

# Reaching milestones

City of Calgary 2010 Annual Report



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THE PRINTED VERSION OF THE YEAR IN REVIEW highlights many of 2010's significant accomplishments. Many more achievements important to Calgarians can be found at [calgary.ca/annualreport](http://calgary.ca/annualreport).

In recent years we have increased our use of web-based communications. This allows us to reduce the size of our printed report, the number of copies produced and adhere to City policies on fiscal restraint and environmental responsibility.



35.7 average age

2,405+ hours of sunshine per year

21.0°C average daily max. summer temperature

0.4°C average daily max. winter temperature

*In 2010, we celebrated important anniversaries and initiatives begun by our forefathers that helped shape the safe, enviable quality of life Calgarians enjoy today.*



# MESSAGE FROM MAYOR NENSHI

*One hundred years ago,  
in 1910, something very special was happening  
in Calgary.*



The city had grown tenfold in a decade, but the people were dreaming even bigger. Mount Royal College started that year, as did The City's Parks Department, the Calgary YWCA and present-day Chinatown.

At the same time, construction was underway on a fine sandstone building, a City Hall whose spire reached into the giant blue prairie sky – a testament to the limitless future those Calgarians imagined for their community.

Today, that same optimism is back.

In the past year, I've met with many Calgarians from all parts of this city and segments of our population. To a person, the sentiment is the same: the coming years belong to Calgary. This is a critical moment in our history and we have the opportunity to shape an incredible future.

Just like a century ago, Calgarians are confident that they will play a role in the future greatness of our city. We are becoming more involved in our communities, be it volunteering for a local cultural organization or participating in civic politics.

Before I entered politics, I had the good fortune to review many of the thousands of responses from average Calgarians who participated in imagineCalgary. Through this process, the most extensive public engagement Calgary has ever seen, citizens described their vision for our city

100 years from now. What shouldn't be surprising is that the vast majority of people see Calgary in the big picture – as a major international city where people from across the globe want to come to live and work in an environment that is vibrant, affordable and welcoming.

At The City of Calgary, we too feel this draw of the future – the great potential that we can achieve together. The 15,000 people who work for The City are committed to making this community better for all who live here.

Over the weeks and months ahead, we will continue transforming how municipal government services are delivered. We all come to work every day thinking about how we can make life better for Calgarians. To do this, it will take a united effort to make our municipality as supportive and efficient as possible for citizens.

I am looking forward to working with my Council colleagues, City employees and all Calgarians to realize that vision of a better Calgary that we all share.



Naheed Nenshi  
Mayor



**BETWEEN JULY 27, 2010, AND THE OCTOBER SWEARING-IN CEREMONY of the new City Council, the Municipal Building's Council Chamber was renovated. Many alterations were made to improve ease of use that enables universal accessibility to citizens, politicians and staff.**



**THE CITY'S ELECTION IPHONE APP, the first of its kind in Canada, had almost 4,500 downloads. This made it the seventh most popular social networking App in Canada on Election Day.**

# CORPORATE GOVERNANCE AND ACCOUNTABILITY

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' immediate concerns, as well as anticipate emerging opportunities and plan for the community's long-term development and growth.

Accordingly, City Council members sit on a wide variety of boards, commissions and committees, ranging from the Family and Community Support Services Association, to the Calgary Police Commission, and from the Calgary Public Library Board to the Calgary Stampede Board. Their participation provides a critical link between Calgary's communities and the workings of the municipal government.

The City has implemented significant corporate governance in line with the current best practices following the Corporate Governance Guidelines of the Canadian Securities Administrators to the extent they may be applicable to municipalities.

City Council's members – 14 Aldermen, each representing a ward, and the Mayor, representing the entire city – are elected by and accountable to the people of Calgary.

Their nominating committee is the electorate, and they remain independent from the civic administration for as long as they hold office. The Mayor and Aldermen hold office for three-year terms.

After every civic election, the City Clerk and City Solicitor brief new Council members 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 any and all discussions involving issues in which they have a pecuniary interest. Throughout their term in office, Council members pursue ongoing training and education.

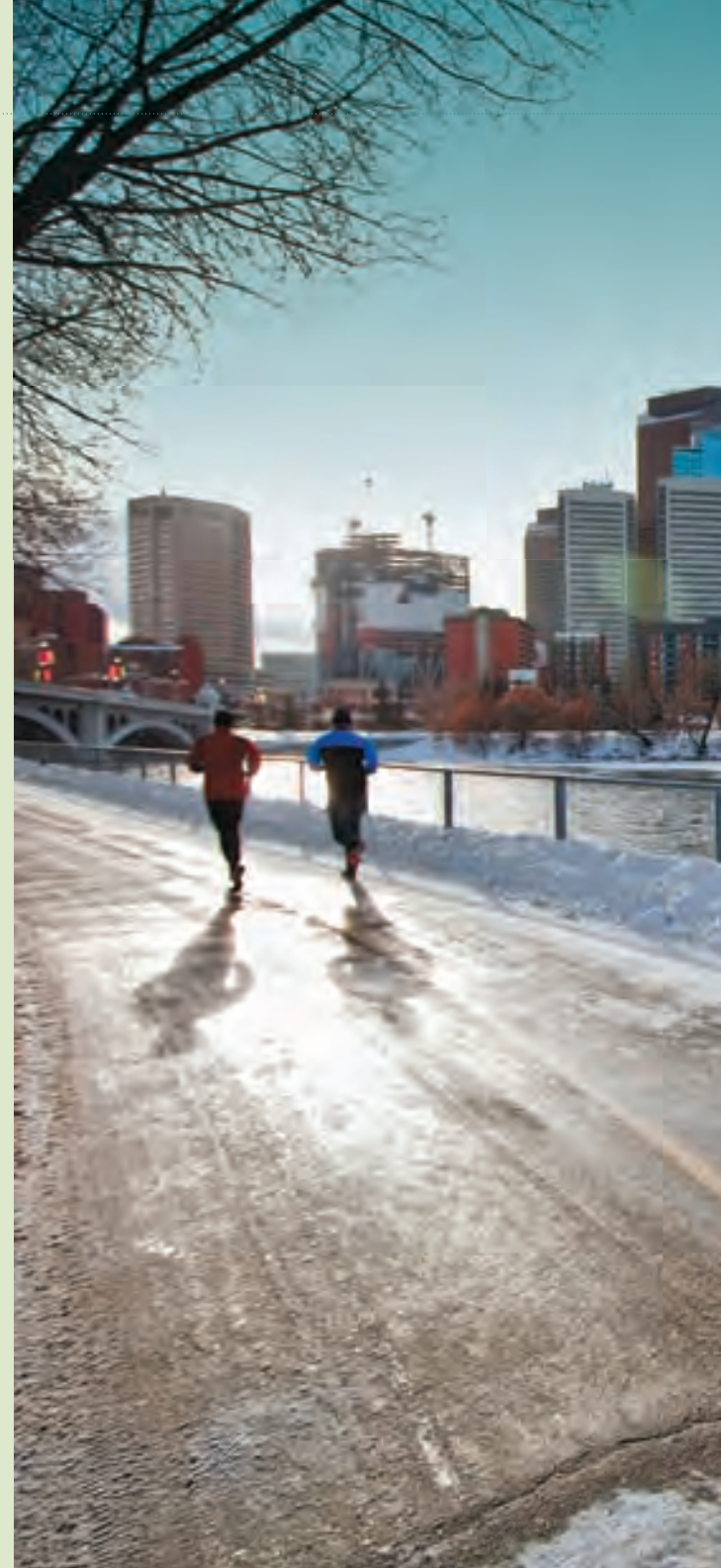
Upon accepting a position on City Council, all Council members are required to take an Oath of Office. A copy of this Oath is available from the Corporate Records Centre on the main floor of the Administration Building, or on [calgary.ca](http://calgary.ca).

Council meets on two Mondays each month. One of these meetings is a regular Council meeting where the issues from the policy committees are discussed 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

Council sets priorities, establishes policy and makes decisions based on information from strategic sessions, as well as from various committees, including the Personnel and Accountability Committee (PAC), and four Standing Policy Committees (SPCs): Finance and Corporate





Services; Community and Protective Services; Land Use, Planning and Transportation; and Utilities and Environment. The four SPCs are responsible for policy formation and decision-making in these areas.

PAC oversees the nominations and appointments to various boards, committees, commissions and other bodies, and creates and maintains a process for the regular review and reporting of Council's legislative governance practices. This committee also provides annual written performance evaluations and ongoing monitoring of the City Manager as required by the Municipal Government Act.

The Audit Committee, which is composed of five Council members and two citizen members – one of whom must be a professional accountant – oversees the activities of the City Auditor's Office, the Legislative Resource Group, the external auditors, and The City's internal controls and management information systems to help ensure Administration's accountability to Council and adherence to the Integrated Risk Management Policy.

The Council Compensation Review Committee is responsible for making recommendations to Council regarding its remuneration, pension, benefits and other forms and levels of compensation. This committee is comprised of five independent external advisors, including professional representation from labour, business and law.

