	2,889,837	2,893,485	2,680,473	2,689,034
Equity investments	326,536	360,635	209,463	263,798
	\$4,117,988	\$4,158,953	\$ 3,702,773	\$ 3,774,635

The average yield earned from investments during the year ended December 31, 2015, was 2.5% (2014 – 2.2%). Maturity dates on the investments range from 2016 to 2108. Investments include \$2,066,874 (2014 – \$2,028,882) in an internally managed portfolio composed of short-term money market instruments and bonds.

A portion of City investments are held for certain purposes including reserves, capital deposits and employee benefit obligations.

(1) Parks Foundation Calgary is an endowment fund which uses investment income to fund the administrative costs of the Parks Foundation and eliminate the annual contribution from The City to its operating budget.

#### 4. RECEIVABLES

	2015	2014 (Restated Note 30)
Taxes	\$ 37,179	\$ 29,547
Federal and Provincial governments	41,323	24,120
General	177,015	194,432
	<b>\$ 255,517</b>	<b>\$ 248,099</b>

#### 5. LAND INVENTORY

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as capital assets under their respective function.

	2015	2014 (Restated Note 30)
Developed land	\$ 43,489	\$ 53,974
Under development	79,293	95,030
Long-term inventory	85,095	86,104
	<b>\$ 207,877</b>	<b>\$ 235,108</b>

#### 6. OTHER ASSETS

	2015	2014 (Restated Note 30)
Long-term debt recoverable	\$ 6,522	\$ 6,522
Assets held for sale	750	940
Long-term receivables	81,007	82,837
Other receivables	2,537	1,105
Loans receivable	7,463	5,483
	<b>\$ 98,279</b>	<b>\$ 96,887</b>

Long-term receivables consist primarily of local improvement levies recognized as revenue on the basis of full or partial completion of the related projects, a loan receivable from St. Mary's University and vendor take-back mortgages granted to AHCC.

Loan receivables consist of interest-free loans offered to citizens when they purchase housing units from the Attainable Homes Calgary Corporation, and are secured by The City's encumbrance on the title of each property. In 2015, an allowance for doubtful accounts of \$496 (2014 – \$480) related to the loans receivables was recognized. Loans receivables are forgiven once all requirements mandated by the housing program are satisfied.

#### 7. INVESTMENT IN ENMAX AND CO-OWNERSHIP

##### a) ENMAX

- i) ENMAX is a wholly-owned subsidiary of The City and was formed to carry on the electric utility transmission and distribution operations previously carried on by the Calgary Electric System, a former department of The City. ENMAX operates in two segments; ENMAX Power, a regulated, wholly-owned subsidiary established to carry out all electricity distribution and transmission service functions, and ENMAX Energy, an unregulated, wholly-owned subsidiary established to carry out all energy supply and retail functions.

ENMAX Power Corporation, ENMAX's electricity distribution and transmission subsidiary, was regulated by the Alberta Energy and Utilities Board starting from 2004 to 2007 and then by the Alberta Utilities Commission ("AUC") since January 1, 2008. Upon deregulation which was made effective on January 1, 2001, The City approved only those electrical rates determined for the regulated activities of electricity transmission and distribution. The City transferred rate regulation approval responsibilities to the AUC in January 2008, thereby allowing the regulator to approve ENMAX Power's electricity transmission and distribution rates charged to customers within ENMAX's service area.

Debentures in the amount of \$1,211,055 (2014 – \$1,088,771) and reported by ENMAX in long-term debt have been issued in the name of The City (Note 14(a)).

- ii) In 2015, ENMAX adopted International Financial Reporting Standards ("IFRS") applicable to companies for years beginning on or after January 1, 2011. ENMAX elected to defer its transition and accordingly, the subsidiary's transition date to IFRS was January 1, 2014. IFRS 1, "First-time Adoption of International Financial Reporting Standards", has been applied with retroactive application. For purposes of The City's consolidated financial statements, the change by ENMAX to adopt IFRS has been reported as a change to opening 2014 accumulated surplus, without restatement of prior periods.



The following table provides condensed supplementary financial information reported separately by ENMAX.

	2015	2014
<b>Financial Position</b>		
Current assets	\$ 846,020	\$ 736,781
Power purchase arrangements	55,097	235,543
Future income taxes	93,935	58,190
Capital assets	4,106,675	3,969,296
Other assets	61,893	34,686
Total assets	5,163,620	5,034,496
Regulatory deferral account debit balances	34,469	66,560
Total assets and regulatory deferral account debit balances	5,198,089	5,101,056
Current liabilities (including current portion of long-term debt; 2015 – \$66,166; 2014 – \$62,565)	545,669	649,314
Future income tax liabilities	83,065	65,465
Other long-term liabilities	505,123	456,940
Asset retirement obligations	104,887	98,088
Long-term debt	1,646,647	1,547,652
Total liabilities	2,885,391	2,817,459
Regulatory deferral account credit balances	13,493	2,533
Total liabilities and regulatory deferral account credit balances	2,898,884	2,819,992
ENMAX net assets	2,299,205	2,281,064
Accumulated other comprehensive loss	(23,784)	(49,200)
Retained earnings	2,322,989	2,330,264
<b>Investment in ENMAX</b>	<b>\$ 2,299,205</b>	<b>\$ 2,281,064</b>

	2015	2014
<b>Results of Operations</b>		
Revenues	\$ 3,065,724	\$ 3,457,078
Operating expenses	2,946,707	3,202,043
Interest charges (net)	68,621	47,300
Net earnings before income tax	50,396	207,735
Income tax recovery / (expense)	41,452	(5,971)
Net earnings before net movements in regulatory deferral account balances	91,848	201,764
Net movement in regulatory deferral account balances	(43,123)	(17,695)
Net earnings before dividends paid	48,725	184,069
Dividends paid	56,000	60,000
Net (loss) / earnings after dividends paid	(7,275)	124,069
Other comprehensive gain / (loss)	25,416	(41,758)
Net assets, beginning of year	2,281,064	2,198,753
<b>Equity in ENMAX</b>	<b>\$ 2,299,205</b>	<b>\$ 2,281,064</b>

iii) The following summarizes The City's related-party transactions with ENMAX:

	2015	2014
<b>Received by The City</b>		
Dividends	\$ 56,000	\$ 60,000
Local access fee	113,629	131,168
Sales of services	13,030	13,769
<b>Purchased by The City</b>		
Power and other services	\$ 134,229	\$ 152,413

The City's accounts payable and accrued liabilities include \$18,131 (2014 – \$21,387) for amounts owed to ENMAX at December 31, 2015. The City's receivables include \$8,840 (2014 – \$8,019) for amounts owing to The City by ENMAX at December 31, 2015. Corresponding related-party differences between the payables and receivables for The City and ENMAX result primarily from timing differences related to recognizing the receipt of payments. Sale of services and purchase of power and other services are transacted at fair market value, which is the amount agreed upon by the parties.

## b) Co-Ownership

- i) During the year ended December 31, 2013, Attainable Homes Calgary Corporation ("AHCC") entered into a Co-Ownership agreement (the "Agreement") with a homebuilder (the "Co-Owner Partner") for the purpose of developing, constructing and selling units (the "Project") to qualified middle income Calgarians. In order to complete this Project, the Co-Owners created a separate legal entity whereby the Co-Owners have equal shares in that entity, with the rights and obligations of each Co-Owner proportionate to their respective Co-Owner interest. As part of this Agreement, AHCC transferred to the Co-Ownership the legal title to a parcel of land owned by AHCC and other costs as payment of its contribution totalling \$3,438. As security for the contribution provided, AHCC was granted on behalf of the Co-Ownership, a non-interest bearing secured Vendor Take-Back ("VTB") mortgage in the amount of \$3,440. Contribution from the Co-Owner Partner will amount to \$3,440 to be contributed from time to time during the duration of the Project, and is secured against the title of the Lands by the Co-Owner Partner mortgage, immediately following the VTB Mortgage.

- ii) The following table provides condensed supplementary financial information of the equity investment in the Co-Ownership reported by AHCC. For condensed supplementary financial information reported separately by AHCC, refer to Note 21.

	2015		2014	
<b>Financial Position</b>				
Total assets	\$	–	\$	1,539
Total liabilities		–		–
Net assets	\$	–	\$	1,539

The following is AHCC's 50% share of the components of the financial statements of the Co-Ownership:

### Results of Operations

Revenue	\$	1,614	\$	10,106
Expenses		996		8,114
Excess of revenue over expenses for the year	\$	618	\$	1,992

- iii) The Vendor Take-Back Mortgage amount of \$3,440 was repaid in full in 2014. During the year, equity income of \$618 (2014 – \$1,992) was earned and \$2,157 (2014 – \$450) of the equity income earned was distributed to AHCC for a remaining balance of \$nil (2014 – \$1,539) in the equity investment.

## 8. BANK INDEBTEDNESS

An unsecured short-term bank line of credit with a commercial bank is available to The City up to an amount of \$60,000. As at December 31, 2015, The City had a total of \$50,611 (2014 Restated – \$33,320) of bank indebtedness comprised of \$nil (2014 – \$nil) on its line of credit and cheques issued in excess of deposits of \$50,611 (2014 Restated – \$33,320). As at December 31, 2015 and 2014, The City has not issued any promissory notes.

The City has the approved authority to issue up to \$200,000 of short-term borrowing, through a combination of a bank line of credit and the issue of commercial paper. As at December 31, 2015, The City had \$7,813 (2014 Restated – \$1,941) of short-term borrowings, which consisted of demand loans held by Calgary Economic Development Ltd. and Calgary Arts Development Authority Ltd.

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
		(Restated Note 30)
Trade	\$ 667,043	\$ 660,731
Federal and Provincial governments	36,616	34,352
Accrued interest	24,801	33,433
	<b>\$ 728,460</b>	<b>\$ 728,516</b>

## 10. DEFERRED REVENUE

Advance sales of goods and services are revenues received from operations in advance of the services being provided. Licenses, permits and application fees include amounts received for building permits, business and animal licenses that are recognized as revenue over the term of the underlying agreements. Government grants are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied. Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred revenue is comprised of the following:

	December 31, 2014 (Restated Note 30)	Inflows	Revenue Recognized	December 31, 2015
Advance sales of goods and services	\$ 22,018	\$ 87,458	\$ 87,265	\$ 22,211
Licences, permits and application fees	42,421	42,640	35,551	49,510
Government grants	15,734	34,827	39,758	10,803
Other contributions	6,565	4,154	4,135	6,584
	\$ 86,738	\$ 169,079	\$ 166,709	\$ 89,108

## 11. CAPITAL DEPOSITS

Capital deposits are received for various capital projects from land developers, pursuant to development agreements or the *Municipal Government Act*, and from other governments, through grants and the provincial 5 cents per litre fuel tax revenue sharing agreement. Certain deposits are allocated to investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Year-end balances are summarized below:

	2015	2014 (Restated Note 30)
Developers contributions	\$ 154,534	\$ 138,666
Acreage assessments	361,299	341,689
Other private contributions	30,419	24,531
Provincial government grants	439,896	440,162
Federal government grants	68,646	1,528
	\$ 1,054,794	\$ 946,576

## 12. PROVISION FOR LANDFILL REHABILITATION

Under environmental law, there is a requirement for closure and post-closure care of landfill sites. Closure and post-closure care includes final covering and landscaping of a landfill, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspections and maintenance.

In 2014, The City selected to perform a triennial review of the model supporting the provision of the landfill liability. The model was subsequently revised to ensure alignment with Environment and Sustainable Resource Development's requirements. The model will be re-assessed and updated in 2016.

Management's estimates with respects to both operating and inactive landfill sites resulted in the recognition of the total liability of \$159,295 (2014 – \$159,295). This is the sum of the discounted future cash flows for closure and post-closure activities for 25 years following the closure of operating sites, and the estimated requirements at currently inactive sites. A discount rate of 3.80% (2014 – 3.80%) was used for the active landfills and 3.10% (2014 – 3.10%) for the inactive landfills.

The calculation of the reported liability of \$87,488 (2014 – \$86,946) is based on the cumulative capacity used at December 31, 2015 compared to the total estimated landfill capacity at that same date. The change in calculation resulted in \$8,178 (2014 – \$9,190) of unfunded liability being recognized in 2015. The unfunded liability will be funded through future contributions from the Waste & Recycling Sustainment Reserve. At December 31, 2015 the balance of the Waste & Recycling Sustainment Reserve is \$48,809 (2014 – \$41,968).

The estimated remaining capacity of the landfill sites is 50.1 (2014 – 51.5) million cubic metres, which is 51% (2014 – 53%) of the sites' total capacity. In 2015, The City determined that the landfills' expected remaining life would be kept at 32 years (2014 – 32 years), which was based on factors including current disposal practices and projected population growth rates.

## 13. EMPLOYEE BENEFIT OBLIGATIONS

Civic employees and elected officials qualify to belong to one or more multi-employer pension plans, defined-benefit pension plans and other retirement benefit plans provided by The City. Employee benefit obligations are liabilities of The City to its employees and retirees for benefits earned but not taken as of December 31, 2015.

The City has fully met its current year cash contribution obligations for employee benefit obligations at December 31, 2015. The City and its employees have an obligation to fund the unamortized net actuarial losses for its post-retirement benefits, registered and non-registered defined-benefit pension plans and for its share of the multi-employer plans. The losses are expected to be funded through future increases in contributions and future changes in actuarial assumptions. The concept of funding refers to amounts recorded in the consolidated financial statements as described below:

	2015 Funded	2014 Funded (Restated Note 30)
a) Registered defined-benefit pension plans	\$ 46,772	\$ 39,366
b) Non-registered defined-benefit pension plans	32,118	28,787
c) Other retirement benefits	167,879	160,036
d) Vacation and overtime (undiscounted)	208,480	195,551
	\$ 455,249	\$ 423,740

In addition to the funded obligations referred to above, The City has long term unamortized net actuarial losses/(gains) that are amortized over the expected average remaining service life as follows:

	2015	2014
Registered defined-benefit pension plans	\$ 21,754	\$ 32,266
Non-registered defined-benefit pension plans	22,074	20,964
Other retirement benefits	(16,660)	(11,856)
	<b>\$ 27,168</b>	<b>\$ 41,374</b>

The City will also be partially responsible for the unfunded defined-benefit pension plan unamortized net actuarial losses in the Local Authorities Pension Plan ("LAPP") and Special Forces Pension Plan ("SFPP"), see note 13(e) i) and ii).

#### Actuarial Accounting Methodology

Annual actuarial accounting valuations for the registered and non-registered defined-benefit pension plans and other retirement benefits are performed using the projected benefit method prorated on years of service to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The measurement of the accrued benefit obligation and expense for actuarial accounting valuations is obtained by extrapolating the actuarial liabilities calculated as of the most recent actuarial valuation dates as stated for each benefit.

The significant actuarial assumptions used for the actuarial accounting valuations of the registered defined-benefit plans (Note 13 a)), non-registered defined-benefit pension plans (Note 13 b)) and other retirement benefits (Note 13 c)) are as follows:

	December 31, 2015	December 31, 2014
Date of actuarial accounting valuation		
Year-end obligation discount rate (%)	3.25	3.50
Inflation rate (%)	2.25	2.50
Expected rate of return on plan assets (%)	6.50	6.50
Rate of compensation average increase, excluding merit and promotion	3.25	3.50

#### a) Registered defined-benefit pension plans

Certain defined-benefit pension plans are registered for Canada Revenue Agency ("CRA") purposes. These plans provide benefits up to limits prescribed by the *Income Tax Act (Canada)*. The assets of these plans are held in trust and The City records its obligations under these plans net of plan assets. As required by the *Alberta Employment Pension Plans Act*, actuarial funding valuations are performed at least triennially on the registered plans to determine The City's required contributions to the plan trusts. The most recent full actuarial valuations were (will be) prepared at the following dates:

Pension Plan	Latest Full Actuarial Valuation Date	Next Full Actuarial Valuation Date
Calgary Firefighters' Supplementary Pension Plan ("FSPP")	December 31, 2013	December 31, 2016
City of Calgary Supplementary Pension Plan ("SPP")	December 31, 2013	December 31, 2016
Pension Plan for Elected Officials of The City of Calgary ("EOPP")	December 31, 2012	December 31, 2015

For each registered pension plan, the market value of assets as at October 31, 2015 was projected forward to December 31, 2015 using expected employer and employee contributions and benefit payments for November and December 2015.