#### CITY OF CALGARY POLICIES

In conjunction with the Audit Committee, PAC is also responsible for overseeing the overall governance principles of The City, recommending any changes to these principles, and monitoring

their disclosure. These include The City's Code of Conduct Policy and Conflict of Interest Policy, which apply equally to all City employees and provide guidelines for employee conduct in fulfilling their day-to-day responsibilities.

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.

Other policies directing employee behaviour in the workplace include the Acceptable Use of City Technology Resources Policy, and a Respectful Workplace Policy that is committed to creating and sustaining a vibrant, healthy, safe, ethical and caring work environment where all employees are treated with respect, honesty and dignity.

Council employs a Triple Bottom Line decision-making approach 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.

Goods and services are sourced and contracted through policies and procedures that are designed to manage risk, optimize value and provide a fair and transparent business environment for suppliers.

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 review, engagement and comment on the budget prior to approval.

The City of Calgary employs a three-year business planning and budgeting process. In November 2008, Council approved the 2009–2011 Business Plans and Budgets, and annually reviews and approves recommended adjustments.

Public availability of The City's financial information is a cornerstone of transparency and accountability. To this end, The City ensures that information pertaining to budgets, consolidated financial statements and regular status reporting is readily accessible through [calgary.ca](http://calgary.ca).

With The City's engage! Policy, Council assigns priority to informing and involving citizens and other stakeholders early on, and throughout the process, when the decisions impact 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.

The City has implemented corporate governance policies and practices which safeguard the public's interest and promote transparency and accountability at all levels within the organization.

*For more information about City Council, the various boards, foundations and committees, and any of the policies referenced above, visit [calgary.ca](http://calgary.ca) or call 3-1-1.*

# CITY COUNCIL

In December, City Council voted in favour of changing the name of its members from aldermen to councillors. The new title formally comes into effect for the next municipal election.



CITY POLICIES HELP PROTECT CALGARY'S NATURAL ENVIRONMENT





WARD 1 ALDERMAN  
Dale Hodges



WARD 2 ALDERMAN  
Gord Lowe



WARD 3 ALDERMAN  
Jim Stevenson



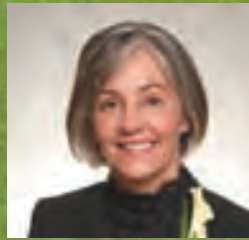
WARD 4 ALDERMAN  
Gael MacLeod



WARD 5 ALDERMAN  
Ray Jones



WARD 6 ALDERMAN  
Richard Pootmans



WARD 7 ALDERMAN  
Druh Farrell



WARD 8 ALDERMAN  
John Mar



WARD 9 ALDERMAN  
Gian-Carlo Carra



WARD 10 ALDERMAN  
Andre Chabot



WARD 11 ALDERMAN  
Brian Pincott



WARD 12 ALDERMAN  
Shane Keating



WARD 13 ALDERMAN  
Diane Colley-Urquhart



WARD 14 ALDERMAN  
Peter Demong

# MESSAGE FROM THE CITY MANAGER

\$2.92 billion worth of building permits issued



**CITY MANAGER OWEN TOBERT** ensures Council's policies and directives are implemented, watches over City operations and the provision of quality public services and fosters the safety and effectiveness of the 15,000 employees who serve Calgarians.

The 2010 Annual Report for The City of Calgary pays special attention to important milestones that were celebrated during the year – not the least of which was the 100th anniversary of Parks and the 125th anniversary of the Calgary Fire Department. Another similar milestone is that, on October 18, citizens elected the 100th Council to serve this great city.

Milestones are significant because they offer us important lessons. More than a century ago, community leaders began building the foundations of a society to ensure, that in the future, their grandchildren and great grandchildren – us – would enjoy a great place to live and work. What visionaries they were.

Today, The City continues taking the long view. We plan for a sustainable city 100 years from now that affords a future generation the same, enviable quality of life.

This vision can be achieved through a balanced and disciplined approach. Financial resources, clear plans and engaged employees need to be in place to help meet evolving financial, environmental and social needs. Smart initiatives today lead to tomorrow's milestones.

Our three-year business plans and budgets position The City to achieve incrementally our long-term vision; the plans flowing from 100-, 60-, 30- and 10-year visionary policies, plans and strategies.

This year's annual report also reminds us of what we Calgarians are capable of accomplishing. We recognize the scores of achievements, awards, and innovation accomplished by our employees: some 15,000 City staff – firefighters, bus drivers, engineers, IT workers, bylaw officers and lifeguards, to name a few – who serve a city of more than one million people.

Our focus is citizen satisfaction, and this year 94 per cent of respondents to our annual survey said they are satisfied with the overall quality of service provided by The City, up from 91 per cent in 2009.

What kinds of workers serve citizens? They're your neighbours. People like international award winner George Kewley from the new state-of-the-art Pine Creek Wastewater Treatment Plant. The plant ensures the effluent we return to the Bow River meets stringent provincial and federal regulations that protect the watershed. George has a vested interest; a fisherman, he and his five children love to fish the Bow.

And there's Nikki Anguish, whose passion is rooted in trees. In the mid-1890s, The City first sold spruce trees for five cents apiece to residents, the goal to green up our barren landscape. Nikki, the forestry foreman at our civic nursery, along with a dedicated team, nurtures 12,000 to 15,000 trees that, when hardy enough, will be transplanted throughout Calgary.

George and Nikki, like thousands of other City workers, are forward thinking. Just like our earliest citizens, they have a vision of a great Calgary – this year and 100 years from now.

A handwritten signature in dark ink that reads "Owen Tobert".

Owen Tobert  
City Manager

# AUDIT COMMITTEE

Calgary City Council is responsible for ensuring that The City's Administration fulfils its responsibilities for financial reporting, internal control and risk management. To assist in fulfilling these responsibilities, Council established the Audit Committee.

One of Audit Committee's goals in fulfilling its mandate is to provide a standard of audit governance for The City which is comparable to the current standard for audit committees in the public and private sector. Audit Committee membership consists of seven independent members appointed by Council: five Council members who are elected by the Citizens of Calgary and two volunteer citizen members who are professional accountants.

The City's Audit Committee oversees the activities of the External Auditor, the City Auditor's Office and the Legislative Resource Group to help ensure Administration's accountability to Council. To fulfil The City's provincially legislated audit requirements, the Committee engages an independent external auditor. Deloitte & Touche LLP are The City's current external auditors.

Deloitte & Touche carried out the audit of The City of Calgary's 2010 financial accounts, in accordance with generally accepted auditing standards, and had full and unrestricted access to Audit Committee to discuss the audit and related findings, as to the integrity of The City's financial statements and reporting processes. Audit Committee reviews The City's Annual Financial Statements and recommends Council approval of The City's financial statements as audited by the External Auditor and presented in this 2010 Annual Report.

The City Auditor's Office is fully independent of The City's Administration and reports directly to Council through Audit Committee. The City Auditor's independence and Terms of Reference are entrenched in The City Auditor Bylaw. The City Auditor's Office provides the independent internal audit function for The City of Calgary. The City Auditor submits an annual work plan to Audit Committee for approval. Open disclosure is encouraged and all audit reports are provided to Audit Committee and reviewed as completed. Reports are then forwarded to Council for approval and are a matter of public record.

Audit Committee oversees procedures, through the City Auditor's Office and the Whistleblower Program, for the receipt, retention and treatment of complaints or allegations of wrongdoing received from City employees or members of the public.

Audit Committee maintains formal Terms of Reference for itself, which it reviews regularly to ensure they reflect best practices in audit governance. Major areas of focus for Audit Committee, in addition to those mentioned above, include the oversight of The City's integrated risk management framework, financial disclosure and accounting practices, code of conduct, legal compliance and the corporate governance practices of The City's major autonomous civic entities.

Audit Committee also conducts special reviews and performance reviews of areas identified by Audit Committee or Council, that may potentially increase value for money from City operations; improve Council's governance; or are unique public policy matters requiring special consideration. In 2010, the Audit Committee commissioned a performance audit on The City's Snow and Ice Control Programs, carried out by an external consultant. A subcommittee of the Audit Committee was formed to oversee this audit. The subcommittee's and consultant's final reports were reviewed by the Audit Committee and forwarded to Council for approval of recommendations and follow-up reporting.

In 2010, Audit Committee also commissioned a Quality Assessment Review of the City's Auditor's Office. A Quality Assessment Review is a standard of the Institute of Internal Auditors (IIA) and should be performed at least every five years. An external, independent consultant was engaged to perform the 2010 review. Several deficiencies in the City's Auditor's Office were noted, and the Office generally did not meet IIA standards. The consultants were retained for an additional period to work with the City Auditor's Office in order to assist it to conform to standards. As well, the Audit Committee advertised and interviewed for a new City Auditor in late 2010. Audit Committee recommended that Council approve the appointment of the new City Auditor who has commenced employment with The City in early 2011.



Brian Pincott  
Alderman, Ward 11  
Chairman, Audit Committee

# CITY OF CALGARY ADMINISTRATION

500 lines of business

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. City Administration must also anticipate change and identify potential opportunities, then put in place the municipal services that will enable those opportunities to become realities.

By nature, a city is constantly evolving to reflect the needs and values of its citizens and businesses.

#### THE ROLE OF THE CITY MANAGER

The City Manager, who leads the Administrative Leadership Team (ALT), oversees all work of The Corporation and its thousands of employees, and reports to Council on a regular basis.

The City Manager implements the decisions of Council, provides advice to Council, 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.

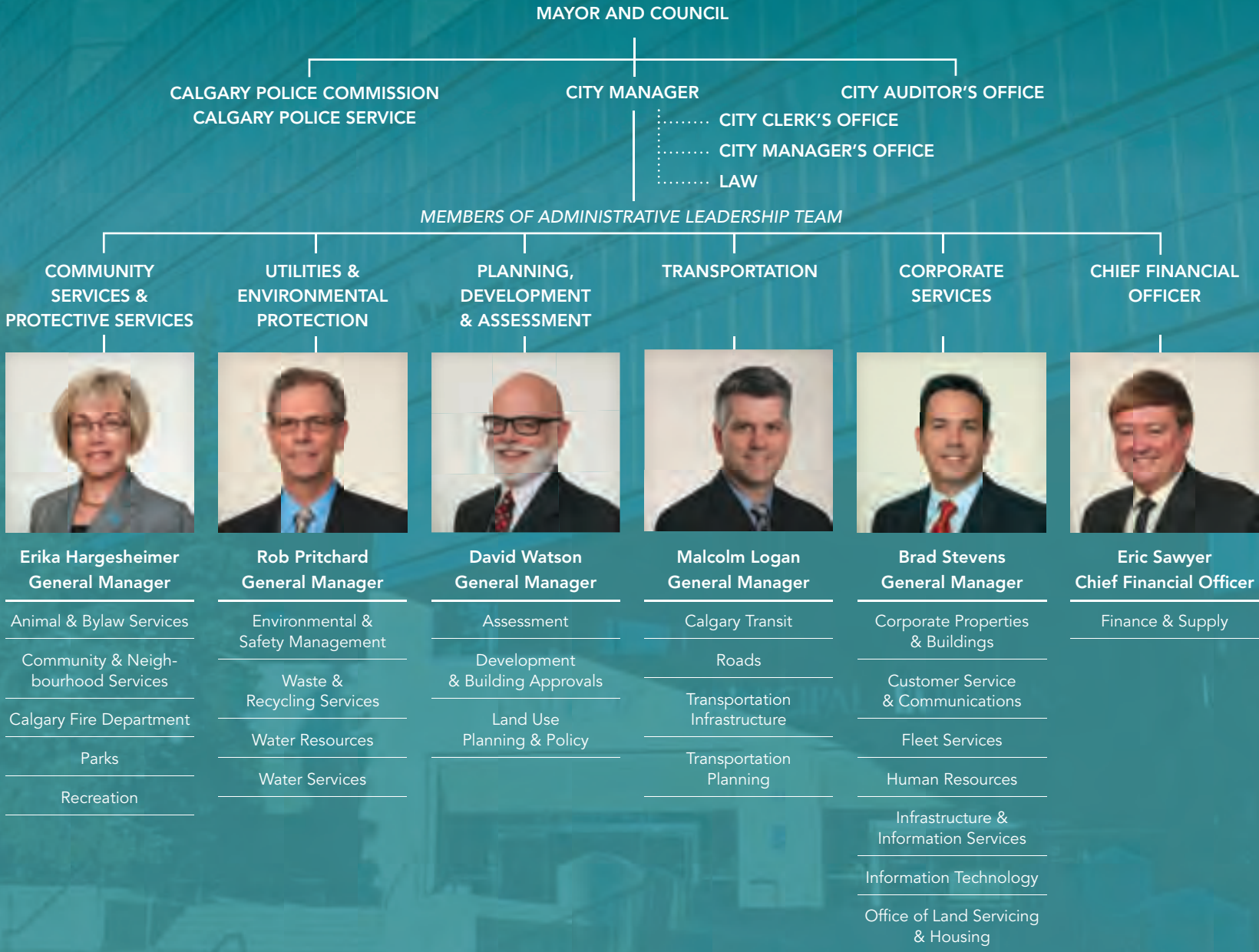
#### THE CITY'S ADMINISTRATIVE LEADERS

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, balancing the priorities and best interests of the community with The City's corporate goals and available resources.

**HISTORIC CITY HALL** is Calgary's oldest municipal building and a designated historic site. The building was officially opened June 26, 1911. Constructed from locally quarried Paskapoo formation sandstone, it features a 32.7-metre (100 foot) clock tower.

# The Citizens of Calgary



# WE BUILD

INFRASTRUCTURE SUPPORTS A SUSTAINABLE FUTURE.

*George Kewley's five children have all experienced the joy of Bow River fishing.*



The children also know how their dad, and his City of Calgary co-workers, protect the water quality of this fragile resource.

George is a 22-year City employee and Operations & Maintenance Leader of the Pine Creek and Fish Creek wastewater treatment plants. Pine Creek officially opened May 25, 2010, able to meet Calgary's wastewater treatment needs for the next 10 years. When fully expanded, it will service a future population of 1.75 million people.

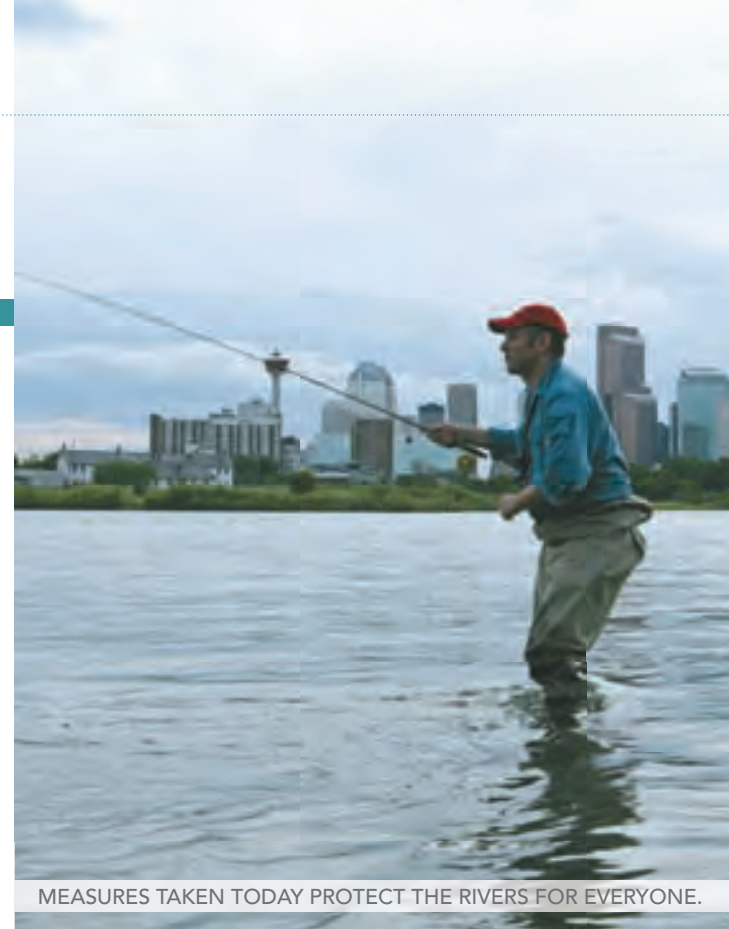
That's good news for the Bow's delicate ecosystem, communities downstream, and local residents who enjoy the Bow, including the Kewley family. City Council's commitment to protect public health, the environment and workplace safety is a point of pride for George. He has equal amounts of respect for his peers.

In 2010, George won the prestigious international Water Environment Federation William D. Hatfield

Award, presented to operators of wastewater treatment plants for outstanding performance and professionalism. He readily shared the honour with his co-workers.

A couple of years ago, George put out a request to staff asking who was willing to accept the challenge of training, commissioning and working at Pine Creek. Responses flooded in. And today, the majority of facility employees volunteered to be there.

During the award ceremony, George summed up employee satisfaction in making a positive impact on the environment: "I am humbled," he said. "I, like many of my co-workers, have dedicated my time and expertise to serve this great city, and being noticed and appreciated by such a prestigious organization has made my decade."



MEASURES TAKEN TODAY PROTECT THE RIVERS FOR EVERYONE.



**COMPLETED PROJECTS** *It was a busy year for construction, highlighted by the official openings of the Pine Creek Wastewater Treatment Plant and Saddle Ridge Multi-Services Facility, the new 37 Street and Glenmore Trail S.W. interchange and the start of West LRT construction.*

- 16 Avenue North Urban Corridor
- Shaganappi Trail / Beddington Trail / Country Hills Boulevard Widening Project
- Bridge Rehabilitation (Graves, 22X, 25 Avenue, Portland Street)
- Bridge Banner Program new installations
- Three artificial fields at Shouldice Athletic Park
- Shaganappi Golf Course Point 18 reopened
- New ice surface at WinSport
- West Village Area Redevelopment Plan
- New ice surface at TRICO Centre
- Louise Station affordable housing tower
- Traffic management measures in Mayland Heights and Strathcona
- Fish Creek Storm Water Quality Retrofit Ponds
- Louise Fire Station No. 6
- Temporary Sage Hill Fire Station No. 40
- Cliff Bungalow Arts Centre
- Central Memorial Park

**CONTINUING PROJECTS**

- Four-car CTrain platform extensions
- N.E. LRT stations refurbishments
- 7 Avenue LRT refurbishment
- Glenmore Water Treatment Plant upgrades
- Talisman roof replacement
- Manchester North Affordable Housing Project
- S.E. and N.W. recreation centres development
- Devonian Gardens redevelopment
- Glenmore / Foothills Athletic Park redevelopment

### PINE CREEK WASTEWATER TREATMENT PLANT

The average Calgarian likely spends little time thinking about how The City treats the liquid and solid waste that we flush down our drains every day.