The results of, and significant assumptions utilized, in the most recent actuarial accounting valuations for registered plans include:

	2015	2014
Fair value of plan assets – beginning of year	\$ 111,335	\$ 98,864
Contributions – employer	7,598	8,543
Contributions – member	161	158
Expected interest on plan assets	7,292	6,443
Less benefits paid	(6,059)	(8,188)
Actuarial gain	124	5,515
Fair value of plan assets – end of year	\$ 120,451	\$ 111,335
Accrued benefit obligation – beginning of year	\$ 182,967	\$ 180,073
Current period benefit cost	10,676	9,456
Interest on accrued benefit obligation	6,672	6,490
Less benefits paid	(6,059)	(8,188)
Actuarial (gain)	(5,279)	(4,864)
Accrued benefit obligation – end of year	\$ 188,977	\$ 182,967
Funded status – plan deficit	\$ 68,526	\$ 71,632
Unamortized net actuarial (loss)	(21,754)	(32,266)
Accrued benefit liability	\$ 46,772	\$ 39,366
Current period benefit cost	\$ 10,676	\$ 9,456
Amortization of actuarial loss	5,110	5,500
Less member contributions	(161)	(158)
Benefit expense	15,625	14,798
Interest on accrued benefit obligation	6,672	6,490
Less expected interest on plan assets	(7,292)	(6,443)
Benefit interest income/(expense)	(620)	47
Total expense	\$ 15,005	\$ 14,845

Actuarial gains and losses are amortized over the expected average remaining service life ("EARSLS") of the related employee group, except for The Calgary Police Supplementary Pension Plan ("PSPP"), and commence in the period following the determination of the gain or loss. The EARSLS for each plan is:

	2015	2014
FSPP	15.8	15.6
SPP	7.9	8.0
EOPP	8.7	9.4
PSPP	nil	nil

The following information details the structure, benefits, and required contributions of each of The City's registered defined-benefit pension plans:

i) *Calgary Firefighters' Supplementary Pension Plan ("FSPP")*

The FSPP commenced on June 3, 1975. The plan is jointly administered by The City and The International Association of Firefighters ("IAFF") Local 255. The plan is supplemental to the LAPP (Note 13 e) i) and provides an annual retirement benefit of 1.4% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE"), 2% of pensionable earnings over YMPE, a bridge benefit of 0.6% of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the *Income Tax Act* (Canada). The City and the IAFF Local 255 have agreed to share the cost of future service and future additional unfunded liabilities 55% by The City and 45% by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability. Effective December 2, 2013, the Plan was amended to remove the option for members to receive a commuted value after they reached age 50.

At December 31, 2015, The City's portion of plan assets held in trust is invested in a mix of equities, bonds and money market instruments. Plan assets are valued at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2013 as follows:

	2015 Employer	2015 Members	2014 Employer	2014 Members
Current service contributions	\$ 4,502	\$ 3,660	\$ 5,437	\$ 4,495
Contribution rates (% of pensionable salaries)	3.22%	2.63%	*3.22%	*2.63%

\*Effective July 1, 2014

ii) *City of Calgary Supplementary Pension Plan ("SPP")*

The SPP commenced on February 1, 2000 and is sponsored and administered by The City. The plan is a supplemental to the LAPP (Note 13 e) i)) and provides an annual retirement benefit of 2% of earnings, up to maximum pension limits of the *Income Tax Act* (Canada) for years of service since the later of February 1, 2000 and the date of eligibility for membership in the plan, as well as enhanced death benefits. Due to a plan review conducted in 2011, as of January 1, 2012, the cost of future service and future additional unfunded liabilities are shared 55% by The City and 45% by the plan members. The consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

At December 31, 2015, The City's portion of plan assets held in trust is invested in a mix of equities, bonds and money market instruments. Plan assets are valued at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2013 as follows:

	2015 Employer	2015 Members	2014 Employer	2014 Members
Current service contributions	\$ 2,591	\$ 2,231	\$ 2,577	\$ 1,884
Contribution rates (% of pensionable salaries)	2.83%	2.44%	2.83%	2.44%

iii) *Pension Plan for Elected Officials of The City of Calgary ("EOPP")*

The EOPP commenced on October 1, 1989 and provides pension benefits of 2% of taxable salary, up to a maximum pension limit of the *Income Tax Act* (Canada) per year of service to The City elected officials who choose to participate. In 2012, the contributions rates changed due to Council's decision to adopt the Independent Council Compensation Review Committee's recommendation dated January 23, 2012.

At December 31, 2015, plan assets held in trust are invested in a mix of equities, bonds and money market instruments. Plan assets are valued at market value.

The City's and members' cash contributions to the external trust are made in compliance with the minimum funding requirements pursuant to the most recent actuarial funding valuation report dated December 31, 2015 as shown below.

	2015 Employer	2015 Members	2014 Employer	2014 Members
Current service contributions	\$ 309	\$ 161	\$ 303	\$ 155
Contribution rates (% of pensionable salaries)	17.25%	9.00%	17.28%	9.00%

iv) *Calgary Police Supplementary Pension Plan ("PSPP")*

The PSPP commenced on January 1, 1975 and provides supplemental pension benefits to those police officers who retired prior to September 1, 1979. The PSPP is deemed a closed plan as police officers who have retired after September 1, 1979 are covered under the SFPP Plan (Note 13 e) ii)).

The PSPP is not subject to provincial minimum funding legislation. Pursuant to the agreement made in 1985, The City will continue to pay benefits out of its investments. In 2007, the fund was exhausted and benefits to pensioners for the year and future years are now being paid from The City's investments. Since 2003, the liabilities associated with these continued benefits have been accounted for under in accordance with PSAS (PS 3250 Retirement Benefits).

Sufficient funds are held with The City's investments to cover the liabilities as determined by the actuarial accounting valuation as at December 31, 2015.

## b) Non-registered defined-benefit pension plans

Certain plans are non-registered for CRA purposes and provide benefits in excess of the limits of the *Income Tax Act* (Canada) supplemental to the registered plans. As such, there is no legislated requirement to pre-fund these plans through external trusts, and current income tax rules would impose additional costs on any external pre-funding arrangement.

The most recent full actuarial valuations were (will be) prepared at the following dates:

Pension Plan	Latest Full Actuarial Valuation Date	Next Full Actuarial Valuation Date
Overcap Pension Plan ("OCP") for management employees	December 31, 2015	December 31, 2016
OCP for the Police Chief and Deputies	December 31, 2015	December 31, 2016
OCP for the Fire Chief and Deputies	December 31, 2015	December 31, 2016
Supplementary Pension Plan for Elected Officials ("EOSP")	December 31, 2015	December 31, 2016
Executive Pension Plan ("EPP")	December 31, 2015	December 31, 2016
Contractual obligations	December 31, 2015	December 31, 2016

The results of, and significant assumptions utilized, in the December 31, 2015 actuarial accounting valuations for the non-registered pension plans are as follows:

	2015	2014
Accrued benefit obligation – beginning of year	\$ 49,751	\$ 37,056
Current period benefit cost	1,321	1,070
Interest on accrued benefit obligation	1,736	1,311
Less benefits paid	(2,940)	(1,340)
Actuarial loss	4,324	11,654
Accrued benefit obligation – end of year	\$ 54,192	\$ 49,751
Funded status – plan deficit	\$ 54,192	\$ 49,751
Unamortized net actuarial (loss)	(22,074)	(20,964)
Accrued benefit liability <sup>(1)</sup>	\$ 32,118	\$ 28,787
Current period benefit cost	\$ 1,321	\$ 1,070
Amortization of actuarial losses	3,214	937
Interest on accrued benefit obligation	1,736	1,311
Total expense	\$ 6,271	\$ 3,318

(1) To satisfy the obligations under these plans, assets in the amount of \$32,118 (2014 – \$28,787) are held within The City's investments.

Actuarial gains and losses of the OCP and EOSP are amortized over the EARSL of the related employee group and commence in the period following the determination of the gain or loss. The EARSL for each plan is:

	2015	2014
OCP for management employees	10.1	8.8
OCP Police Chief & Deputies	4.2	5.1
OCP Fire Chief & Deputies	nil	nil
EOSP	17.8	18.8
EPP	nil	nil
Contractual Obligations	nil	nil

The following information details the structure and benefits of each of The City's non-registered defined-benefit pension plans:

*i) City of Calgary Overcap Pension Plan ("OCP")*

The OCP commenced on February 1, 2000. The plan is sponsored and administered by The City and provides supplementary pension benefits for management employees, the Police Chief and deputies, and the Fire Chief and deputies.

The OCP for management employees provides a coordinated benefit with the LAPP (Note 13 e) i)), and the SPP (Note 13 a) ii)), to provide an annual retirement benefit of 2% of all pensionable earnings for the years of service since the later of January 1, 1992 and the date of hire with The City.

The OCP for the Police Chief and Deputies and the OCP for the Fire Chief and Deputies provide supplementary pension benefits in excess of the maximum pension benefits provided under the SFPP (Note 13 e) ii)) and the FSPP (Note 13 a) i)) respectively. The OCP for the Fire Chief and Deputies is deemed a closed plan as new entrants are not eligible to participate. The Plan will continue to provide benefits to existing retirees and to grandfathered members.

*ii) Supplementary Pension Plan for Elected Officials of The City of Calgary ("EOSP")*

The EOSP commenced on October 1, 1999. This plan is sponsored and administered by The City and provides a coordinated benefit with the EOPP to provide an annual retirement benefit of 2% of all pensionable earnings for the years of service recognized under the EOPP (Note 13 a) iii)).

*iii) Executive Pension Plan ("EPP")*

The EPP was designed to provide pension arrangements for key members of senior management pursuant to individual employment contracts with The City prior to the inception of the OCP and SPP. The EPP, deemed a closed plan as it provides no benefits to active employees, will continue to provide benefits to existing retirees.

*iv) Contractual Obligations*

The City has entered into individual compensation arrangements with key members of management that provide defined benefits upon retirement. These contractual obligations were grandfathered to members and have been deemed as closed as no benefits are provided to new employees; however, benefits will continue to retirees. These arrangements are sponsored and administered by The City.

**c) Other retirement benefits**

The City sponsors post-retirement benefits for extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement to the age of 65, when coverage under the Alberta Seniors Benefit Program begins. After 10 years or age 65, the life insurance policy reduces to a paid-up death benefit based on the number of years of contributory service prior to retirement. The City and the retirees share equally in the cost of benefits. Due to the joint nature of the plan and the cost sharing arrangement, the consolidated financial statements of The City reflect The City's portion only of both the expense and the accrued benefit liability.

The City sponsors a non-contributory retiring allowance of up to 7 weeks of salary for qualifying retirees. The cost of these benefits is recognized as an expense as the employees provide service.

The City also sponsors a supplementary compensation plan for employees who were disabled or survivors of employees who were killed, in the line of duty. The supplementary compensation plan is deemed a closed plan where employees are not actively accruing benefits.

Full actuarial valuations for other retirement benefits were (and will be) performed as stated below.

	Latest Full Actuarial Valuation Date	Next Full Actuarial Valuation Date
Post-Retirement Benefits	December 31, 2015	December 31, 2016
Retiring Allowance	December 31, 2015	December 31, 2016
Supplementary Compensation	December 31, 2015	December 31, 2016



The results of, and significant assumptions utilized, in the December 31, 2015 actuarial accounting valuations for other retirement benefits include:

	2015	2014
Accrued benefit obligation – beginning of year	\$ 149,885	\$ 148,828
Current period benefit cost	9,601	9,507
Interest on accrued benefit obligation	5,441	5,417
Less benefits paid	(8,062)	(7,117)
Actuarial gain	(3,844)	(6,750)
Accrued benefit obligation – end of year	\$ 153,021	\$ 149,885
Funded status – plan deficit	\$ 153,021	\$ 149,885
Plan assets <sup>(1)</sup>	(1,802)	(1,704)
Unamortized net actuarial gain	16,660	11,856
Accrued benefit liability <sup>(2)</sup>	\$ 167,879	\$ 160,037
Current period benefit cost	\$ 9,601	\$ 9,507
Amortization of actuarial loss	862	2,288
Interest on accrued benefit obligation	5,441	5,417
Total expense	\$ 15,904	\$ 17,212
Rate of compensation average increase, excluding merit and promotion	3.25%	3.50%
Annual increase in extended health costs	8.27%	8.50%
Annual increase in dental costs	4.00%	4.00%
EARSL <sup>(3)</sup>	12.2 yr	12.9 yr

(1) Plan assets in the amount of \$1,802 (2014 – \$1,704) to satisfy future life claims are equal to fair market value.

(2) Assets in the amount of \$167,879 (2014 – \$160,037) to satisfy the obligations under these plans are held within The City's investments.

(3) Actuarial gains and losses are amortized over the EARSL of the related employee group commencing in the period following the determination of the gain or loss.

#### d) Vacation and overtime

The vacation and overtime liability comprises the vacation and overtime that employees are deferring to future years. Employees who have deferred vacation or overtime can, under specific circumstances as outlined in administrative policies and/or contractual agreements, be paid out in cash or as otherwise entitled within the next budgetary year. Assets in the amount of \$208,480 (2014 – \$195,460) are held within The City's investments portfolio to satisfy the obligations under these programs.

#### e) Multi-employer pension plans

Civic employees, with the exception of police officers, are members of the LAPP. Police officers are members of the SFPP. Both plans are multi-employer, defined-benefit pension plans sponsored by the Alberta Minister of Finance and administered by Alberta Pension Services ("APS"). Due to the multi-employer nature of these plans, information is not available to determine the portion of the plans' obligations and assets attributable to each employer. Therefore, The City appropriately accounts for both plans using the method for defined contribution plans. The amount of expense recorded in the consolidated financial statements is equal to The City's contributions to the plan as determined by APS for the year and no obligation is recorded in The City's financial statements. However, given that these multi-employer plans are in deficit positions, an inherent unrecorded liability amount is attributable indirectly to plan participants. Plan deficiencies will need to be resolved by increased future employee and employer contributions, increased investment returns and interest rates, management or amendment of future liabilities, or a combination of these elements.

i) *Local Authorities Pension Plan ("LAPP")*

The LAPP plan provides an annual retirement benefit of 1.4% of earnings up to the Year's Maximum Pensionable Earnings ("YMPE") and 2% of earnings over YMPE. Under the *Alberta Public Sector Pension Plans Act*, The City and members of the LAPP plan made the following contributions:

	2015 Employer	2015 Members	2014 Employer	2014 Members
Current service contributions	\$ 144,788	\$ 133,810	\$ 138,357	\$ 127,470
Contribution rates (% of pensionable salaries)	11.39% up to YMPE and 15.84% over YMPE	10.39% up to YMPE and 14.84% over YMPE	11.39% up to YMPE and 15.84% over YMPE	10.39% up to YMPE and 14.84% over YMPE

The LAPP reported a deficiency (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2014 of \$2,455,000 (2013 – \$4,862,000). More recent information was not available at the time of preparing these financial statements. LAPP consists of over 152,600 active members. The City active plan membership represents approximately 8.5% of the total LAPP active membership as at December 31, 2014. The City's 2015 contribution rates did not change as a result of this deficit.

ii) *Special Forces Pension Plan ("SFPP")*

The SFPP provides an annual retirement benefit of 1.4% of pensionable earnings up to YMPE, 2% of pensionable earnings over YMPE, a bridge benefit of 0.6% of YMPE to age 65, and improved early retirement and death benefits, up to maximum pension limits of the *Income Tax Act* (Canada). Under the *Alberta Public Sector Pension Plans Act*, The City and members of the SFPP plan made the following contributions:

	2015 Employer	2015 Members	2014 Employer	2014 Members
Current service contributions	\$ 32,213	\$ 29,655	\$ 29,515	\$ 27,253
Contribution rates (% of pensionable salaries)	14.55%	13.45%	14.55%	13.45%

The SFPP reported a deficiency (extrapolation results of the actuarial valuation) for the overall plan as at December 31, 2014 of \$191,000 (2013 – \$220,000) comprised of deficit of \$199,000 for pre-1992 and surplus of \$8,000 relating to post-1991. More recent information was not available at the time of preparing these financial statements. SFPP consists of 4,270 active members. The City active plan membership represents approximately 50% of the total SFPP active membership as at December 31, 2014. The City's 2015 contribution rates did not change as a result of this deficit.