Tucked away on a 129.5 hectare parcel of City-owned land on our southern boundary, Pine Creek quietly goes about the business of treating up to 100 million litres of effluent per day. It supplements the capacity of Calgary's two other wastewater treatment facilities – Bonnybrook and Fish Creek.

State of the art, and with a growing population in mind, Pine Creek can be expanded to a capacity of 700 million litres per day. It's also an environmental

showpiece, achieving Leadership in Energy and Environmental Design (LEED) Gold status.

Calgary enjoys the status of having the highest ranked level of wastewater treatment among major Canadian cities. Treated effluent put back into the Bow River consistently surpasses the increasingly rigorous provincial and federal guidelines designed to protect the environment and the well-being of citizens.



PINE CREEK HERALDS A NEW GENERATION IN WASTEWATER TREATMENT.

### GLENMORE TRAIL AND 37 STREET S.W.

In September, southwest Calgary motorists signalled their approval of a unique interchange at Glenmore Trail and 37 Street S.W.



City Council gave the project the go-ahead in September 2009. A year later, and a full month ahead of schedule, the interchange was open and traffic was free-flowing here on Glenmore Trail.

Each day 70,000 vehicles flow through this busy interchange. Prior to construction, traffic signals created stop-and-start traffic and big delays in all directions.

Roundabouts and a bridge – its parts can be recycled elsewhere when a decision is made on the southwest ring road – help to make this project effective and save costs. As well, work was done using only City right-of-way land, which eliminated the expensive and time-consuming process of purchasing other land.

Co-ordination with many partners, and creative thinking paved the way for what the Calgary Herald deemed an "exemplary piece of work."



### SADDLE RIDGE MULTI-SERVICES FACILITY

On September 14, The City made another connection with citizens – the Saddle Ridge Multi-Services Facility officially opened to meet the increasing demand for emergency service in Calgary’s northeast.

The 52,100-square-foot facility was completed two months ahead of schedule and on budget. It became home to police and fire crews who had operated out of Police District #5 and Fire Station #32 and has the capacity for future growth.

Saddle Ridge continues Council’s ongoing commitment to protective services. Accessible to area residents, it fosters a two-way relationship and ensures people feel safe in their neighbourhood knowing police and fire stations are close at hand.

Consolidated in one location, the facility results in a smaller ecological footprint and reduced operating costs and was designed to meet requirements for LEED Silver certification.



SADDLE RIDGE MULTI-SERVICES FACILITY



THE LAUNCHING TRUSS BEGAN TRANSFORMING THE WEST-END DOWNTOWN LANDSCAPE.

### WEST LRT

It’s the first new LRT line in over 20 years and The City’s biggest-ever infrastructure project.

In 2010, residents watched a remarkable transformation – the West LRT shifted from blueprints, concepts and community consultation to shovels in the ground. Big shovels.

Construction on the eight-kilometre West LRT line began early in the new year. By spring 2010, crews established work zones along the entire alignment and began utility relocations and roadworks. In mid-July, a mammoth, yellow launching truss began raising precast segments on downtown’s western edge to construct Calgary’s first elevated LRT guideway.

By fall, all six LRT station sites were under construction, and excavation was underway at every tunnel and trench. Commuters were kept informed on the construction schedule and impacts primarily through [westlrt.ca](http://westlrt.ca), a one-stop shop for all information on the West LRT project, including weekly emailed traffic alerts.

Designed to improve mobility and transform land uses, the West LRT will help ease congestion, increase transportation options for Calgarians and spur neighbourhood renewal.

# WE ACHIEVE

ANNIVERSARIES, AWARDS RECOGNIZE VISION AND EXCELLENCE.

*Nikki Anguish,*

*like so many transplanted Calgarians, arrived here  
from small-town Saskatchewan seeking opportunity.*



272,000+ trees line neighbourhood streets

10,000+ programs offered by Recreation

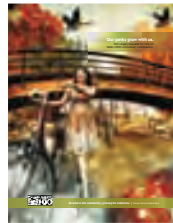
She landed in the perfect place. At The City's Pine Creek Civic Nursery, Nikki and Urban Forestry staff nurture between 12,000 and 15,000 trees that, when hardy, take up permanent residence throughout the city.

Planting trees has a long history in Calgary. As early as 1894, The City sold spruce trees to citizens for five cents apiece. A year later, a boulevard tree planting program started on our main roads. The goal was ambitious: create a healthier, greener environment on what was a windswept, virtually treeless landscape.

Today's civic nursery continues that work. In 2010, Parks celebrated its 100th anniversary. We also became the first municipality in Canada to earn Clean Plants certification. Clean Plants ensures The City follows key procedures designed to limit the risk of introducing pests and potentially devastating disease to our urban forest canopy.

Nikki is Pine Creek's forestry foreman. It's a satisfying feeling for her and staff that The City operates its own nursery and is vigilant in protecting this natural resource.

Growing up in rural Saskatchewan, Nikki loved gardening and played on trees that grew abundantly. Working with trees was her calling, she says; growing them for future generations, her privilege.



IN 2010 Parks held a number of events to celebrate Parks 100th anniversary. This included four free family concerts, a geo-caching contest (high-tech treasure hunt) and temporary landscape installations in Olympic Plaza.



WE'VE HELPED CITIZENS CONNECT WITH NATURE FOR 100 YEARS.



RECOGNITION

In 2010, City events for the public, awards and milestones capped a fruitful year.

- Celebration of the Bow
- City Hall School 10-Year Anniversary
- 21st Mayor's Environment Expo
- 100th City Council
- All Sport One Day event
- Toast 'n' Jam
- Calgary Fire Department Disaster Alley
- Calgary Stampede Police and Fire Day
- Burning Down the House fire safety demonstration
- Government Financial Officers' Association Award for Financial Reporting – 2009 Corporate Annual Report
- Westbrook Village Transit Oriented Development (TOD) receives Award of Merit at 2010 Alberta Professional Planners Institute Conference
- 2010 Minister's Award of Excellence for Process Innovation – Environmental Construction Plan
- Recognized by the Western Canada Section of the American Water Work Association of Calgary for support to the water industry
- LEED Gold certification – Water Centre
- LEED Commercial Interior (Silver level) – Ad Valorem Place
- Interactive Media Award (IMA) Best in Class Financial Information – Tax Talk
- IMA Best in Class Government – Tax Talk
- IMA Best in Class Government – Interactive Recreation Guide
- EMS IT Transition Calgary – Project Management Institute, Project of the Year
- Lion Award, Parks' employee Janet Jones, head gardener for Reader Rock Garden
- Lion Award, Central Memorial Park redevelopment, landscape category
- Municipal Heritage Preservation Award from Alberta Historical Resources



CHINATOWN CELEBRATED ITS 100TH ANNIVERSARY WITH 60 EVENTS AND PROGRAMS

7,700+ hectares of City park land

## CHINATOWN AND COMMUNITY MARK 100 YEARS

The year-long celebration began in February. Traditional dragon and lion dances, martial arts demonstrations and big smiles everywhere. It was The Year of the Tiger – and Calgary’s Chinatown really never did sleep in 2010.

Chinatown moved to its current downtown location in 1910. It was the third and final relocation for the community, which shifted from its first site after a large fire and a second time as it ran out of land for expansion.

Today’s Chinatown is a vibrant community. As part of the Chinatown 100 celebration, more than 100,000 Calgarians took part in 60 events and programs.

The City of Calgary, recognizing the milestone event and significant contributions made by the Chinese community, partnered with 115 community and government organizations. It was a remarkable collaboration, making it a year to remember.

## CITY CELEBRATES 100TH ANNIVERSARY OF PARKS

Parks help define cities and make them liveable. In 2010, citizens marked the 100th anniversary of The City of Calgary Parks in style, flocking to City playgrounds, pathways, playfields, off-leash areas – whatever their favourite site – to relax, recreate and reconnect with nature.

The City and its employees are the stewards of 5,345 of these sites on more than 7,700 hectares. In an urban environment, it’s this important space that brings us closer to our natural state, inspires us to play and allows our community to come together socially.

In 2010, two events helped symbolize our link to the past and vision for the future. In May, we officially reopened Central Memorial Park after a complex five-year rehabilitation; and in July we dedicated Ralph Klein Park.

Central Memorial is one of Calgary’s oldest surviving parks. Its historic significance is celebrated through restoration of the geometric oval and park symmetry.

Ralph Klein Park, meanwhile, is designed to demonstrate leading-edge sustainability and best practices in a number of areas. Both parks are rooted in The City’s vision to ensure a better future 100 years from now. *Learn more: [calgary.ca/parks](http://calgary.ca/parks)*



### GOING GREEN

The City’s efforts toward a sustainable environment continue to be recognized.

### BLUE CART RECYCLING PROGRAM

- Project Management Institute, Project of the Year – Community Advancement
- Silver Leaf communication award, International Association of Business Communicators
- Recognized by Interactive Advertising Bureau (IAB) as a finalist in the public service category
- Nominated as one of four finalists by MIXX international, an interactive advertising awards competition

### PINE CREEK

- 2010 American Academy of Environmental Engineers award for Excellence in Environmental Engineering
- Project Management Institute, Project of the Year – Engineering & Construction
- 2010 Association of Consulting Engineers of Canada - Tree of Life Award

**AWARDS RECOGNIZE  
HERITAGE CONSERVATION**

Communities protect and promote things important to their culture and history through heritage conservation.

In July, The City received a Lion Award for the restoration work done by Corporate Properties & Buildings on the Calgary Public Building. The Lion Awards recognize initiatives to support heritage conservation in Calgary.

The Public Building was officially opened in 1931 by Prime Minister R. B. Bennett and bought by The City in 1979. Over time, many of its character-defining features were covered over. The City restored as many of those original features as possible, and took necessary measures to focus on future sustainability.

Later in September, The City received an honourable mention for the Prince of Wales Prize for Municipal Heritage Leadership. The jury's unanimous decision recognized The City's efforts to develop policies and plans over the last 30 years that favour the conservation of Calgary's built heritage.



CALGARY FIRE DEPARTMENT PERSONNEL GATHER AT FIRE HALL NO. 1

**CALGARY FIRE DEPARTMENT'S 125TH ANNIVERSARY**

It began in January 1885. Calgary's early settlers faced their first major house fire and found themselves hopelessly tossing snowballs trying to douse the blaze.

By summer, wells were dug for water and in August, the Calgary Hook, Ladder and Bucket Corps was formed with 22 volunteers.

In 2010, the Calgary Fire Department (CFD) shone a bright light on the traditions and skills of its membership. The revamped Firefighters Museum of Calgary, the only such museum in Alberta, opened in May, providing an interactive showcase of CFD's history to educate young and old.

The new book, *Yours for Life: 125 Years of Courage, Compassion and Service from the*

*Calgary Fire Department* details a rich and colourful history and paid homage to CFD's unsung heroes. Meanwhile, an impressive life-size carousel display at Calgary International Airport showcases the skills of the modern firefighting team.

CFD now boasts 1,350 highly skilled firefighters. Crews responded to about 47,538 incidents in 2010, including 1,956 fires, using state-of-the-art equipment. A far cry from its humble beginnings 125 years ago. *Learn more: calgary.ca/fire*



**RECREATION**

- 2010 Interactive Media Award, Best in Class Award (government category) for the online City of Calgary Recreation guide
- 2010 Inclusive Business Award Category, from

- Developmental Disabilities Resource Centre of Calgary – Village Square Leisure Centre
- 2010 Business of the Year Award, from Chrysalis – Southland Leisure Centre

- Calgary's Child Magazine Parents' Choice Awards:
  - 1st Place – Best Preschooler Programs
  - 1st Place – Best Programs for School-Age Children

- 1st Place – Best Children's Day Camp
- 1st Place – Best Swimming Pool, Southland Leisure Centre
- Honourable Mention – Best Teen Programs

- Honourable Mention – Best Family Fitness Facility, Southland Leisure Centre
- 2010 White Hat awards Best Public Golf Course – Shaganappi Golf Course

- Maple Ridge Golf Course Hole #13 voted Calgary's #1 Par 3 hole by The Calgary Herald Golf Weekly readers

*People delivering services to people,  
24/7 – 365 days a year.*

At The City, about 15,000 employees work to meet citizen expectations. It's our job to get it right.

In 2010, City staff answered 1.3 million citizen calls through 3-1-1. Meanwhile, 18.1 million visits were made to City of Calgary websites. Whether it's dog licence information, pool hours, property tax questions or any concerns related to about 500 lines of business, we continue making it easier and more accessible for citizens to find the answers they need.

#### HOW ARE WE DOING?

The annual Citizen Satisfaction survey is an important measuring stick of how citizens perceive the job The City does. Broad in scope, it's a snapshot of a moment in time that gauges the importance of – and Calgarians' satisfaction with – many City programs, information and services.

The survey, conducted by a private market research consultant, allows us to set benchmarks, identify emerging trends and enhance the services we provide. *Learn more: [calgary.ca/citizensatisfaction](http://calgary.ca/citizensatisfaction)*

Understanding what's important to citizens helps our skilled workforce enhance the services we provide. A small sampling of what we do includes: organizing community events like the Olympic torch relay, supporting kids in the Calgary AfterSchool program, making inroads on snow and ice clearing, starting Black Cart garbage collection, reaching good neighbour agreements and providing leading-edge access to Recreation programs online.

IN 2010, citizens' perceptions about their quality of life continued to improve. Survey highlights included:

**89%** said overall City performance is "good" – up from 84% in 2009.

**94%** said the overall quality of City services provided is "good" – up from 91% in 2009.

**78%** said overall quality of life is "good" – up from 76% in 2009.



#### INITIATIVES

- UPSTART rental subsidy program
- Calgary Municipal Development Plan activated
- Election Facebook page and iPhone app
- Began receiving 38 next-generation CTrain cars
- Sport Facility Renewal Funding program
- Calgary Fire Department launched its Water Reuse Project
- ATCO Village training facility for Calgary Fire Department opened
- Improved transit in several far north communities
- 9,700 water meter installations
- Do Nothing to Save Water campaign
- The Bow is Below campaign
- City Newsroom launch
- Purchased 30 new 40-foot Nova buses
- Online, interactive maps – events calendar, bike and pathways, road conditions, public notices
- Late Night Ride Home stands
- Construction Zone Safety
- Enhanced Facilities & Services interactive map
- Household Hazardous Waste Disposal public education campaign
- Christmas tree recycling
- Home Energy Efficiency campaign
- Launched online application system for City Qualified Trades
- Best Practices Guide for construction sites
- Go Girl
- Began process for electronic transit fare collection (smart cards)
- Staples for Education
- Youth Employment Centre hiring fairs
- The Municipal Immigration Policy



*Sarah Papineau shares a story.  
It's about a newly immigrated teenager.*

**HE'S ALONE IN CALGARY,  
SEPARATED FROM HIS FAMILY.**

Enter Calgary AfterSchool. The teen is helped into a music program. He socializes for the first time in his new environment with youth his own age, between what's often called the critical hours of 3 p.m. to 6 p.m. The impact is positive and meaningful.

Real-life stories like these play at the heartstrings of Sarah and fellow Community Development Workers in Calgary AfterSchool – a collaborative effort between The City of Calgary and its community partners.

The initiative provides quality, safe and affordable programming opportunities for youth ages 6 to 16 when children are out of school

and less likely to be supervised by working parents.

In 2010, the program expanded to all four city quadrants. Sarah's in the east and behind the scenes she networks; her role is to connect people and resources, to find new opportunities that provide programs for youth.

Where are the kids in need? What programs don't exist that should? Those are the questions she asks and the solutions all stakeholders seek.

Whether it's cooking, sports of all sorts, homework clubs, swimming, arts-based programs, etc., more than 5,300 youth are registered. It's a number that's growing, which is music to everyone's ears. Learn more: [calgary.ca/afterschool](http://calgary.ca/afterschool)



*Justin Rebello understands  
how important special care facilities are  
to people in need.*

**THEY SAVE LIVES, HE SAYS. WHAT'S  
MORE IMPORTANT THAN THAT?**

Justin's a planner with Land Use Planning & Policy. He helped facilitate The City's first Good Neighbour Agreement between the Fresh Start Recovery Centre (a long term, men's addiction recovery centre) and the communities of Highland Park and Thorncliffe-Greenview.

The initiative meshes with Justin's personal sense of social justice, his perspective shaped by experiences gained working in service organizations here and in Africa.

The Good Neighbour initiative is voluntary, in effect a goodwill gesture that provides a positive starting point to break down barriers

to establishing care facilities in residential neighbourhoods. Dialogue and openness, Justin explains, can overcome fear and ignorance.

In 2010, building on research and the success of pilot projects like Fresh Start, The City began drafting a special care facilities guide. It also continued working behind the scenes to strongly encourage more Good Neighbour Agreements.

It's important, Justin says. He recalls when a former client addressed communities in Calgary. The man had literally been pronounced dead twice, he said, before committing himself to treatment.

Today, the man has a job – and a new life. Learn more: [calgary.ca/gna](http://calgary.ca/gna)



*Work is often one big chess game for Cynthia Alanen.*

**BUT INSTEAD OF BISHOPS, ROOKS AND KNIGHTS,** she helps co-ordinate the movement of over 100 pieces of equipment – including sanders, graders, bobcats and more across Calgary’s snow-covered roads.

Cynthia, an Operations Clerk, helps manage and co-ordinate the equipment that clears more than 15,000 lane kilometres of roadway. And in 26 years with Roads, she’s never been more excited. The reason? In previous years, Roads seldom worked on residential streets. That’s changed.