## 14. LONG-TERM DEBT

a) Debt payable by and issued in the name of The City includes the following amounts:

	2015 Tax Supported	2015 Self Sufficient Tax Supported	2015 Self Supported	2015 Total	2014 Tax Supported	2014 Self Sufficient Tax Supported	2014 Self Supported	2014 Total
i) Debentures	\$ 490,380	\$ 756,457	\$ 3,290,389	\$ 4,537,226	\$ 528,804	\$ 1,032,352	\$ 3,126,028	\$ 4,687,184
ii) Mortgages and other debt	–	–	32,893	32,893	–	–	25,362	25,362
iii) Capital leases	–	–	1,538	1,538	–	–	2,402	2,402
	490,380	756,457	3,324,820	4,571,657	528,804	1,032,352	3,153,792	4,714,948
Less								
iv) Debt attributable to ENMAX	–	–	1,211,055	1,211,055	–	–	1,088,771	1,088,771
	\$ 490,380	\$ 756,457	\$ 2,113,765	\$ 3,360,602	\$ 528,804	\$ 1,032,352	\$ 2,065,021	\$ 3,626,177

- i) Debentures, which are predominantly held by the Alberta Capital Finance Authority, mature in annual amounts to the year 2040.

Tax-supported debt is repaid using tax revenues and is the long-term debt used in tax-supported areas.

Self-sufficient tax-supported debt comprises debt for programs and activities whose operating costs, including debt servicing, have historically been funded in whole or in part, directly or indirectly, by revenue from municipal property and business taxes, but that are currently being funded by revenues resulting from their own operations. Self-sufficient tax-supported debt also includes short-term debt that will be funded from future grant receipts from the Alberta Governments Municipal Sustainability Initiative ("MSI").

Self-supported debt, which is primarily related to Water Services & Resources, includes debentures in the amount of \$72,018 (2014 – \$74,275) which have been issued to fund local improvements and are collectable from property owners for work authorized by them and performed by The City. Principal and interest on local improvement debentures are recovered from property owners through annual local improvement levies over the term of the debenture to a maximum of 25 years.

Included in the self-supported debt is the debenture issued in 2010 by The City on behalf of the Lindsay Park Sports Society ("LPSS") pursuant to City Bylaw authorization in the amount of \$1,480 (2014 – \$1,778), as well as the debenture issued in 2014 by The City on behalf of the St. Mary's University College ("SMUC") in the amount of \$4,683 (2014 – \$4,864). In accordance with Credit Agreements between LPSS, SMUC, and The City, The City shall service the debenture through the disbursement of principal and interest payments. The City is liable for the outstanding debenture debt to the debenture debt holder. The LPSS and SMUC are required to reimburse The City for all principal and interest payments with respect to the debenture on the same day as The City disburses the payments to the debt holder. As at December 31, 2015, LPSS and SMUC are in compliance.

- ii) Mortgages and other debt, which are predominantly held by Canada Mortgage and Housing Corporation, mature in annual amounts to the year 2030. Capital assets with a cost of \$96,631 (2014 – \$105,435) are pledged as collateral against the mortgages.
- iii) Capital leases are comprised of vehicle leases. In 2011, Fleet Services entered into a lease for 15 vehicles for \$5,475 at an interest rate of 1.52% (2014 – 1.52%). On September 1, 2014, Fleet Services renewed the lease term for another 2 years at an interest rate of 1.43% (2014 – 1.43%). The 2015 principal payments totalled \$865 (2014 – \$914) with interest of \$28 (2014 – \$43).
- iv) Debenture debt attributable to ENMAX was initially issued by The City on behalf of the Calgary Electric System ("CE") pursuant to City Bylaw authorizations prior to January 1, 1998. Pursuant to the Master Agreement between ENMAX and The City, a liability equivalent to the debentures attributable to ENMAX was included in the assumed liabilities upon transfer of substantially all of the assets and liabilities of CE from The City to ENMAX at January 1, 1998. The City continues to borrow on behalf of ENMAX in accordance with a Debt Management Service Level Agreement between The City and ENMAX. The City shall service the existing debentures, which included debt issuance of \$189,180 in 2015 (2014 – \$232,060), through the disbursement of principal and interest payments. The City is liable for the outstanding ENMAX debenture debt to the debenture debt holders. ENMAX is required to reimburse The City for all principal and interest payments with respect to the debentures on the same day as The City disburses the payments to the debt holders. In addition, ENMAX is required to pay to The City a loan guarantee and administration fee of 0.25% on the average monthly outstanding debenture balance held by The City on behalf of ENMAX.
- v) More detail on the self-supported and tax-supported debt payable can be found in the continuity of long-term debt within the unaudited Financial and Statistical Schedules in the annual report.

b) Long-term debt is repayable as follows:

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Less: Debt attributable to ENMAX	Total
2016	\$ 44,934	\$ 230,514	\$ 219,916	\$ 65,871	\$ 429,493
2017	44,438	228,685	209,528	66,662	415,989
2018	41,083	79,249	214,508	67,016	267,824
2019	37,860	85,710	195,658	63,680	255,548
2020	34,904	17,121	175,546	58,283	169,288
Thereafter	287,161	115,178	2,309,664	889,543	1,822,460
	\$ 490,380	\$ 756,457	\$ 3,324,820	\$ 1,211,055	\$ 3,360,602

- c) Debenture interest is payable, before provincial subsidy, at rates ranging from 1.09% to 10.13% (2014 – 1.46% to 10.13%) per annum. The Government of Alberta, under its Municipal Debenture Interest Rebate Program, provides rebates to reduce the effective interest paid to levels that ranged from 8% to 11% on most debentures issued between 1974 and 1986. Debenture debt held at year end has an average rate of interest of 3.70% (2014 – 3.81%) before provincial subsidy and 3.69% (2014 – 3.80%) after provincial subsidy.

The mortgages of Calgary Housing Company in the amount of \$15,206 (2014 – \$20,647) are payable with interest ranging from 1.04% to 6.45% (2014 – 1.46% to 6.45%) before interest rate subsidy. The effective interest rates after the subsidy for the fixed-subsidy projects is 2% (2014 – 2%).

- d) Interest charges are as follows:

	2015 Tax Supported	2015 Self Sufficient Tax Supported	2015 Self Supported	2015 Total	2014 Tax Supported (Restated Note 30)	2014 Self Sufficient Tax Supported (Restated Note 30)	2014 Self Supported (Restated Note 30)	2014 Total (Restated Note 30)
Debenture interest	\$ 20,072	\$ 23,984	\$ 83,432	\$ 127,488	\$ 21,943	\$ 33,341	\$ 81,139	\$ 136,423
Other interest and charges	2,312	–	1,099	3,411	1,789	(2)	1,301	3,088
	<b>\$ 22,384</b>	\$ 23,984	\$ 84,531	\$ 130,899	\$ 23,732	\$ 33,339	\$ 82,440	\$ 139,511

- e) The estimated fair value of The City's long-term debt is \$3,548,706 (2014 – \$3,798,723). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31, 2015 for debentures with comparable maturities from The City's primary lender, the Alberta Capital Finance Authority.

- f) Section 271 of the *Municipal Government Act* ("MGA") requires disclosure of debt, debt limits and the debt service limits, which include both interest and principal payments. The debt limit is calculated at 2 times revenue (as defined in the Debt Limit Regulation 255/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are conservative guidelines used by Municipal Affairs to identify municipalities which could be at financial risk if further debt is incurred. The calculation, taken alone, does not represent the financial stability of the municipality as the financial statements must be interpreted as a whole.

Note: Ministerial Order No L:124/11 set out an exception to the calculation of the debt service limit as originally disclosed in section 271 of the MGA, stating the calculation shall not take into account borrowing that is related to Municipal Affairs Grants Regulation (Municipal Sustainability Initiative Debt) that does not require the repayment of any principal before December 31, 2016. At December 31, 2015, debt principal of \$360,500 (2014 – \$360,500) and debt interest of \$14,421 (2014 – \$34,055) was excluded from the pro-rata calculation of the debt service limit.

	2015	2014 (Restated Note 30)
Total debt limit (2 times revenue)	<b>\$ 7,587,302</b>	\$ 7,109,448
Total debt (short- and long-term)	<b>3,439,330</b>	3,728,462
Percentage of debt to debt limit	<b>45.33%</b>	52.44%
Total debt service limit (35% of revenue)	<b>\$ 1,327,778</b>	\$ 1,244,153
Total debt service	<b>553,740</b>	779,683
Percentage of debt service to service limit	<b>41.70%</b>	62.67%



## 15. TANGIBLE CAPITAL ASSETS

Cost	January 1, 2015 Opening Balance	Additions	Disposals	December 31, 2015 Closing Balance
	(Restated Note 30)			
Land	\$ 2,039,874	\$ 53,413	\$ (13,151)	\$ 2,080,136
Land improvements	1,179,729	101,301	(12,449)	1,268,581
Engineered structures	12,639,759	531,011	(35,157)	13,135,613
Buildings	1,972,837	105,896	(5,439)	2,073,294
Machinery and equipment	926,408	67,737	(68,111)	926,034
Vehicles	1,247,833	60,792	(38,013)	1,270,612
	\$ 20,006,440	\$ 920,150	\$ (172,320)	\$ 20,754,270
Work in progress				
Land	9,014	1,545	–	10,559
Construction	729,089	370,940	(43,555)	1,056,474
	\$ 20,744,543	\$ 1,292,635	\$ (215,875)	\$ 21,821,303
Accumulated Amortization	January 1, 2015 Opening Balance	Additions	Disposals	December 31, 2015 Closing Balance
	(Restated Note 30)			
Land improvements	\$ 584,115	\$ 45,936	\$ (12,343)	\$ 617,708
Engineered structures	4,062,311	304,794	(11,827)	4,355,278
Buildings	696,922	70,026	(4,658)	762,290
Machinery and equipment	562,527	87,627	(65,312)	584,842
Vehicles	554,083	68,448	(31,182)	591,349
	\$ 6,459,958	\$ 576,831	\$ (125,322)	\$ 6,911,467
Net book value	\$ 14,284,585	\$ 715,804	\$ (90,553)	\$ 14,909,836

In 2015, \$183,277 (2014 – \$229,982) in engineered structures, land improvements and land were contributed to The City. These contributions were represented at their fair value at the time received. Assets recognized at nominal value by The City in 2015 and 2014 consist of certain machinery and equipment, land and land improvements. There was a permanent writedown of \$nil (2014 – \$nil) relating to impairment.

Cultural and historical properties and treasures are held by The City in various locations. Due to the subjective nature of the assets, they are not included in the values shown on the consolidated financial statements.

In accordance with policy, no interest was capitalized by The City in 2015 (2014 – \$nil).

## 16. 2015 BUDGET

Budget data presented in these consolidated financial statements are based upon the 2015 operating and capital budgets as approved by Council. Council approved budgets are prepared on a modified cash basis which differs from budget amounts reported on the consolidated statement of operations and changes in net financial assets which are prepared in accordance with PSAS. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements. Actual amounts have been used to approximate budget amounts for certain reconciling items that were not included in the Council budget.

	Revenues	Expenses	Other
Budget as approved by Council			
Operating	\$ 3,516,874	\$ 3,557,492	\$ 40,618
Capital	–	2,144,966	2,144,966
Add			
Related authorities	286,663	291,770	83,756
Equity in earnings of ENMAX	57,700	–	–
2015 Property Tax Bylaw adjustment	6,221	6,221	–
Capital budget carry forward from 2014 to 2015	–	978,715	978,715
Transfers between capital and operating	–	–	210,366
	<b>\$ 3,867,458</b>	<b>\$ 6,979,164</b>	<b>\$ 3,458,421</b>
Less			
Intercompany eliminations	77,292	129,635	55,995
Contributions from Utilities	60,031	36,785	–
Contributions from reserves and operations	97,840	516,054	–
Business unit requested adjustments	–	371,903	371,903
Debt principal repayments	–	68,398	–
Mid and end of year capital adjustments	–	685,376	685,376
Tangible capital asset adjustments	–	1,779,810	–
Debt issued	–	–	645,663
Transfers from reserves	–	–	680,295
Amortization	–	117,183	–
Miscellaneous adjustments	6,056	6,056	–
<b>BUDGET FOR FINANCIAL STATEMENT PURPOSES</b>	<b>\$ 3,626,239</b>	<b>\$ 3,267,964</b>	<b>\$ 1,019,189</b>

## 17. ACCUMULATED SURPLUS

Accumulated Surplus consists of restricted and unrestricted amounts and equity in non-financial assets as follows:

	2015	2014 (Restated Note 30)
Operating fund	\$ 55,725	\$ 27,490
Capital fund	312,300	315,037
Local improvements to be funded in future years	70,583	72,921
Obligation to be funded in future years <sup>(1)</sup>	(10,211)	(9,190)
Reserves (Note 19)	1,876,077	1,626,276
Equity in ENMAX (Note 7a))	2,299,205	2,281,064
Equity in Co-Ownership (Note 7b))	–	1,539
Equity in non-financial assets	11,646,174	10,769,804
	<b>\$ 16,249,853</b>	<b>\$ 15,084,941</b>

(1) Obligation to be funded in future years consists of unfunded liabilities of \$8,178 (2014 – \$9,190) and \$2,033 (2014 – \$nil) for the landfill rehabilitation provision (Note 12) and liability for contaminated sites (Note 25 (k)), respectively.

## 18. EQUITY IN NON FINANCIAL ASSETS

	2015	2014 (Restated Note 30)
Tangible capital assets (Note 15)	\$ 21,821,303	\$ 20,744,543
Accumulated amortization (Note 15)	(6,911,467)	(6,459,958)
Long-term debt (Note 14)	(3,360,602)	(3,626,177)
Long-term debt – non capital	6,163	23,642
Inventory	60,375	62,410
Prepaid expenses	30,402	25,112
Land receivable	–	232
	<b>\$ 11,646,174</b>	<b>\$ 10,769,804</b>

## 19. RESERVES

Reserves are established and managed in accordance with the reserve's purpose and any or all conditions and/or restriction placed on the reserve by Council. Reserve funds are transferred either to operating or capital funds for use. Individual reserves with significant balances include:

	2015	2014 (Restated Note 30)
Fiscal stability	\$ 488,785	\$ 415,881
Reserve for future capital	354,190	318,286
Budget savings account	60,905	–
Debt servicing	52,570	52,570
Legacy parks	18,450	23,033
Corporate housing reserve	38,231	35,750
Real estate services	63,432	90,913
Community investment	152,379	168,302
Development and building approvals sustainment	93,707	74,063
Reserve for tax loss provision	37,398	37,398
Lifecycle maintenance and upgrade	149,391	97,251
Calgary Housing Company	27,267	22,589
Subtotal	<b>\$ 1,536,705</b>	<b>\$ 1,336,036</b>

Other reserve balances will be utilized in future years for the following types of expenses:

	2015	2014
Utilities sustainment	\$ 44,290	\$ 49,153
Social programs	10,310	8,316
Police services (capital)	34,349	30,978
Police services (operating)	4,000	4,000
Waste and recycling sustainment	48,809	41,968
ENMAX dividend stabilization	20,000	16,450
Other operating	81,842	59,076
Other capital expenditures	95,772	80,299
Subtotal	<b>\$ 339,372</b>	<b>\$ 290,240</b>
Total	<b>\$ 1,876,077</b>	<b>\$ 1,626,276</b>

## 20. NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES

	2015	2014 (Restated Note 30)
Property taxes	\$ 2,219,299	\$ 2,006,756
Community Revitalization Levy	38,785	32,745
Business taxes	196,184	201,114
Revenue in lieu of taxes	184,722	224,186
Local improvement levies and special taxes	6,926	5,624
	<b>\$ 2,645,916</b>	<b>\$ 2,470,425</b>
Less: Provincial property taxes (see below)		
Current year levy	(715,164)	(665,666)
Prior year levy	(4,656)	(3,497)
Net taxes available for municipal use	<b>\$ 1,926,096</b>	<b>\$ 1,801,262</b>

The City is required to collect provincial property taxes under Section 353 of the *Municipal Government Act*. The amount of these provincial property taxes is determined solely by the Government of Alberta. Provincial property taxes are recorded at the amounts levied. If property taxes are reduced due to an assessment reduction, The City is required by legislation to fund the repayment of both the municipal and provincial taxes with applicable interest. An amount of provincial property taxes receivable of \$6,870 (2014 – \$4,656) has been recorded at December 31, 2015 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

## 21. RELATED AUTHORITIES

The assets and liabilities and the operations of the following related authorities are included in The City's consolidated financial statements.

The Calgary Convention Centre Authority (the "Authority") is incorporated under the laws of the Province of Alberta and operates the Calgary TELUS Convention Centre ("CTCC") pursuant to an operating agreement between the Authority and The City. The land, building, furniture and equipment are owned by The City, which also contributes a grant towards the operating costs of CTCC. In accordance with an amendment to the operating agreement, the Authority retains operating surpluses and is responsible to fund net operating deficits.

Attainable Homes Calgary Corporation is a controlled corporation of The City and was incorporated on November 27, 2009 under the *Alberta Business Corporations Act*. The purpose of AHCC is the implementation and administration of attainable housing in The City.

The Calgary Parking Authority operates and manages parking facilities owned by The City and is also responsible for parking enforcement and the management of the Municipal Vehicle Impound Lot.

The Calgary Public Library Board is constituted under the *Libraries Act* of the Province of Alberta. It operates a system of 17 branches and the central library in Calgary.

Calhome Properties Ltd. (operating as Calgary Housing Company) owns, develops and operates low and moderate-rent housing projects on a not-for-profit basis under agreements with the Province of Alberta and Canada Mortgage and Housing Corporation, which provide subsidies for certain projects.

Calgary Municipal Land Corporation ("CMLC") is a controlled corporation of The City pursuant to Section 73 of the *Municipal Government Act*, and the Control of Corporations Regulation. CMLC began operations in 2007, with The City as the sole shareholder of CMLC. CMLC is accountable for the development and sale of land transferred from The City and the implementation of public infrastructure improvements in The Rivers, a former industrial and residential area located in downtown Calgary.

Calgary Economic Development Ltd. ("CED") is a controlled corporation of The City and was incorporated in July 1999 under the *Alberta Business Corporations Act*. The mandate of CED is to lead The City's economic development efforts in promoting The City's competitive advantages and pro-business climate. Successful economic development results in business growth and industry development, increased investment and trade activities.

Calgary Arts Development Authority Ltd. ("CADA") is a controlled corporation of The City and was incorporated under the *Alberta Business Corporations Act* on March 18, 2005. The mandate of CADA is to promote and direct investment in the arts to increase the sector's public and artistic impact on behalf of the citizens of The City.



	2015 Calgary TELUS Convention Centre	2015 Attainable Homes Calgary Corporation	2015 Calgary Parking Authority	2015 Calgary Public Library Board	2015 Calgary Housing Company
<b>Financial Position</b>					
Physical assets	\$ 1,036	\$ 20	\$ 122,277	\$ 52,326	\$ 92,324
Financial assets	9,932	20,729	7,640	8,917	30,102
	10,968	20,749	129,917	61,243	122,426
Long-term debt	–	–	3,123	–	15,206
Financial liabilities	7,868	4,582	21,987	3,787	33,670
	7,868	4,582	25,110	3,787	48,876
Net assets	\$ 3,100	\$ 16,167	\$ 104,807	\$ 57,456	\$ 73,550
<b>Results of Operations</b>					
<b>Revenue</b>					
Community Revitalization Levy	\$ –	\$ –	\$ –	\$ –	\$ –
Sales of goods & services	21,470	59,044	66,569	–	50,221
Government transfers, agreements & subsidies	–	–	–	6,973	35,028
Equity in earnings from Co-Ownership	–	618	–	–	–
Developer contributions	–	–	–	–	–
Investment income	–	7	2,865	132	337
Fines & penalties	–	–	14,163	1,269	–
Licenses, permits and fees	–	–	1,207	–	–
Miscellaneous revenue	–	53	878	2,274	1,846
Gain (loss) on sale of tangible capital assets	(29)	–	1,815	–	–
Internal transfers & contributions	1,758	–	224	43,285	(2,145)
Total revenue	23,199	59,722	87,721	53,933	85,287
<b>Expenses</b>					
Salaries, wages, and benefits	\$ 6,962	\$ 1,082	\$ 11,907	\$ 35,044	\$ 16,573
Contracted and general services	2,238	1,141	24,665	13,306	28,955
Materials, equipment and supplies	12,718	52,065	5,121	4,310	1,407
Interest charges	60	75	1,436	–	573
Transfers	–	–	–	–	19,765
Utilities	1,161	22	1,647	747	10,475
Amortization	329	32	7,753	6,938	2,862
Debt principal repayments	–	–	1,210	–	5,441
Total expenses	23,468	54,417	53,739	60,345	86,051
Income (loss) before appropriations	(269)	5,305	33,982	(6,412)	(764)
Internal transfers	269	(5,305)	(13,380)	6,412	764
To City operating fund <sup>(1)</sup>	–	–	(20,602)	–	–
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –

(1) Distribution to The City for certain net surpluses from Calgary Parking Authority operations.

	2015 Calgary Municipal Land Corporation	2015 Calgary Economic Development Ltd.	2015 Calgary Arts Development Authority Ltd.	2015 Total
	\$ 253,377	\$ 23,742	\$ 14,108	\$ 559,210
	99,330	3,954	4,433	185,037
	352,707	27,696	18,541	744,247
	175,957	–	–	194,286
	87,195	11,342	1,945	172,376
	263,152	11,342	1,945	366,662
	\$ 89,555	\$ 16,354	\$ 16,596	\$ 377,585
	\$ 37,391	\$ –	\$ –	\$ 37,391
	36,974	–	–	234,278
	–	5,270	1,006	48,277
	–	–	–	618
	–	1,000	1,457	2,457
	262	70	31	3,704
	–	–	–	15,432
	–	–	–	1,207
	–	1,795	6,217	13,063
	(14)	(1)	–	1,771
	267	8,523	5,650	57,562
	74,880	16,657	14,361	415,760
	\$ 2,465	\$ 4,827	\$ 1,031	\$ 79,891
	30,404	2,365	7,783	110,857
	964	509	30	77,124
	6,713	10	15	8,882
	–	–	–	19,765
	17	–	26	14,095
	4,177	208	–	22,299
	–	–	–	6,651
	44,740	7,919	8,885	339,564
	30,140	8,738	5,476	76,196
	(30,140)	(8,738)	(5,476)	(55,594)
	–	–	–	(20,602)
	\$ –	\$ –	\$ –	\$ –

	2014 Calgary TELUS Convention Centre	2014 Attainable Homes Calgary Corporation	2014 Calgary Parking Authority	2014 Calgary Public Library Board	2014 Calgary Housing Company
<b>Financial Position</b>					
Physical assets	\$ 1,420	\$ 52	\$ 122,978	\$ 50,374	\$ 92,222
Financial assets	10,611	19,142	7,926	12,523	29,451
	12,031	19,194	130,904	62,897	121,673
Long-term debt	–	3,450	4,333	–	20,647
Financial liabilities	8,661	4,883	15,565	4,847	32,144
	8,661	8,333	19,898	4,847	52,791
Net assets	\$ 3,370	\$ 10,861	\$ 111,006	\$ 58,050	\$ 68,882
<b>Results of Operations</b>					
<b>Revenue</b>					
Community Revitalization Levy	\$ –	\$ –	\$ –	\$ –	\$ –
Sales of goods & services	22,508	38,141	65,597	–	49,978
Government transfers, agreements & subsidies	–	–	–	6,181	36,236
Equity in earnings from Co-Ownership	–	1,992	–	–	–
Developer contributions	–	6	–	–	–
Investment income	–	6	2,563	173	398
Fines & penalties	–	–	15,093	1,603	–
Licenses, permits and fees	–	–	854	1,164	–
Miscellaneous revenue	–	83	7,186	1,905	2,369
Gain (loss) on sale of tangible capital assets	–	–	365	(158)	–
Internal transfers & contributions	1,701	–	254	43,828	(2,836)
Total revenue	24,209	40,228	91,912	54,696	86,145
<b>Expenses</b>					
Salaries, wages, and benefits	\$ 7,388	\$ 1,213	\$ 8,114	\$ 34,619	\$ 14,936
Contracted and general services	3,039	764	24,773	9,153	28,144
Materials, equipment and supplies	12,484	35,840	4,439	4,755	4,667
Interest charges	–	97	1,428	1	750
Transfers	–	–	–	–	18,211
Utilities	1,272	31	2,094	773	10,986
Amortization	419	15	7,683	6,953	2,873
Debt principal repayments	–	–	1,154	–	5,380
Total expenses	24,602	37,960	49,685	56,254	85,947
Income (loss) before appropriations	(393)	2,268	42,227	(1,558)	198
Internal transfers	393	(2,268)	(17,910)	1,558	(198)
To City operating fund <sup>(1)</sup>	–	–	(24,317)	–	–
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –

(1) Distribution to The City for certain net surpluses from Calgary Parking Authority operations.

	2014 Calgary Municipal Land Corporation	2014 (Restated Note 30) Calgary Economic Development Ltd.	2014 (Restated Note 30) Calgary Arts Development Authority Ltd.	2014 (Restated Note 30) Total
\$	209,659	\$ 6,851	\$ 9,831	\$ 493,387
	90,845	9,356	4,721	184,575
	300,504	16,207	14,552	677,962
	181,852	–	–	210,282
	59,235	8,592	3,431	137,358
	241,087	8,592	3,431	347,640
\$	59,417	\$ 7,615	\$ 11,121	\$ 330,322
\$	32,081	\$ –	\$ –	\$ 32,081
	8,936	–	–	185,160
	–	214	698	43,329
	–	–	–	1,992
	–	–	873	879
	261	32	21	3,454
	–	–	–	16,696
	–	–	–	2,018
	238	1,941	1,174	14,896
	(2)	–	–	205
	384	11,560	5,441	60,332
	41,898	13,747	8,207	361,042
\$	2,156	\$ 4,064	\$ 1,073	\$ 73,563
	11,181	2,950	5,593	85,597
	1,010	350	38	63,583
	6,377	–	12	8,665
	–	–	–	18,211
	22	–	54	15,232
	2,701	478	–	21,122
	–	–	–	6,534
	23,447	7,842	6,770	292,507
	18,451	5,905	1,437	68,535
	(18,451)	(5,905)	(1,437)	(44,218)
	–	–	–	(24,317)
\$	–	\$ –	\$ –	\$ –



## 22. EXPENSES BY OBJECT

	2015	2014 (Restated Note 30)
Salaries, wages and benefits	\$ 1,859,838	\$ 1,752,478
Contracted and general services	457,364	432,488
Materials, equipment and supplies	342,864	341,902
Interest charges	130,899	139,511
Transfer payments	114,834	136,218
Utilities	79,283	86,985
Amortization	576,318	547,552
Loss on disposal of tangible capital assets	24,724	13,748
	<b>\$ 3,586,124</b>	<b>\$ 3,450,882</b>

## 23. GOVERNMENT TRANSFERS

	2015	2014 (Restated Note 30)
<b>Operating</b>		
Province of Alberta	\$ 128,431	\$ 150,584
Government of Canada	3,812	4,507
	<b>132,243</b>	<b>155,091</b>
<b>Capital</b>		
Province of Alberta	634,902	553,301
Government of Canada	64,447	48,919
	<b>699,349</b>	<b>602,220</b>
	<b>\$ 831,592</b>	<b>\$ 757,311</b>

In accordance with PSAS, government transfers and developer contributions-in-kind related to capital acquisitions are required to be recognized as revenue in the consolidated financial statements in the period in which the eligibility criteria and stipulation requirements of the agreements are met.

## 24. SEGMENTED INFORMATION

The Consolidated Schedule of Financial Activities by Segment has been prepared in accordance with PSAS Handbook Section 2700 ("PS 2700") *Segment Disclosures*. With the change in reporting model effective January 1, 2009, the segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of The City. For each reported segment, revenues and expenses represent amounts directly attributable to each segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget process as well as the quarterly reporting of budget status during the year. Segments include:

- Tax Supported Operating programs** includes the items of revenue, recoveries and expenses pertaining to the ongoing operations of those programs that are funded, in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. This includes all operating programs with the exception of Water Resources and Water Services.
- Self Supported Operating programs** includes the items of revenue, recoveries and expenses pertaining to the ongoing operations of programs not funded by tax revenues but solely by revenues or recoveries resulting from their own operations. These programs are Water Resources and Water Services, the units that manage our water resources and supplies quality drinking water, and provides treatment/disposal of wastewater for The City.
- Tax Supported Capital programs** includes the expenses and sources of financing for acquisition of land and construction of buildings, bridges and other major permanent improvements to be used in programs that are funded, in whole or in part, directly or indirectly, by revenue from municipal property and business taxes. This includes all programs with the exception of Water Resources and Water Services.

- d) **Self Supported Capital programs** includes the expenses and sources of financing for acquisition of land and construction of buildings, bridges, and other major permanent improvements to be used by programs that are not funded by tax revenues but solely by revenues or recoveries resulting from their own operations. These programs are Water Resources and Water Services, the units that manage our water resources and supplies quality drinking water, and provides treatment/disposal of wastewater for The City.
- e) **Subsidiary Entities** include the Calgary Public Library Board, Calgary Parking Authority, Calgary Housing Company, Attainable Homes Calgary Corporation, Calgary TELUS Convention Centre, Calgary Municipal Land Corporation, Calgary Economic Development Ltd. and Calgary Arts Development Authority Ltd. These related authorities are consolidated within these financial statements. For more information regarding these related authorities, refer to Note 21.

- f) **ENMAX** is included as a government business enterprise and is accounted for on a modified equity basis. For more information regarding ENMAX, refer to Note 7.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (Note 1).