Cynthia and co-workers now operate on a seven-day plan, where, once major arteries and feeder roads are cleared, crews tackle residential streets. The goal is to have all

residential streets scraped within seven days of a snow event.

This pre-planned, measured response to snowfall, called Snow and Ice Control (SNIC), helps make roadways safe and efficient.

Part of Cynthia’s role involves making sure heavy equipment is working efficiently and effectively, and moved where needed – like pieces on a chess board. Combined with a new online snow clearing map – which receives 7,000 to 10,000 visits per day when it snows – Cynthia believes the public’s better served than ever.

Actually, she’s never heard so many positive citizen compliments, she says, which ultimately is the name of the game. Learn more: [calgary.ca/roads](http://calgary.ca/roads) or [calgary.ca/roadconditions](http://calgary.ca/roadconditions)



*Ron Singh had no idea about the vast number of programs offered by The City of Calgary Recreation.*

**HE DOES NOW.**

Ron’s the team leader of The City’s New Media Production Group. And when Recreation wanted to create a more accessible, user-friendly online Interactive Program Guide, Ron and his talented team of web designers went to work.

Launched in 2010, the new site made an immediate splash with citizens. As well, the site earned an Interactive Media Award, the third of its kind in one year for the group and more than any other municipal or private organization could claim.

The site’s clear, relevant presentation – click on the age, location and program of interest – provides citizens with access to information in mere seconds. Effective and

efficient, it helps Recreation staff better serve citizens who account for 100,000 program registrations annually; almost 35 per cent made online in 2010.

Professionally, Ron’s pleased with the positive response the website’s received. Personally, he’s happy to have used the tool himself in 2010, finding a swimming program for his three-year-old son at a time and location that best fits his family’s needs. Learn more: [calgary.ca/recreation/programs](http://calgary.ca/recreation/programs)





*Dave Pewtress's bicep-building days are numbered.*

*And he's fine with that.*

**DAVE'S WORKED WITH WASTE & RECYCLING SERVICES SINCE 1972.** On a typical day, he and his co-workers lift as much as 18,000 kilograms of residential garbage – by hand.

In fall 2010, The City began introducing Black Cart garbage collection to nearly 117,000 homes in the southeast and northeast. Cart delivery to the northwest and southwest begins in April 2011.

Like Blue Cart recycling, trucks with mechanical arms do the heavy lifting. Dave and his co-workers now begin shifting from the back of the truck to the driver's seat.

During his career, Dave's seen his fair share of messes created by cats, dogs and other animals getting into garbage left out overnight. He's also seen many of his peers suffer from injuries to backs, shoulders and arms.

Black Cart garbage collection helps address those issues. In a two-year City pilot project testing the service, there was no time lost to injuries and survey results indicated it was safer, cleaner, and more efficient. Dave couldn't agree more.



*Garth Jones planned to visit Calgary for the 1988 Winter Olympics.*

**BUT HIS SON'S BIRTH, A WEEK BEFORE THE GAMES, PUT THE TRIP ON HOLD.**

On Jan. 18, 2010, Garth, did savour the Olympic experience – along with 20,000 enthusiasts – when the torch relay landed at the downtown Olympic Plaza en route to Vancouver.

His son Morgan, now 22, joined the celebration. Garth, a co-ordinator of Festivals and Events for The City of Calgary Recreation, keenly observed as a year of planning unfolded in gold-medal style.

In 2010, The City hosted and supported more than 500 festival and event days including Canada Day, the Fire and Ice New Year's Eve celebration and the sentimental favourite, the Olympic Torch Relay.

Garth, in co-ordination with the Vancouver Organizing Committee, formed a local committee to plan the Plaza's family-friendly program celebration, and arranged for substantial federal and provincial funding. Police, Transit, Fire, Roads and other City staff ensured the entire event was managed properly and safely for citizens.

Events and festivals add vitality and quality to the life we enjoy. In 1988, Robyn Perry, then 12, lit the Olympic cauldron to open the Games. In a nostalgic moment this year, she rekindled memories by lighting the Plaza's cauldron.

Delighted, Calgarians whistled and cheered – Garth and his son included.

# FINANCIAL INFORMATION



## Introduction

The City of Calgary 2010 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, 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, 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 government business enterprises),
- 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 (a reconciliation between the net revenues earned in the year to the change in net financial assets. 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 is an indicator of whether revenues raised in the year were sufficient to cover the spending in the year).

The City of Calgary 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 2010, The City of Calgary was able to implement its business plans and budgets essentially as expected. The City enters 2011 with one year remaining of a three-year plan reflecting its long-term goals, but it continues to monitor its financial performance carefully so that it can address any local effects should the beginnings of a recovery from the global economic downturn falter. These issues are touched on in the risk management and outlook sections at the end of the FSD&A, following the financial analysis of 2010.

In 2010, as a result of continued usage and refinement of evolving capital asset accounting and management systems, certain defined asset balances were identified that required correction. These asset balances included roads – engineered structures and land improvements, water business – engineered structures and parks – land and land improvements. As a result, approximately \$125 million in net adjustments were restated for 2009. 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 position, 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.

In 2009, the Calgary TELUS Convention Centre (CTCC) was considered a government business enterprise and consolidated on a modified equity basis of accounting. In 2010, the basis of consolidation changed such that the CTCC is now accounted for on a consolidated basis, with the 2009 comparative figures restated for this change in presentation. This restatement had the effect of replacing the 2009 net investment in CTCC of \$6.5 million with the net financial assets, financial liabilities and tangible capital assets of CTCC of an equal \$6.5 million. This change had no impact on the net accumulated surplus balance.

### Economic Environment

Economic growth in the Calgary Economic region was about 2.5% in 2010, while Calgary's population increased by 0.6%.

	2010	2009	Change
<b>Calgary</b>			
Population (April census)	1,071,515	1,065,455	+0.6%
Employment <sup>(1)</sup>	618,014	626,200	-0.1%
Residential housing starts	7,249	6,215	+16.6%
Building permit applications	15,277	15,125	+1%
Building permit value (\$ billions)	\$2.916	\$3.658	-20.2%
<b>Calgary Census Metro. Area</b>			
CPI inflation rate	0.8%	-0.1%	+800%
<b>Calgary Economic Region</b>			
Unemployment rate	7.0%	6.3%	+11.1%

sources: see schedule of demographic and other information on page 86 except:

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

Population growth from April 2009 to April 2010 was 6,060 (0.6%) compared to 22,563 (2.2%) for the year ending April 2009. The forecast annual population increase fluctuates between 0.9% and 1.9% over the next five years.

Population and economic growth forecasted for 2011 will continue to drive demand for more infrastructure and services from The City.

## Financial Highlights

### Revenues and Expenditures

The City had consolidated revenues of \$2.788 billion in 2010 before external transfers for infrastructure (grants and revenue sharing from other governments plus funds and tangible capital assets from developers totaling \$722 million) (2009 – \$2.751 billion before external transfers of \$603 million).

City consolidated expenditures were \$2.773 billion before net ENMAX adjustments of \$15.2 million (2009 – \$2.579 billion before net ENMAX adjustments of \$3 million). Included in expenditures is depreciation in the amount of \$389 million (2009 – \$355 million) as the estimated annual cost of owning and using The City's capital assets.

For 2010, net revenues including external contributions to infrastructure of funds and tangible capital assets totalled \$0.737 billion (2009 – \$0.744 billion).

Operating budgets were exceeded for both revenues and expenditures, once again contributed to by greater than anticipated growth and demand for municipal services. Capital and Operating reserves were increased as a result of the revenues increasing more than the expenditures.

### Consolidated Financial Position

As at December 31 (in thousands of dollars)

	2010	2009 (restated)
A. Financial Assets	\$ 4,776,939	\$ 4,493,369
B. Liabilities	4,694,917	4,061,969
C. Net Financial Assets (A minus B)	82,022	431,400
D. Non-Financial Assets	11,254,132	10,182,400
E. Accumulated Surplus (C plus D)	11,336,154	10,614,225

Calgary's growth increased all components of The City's financial position except net financial assets. The City's net financial assets decreased by \$349 million (2009 – \$244 million) primarily as a result of the acquisition of capital assets, including donated assets of \$1.485 billion (2009 – \$1.393 billion), net revenues of \$0.737 billion (2009 – \$0.774 billion), non-cash charges for amortization of \$389 million (2009 – \$355 million) and proceeds on sale of assets of \$16 million (2009 – \$49 million). The net decrease in net financial assets reflects spending on infrastructure priorities in The City.

The City's accumulated surplus (net assets) increased by \$722 million (7%) in 2010, primarily from the net increase in physical assets (purchased and donated) of \$1.071 billion partially offset by an increase in debt of \$468 million, as well as reflecting an increase in the equity in ENMAX of \$101 million.

The long-term debt component of liabilities (including self-supported and excluding ENMAX) increased by \$468 million to \$2.930 billion.

The City's long-term debt ratings were affirmed at AA+ by Standard and Poors and AA (high) by Dominion Bond Rating Service in 2010.