## Schedule of Financial Activities by Segment

For the Year Ended December 31, 2015 (in thousands of dollars)

	Tax Supported Operating	Self Supported Operating	Tax Supported Capital	Self Supported Capital	Total The City of Calgary
<b>REVENUES</b>					
Property tax	\$ 1,792,051	\$ –	\$ –	\$ –	\$ 1,792,051
Business tax	196,184	–	–	–	196,184
Sales of goods & services	485,086	601,361	(8)	10,400	1,096,839
Government transfers, grants & subsidies					
Federal	2,542	5	64,447	–	66,994
Provincial	87,607	696	626,491	1,602	716,396
Developer contributions	1,978	32,170	68,517	2,612	105,277
Donated assets	–	–	–	–	–
Investment income	73,674	1,838	–	–	75,512
Fines & penalties	63,041	1,978	–	–	65,019
Licences, permits and fees	121,391	1,763	–	–	123,154
Miscellaneous revenue	42,520	3,227	14,000	–	59,747
Proceeds on sale of TCA (Misc revenue)	706	–	–	–	706
Gain/(Loss) on sale of TCA (Misc revenue)	6,626	12	–	–	6,638
Dividends from ENMAX	56,000	–	–	–	56,000
Equity in earnings from ENMAX	–	–	–	–	–
Equity in earnings from Co-Ownership	–	–	–	–	–
Debt	–	–	62,686	154,756	217,442
Contribution from reserves	126,144	29,061	292,955	121,979	570,139
Internal transfers & contribution	20,193	–	–	–	20,193
<b>Total Revenues</b>	<b>3,075,743</b>	<b>672,111</b>	<b>1,129,088</b>	<b>291,349</b>	<b>5,168,291</b>
<b>EXPENSES</b>					
Salaries, wages and benefits	1,704,504	141,686	27,710	8,858	1,882,758
Contracted and general services	546,505	70,746	642,671	284,738	1,544,660
Materials, equipment and supplies	321,003	45,729	204,016	34,710	605,458
Utilities	64,085	23,539	498	65	88,187
Transfers	173,455	53,357	26,338	–	253,150
Internal recoveries	(544,991)	(27,648)	(58,807)	823	(630,623)
Interest charges	38,070	74,071	17,270	445	129,856
Amortization	29,106	71,432	–	–	100,538
Loss on sale	–	–	–	–	–
Debt principal repayments	356,515	7,371	1,835	–	365,721
Contribution from operations to reserves	639,325	149,511	–	–	788,836
Contribution (to) from operations to capital	(264,901)	19,658	265,657	(5,462)	14,952
Internal transfers & contribution	(42,659)	42,659	–	–	–
<b>Total Expenses</b>	<b>3,020,017</b>	<b>672,111</b>	<b>1,127,188</b>	<b>324,177</b>	<b>5,143,493</b>
<b>Annual Surplus</b>	<b>\$ 55,726</b>	<b>\$ –</b>	<b>\$ 1,900</b>	<b>\$ (32,828)</b>	<b>\$ 24,798</b>

	Related Authorities	ENMAX	Consolidation Adjustments	Total Consolidated 2015
\$	37,391	\$ –	\$ (99,530)	\$ 1,729,912
	–	–	–	196,184
	234,278	–	(55,714)	1,275,403
	1,340	–	(75)	68,259
	46,937	–	–	763,333
	2,457	–	–	107,734
	–	–	183,277	183,277
	3,704	–	(31)	79,185
	15,432	–	–	80,451
	1,207	–	(3)	124,358
	13,063	–	(21,162)	51,648
	(1,887)	–	15,825	14,644
	3,658	–	(8,407)	1,889
	–	–	–	56,000
	–	18,141	–	18,141
	618	–	–	618
	–	–	(217,442)	–
	–	–	(570,139)	–
	57,562	–	(77,755)	–
	<b>415,760</b>	<b>18,141</b>	<b>(851,156)</b>	<b>4,751,036</b>
	79,891	–	(102,811)	1,859,838
	110,857	–	(1,198,153)	457,364
	77,124	–	(339,718)	342,864
	14,095	–	(22,999)	79,283
	19,765	–	(158,081)	114,834
	–	–	630,623	–
	8,882	–	(7,839)	130,899
	22,299	–	453,481	576,318
	–	–	24,724	24,724
	6,651	–	(372,372)	–
	–	–	(788,836)	–
	–	–	(14,952)	–
	–	–	–	–
	<b>339,564</b>	–	<b>(1,896,933)</b>	<b>3,586,124</b>
\$	<b>76,196</b>	\$ <b>18,141</b>	\$ <b>1,045,777</b>	\$ <b>1,164,912</b>

## Schedule of Financial Activities by Segment

For the Year Ended December 31, 2014 (in thousands of dollars)(Restated Note 30)

	Tax Supported Operating	Self Supported Operating	Tax Supported Capital	Self Supported Capital	Total The City of Calgary
<b>REVENUES</b>					
Property tax	\$ 1,667,378	\$ –	\$ –	\$ –	\$ 1,667,378
Business tax	201,114	–	–	–	201,114
Sales of goods & services	544,395	543,162	242	–	1,087,799
Government transfers, grants & subsidies					
Federal	3,370	–	48,919	–	52,289
Provincial	104,018	5,067	552,678	–	661,763
Developer contributions	2,292	25,731	58,490	2,402	88,915
Donated assets	–	–	–	–	–
Investment income	65,954	–	–	–	65,954
Fines & penalties	53,463	1,962	–	–	55,425
Licences, permits and fees	112,681	1,813	–	–	114,494
Miscellaneous revenue	32,824	1,965	(236)	–	34,553
Proceeds on sale of TCA (Misc revenue)	964	–	–	–	964
Gain/(Loss) on sale of TCA (Misc revenue)	3,894	12	–	–	3,906
Dividends from ENMAX	60,000	–	–	–	60,000
Equity in earnings from ENMAX	–	–	–	–	–
Equity Earnings from Co–Ownership	–	–	–	–	–
Debt	–	–	130,240	238,900	369,140
Contribution from reserves	123,129	23,866	340,756	96,695	584,446
Internal transfers & contribution	23,840	–	–	–	23,840
<b>Total Revenues</b>	<b>2,999,316</b>	<b>603,578</b>	<b>1,131,089</b>	<b>337,997</b>	<b>5,071,980</b>
<b>EXPENSES</b>					
Salaries, wages and benefits	1,587,384	134,324	23,792	18,680	1,764,180
Contracted and general services	545,352	62,070	572,998	233,644	1,414,064
Materials, equipment and supplies	341,713	48,203	276,307	33,453	699,676
Utilities	67,444	25,243	1,619	76	94,382
Transfers	164,162	49,928	54,251	750	269,091
Internal recoveries	(505,492)	(36,489)	(42,674)	2,268	(582,387)
Interest charges	39,959	72,484	26,964	918	140,325
Amortization	29,505	67,888	–	–	97,393
Loss on sale	–	–	–	–	–
Debt principal repayments	302,613	6,751	3,049	–	312,413
Contribution from operations to reserves	677,956	125,639	–	–	803,595
Contribution (to) from operations to capital	(236,388)	5,155	242,972	26,837	38,576
Internal transfers & contribution	(42,500)	42,500	–	–	–
<b>Total Expenses</b>	<b>2,971,708</b>	<b>603,696</b>	<b>1,159,278</b>	<b>316,626</b>	<b>5,051,308</b>
<b>Annual Surplus</b>	<b>\$ 27,608</b>	<b>\$ (118)</b>	<b>\$ (28,189)</b>	<b>\$ 21,371</b>	<b>\$ 20,672</b>



	Related Authorities	ENMAX	Consolidation Adjustments	Total Consolidated 2014
\$	32,081	\$ -	\$ (99,311)	\$ 1,600,148
	-	-	-	201,114
	185,160	-	(58,553)	1,214,406
	1,207	-	(70)	53,426
	42,122	-	-	703,885
	879	-	(157)	89,637
	-	-	229,982	229,982
	3,454	-	(7,614)	61,794
	16,696	-	-	72,121
	2,018	-	(181)	116,331
	14,896	-	(9,569)	39,880
	(2,135)	-	17,621	16,450
	2,340	-	(18,494)	(12,248)
	-	-	-	60,000
	-	67,451	14,860	82,311
	1,992	-	-	1,992
	-	-	(369,140)	-
	-	-	(584,446)	-
	60,332	-	(84,172)	-
	<b>361,042</b>	<b>67,451</b>	<b>(969,244)</b>	<b>4,531,229</b>
	73,563	-	(85,265)	1,752,478
	85,597	-	(1,067,173)	432,488
	63,583	-	(421,357)	341,902
	15,232	-	(22,629)	86,985
	18,211	-	(151,084)	136,218
	-	-	582,387	-
	8,665	-	(9,479)	139,511
	21,122	-	429,037	547,552
	-	-	13,748	13,748
	6,534	-	(318,947)	-
	-	-	(803,595)	-
	-	-	(38,576)	-
	-	-	-	-
	<b>292,507</b>	-	<b>(1,892,933)</b>	<b>3,450,882</b>
\$	<b>68,535</b>	\$ <b>67,451</b>	\$ <b>923,689</b>	\$ <b>1,080,347</b>

## 25. COMMITMENTS AND CONTINGENT LIABILITIES

- a) Capital commitments of \$1,168,982 (2014 – \$798,960) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2015, on major projects and estimated obligations under other various agreements. These capital commitments were included in the current year's capital budget of \$2,094,240 (2014 – \$2,187,749) and will be funded from reserves and debt in future years.

- b) Commitments related to operating leases of \$27,596 (2014 Restated – \$23,993) for office premises and facilities are not reflected in the consolidated financial statements. Annual commitments will be funded from the operating fund in the respective future years and are as follows:

<b>2016</b>	\$ 5,422
<b>2017</b>	4,646
<b>2018</b>	3,609
<b>2019</b>	3,158
<b>2020</b>	2,020
<b>Thereafter</b>	8,741
	<u>\$ 27,596</u>

- c) In the ordinary course of business, various claims and lawsuits are brought against The City. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by The City pursuant to expropriation settlement is charged to the year of settlement.
- d) Where estimated reclamation and closure costs are reasonably determinable, The City has recorded a total provision in the amount of \$3,106 (2014 – \$4,080) for environmental liabilities based on management's estimate of these costs. Such estimates are subject to adjustment based on changes in laws and regulations and as additional information become available.
- e) As at December 31, 2015, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes an annual provision against property taxes receivable for the impact of appeals including specific provision where the results of an appeal are reasonably determinable and general provision for those where the outcome is presently indeterminable.

- f) Alberta Revenue, Tax and Revenue Administration ("Alberta Finance") is responsible for assessing the income tax returns filed under the payment in lieu of taxes ("PILOT") regulation to the *Electric Utilities Act* which became effective January 1, 2001. ENMAX regularly reviews the potential for adverse outcomes in respect of tax matters and believes it has adequate provisions for these tax matters. Tax provisions are adjusted, positively or negatively, for changes in estimates and assessments by tax authorities in the period in which they are more likely than not to have an impact on the financial results.
- g) The City has entered into a 20-year contract for power supply from ENMAX Energy from 2007 to 2026. Under the terms of the agreement, ENMAX Energy is to supply The City with 100% of the electricity from renewable sources. Annual electricity prices are based on a portfolio of energy sources developed for The City by ENMAX Energy.
- h) The City has entered into a 20-year agreement with District Energy, a wholly owned subsidiary of ENMAX, for thermal energy supply commencing July 1, 2010. The annual price of the energy supplied will be a blended rate which includes a fixed charge component.
- i) The City has entered into an agreement with CMLC for the New Central Library ("NCL"), The City has committed a total of \$175,000 of which \$79,547 (2014 – \$28,142) is included in the total capital commitments. CMLC has committed an additional \$70,000.
- j) The City entered into an agreement with Chinook Resources Management General Partnership (Project Co.) on June 25, 2015 to design, build, operate, and maintain The City's new organics composting facility. The new facility is being pursued as a P3 project and will be funded through capital debt and Federal Gas Tax Funding ("FGTF"). The new facility is expected to be substantially complete in June 2017. Project Co. will also operate the new facility until June 2027. As at December 31, 2015, The City incurred \$24,714 (2014 – \$nil) of costs, which were captured in the work in progress balance for tangible capital assets (Note 15). The expected commitment related to the new facility is \$124,892 (2014 – \$nil).
- k) The City is responsible for the remediation of contaminated sites that are no longer in productive use where The City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments. As at December 31, 2015, the provision was \$2,683 (2014 – \$170) and is classified in Trade Payables of which, \$2,033 is unfunded (Note 17). The unfunded liability will be funded through future contributions from self supported capital programs. This provision is based on \$3,109 in expenditures expected to be incurred over the next 25 years discounted at 3.3% based on The City's weight average cost of capital.

The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination includes polycyclic aromatic hydrocarbons, heavy metals and road salts. The sources of the contamination include chemical storage, industrial recycling and other industrial operations. Sites often have multiple sources of contamination.

From time to time, there may be uncertainty as to whether The City has a legal responsibility or accepts responsibility for a contaminated site that may be reportable under PS3260. It is not expected that the impact of any such sites would have a material impact on the financial statements. When The City is able to determine that it accepts or is legally responsible for contamination of a site and all other criteria have been met, The City will accrue a liability for these future clean-up costs.

During 2015, The City utilized a risk based assessment approach for identifying sites with potential contamination, for which a provision may need to be provided. Through this process, 142 sites were identified as having potential contamination. As at December 31, 2015, 6 assessments had been completed and did not result in a provision. The City is currently in the process of completing the assessments of the 136 remaining sites, for which the analysis will be completed in fiscal 2016.

## 26. GUARANTEES

In the normal course of business, The City enters into various agreements that may contain features that meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires The City to make payments to the guaranteed party based on (a) changes in an underlying interest rate, foreign exchange rate, equity or commodity instrument, index or other variables that are related to an asset, liability or an equity security of the counterparty, (b) failure of another party to perform under an obligating agreement or, (c) failure of a third party to pay its indebtedness when due. Significant guarantees The City has provided to third parties include the following:

### a) Third party debt agreements

No amounts have been accrued in the consolidated financial statements of The City with respect to the following agreements.

- i) The City has guaranteed certain indebtedness of the Calgary Exhibition and Stampede Limited ("CES"). This third party debt agreement requires The City to make immediate payment of certain outstanding borrowings on behalf of CES in the event CES cannot fulfill its obligations to a Canadian chartered bank. The terms of these guarantees are equal to the amortization periods of the related credit facilities, which mature between 2024 and 2036. The interest rates on the credit facilities held by CES range from 1.34% to 6.23% (2014 – 1.60% to 6.23%). As at December 31, 2015, CES has drawn a total of \$75,272 (2014 – \$79,269) on the total maximum available facility of \$93,672 (2014 – \$97,669). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of \$100,227 (2014 – \$100,227) charging certain lands owned by the CES.
- ii) The City has guaranteed certain indebtedness of The Calgary Zoological Society (the "Zoo"). This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of the Zoo in the event the Zoo cannot fulfill its obligations to a Canadian chartered bank. The term of the guarantee

is valid until 2024, and the related debt will mature in 2019, subject to a renewal for a further five years at that time. In the event the Zoo does not extend the loan beyond 2019, the City's guarantee will automatically expire. The interest rate on the credit facility is 4.94% (2014 – 4.94%). As at December 31, 2015, the outstanding balance of the facility was \$3,456 (2014 – \$3,766) on the total maximum available facility of \$3,456 (2014 – \$3,766). As collateral to this guarantee, The City could terminate its Lease and Operating Agreement with the Zoo and take possession and control of all Zoo facilities, including any and all personal property owned by the Zoo at that time.

- iii) The City has guaranteed certain indebtedness of the Calgary Olympic Development Association ("CODA") operating under the trade name Canadian Winter Sport Institute ("WinSport Canada™"). This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of CODA in the event CODA cannot fulfill its obligations to a Canadian chartered bank. This credit facility was repaid in 2015 and The City was released and discharged from all liability in connection with the guarantee. As at December 31, 2015, the outstanding balance of the facility was \$nil (2014 – \$19,250) on the total maximum available facility of \$nil (2014 – \$19,250).
- iv) The City has guaranteed certain indebtedness of AHCC. This third party debt agreement requires The City to make immediate payment of outstanding borrowings on behalf of AHCC in the event AHCC cannot fulfill its obligations on a revolving credit facility to a Canadian financial institution. The term of the guarantee is valid until 2021, and the related credit facility will mature in 2017, subject to a renewal for a further period of one year. In the event the credit facility is not extended beyond 2017, The City's guarantee will automatically expire. The interest on the credit facility is Prime minus 0.75% per annum (2014 – nil %). As at December 31, 2015, the outstanding balance of the facility was \$nil (2014 – \$nil) on the total maximum available facility of \$10,000 (2014 – \$nil). The City, as an unconditional guarantor, holds as security a fixed and floating debenture in the amount of \$10,000 (2014 – \$nil).

### b) Other indemnification agreements

In the normal course of business, The City may provide indemnification to counterparties that would require The City to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a result of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents The City from making a reasonable estimate of the maximum potential amount it could be required to pay to counterparties. Historically, The City has not made any payments under such indemnifications and any potential future claims would be claimed against the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

## 27. EXECUTIVE SALARIES AND BENEFITS

Disclosure of executive salaries and benefits, as required by provincial regulations, is as follows:

	2015 Salaries	2015 Benefits	2015 Total	2014 Salaries	2014 Benefits	2014 Total
Mayor	\$ 215	\$ 37	\$ 252	\$ 208	\$ 34	\$ 242
Councillors <sup>(1) (2)</sup>	1,607	509	2,116	1,549	497	2,046
City Manager	348	48	396	322	49	371
Designated Officers <sup>(3)</sup>	1,198	216	1,414	1,092	210	1,302

Executive salaries and benefits obligations have been fully funded by The City.

Notes:

1. The Councillors who served throughout 2015 in Wards 1 through 14 each received a salary of \$115 (2014 – \$111) and benefits ranging between \$35 and \$36 (2014 – \$34–\$36). Transitional allowances in 2015 were paid to Councillors who left office after the 2013 election as disclosed in Note 27 (2).
2. Elected officials receive a transition allowance of two weeks pay for each year in office, up to a maximum of twenty six years, when they leave office. These allowances may be taken over several years and are not included in the salary and benefits amounts reported above. Transitional allowances paid to the former Councillors who left office in 2013 are Ward 1 – \$39 and Ward 2 – \$17. Transitional allowances to be paid in 2016 and beyond are: Ward 1 – \$39 and Ward 2 – \$17.
3. The City's five designated officers are the City Assessor, City Clerk, City Solicitor, City Treasurer and City Auditor. In 2015, there was \$nil (2014 – \$nil) holiday, vacation pay out of the ordinary course of business and severance payouts for these five designated officers.

## 28. FINANCIAL INSTRUMENTS

At December 31, 2015, The City had 14 (2014 – 12) U.S. foreign exchange fixed contracts in place. Maturity dates for these contracts range from January 2016 to November 2017. Total committed future foreign merchandise purchases of \$67,792 USD (2014 – \$78,006 USD).

Under the terms of the contract arrangements, The City has fixed its exchange risk on foreign purchases for Canadian dollar trades against the U.S. dollar with Canadian Schedule 1 banks at rates ranging from 1.07 to 1.38 Canadian dollars. The Canadian dollar equivalent of these contracts at December 31, 2015 is \$43,941 (2014 – \$45,455) Canadian dollars. During the fiscal year ended December 31, 2015, the various arrangements for foreign merchandise cost The City \$5,042 less (2014 – \$4,249 less) than if the arrangements had not been entered into.

At December 31, 2015, The City held 12 (2014 – 6) forward foreign exchange contracts to hedge foreign currency exposure related to its global investment holdings. These contracts were obtained from Chartered Banks. The total settlement amount of these contracts is \$13,805 (2014 – \$17,966) Canadian dollars. These contracts settled on January 13, 2016 and as at December 31, 2015 had a market value of \$14,448 (2014 – \$18,081) Canadian dollars and an unrealized loss of \$643 (2014 – \$115).

In addition to U.S. foreign exchange fixed contracts, The City has also purchased hedges for future purchases relating to the light rail transit system. At December 31, 2015, The City has invested \$47,088 USD (2014 – \$43,761 USD) of cash with maturity dates between January 2016 and January 2017. These invested funds will be used to settle committed future foreign merchandise purchases of \$67,792 USD (2014 – \$78,006 USD).

Under the terms of the purchase order agreement, The City has fixed exchange risk on foreign purchases for Canadian dollar trades against the U.S. dollar with the supplier at rates ranging from 1.03 to 1.07. During the fiscal year ended December 31, 2015, the various arrangements for foreign merchandise cost The City \$2,680 less (2014 – \$4,076 less) than if the arrangements had not been entered into. The City continues to monitor economic conditions and impacts on The City's financial status and adjusts strategies accordingly.

## 29. FUNDS HELD IN TRUST

The City administers the following trusts on behalf of third parties. As related trust assets are not owned by The City, the trusts have been excluded from the consolidated financial statements. The following table provides a summary of the transactions within these trusts during the year:

	December 31, 2014	Receipts	Investment Income	Disbursements	December 31, 2015
Joint Use Reserve Fund	\$ 75,323	\$ 7,673	\$ 1,338	\$ (643)	\$ 83,691
Oversize roads	20,870	5,510	127	(15,240)	11,267
Oversize parks	19,445	2,570	131	(890)	21,256
Oversize utilities	9,130	2,334	62	(2,624)	8,902
Developers' cash bonds	5,825	20	38	(293)	5,590
Southland natural park sport field	1,851	–	16	–	1,867
Calgary Technologies Inc.	2,504	–	–	(2,504)	–
Acreage assessments	454	–	4	–	458
Other miscellaneous trusts	466	366	4	(12)	824
	\$ 135,868	\$ 18,473	\$ 1,720	\$ (22,206)	\$ 133,855

## 30. PRIOR PERIOD ADJUSTMENTS

- a) In 2015, as a result of continued usage and refinement of capital asset accounting and management systems, certain asset balances were identified that required correction. These asset balances primarily consisted of Roads engineered structures, Fire's machinery & equipment, Parks buildings and land improvements, Recreation's buildings, and Water Services engineered structures, land improvements, and machinery & equipment. The net effect of correcting these misstatements was to reduce the net book value of Tangible Capital Assets ("TCA") at December 31, 2014 by \$16,017. Similarly, equity in non-financial assets, a category within accumulated surplus at December 31, 2014, was reduced by \$16,017. Included in this correction is \$9,885 of assets that were accounted for in Work in Progress ("WIP") and TCA. In addition, revenues from developer contributions-in-kind related to capital previously reported in the 2014 financial statements as \$228,284 have been restated to \$229,982 and expenditures have been increased by \$7,792 resulting in an increase in 2014 depreciation expense for restated assets of \$626, \$6,308 in expenditures previously capitalized and \$858 in losses on disposal. A reclassification of \$33,289 was made between WIP and the engineered structures class of TCA. Also during the fiscal 2014 \$4,411 was reclassified from WIP to land inventory, resulting in a decrease in equity in non-financial assets of \$4,411 and an increase in the capital fund of \$4,411.

During the fiscal 2014 year an additional \$3,666 was added to land inventory. The net effect of correcting this misstatement was to increase 2014 land inventory by \$3,666 and increase the 2014 capital fund by \$3,666.

These restated amounts relate solely to the accounting for TCA and land inventory and had no effect on The City's cash balances, property tax revenues or any other balances influencing The City's operating budget, capital budget, grants received, property tax assessments or any other related balances.

- b) In 2014, miscellaneous revenue and transfer payments were decreased by \$3,682 to account for elimination of intercompany balances. This adjustment had no impact on accumulated surplus.
- c) Since inception, Calgary Arts Development Authority Ltd. ("CADA") and Calgary Economic Development Ltd. ("CED") have been accountable for the administration of their financial affairs and resources to The City and have been controlled by The City. Historically the assets, liabilities, revenues, and expenses of the operating fund, capital fund, and reserves fund of these entities were not significantly material to be included in The City's consolidated financial statements. In 2015, through discussions held with CADA and CED, it was determined that cSPACE Projects ("cSPACE") and the Calgary Film Centre Ltd. ("CFCL") were accountable and controlled by CADA and CED respectively. Accordingly, CADA and CED have been consolidated in the financial statements of The City, with the 2014 comparative figures restated for this change in accounting treatment. The restatement to consolidate CADA had the effect of increasing financial assets by \$4,720, financial liabilities by \$3,412 and non financial assets by \$9,651. The restatement to consolidate CED had the effect of increasing financial assets by \$8,731, financial liabilities by \$7,966, and non financial assets by \$3,793.

## 31. CHANGE IN ACCOUNTING POLICY

The City has changed its estimate on the useful life of machinery and equipment so that assets are depreciated over a minimum of 5 years to a maximum of 20 years (2014: 3 to 35 years). Adjustments to the assets' useful life were made to better reflect actual usage patterns. The change in estimate is being applied prospectively to the current and future periods.



## 32. 2013 FLOOD EVENT

### Overview

On June 20, 2013, The City experienced a major flood event and a State of Local Emergency ("SOLE") was declared within The City. The flood caused significant damage to The City's TCA balances. While The City has completed a portion of the work to restore conditions to pre-flood state, it is expected that remediation and mitigation efforts will continue into 2016 and beyond.

The City holds various insurance policies with multiple insurance providers which have been used to fund a portion of the remediation and recovery efforts.

The City has applied to the Province of Alberta for flood relief and mitigation funding through the following programs:

- Disaster Recovery Program ("DRP") to provide financial assistance for uninsurable property damage, loss and other expenses incurred as the result of the flood;
- Flood Recovery Erosion Control ("FREC") program to deal with erosion damage from the flood and address immediate repairs and long-term community mitigation projects;
- Municipal Staffing Capacity Grant ("MSCG") program to fund consultants and newly hired staff to perform operating flood recovery work; and
- Flood Readiness Grant program to secure operating grants to enable communities impacted by the flood to increase community resiliency and enhance operational capability to mitigate and respond to future flood risks.

### Impact on Financial Results

Costs incurred as a result of remediation or mitigation efforts are capitalized or expensed in accordance with accounting policies in Note 1. Only costs that represent a betterment, enhancement or new asset are capitalized, with repairs and maintenance being expensed. All operating expenditures are recognized in the current year consolidated statement of operations and accumulated surplus in the various business units that incurred those costs.

The City has received the final payment of \$14,000 (2014 – \$nil) towards the global settlement from insurance providers relating to building and content losses which is reflected in Miscellaneous revenue on the consolidated statement of operations and accumulated surplus. The City has incurred \$9,108 (2014 – \$32,353) in insurance related capital expenditures. The remainder being funded internally until further DRP claims are processed and finalized.

With respect to the Provincial flood funding, the following grants were received and expenses were recognized in the consolidated statement of operations and accumulated surplus:

- The City received from the DRP \$16,800 (2014 – \$nil) during 2015. The City has incurred \$14,550 (2014 – \$41,139) in DRP related capital expenditures, the total of which has been funded by the DRP advance and interest earned \$103 (2014 – \$277), with the remainder being funded internally until further DRP claims are processed and finalized.
- The City has also incurred \$1,522 (2014 – \$4,586) of emergency operating and recovery costs and recovered \$1,295 (2014 – \$32,372) from the DRP in 2015 with the remaining balance expected to be recovered in future years.

- FREC provided \$nil (2014 – \$39,460) and \$11,607 (2014 – \$18,717) was spent in 2015. Cash advances that are not spent at the end of the year including interest earned \$725 (2014 – \$552) in the amount of \$23,787 (2014 – \$33,940) are recorded as capital deposits.
- The City received \$nil (2014 – \$4,930) in MSCG revenue and has spent \$1,026 (2014 – \$2,909). Cash advances that are not spent at the end of the year including interest earned \$8 (2014 – \$7) in the amount of \$247 (2014 – \$1,265) are recorded in deferred revenue.
- The City received \$nil (2014 – \$7,685) for Flood Readiness and has spent \$3,550 (2014 – \$4,257) in 2015 and interest earned of \$37 (2014 – \$85). All expenditures were fully funded.

The City is required to earn interest income, through its investment strategy, on the unspent balance of the Provincial grants received for FREC, MSCG and Flood Readiness.

Due to significant uncertainty in measurement, as well as significant uncertainty of collectability, The City has not recognized accounts receivable or revenue for Provincial proceeds that it expects to receive in the future related to remediation or mitigation costs. These amounts will be recorded as revenue in the fiscal year received.

TCA's that were significantly impacted by the flood include a variety of asset types through a variety of business units. The majority of asset classes affected include buildings, various engineered structures (e.g. roads, bridges, pathways, transit lines, etc.), machinery and equipment and vehicles. The majority of these assets have been replaced or repaired with the remainder of these costs to be incurred in 2016 and beyond. The City has completed review assessments of the conditions of assets affected by the flood and has determined that no permanent impairment is present as at December 31, 2015.

### Measurement Uncertainty

The impact of the flood was subject to a high degree of estimation and judgement, particularly as it relates to the estimation of future expenditures and impairment of assets. The City has used the best information at the time in all measurements and estimations related to the flood and those estimates may not materialize and the final results and adjustments to these estimates will be reflected in future financial statements.

The City has estimated the total cost of capital expenditures related to the flood to be approximately \$371,920 (excluding resiliency), which includes repairs, replacements and mitigation strategies, of which \$35,264 (2014 – \$95,827) has been incurred.

## 33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. Reclassifications have been made in 2014 to reclassify certain accounts payable and capital deposits.



# Financial and Statistical Schedules

The City of Calgary, Alberta

# Revenue by Source Unaudited (see Notes) 2011 to 2015

(in thousands of dollars)

	2015 Operating	2015 Capital	Total	2014 Operating (Restated) <sup>(3)</sup>	2014 Capital (Restated) <sup>(3)</sup>	2014 Total (Restated) <sup>(3)</sup>
Property taxes	\$ 2,219,299	\$ –	\$ 2,219,299	\$ 2,006,756	–	2,006,756
Community Revitalization Levy	38,785	–	38,785	32,745	–	32,745
Business taxes	196,184	–	196,184	201,114	–	201,114
Revenue in lieu of taxes	184,722	–	184,722	224,186	–	224,186
Local improvement levies and special taxes	6,926	–	6,926	5,624	–	5,624
	2,645,916	–	2,645,916	2,470,425	–	2,470,425
Less: Provincial property taxes	(719,820)	–	(719,820)	(669,163)	–	(669,163)
<b>Net taxes available for municipal purposes</b>	<b>1,926,096</b>	<b>–</b>	<b>1,926,096</b>	<b>1,801,262</b>	<b>–</b>	<b>1,801,262</b>
Sales of goods and services						
Water and sewer	595,974	–	595,974	528,913	–	528,913
Public transit	196,183	–	196,183	191,171	–	191,171
Real estate	95,489	–	95,489	122,826	–	122,826
Recreation and culture	73,503	–	73,503	72,280	–	72,280
Parking	63,596	–	63,596	62,677	–	62,677
Social housing	49,986	–	49,986	49,978	–	49,978
Protective services	40,906	–	40,906	43,752	–	43,752
Waste disposal	93,068	–	93,068	99,535	–	99,535
Other	66,698	–	66,698	43,274	–	43,274
	1,275,403	–	1,275,403	1,214,406	–	1,214,406
<b>Government transfers and revenue sharing agreements</b>						
Federal						
Debenture interest rebates	129	–	129	147	–	147
Revenue and cost sharing agreements and grants agreements	3,683	64,447	68,130	4,360	48,919	53,279
Provincial						
Debenture interest rebates	41	–	41	33	–	33
Grants, entitlements, revenue and cost sharing agreements	128,390	634,902	763,292	150,551	553,301	703,852
	132,243	699,349	831,592	155,091	602,220	757,311
<b>Other revenue</b>						
Dividends from ENMAX	56,000	–	56,000	60,000	–	60,000
Other equity earnings in ENMAX	(7,275)	–	(7,275)	124,069	–	124,069
Other equity earnings in Co-Ownership	618	–	618	1,992	–	1,992
Developer contributions	–	107,734	107,734	–	89,637	89,637
Donated assets	–	183,277	183,277	–	229,982	229,982
Investment income	79,185	–	79,185	61,794	–	61,794
Fines and penalties	80,451	–	80,451	72,121	–	72,121
Licences, permits and fees	124,358	–	124,358	116,331	–	116,331
Miscellaneous revenue	68,181	–	68,181	44,082	–	44,082
	401,518	291,011	692,529	480,389	319,619	800,008
<b>Total revenue</b>	<b>\$ 3,735,260</b>	<b>\$ 990,360</b>	<b>\$ 4,725,620</b>	<b>\$ 3,651,148</b>	<b>\$ 921,839</b>	<b>\$ 4,572,987</b>