### Cash Flow

The City's cash and cash equivalents increased by \$6 million to \$60 million while investments increased by \$139 million to \$2.358 billion. The increase in investments largely reflects increases in capital and operating reserves as well as liabilities such as capital deposits. These increases continue to reflect growth and the demand for capital infrastructure and services.

## Financial Analysis Review

### Revenues – Budget to Actual Comparison

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

	Budget 2010	Actual 2010	Favourable/ (Unfavourable)
Net taxes available for municipal purposes	\$ 1,299,405	\$ 1,343,960	\$ 44,555
Sales of goods and services	903,739	907,229	3,490
Government transfers and revenue sharing agreements			
Federal	4,821	6,941	2,120
Provincial	142,938	158,748	15,810
Investment income	37,637	40,507	2,870
Fines and penalties	59,520	67,324	7,804
Licences, permits and fees	66,357	70,739	4,382
Miscellaneous revenue	9,633	14,599	4,966
Equity in earnings of ENMAX	152,583	177,819	25,236
Total revenues (before external transfers for infrastructure)	\$ 2,676,633	2,787,866	\$ 111,233
Developer contributions	\$ 36,988	\$ 36,031	\$ (957)
Government transfers related to capital	835,142	478,483	(356,659)
Developer contributions-in-kind related to capital	–	207,856	207,856
Total external transfers for infrastructure	\$ 872,130	\$ 722,370	\$ (149,760)

Total City revenues (before external transfers for infrastructure) were greater than budgeted for 2010, mainly as a result of greater than anticipated net municipal taxes, provincial government transfers and revenue sharing, and an increase in the equity earnings of ENMAX.

**Net taxes available for municipal purposes** was higher than budgeted primarily due to a reduction in tax loss provisions reflecting resolution of a number of property and business tax issues.

**Government transfers and revenue sharing agreements** were higher than budgeted primarily due to an unbudgeted provincial government affordable housing grant, partially offset by lower than anticipated grants under the rent supplement program.

**Fines and penalties** were higher than budgeted due to an increased level of service and enforcement for Calgary Parking Authority's parking control program.

**Equity in earnings of ENMAX** were higher than budgeted primarily due to approximately \$20 million in expenditure savings as a result of cost cutting initiatives and higher overall revenues.

City revenues related to infrastructure were lower than budgeted for 2010 mainly as a result of the Municipal Sustainability Initiative (MSI) agreement, introduced by the Province in Alberta in 2007-08 as a commitment to Calgary over a ten-year period. Due to the substantial change in provincial revenues, the Alberta government in its 2010-11 budget has changed the terms and conditions for MSI funding, to extend the same amount of total funding over a longer time period.

**Government transfers related to capital** were lower than budgeted primarily due to unanticipated changes in timing of grant receipts for the MSI.

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

## Expenditures – Budget to Actual Comparison

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

	Budget 2010	Actual 2010	Favourable/ (Unfavourable)
Police	\$ 349,371	\$ 358,038	\$ (8,667)
Fire	210,145	209,534	611
Public transit	309,260	307,957	1,303
Roads, traffic and parking	221,735	219,802	1,933
Water services and resources	172,362	175,935	(3,573)
Waste and recycling services	91,435	111,610	(20,175)
Community and social development	51,206	51,609	(403)
Social housing	116,263	112,937	3,326
Parks and recreation facilities	203,673	209,113	(5,440)
Societies and related authorities	98,636	92,186	6,450
Calgary Public Library	43,454	39,375	4,079
General government	205,611	173,755	31,856
Public works	142,648	130,377	12,271
Real estate services	55,264	67,940	(12,676)
Amortization	103,312	388,868	(285,556)
Interest and financing fees	118,537	124,038	(5,501)
	\$ 2,492,912	\$ 2,773,074	\$ (280,162)

Expenditures were higher than budget, primarily for unbudgeted amortization charges. Given 2009 was the first year of adoption of the new Tangible Capital Assets standards (PS 3150), The City has yet to integrate these new standards for budget preparation, and so amortization charges for most tax supported assets are not included in the budget process. Other expenditures above budget include police, waste and recycling services, parks and recreation facilities and societies and real estate services, most of which experienced increased activity associated with higher revenues, offset by lower than budgeted amounts in general government and public works and several other expenditure categories.

**Police** expenditures were higher than budgeted resulting from higher overtime costs and higher utility expenses offset by lower business expenses and delay in acquiring new machinery and equipment.

**Waste and recycling services** was higher than budget due to increases in the provision for landfill rehabilitation of \$28.8 million for 2010, partially offset with cost savings from positions filled mid year and savings in communication costs for the residential recycling program.

**Parks and recreation facilities** experienced higher than budgeted costs associated with increased use of programs that generated higher than budgeted user fees and transfers for partnered assets.

**Societies and related authorities** expenditures were lower than budget due to lower than anticipated capital transfers for related authorities.

**General government expenditures** includes the costs of Council, City Manager, Chief Financial Officer, City Auditor, City Clerk's, Law, Customer Service & Communications, Finance & Supply, Human Resources and Information Technology. The lower than budgeted expenditure resulted primarily from lower than expected corporate costs in 2010, no requirement for additional funding for employee benefit liability as it is already fully funded, and positions kept vacant as a precaution due to the uncertainty of the economic downturn.

**Public works** includes Animal & Bylaw Services, Development & Building Approvals (DBA), Land Use Planning & Policy, Infrastructure & Information Services, Environmental & Safety Management, Information and Infrastructure Services and facilities. The favourable variance was primarily due to DBA, which had lower salary and wage expenditures due to vacancies and lower general business expenses.

**Real estate services** expenditures were higher than budget due to higher industrial land sales.

**Amortization** was not budgeted for most tax-supported tangible capital assets.

**Interest and financing fees** were higher than expected primarily due to increased borrowing costs as a result of bridge financing for MSI-funded projects.

## Revenues – Comparison to Prior Year

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

	Actual 2010	Actual 2009 (restated)	Increase/ (Decrease)
Net taxes available for municipal purposes	\$ 1,343,960	\$ 1,292,408	\$ 51,552
Sales of goods and services	907,229	861,126	46,103
Government transfers and revenue sharing agreements			
Federal	6,941	9,506	(2,565)
Provincial	158,748	165,753	(7,005)
Investment income	40,507	40,486	21
Fines and penalties	67,324	60,075	7,249
Licences, permits and fees	70,739	69,061	1,678
Miscellaneous revenue	14,599	46,343	(31,744)
Equity in earnings of government business enterprises	177,819	206,034	(28,215)
Total revenues (before external transfers for infrastructure)	\$ 2,787,866	\$ 2,750,792	\$ 37,074
Developer contributions	\$ 36,031	\$ 42,738	\$ (6,707)
Government transfers related to capital	478,483	376,424	102,059
Developer contributions-in-kind related to capital	207,856	183,540	24,316
Total external transfers for infrastructure	\$ 722,370	\$ 602,702	\$ 119,668

The comparisons between current and prior year revenues include property tax base growth and rate increase.

**Net taxes available for municipal purposes** was higher than 2009 as a result of a property tax rate increase, growth in both property tax and business tax assessment bases, an increase in the Community Revitalization Levy due to an increase in revenue properties and higher local improvement levies given the number of improvement projects. This is partially offset by a reduction, from 2009, in the amount of transfer to the Fiscal Stability Reserve for tax loss provisions no longer required. In addition, 2010 increases were also partially offset by decreased local access fees resulting from lower electricity prices and volumes.

**Sales of goods and services** was higher in 2010 primarily as a result of higher industrial land sales and rental revenues, the revised and simplified rate structure for recreation facilities increased attendance and facility rentals, higher sales growth in Fire third party billings including Emergency Medical Services (EMS) dispatch revenue from Alberta Health Services (AHS), and increases in landfill tipping fees. This is partially offset by decreases in sales of water services and resources.

**Government transfers and revenue sharing agreements** were lower than 2009 primarily due to a reduction in the provincial government affordable housing grant.

**Fines and penalties** were higher primarily as a result of higher court enforcement and implementation of speed on green cameras.

**Miscellaneous revenue** was lower in 2010 primarily as a result of a loss on disposal of tangible capital assets of \$9 million in 2010, whereas 2009 saw a gain on disposal of assets of \$22.4 million.

**Equity in earnings of government business enterprises** was lower overall earnings of ENMAX in 2010.

**Developer contributions** fluctuate from year to year based on the projects underway and relative use of the financing sources available for each project.

**Government transfers related to capital** were higher than the prior year primarily due to an increase in the use of MSI funding received as MSI funded projects begin to be constructed.

**Developer contributions-in-kind related to capital** were higher than 2009 due to \$38 million higher contributions recognized for water infrastructure and \$14 million lower contributions recognized for parks.