2013 Operating (Restated) <sup>(2)</sup>	2013 Capital (Restated) <sup>(2)</sup>	2013 Total (Restated) <sup>(2)</sup>	2012 Operating (Restated) <sup>(1)</sup>	2012 Capital (Restated) <sup>(1)</sup>	2012 Total (Restated) <sup>(1)</sup>	2011 Operating	2011 Capital	2011 Total
\$ 1,906,540	\$ –	\$ 1,906,540	\$ 1,775,276	\$ –	\$ 1,775,276	\$ 1,631,781	\$ –	\$ 1,631,781
27,336	–	27,336	22,396	–	22,396	15,110	–	15,110
225,390	–	225,390	214,174	–	214,174	212,264	–	212,264
202,517	–	202,517	209,778	–	209,778	202,012	–	202,012
80,021	–	80,021	13,308	–	13,308	13,366	–	13,366
2,441,804	–	2,441,804	2,234,932	–	2,234,932	2,074,533	–	2,074,533
(636,138)	–	(636,138)	(641,485)	–	(641,485)	(607,216)	–	(607,216)
1,805,666	–	1,805,666	1,593,447	–	1,593,447	1,467,317	–	1,467,317
481,613	–	481,613	435,386	–	435,386	394,878	–	394,878
186,493	–	186,493	169,914	–	169,914	151,887	–	151,887
88,417	–	88,417	80,994	–	80,994	98,496	–	98,496
67,745	–	67,745	65,247	–	65,247	55,525	–	55,525
59,941	–	59,941	58,435	–	58,435	53,618	–	53,618
47,469	–	47,469	45,586	–	45,586	39,410	–	39,410
45,790	–	45,790	42,529	–	42,529	42,655	–	42,655
91,525	–	91,525	85,019	–	85,019	89,053	–	89,053
47,305	–	47,305	45,429	–	45,429	40,891	–	40,891
1,116,298	–	1,116,298	1,028,539	–	1,028,539	966,413	–	966,413
151	–	151	400	–	400	778	–	778
4,311	88,971	93,282	5,717	112,135	117,852	5,640	79,867	85,507
48	–	48	135	–	135	135	159	294
108,858	294,007	402,865	117,839	378,608	496,447	118,377	452,839	571,216
113,368	382,978	496,346	124,091	490,743	614,834	124,930	532,865	657,795
67,500	–	67,500	56,000	–	56,000	55,600	–	55,600
284,983	–	284,983	169,038	–	169,038	128,981	–	128,981
–	–	–	–	–	–	–	–	–
–	95,783	95,783	–	96,396	96,396	–	55,220	55,220
–	249,829	249,829	–	257,122	257,122	–	188,071	188,071
47,357	–	47,357	41,753	–	41,753	43,980	–	43,980
69,503	–	69,503	75,477	–	75,477	69,680	–	69,680
103,645	–	103,645	90,938	–	90,938	74,527	–	74,527
95,292	–	95,292	44,339	–	44,339	35,319	–	35,319
668,280	345,612	1,013,892	477,545	353,518	831,063	408,087	243,291	651,378
\$ 3,703,612	\$ 728,590	\$ 4,432,202	\$ 3,223,622	\$ 844,261	\$ 4,067,883	\$ 2,966,747	\$ 776,156	\$ 3,742,903

## Expenses By Function unaudited (see Notes) 2011 to 2015

(In thousands of dollars)

	2015	2014 <sup>(3)</sup>	2013 <sup>(2)</sup>	2012 <sup>(1)</sup>	2011
<b>Protective Services</b>		(Restated)	(Restated)	(Restated)	
Police	\$ 473,727	\$ 451,128	\$ 440,213	\$ 410,897	\$ 384,396
Fire	289,591	279,986	263,501	246,737	233,265
	<b>763,318</b>	731,114	703,714	657,634	617,661
<b>Transportation</b>					
Public transit	542,397	513,595	494,625	438,856	391,456
Roads, traffic and parking	405,282	433,667	397,462	383,383	362,113
	<b>947,679</b>	947,262	892,087	822,239	753,569
<b>Environmental protection</b>					
Water services & resources	475,002	438,648	404,800	384,764	362,259
Waste and recycling	128,013	136,683	125,236	111,336	94,476
	<b>603,015</b>	575,331	530,036	496,100	456,735
<b>Social development</b>					
Community and social development	70,717	67,567	63,132	55,567	56,736
Social housing	142,586	127,250	129,001	113,430	106,174
	<b>213,303</b>	194,817	192,133	168,997	162,910
<b>Recreation and culture</b>					
Parks and recreation facilities	263,027	266,664	264,550	214,423	263,844
Societies and related authorities	76,577	86,290	108,453	68,593	84,077
Calgary Public Library Board	54,527	52,898	47,011	52,195	51,367
	<b>394,131</b>	405,852	420,014	335,211	399,288
<b>Other expenditure</b>					
General government	300,318	278,582	350,073	276,005	277,138
Public works	243,919	214,329	193,486	177,086	186,081
Real estate services	120,441	103,595	82,476	76,001	57,690
	<b>664,678</b>	596,506	626,035	529,092	520,909
<b>Total expenses</b>	<b>\$ 3,586,124</b>	<b>\$ 3,450,882</b>	<b>\$ 3,364,019</b>	<b>\$ 3,009,273</b>	<b>\$ 2,911,072</b>

Notes: (1) Figures for 2012 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2012 have not been restated for this adjustment.

(2) Figures for 2013 have been restated for the correction of certain tangible capital asset and tax revenue adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.

(3) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, as well as for the correction of certain tangible capital asset, miscellaneous revenue, transfer payment and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.



## Other Financial and Statistical Schedules

### FINANCIAL POSITION AND NET REVENUES UNAUDITED

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(4)</sup>	2013 <sup>(3)</sup>	2012 <sup>(2)</sup>	2011 <sup>(1)</sup>
		(Restated)	(Restated)	(Restated)	(Restated)
Financial assets	\$ 7,083,365	\$ 6,646,555	\$ 6,475,739	\$ 5,407,521	\$ 4,831,572
Financial liabilities	5,834,125	5,933,954	5,903,530	5,267,439	5,009,322
Net financial assets (debt)	1,249,240	712,601	572,209	140,082	(177,750)
Non-financial assets	15,000,613	14,372,340	13,432,385	13,043,074	12,247,922
Accumulated surplus	16,249,853	15,084,941	14,004,594	13,183,156	12,070,172
Annual surplus	\$ 1,164,912	\$ 1,080,347	\$ 821,438	\$ 1,112,984	\$ 816,023

- Notes:
- (1) Figures for 2011 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2011 have not been restated for this adjustment.
  - (2) Figures for 2012 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2012 have not been restated for this adjustment.
  - (3) Figures for 2013 have been restated for the correction of certain tangible capital asset, land inventory, and tax revenue accounting related adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.
  - (4) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of certain tangible capital asset and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

### ACQUISITION OF TANGIBLE CAPITAL ASSETS

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(3)</sup>	2013 <sup>(2)</sup>	2012 <sup>(1)</sup>	2011
		(Restated)	(Restated)	(Restated)	
Capital additions	\$ 1,051,308	\$ 1,015,878	\$ 860,344	\$ 1,080,022	\$ 1,285,272

- Notes:
- (1) Figures for 2012 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2012 have not been restated for this adjustment.
  - (2) Figures for 2013 have been restated for the correction of certain tangible capital asset adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.
  - (3) Figures for 2014 have been restated for the correction of certain tangible capital asset adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

## Other Financial and Statistical Schedules

### CONSOLIDATED ACCUMULATED SURPLUS UNAUDITED

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(6)</sup>	2013 <sup>(3, 4)</sup>	2012 <sup>(2)</sup>	2011 <sup>(1)</sup>
		(Restated)	(Restated)	(Restated)	(Restated)
Operating fund	\$ 55,725	\$ 27,490	\$ 8,159	\$ 31,258	\$ 5,243
Capital fund	312,300	315,037	234,939	49,866	(33,649)
Reserves	1,876,077	1,626,276	1,437,065	1,297,791	1,131,968
Obligation to be funded in future years <sup>(5)</sup>	(10,211)	(9,190)	–	–	(16,500)
Equity in ENMAX	2,299,205	2,281,064	2,460,204	2,161,986	1,943,731
Equity in Co-Ownership	–	1,539	3,438	–	–
Local improvements to be funded in future years <sup>(4)</sup>	70,583	72,921	70,719	–	–
Equity in non-financial assets	11,646,174	10,769,804	9,790,070	9,642,255	9,039,379
	<b>\$ 16,249,853</b>	<b>\$ 15,084,941</b>	<b>\$ 14,004,594</b>	<b>\$ 13,183,156</b>	<b>\$ 12,070,172</b>

Notes: (1) Figures for 2011 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2011 have not been restated for this adjustment.

(2) Figures for 2012 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2012 have not been restated for this adjustment.

(3) Figures for 2013 have been restated for the correction of certain tangible capital asset and tax revenue accounting adjustments identified in 2014. Years prior to 2013 have not been restated for these adjustments.

(4) In 2013, The City adopted PS 3510 prospectively, which resulted in a change in the timing of revenue recognition of certain tax revenues. See Note 1 of the audited consolidated financial statements.

(5) Obligation to be funded in future years consists of unfunded liabilities of \$8,178 (2014 – \$9,190) and \$2,033 (2014 – \$nil) for the landfill rehabilitation provision and liability for contaminated sites, respectively.

(6) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of certain tangible capital asset and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

### EXPENSES BY OBJECT UNAUDITED

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(3)</sup>	2013 <sup>(2)</sup>	2012 <sup>(1)</sup>	2011
		(Restated)	(Restated)	(Restated)	
Salaries, wages and benefits	\$ 1,859,838	\$ 1,752,478	\$ 1,693,095	\$ 1,570,469	\$ 1,495,451
Contracted and general services	457,364	432,488	501,829	321,683	366,936
Materials, equipment and supplies	342,864	341,902	336,045	237,771	250,271
Interest charges					
Tax supported	46,368	57,071	52,931	49,111	62,623
Self supported	84,531	82,440	85,229	86,618	70,749
Transfer payments	114,834	136,218	162,546	129,818	167,312
Utilities	79,283	86,985	75,003	70,455	67,406
Amortization	576,318	547,552	437,028	525,054	413,273
Loss on disposal of tangible capital assets	24,724	13,748	20,313	18,294	17,051
Total expenses	<b>\$ 3,586,124</b>	<b>\$ 3,450,882</b>	<b>\$ 3,364,019</b>	<b>\$ 3,009,273</b>	<b>\$ 2,911,072</b>

Notes: (1) Figures for 2012 have been restated for the correction of certain tangible capital asset adjustments identified in 2013. Years prior to 2012 have not been restated for this adjustment.

(2) Figures for 2013 have been restated for the correction of certain tangible capital asset related adjustments identified in 2014. Years prior to 2013 have not been restated for this adjustment.

(3) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, as well as for the correction of certain tangible capital asset, miscellaneous revenue, transfer payment and land inventory adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.

## Other Financial and Statistical Schedules

### CONSOLIDATED INVESTMENTS UNAUDITED

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(3)</sup>	2013	2012	2011
		(Restated)			
Cost:					
Government of Canada	\$ 360,775	\$ 312,443	\$ 296,416	\$ 52,593	\$ 148,114
Other Government	540,840	500,394	336,992	625,113	323,104
Corporate	2,889,837	2,680,473	2,487,030	1,893,506	1,728,753
Equity investments	326,536	209,463	197,025	138,146	133,032
	<b>\$ 4,117,988</b>	<b>\$ 3,702,773</b>	<b>\$ 3,317,463</b>	<b>\$ 2,709,358</b>	<b>\$ 2,333,003</b>
Market Value:					
Government of Canada	\$ 362,277	\$ 313,604	\$ 295,882	\$ 53,039	\$ 149,767
Other government	542,556	508,199	333,205	630,196	333,787
Corporate	2,893,485	2,689,034	2,486,998	1,900,726	1,734,843
Equity investments	360,635	263,798	238,039	151,249	134,098
	<b>\$ 4,158,953</b>	<b>\$ 3,774,635</b>	<b>\$ 3,354,124</b>	<b>\$ 2,735,210</b>	<b>\$ 2,352,495</b>

Notes: (1) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.

## Other Financial and Statistical Schedules

### CONSOLIDATED RESERVES UNAUDITED

2011 to 2015 (in thousands of dollars)

	2015	2014 <sup>(4)</sup> (Restated)	2013 <sup>(3)</sup> (Restated)	2012	2011
<b>Significant Reserves</b>					
Fiscal stability	\$ 488,785	\$ 415,881	\$ 357,301	\$ 294,985	\$ 240,932
Reserve for future capital	354,190	318,286	269,629	271,888	255,492
Budget savings account	60,905	—	—	—	—
Debt servicing	52,570	52,570	52,570	67,769	72,996
Corporate housing reserve	38,231	35,750	31,903	44,547	43,274
Legacy parks	18,450	23,033	19,738	13,332	9,695
Real estate services (combined operating & capital)	63,432	90,913	73,799	68,239	69,605
Community investment	152,379	168,302	151,077	112,223	76,959
Development and building approvals sustainment	93,707	74,063	48,701	30,794	27,488
Reserve for tax loss provision	37,398	37,398	39,823	39,823	36,329
Lifecycle maintenance and upgrade	149,391	97,251	125,729	102,075	92,205
Calgary Housing Company	27,267	22,589	17,010	13,737	10,625
	<b>\$ 1,536,705</b>	<b>\$ 1,336,036</b>	<b>\$ 1,187,280</b>	<b>\$ 1,059,412</b>	<b>\$ 935,600</b>
Other reserve balances will be utilized in future years for the following types of expenses:					
Utilities sustainment <sup>(1)</sup>	\$ 44,290	\$ 49,153	\$ 44,076	\$ 52,226	\$ 18,982
Social programs	10,310	8,316	8,283	7,916	7,900
Police services (capital)	34,349	30,978	28,362	25,923	20,151
Police services (operating)	4,000	4,000	4,000	4,000	—
Waste & recycling sustainment <sup>(2)</sup>	48,809	41,968	33,808	41,910	58,162
ENMAX dividend stabilization	20,000	16,450	10,100	—	—
Other operating	81,842	59,076	52,205	45,885	39,885
Other capital expenditures	95,772	80,299	68,951	60,519	51,288
	<b>339,372</b>	<b>290,240</b>	<b>249,785</b>	<b>238,379</b>	<b>196,368</b>
	<b>\$ 1,876,077</b>	<b>\$ 1,626,276</b>	<b>\$ 1,437,065</b>	<b>\$ 1,297,791</b>	<b>\$ 1,131,968</b>

Notes: (1) In 2011, Wastewater treatment, disposal and water supply reserves were closed and funds transferred to a new Utilities sustainment reserve.

(2) In 2011, Landfill revenue and the Environmental control reserves were closed and the funds transferred to a new Waste and recycling sustainment reserve.

(3) In 2013, other operating reserves were restated for the correction of tax revenue accounting related adjustments identified in 2014.

(4) In 2014, other capital expenditures reserves were restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.

# Taxation and Assessments unaudited 2011 to 2015

(in thousands of dollars unless otherwise stated)

		2015	2014 <sup>(2)</sup> (Restated)	2013 <sup>(1)</sup> (Restated)	2012	2011
<b>TAX RATES</b>						
Residential						
Municipal and Library	Mills	3.541	3.747	3.797	3.457	3.205
Provincial property	Mills	2.214	2.356	2.525	2.709	2.464
Non-Residential						
Municipal and Library	Mills	10.737	10.694	10.991	12.311	11.510
Provincial property	Mills	3.458	3.417	3.305	3.934	4.099
<b>ASSESSED VALUES</b>						
Residential		\$ 210,408,125	\$ 183,058,116	\$ 170,331,240	\$ 162,729,050	\$ 165,284,722
Percentage of total (%)		7.49	74.1	74.9	77.6	78.6
Commercial, industrial and farm		\$ 70,507,335	\$ 64,107,914	\$ 57,042,815	\$ 46,855,572	\$ 44,859,905
Percentage of total (%)		25.1	25.9	25.1	22.4	21.4
Total assessment		\$ 280,915,460	\$ 247,166,030	\$ 227,374,055	\$ 209,584,622	\$ 210,144,627
<b>TAX LEVIES</b>						
Municipal property taxes						
Residential		\$ 745,974	\$ 699,844	\$ 650,287	\$ 563,117	\$ 526,126
Non-residential		761,944	646,637	628,404	579,364	507,369
Community Revitalization Levy		38,785	32,745	27,336	22,396	15,110
Business taxes		196,184	201,114	225,390	214,174	212,264
Revenue in lieu of taxes		176,283	215,298	194,228	201,088	193,081
Local improvement levies and special levies		6,926	5,624	80,021	13,308	13,366
		\$ 1,926,096	\$ 1,801,262	\$ 1,805,666	\$ 1,593,447	\$ 1,467,316
Provincial property taxes						
Residential		\$ 463,175	\$ 436,150	\$ 444,289	\$ 443,274	\$ 406,908
Non-residential		248,206	224,125	183,560	189,521	191,378
Revenue in lieu of taxes		8,439	8,888	8,289	8,690	8,930
		719,820	669,163	636,138	641,485	607,216
Total taxes levied		\$ 2,645,916	\$ 2,470,425	\$ 2,441,804	\$ 2,234,932	\$ 2,074,532
<b>Percentage of Total Levies</b>						
Property tax						
Residential property		45.70%	45.98%	44.83%	45.03%	44.98%
Non-residential property		38.18%	32.91%	33.25%	34.40%	33.69%
Local improvement levies		0.26%	0.23%	3.28%	0.60%	0.63%
Community Revitalization Levy		1.47%	1.33%	1.12%	1.00%	0.73%
Business tax		7.41%	8.14%	9.23%	9.58%	10.23%
Revenue in lieu of taxes		6.98%	9.07%	8.29%	9.39%	9.74%

Notes: (1) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

(2) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes. Years prior to 2014 have not been restated for these adjustments.



# Taxation and Assessments unaudited 2011 to 2015

(in thousands of dollars unless otherwise stated)

	2015	2014	2013 <sup>(1)</sup> (Restated)	2012	2011
<b>PROPERTY TAX – Continuity</b>					
Taxes receivable, January 1	\$ 31,708	\$ 40,556	\$ 40,643	\$ 40,075	\$ 45,063
Current levies					
Property taxes	2,259,232	2,092,111	1,962,606	1,821,259	1,687,367
Business taxes	188,238	203,675	228,455	222,846	215,488
Non-tax items for collection	1,066	1,253	1,154	1,378	1,534
Penalties	8,873	8,631	8,296	9,088	9,037
Cancellation of tax arrears	(19,044)	(597)	(1,412)	(2,218)	(3,381)
Write-off of taxes	(1,416)	(3,266)	(534)	(559)	(614)
Total to be collected	2,468,657	2,342,363	2,239,208	2,091,869	1,954,494
Collections during the year					
Current levies	(2,399,612)	(2,278,604)	(2,164,807)	(2,018,942)	(1,878,537)
Arrears	(30,866)	(32,051)	(33,845)	(32,284)	(35,882)
Subtotal	38,179	31,708	40,556	40,643	40,075
Allowance for doubtful accounts	(1,000)	(500)	(450)	(850)	(500)
Taxes receivable, December 31	\$ 37,179	\$ 31,208	\$ 40,106	\$ 39,793	\$ 39,575
Percentage of current taxes collected (%)	(97.20%)	97.28%	96.68%	96.51%	96.11%
Taxes outstanding as a percentage of the current year levy (%)	1.56%	1.38%	1.85 %	1.99%	2.10%
<b>Other Major Tax Levies:</b>					
Revenue in lieu of taxes					
Municipal consent and access fee	\$ 113,629	\$ 131,168	\$ 129,735	\$ 147,833	\$ 125,536
Franchise fees	57,045	77,042	57,354	48,635	63,873
Governments					
Provincial	8,459	9,649	9,403	10,931	10,255
Federal	2,150	2,081	2,011	2,443	2,328
	\$ 181,283	\$ 219,940	\$ 198,503	\$ 209,842	\$ 201,992

Note: (1) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

# Continuity of Long-Term Debt unaudited 2011 to 2015

(in thousands of dollars unless otherwise stated)

	2015	2014	2013	2012	2011
Opening Balance	\$ 3,626,177	\$ 3,661,382	\$ 3,420,540	\$ 3,228,887	\$ 2,945,662
<b>New issues or additions during the year</b>					
Tax supported					
Debentures	7,262	4,509	261,308	8,872	24,401
Capital leases	–	–	–	–	–
	7,262	4,509	261,308	8,872	24,401
Self supported					
Debentures	193,686	288,211	91,701	191,500	188,600
Local improvement debentures	4,023	7,195	5,273	4,018	6,864
Capital leases	–	–	–	84	5,391
Mortgages and other debt	12,470	3,590	1,530	(7,844)	10,393
	210,179	298,996	98,504	187,758	211,248
Self sufficient tax supported					
Debentures	5,000	101,500	77,000	240,000	248,000
	5,000	101,500	77,000	240,000	248,000
<b>Debt repaid during the year</b>					
Tax supported					
Debentures	(45,686)	(46,494)	(51,979)	(55,728)	(52,127)
Capital leases	–	–	–	(135)	(335)
	(45,686)	(46,494)	(51,979)	(55,863)	(52,462)
Self supported					
Debentures	(149,351)	(122,489)	(124,337)	(120,648)	(120,103)
Local improvement debentures	(6,281)	(5,695)	(8,278)	(8,826)	(9,524)
Capital leases	(865)	(914)	(932)	(926)	(301)
Mortgages and other debt	(4,938)	(20,935)	(7,822)	(57,228)	(17,677)
	(161,435)	(150,033)	(141,369)	(187,628)	(147,605)
Self sufficient tax supported					
Debentures	(280,895)	(243,683)	(2,622)	(1,486)	(357)
	(280,895)	(243,683)	(2,622)	(1,486)	(357)
<b>Increase (Decrease)</b>					
Tax supported	(38,424)	(41,985)	209,329	(46,991)	(28,061)
Self supported	48,744	148,963	(42,865)	130	63,643
Self sufficient tax supported	(275,895)	(142,183)	74,378	238,514	247,643
<b>Net Increase during the year</b>	(265,575)	(35,205)	240,842	191,653	283,225
<b>Closing balance</b>	\$ 3,360,602	\$ 3,626,177	\$ 3,661,382	\$ 3,420,540	\$ 3,228,887
Debt servicing as a per cent of operating expenditures (net of recoveries), tax supported	2.3	2.4	2.6	3.1	3.1
Percentage of legal debt limit as per <i>Municipal Government Act</i> [see Note 14 f)]	45.3	52.4	54.4	57.2	58.9

# Continuity of Long-Term Debt unaudited 2011 to 2015

(in thousands of dollars unless otherwise stated)

	2015	2014	2013	2012	2011
<b>Tax Supported</b>					
Facility management (CPB)	\$ 50,373	\$ 48,820	\$ 49,359	\$ 51,210	\$ 53,828
Fire	2,486	2,912	3,230	3,451	3,768
General government	–	–	96	283	477
Parks and recreation	282,239	295,487	307,850	65,724	72,227
Police	–	–	334	1,202	2,387
Social housing	4,552	4,887	5,205	5,508	5,796
Roads	109,670	128,350	148,289	166,082	186,438
Societies & related authorities	13,378	13,247	13,610	12,334	14,555
Waste & recycling services	4,154	4,446	4,723	4,987	5,238
Transit	23,528	30,655	38,093	50,679	63,737
	<b>490,380</b>	<b>528,804</b>	<b>570,789</b>	<b>361,460</b>	<b>408,451</b>
Tax supported, % of total	14.6	14.6	15.6	10.6	12.6
Per capita, tax supported	\$ 398	\$ 442	\$ 493	\$ 323	\$ 374
<b>Self Supported</b>					
Calgary Parking Authority	\$ 3,123	\$ 4,333	\$ 5,487	\$ 6,588	\$ 7,638
Calhome Properties Ltd.	15,206	20,647	26,027	31,262	36,272
Lindsay Park Sports Society	1,480	1,778	2,067	2,345	2,614
St. Mary's University College	4,683	4,864	–	–	–
Water services & resources	1,846,166	1,789,574	1,646,815	1,665,394	1,569,501
Facility management (CPB)	10	520	1,000	1,452	2,382
Fleet services	113,896	101,947	91,370	98,426	112,301
Parks and recreation	4,164	5,451	6,665	8,163	9,772
Social housing	9,799	10,838	12,556	14,929	17,784
Real estate services	9,580	26,580	26,580	26,955	27,312
Roads	71,152	73,335	80,186	82,074	149,675
Societies & related authorities	855	1,173	1,474	3,727	4,228
Waste & recycling services	33,651	23,981	15,831	17,608	19,314
	<b>2,113,765</b>	<b>2,065,021</b>	<b>1,916,058</b>	<b>1,958,923</b>	<b>1,958,793</b>
Self supported, % of total	62.9	56.9	52.3	57.3	60.7
Per capita, self supported	\$ 1,717	\$ 1,728	\$ 1,657	\$ 1,749	\$ 1,796
<b>Self Sufficient Tax supported</b>					
CMLC	\$ 175,957	\$ 181,852	\$ 154,535	\$ 150,157	\$ 131,643
MSI	580,500	850,500	1,020,000	950,000	730,000
	<b>756,457</b>	<b>1,032,352</b>	<b>1,174,535</b>	<b>1,100,157</b>	<b>861,643</b>
Self suff tax supp, % of total	22.5	28.5	32.1	32.2	26.7
Per capita, self suff tax supported	\$ 615	\$ 864	\$ 1,015	\$ 982	\$ 790
<b>Total City debt</b>	<b>3,360,602</b>	<b>3,626,177</b>	<b>3,661,382</b>	<b>3,420,540</b>	<b>3,228,887</b>
ENMAX debt	1,211,055	1,088,771	915,510	827,828	732,877
<b>Total debt attributable to The City</b>	<b>\$ 4,571,657</b>	<b>\$ 4,714,948</b>	<b>\$ 4,576,892</b>	<b>\$ 4,248,368</b>	<b>\$ 3,961,764</b>

## Demographic and Other Information unaudited 2011 to 2015

	2015	2014	2013 <sup>(1)</sup> (Restated)	2012	2011
<b>Population, per April civic census</b>	<b>1,230,915</b>	1,195,194	1,156,686	1,120,225	1,090,936
Change due to natural increase	<b>10,812</b>	10,491	10,260	9,631	9,858
Change due to net migration	<b>24,909</b>	28,017	26,201	19,658	9,563
<b>Dwelling Units, per April civic census</b>					
Total number of units	<b>492,623</b>	478,223	468,358	459,339	450,952
Number of vacancies	<b>12,526</b>	9,315	11,782	12,616	16,180
Owner occupancy rate (%)	<b>69.2</b>	68.7	68.5	69.3	70.1
<b>Housing Activity</b>					
Annual applications for residential units					
Total residential	<b>12,355</b>	15,027	14,838	13,600	10,106
Change (%)	<b>(17.8)</b>	1.3	9.1	34.6	39.4
Single family	<b>2,714</b>	5,584	5,939	4,569	4,865
Change (%)	<b>(51.4)</b>	(6.0)	30.0	(6.1)	18.6
MLS average selling price (\$) <sup>(i)</sup>	<b>469,399</b>	483,160	456,695	428,655	414,570
New housing price inflation (%) <sup>(ii)</sup>	<b>1.1</b>	7.2	5.1	2.6	2.4
<b>Building Permits, applied for</b>					
Number of applications	<b>16,667</b>	19,549	17,921	16,613	15,550
Change (%)	<b>(14.7)</b>	9.1	7.9	6.8	1.8
Value, in thousands of dollars	<b>\$ 6,285,485</b>	\$ 6,510,000	\$ 6,027,000	\$ 4,475,000	\$ 4,538,000
Change (%)	<b>(3.4)</b>	8.0	34.7	(1.4)	55.6
<b>Inflation, CPI annual increases <sup>(ii)</sup></b>					
Calgary	<b>1.20%</b>	3.00%	0.90%	1.00%	2.20%
Alberta	<b>1.10%</b>	2.60%	1.40%	1.10%	2.40%
Canada	<b>1.10%</b>	2.00%	1.70%	1.50%	2.90%
<b>Unemployment Rate <sup>(ii)</sup></b>					
Calgary	<b>6.20%</b>	5.00%	4.80%	4.90%	6.20%
Alberta	<b>6.00%</b>	4.70%	4.60%	4.90%	5.60%
Canada	<b>6.90%</b>	6.90%	7.10%	7.10%	7.50%

External Sources

(i) Calgary Real Estate Board

(ii) Statistics Canada

Note: (1) Figures for 2013 were revised to account for refinements in the original census data.

## Demographic and Other Information unaudited 2011 to 2015

	2015	2014 <sup>(5)</sup> (Restated)	2013 <sup>(4)</sup> (Restated)	2012	2011
<b>Revenue sources – City general <sup>(1)</sup></b>	<b>\$ 2,698,618</b>	<b>\$ 2,816,520</b>	<b>\$ 2,725,055</b>	<b>\$ 2,455,521</b>	<b>\$ 2,312,699</b>
Taxes and revenue in lieu of taxes	<b>64.27%</b>	63.96%	66.26%	64.89%	63.45%
General	<b>27.99%</b>	27.65%	26.47%	27.14%	28.26%
Utilities and related authorities contributions	<b>2.51%</b>	2.45%	2.32%	2.56%	2.75%
Government transfers	<b>3.15%</b>	3.81%	2.47%	3.12%	3.15%
Dividends from ENMAX	<b>2.08%</b>	2.13%	2.48%	2.28%	2.40%
<b>Interest charges – City general</b>					
As a % of operating expenses					
Before subsidy	<b>4.18%</b>	4.25%	4.35%	4.74%	4.91%
After subsidy	<b>4.18%</b>	4.25%	4.35%	4.74%	4.91%
<b>Interest charges – consolidated</b>					
Before subsidy (000s)	<b>\$ 113,629</b>	\$ 112,537	\$ 111,076	\$ 111,605	\$ 113,845
Share of operating expenses (%)	<b>4.0</b>	4.2	4.2	4.6	4.8
After subsidy (000s)	<b>\$ 113,459</b>	\$ 112,537	\$ 111,876	\$ 111,070	\$ 112,392
Share of operating expenses (%) (net of subsidy)	<b>4.0</b>	4.2	4.2	4.6	4.8
<b>Debt service limit (principal + interest)</b>					
Total debt service limit	<b>\$ 1,327,778</b>	\$ 1,244,153	\$ 1,206,419	\$ 1,083,243	\$ 933,085
Total debt service	<b>\$ 553,740</b>	\$ 779,683	\$ 872,950	\$ 663,241	\$ 628,462
Percentage used (%)	<b>41.7</b>	62.7	72.4	61.2	63.3
<b>Debt limit <sup>(2)</sup></b>					
Total debt limit (000s)	<b>\$ 7,587,302</b>	\$ 7,109,448	\$ 6,893,824	\$ 6,189,960	\$ 5,674,772
Total debt (000s)	<b>\$ 3,439,330</b>	\$ 3,728,462	\$ 3,749,288	\$ 3,338,824	\$ 3,343,881
Percentage used (%)	<b>45.3</b>	52.4	54.4	57.2	58.9
<b>Municipal full-time equivalents</b>					
– (excluding ENMAX)					
Total full-time equivalents	<b>16,303</b>	15,972	15,207	15,352	15,449
Full-time equivalents per 1,000 population	<b>13.2</b>	13.4	13.2	13.7	14.2
Area, square kilometres	<b>848</b>	848	848	848	848
Km of roads (lane km)	<b>19,956</b>	19,488	19,268	19,088	18,041
Km of roads (centreline km)	<b>7,815</b>	7,312	7,260	7,115	6,732
Km of bus routes	<b>4,369</b>	3,804	4,138	4,138	4,419
Transit passenger trips, annual (000s)	<b>109,974</b>	110,274	107,493	101,972	96,204
Km of wastewater mains <sup>(3)</sup>	<b>4,678</b>	4,490	4,309	4,311	4,311
Km of water mains <sup>(3)</sup>	<b>5,012</b>	4,982	4,934	4,881	4,843
Km of storm drainage mains <sup>(3)</sup>	<b>5,091</b>	4,175	4,100	4,027	3,989

Notes: (1) Figures (000s) are before consolidating eliminations.

(2) Calculations as prescribed by The Province of Alberta, regulation 375/94 and does not include debt attributable to ENMAX.

(3) 2011 drainage mains originally reported certain types of piping that are no longer classified as drainage mains. 2011 values have been adjusted.

(4) Figures for 2013 have been restated for the correction of tax revenue accounting related adjustments identified in 2014.

(5) Figures for 2014 have been restated for the inclusion of CADA and CED as related entities for consolidation purposes, ENMAX's IFRS transition adjustments, as well as for the correction of miscellaneous revenue adjustments identified in 2015. Years prior to 2014 have not been restated for these adjustments.