## Expenditures – Comparison to Prior Year

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

	Actual 2010	Actual 2009 (restated)	Increase/ (Decrease)
Police	\$ 358,038	\$ 316,055	\$ 41,983
Fire	209,534	181,082	28,452
Emergency medical services	–	15,939	(15,939)
Public transit	307,957	288,707	19,250
Roads, traffic and parking	219,802	241,088	(21,286)
Water services and resources	175,935	168,827	7,108
Waste and recycling services	111,610	82,833	28,777
Community and social development	51,609	49,535	2,074
Social housing	112,937	109,421	3,516
Parks and recreation facilities	209,113	189,518	19,595
Societies and related authorities	92,186	84,690	7,496
Calgary Public Library	39,375	37,574	1,801
General government	173,755	190,156	(16,401)
Public works	130,377	117,045	13,332
Real estate services	67,940	42,964	24,976
Amortization	388,868	354,910	33,958
Interest and financing fees	124,038	108,823	15,215
	<b>\$ 2,773,074</b>	<b>\$ 2,579,167</b>	<b>\$ 193,907</b>

Other than general inflation which applies to all items below, most increases from 2009 to 2010 were growth-related in various services including:

**Police expenditures** were higher than in 2009 from new positions for growth, including new positions offset in provincial funding revenues.

**Fire** increase in expenditures in 2010 includes new positions for growth.

**Emergency Medical Services** decrease is as a result of the transfer of responsibility for ground ambulance service to Alberta Health Services effective April 1, 2009.

**Public transit** provided additional transit service in 2010.

**Roads, traffic and parking** decreased from the prior year given a restatement of the 2009 expenditures to include an additional \$35.6 million of adjustments to tangible capital assets, partially offset by \$29.8 million for a location for the West Calgary High School (as a result of the West LRT expansion).

**Water services and resources** experienced higher costs for staffing and plant commissioning.

**Waste and recycling services** experienced higher costs due to an increase in the provision for landfill rehabilitation of \$28.8 million for 2010, partially offset by revenues from the growth associated with the Blue Cart recycling program.

**Parks and recreation facilities** includes increased temporary staff. Expenditures now include transfer payments to third parties for capital projects, which can vary in amount from year to year. 2010 transfers for capital projects were \$16 million higher than those made in 2009.

**Societies and related authorities** expenditures now include transfer payments to third parties for capital projects, which can vary in amount from year to year. 2010 transfers for capital projects were \$10 million higher than those made in 2009.

**General government's** decrease was largely the result of higher 2009 expenditures for contingent legal claims.

**Public Work's** increase was largely the result of an increase in new positions for facilities management and Animal & Bylaw services and approximately \$8.3 million in adjustments for additional tangible capital assets in 2009.

**Real estate services** had a higher cost of land sales in 2010 than in 2009.

**Amortization** increases as a result of capital projects placed in service in 2009 and 2010.

**Interest and financing fees** were higher in 2010 given the increase in debt levels from 2009 to 2010.

## Tangible Capital Assets

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

	2010 Net book value	2009 Net book value	Increase/ (Decrease)
		(restated)	
Land	\$ 1,553,563	\$ 1,426,646	126,917
Land Improvements	431,067	409,500	21,567
Engineered Structures	5,742,221	5,580,930	161,291
Buildings	801,344	662,861	138,483
Machinery and Equipment	296,993	271,354	25,639
Vehicles	561,003	527,009	33,994
	9,386,191	8,878,300	507,891
Work in Progress			
Land	185,116	218,665	(33,549)
Construction	1,623,641	1,026,674	596,967
Tangible capital assets	\$ 11,194,948	\$ 10,123,639	1,071,309

During 2010, The City spent \$1.277 billion on capital projects (2009 – \$1.209 billion), which included \$1.038 billion for tax-supported projects. Spending on capital projects was primarily on water and wastewater infrastructure; LRT projects including the West LRT project and platform enhancements; roads and bridges; various land and buildings acquisitions and betterments, and various parks projects including Legacy Parks projects.

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 was \$0.4 million in write-downs of machinery and equipment. 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 underground networks contributed to The City totaled \$207.9 million (2009 – \$183.5 million).

In 2009, The City adopted PSAB section PS 3150 – Tangible Capital Assets. This was an important step in managing The City's assets. This change has had implications across the corporation. This project has required changes to business and financial policies, processes, and systems. In 2010, as The City began to use this information in conjunction with asset management procedures, The City noted that certain asset values needed correction. As a result, approximately \$125 million in net adjustments were restated for 2009. In 2011 and beyond, The City will continue to refine and enhance the implementation and ongoing sustainment efforts to maintain compliance with this new standard.



## Significant Trends

### Revenues (before external transfers for infrastructure)

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

	Actual 2010	Actual 2009 (restated)	Actual 2008 <sup>(1)</sup> (restated)	Actual 2007 <sup>(1)</sup>	Actual 2006 <sup>(1)</sup>
Net taxes available for municipal purposes	\$ 1,343,960	\$ 1,292,408	\$ 1,223,187	\$ 1,208,265	\$ 1,039,256
Sales of goods and services	907,229	861,126	781,437	740,543	706,583
Government transfers					
Federal	6,941	9,506	8,202	6,707	6,936
Provincial	158,748	165,753	111,098	161,990	91,392
Equity in earnings of government business enterprises <sup>(2)</sup>	177,819	206,034	181,994	144,299	129,671
Investment income	40,507	40,486	57,873	56,474	49,369
Fines and penalties	67,324	60,075	56,156	53,571	53,339
Licences, permits and fees	70,739	69,061	77,700	74,238	64,053
Miscellaneous revenue	14,599	46,343	35,751	17,679	14,100
<b>Total revenues (before external transfers for infrastructure)</b>	<b>\$ 2,787,866</b>	<b>\$ 2,750,792</b>	<b>\$ 2,533,398</b>	<b>\$ 2,463,766</b>	<b>\$ 2,154,699</b>

Note 1: 2007 and prior years are not restated for the adoption of PS-3150 Tangible Capital Assets.

Note 2: 2008 and prior years are not restated for the change in accounting for the Calgary TELUS Convention Centre from the modified equity method to fully consolidated.

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** has generally increased due to growth and rate increases, however water and sewer revenues declined in the year due to overall lower customer demand and wet weather experienced during the year.

**Government transfers (Provincial)** included additional one-time grants for affordable housing of \$38 million in 2010 (compared to \$48 million in 2009) and \$63 million in 2007.

**Equity in earnings of government business enterprises** comprises the net equity increase in The City's two government business enterprises: ENMAX and The Calgary Telus Convention Centre, until 2008, and only ENMAX for 2009 and 2010. The increase each year until 2009 is primarily a result of the growth in ENMAX. In 2010, ENMAX did not experience the same growth rate as in previous years.

**Investment income** had been increasing until 2009 as a result of increasing balances in reserves and capital deposits dedicated to specific capital projects. 2009 and 2010 experienced much lower interest rates, decreasing the amount of investment income earned in each of these years.

**Licences, permits and fees** reflects the building permit revenues driven by Calgary's growth, which increased through to 2008 but declined somewhat in 2009 and has remained steady in 2010.

**Miscellaneous revenue** was lower in 2010 as a result of losses on disposal of tangible capital assets of \$9.0 million in 2010, whereas 2009 experienced a gain on sale of \$22.4 million. Increases over 2006 and 2007 are as a result of certain capital asset sales not restated under the new Tangible Capital Assets reporting changes.

## Financial Position – Net Financial Assets

As at December 31 (in thousands of dollars)

	Actual 2010	Actual 2009 (restated)	Actual 2008 <sup>(2)</sup> (restated)	Actual 2007 <sup>(1)</sup>	Actual 2006 <sup>(1)</sup>
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	\$ 60,359	\$ 54,064	\$ 68,927	\$ 70,937	\$ 47,908
Investments	2,358,079	2,218,939	1,958,122	1,818,898	1,523,902
Receivables	237,469	224,490	242,054	197,291	185,785
Land inventory	254,288	241,017	243,874	217,532	145,987
Other assets	21,494	10,395	11,231	23,883	22,525
Investment in government business enterprises <sup>(2)</sup>	1,845,250	1,744,464	1,604,361	1,461,970	1,386,158
	<b>4,776,939</b>	<b>4,493,369</b>	<b>4,128,569</b>	<b>3,790,511</b>	<b>3,312,265</b>
<b>LIABILITIES</b>					
Bank indebtedness and short-term borrowing	57,470	56,518	76,371	59,552	46,675
Accounts payable and accrued liabilities	589,441	574,820	506,466	465,098	506,333
Deferred revenue	54,268	64,189	67,567	61,464	47,762
Capital deposits	713,477	613,498	583,436	512,114	430,125
Provision for landfill rehabilitation	40,900	12,100	11,500	10,900	10,400
Employee benefit obligations	309,138	278,994	248,339	231,346	214,711
Long-term debt	2,930,223	2,461,850	1,959,231	1,696,323	1,429,980
	<b>4,694,917</b>	<b>4,061,969</b>	<b>3,452,910</b>	<b>3,036,797</b>	<b>2,685,986</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$ 82,022</b>	<b>\$ 431,400</b>	<b>\$ 675,659</b>	<b>\$ 753,714</b>	<b>\$ 626,279</b>

Note 1: 2007 and prior years are not restated for the adoption of PS-3150 Tangible Capital Assets.

Note 2: 2008 and prior years are not restated for the change in accounting for the Calgary TELUS Convention Centre from the modified equity method to fully consolidated.

The growth in value of The City's net financial assets through 2007 is primarily a reflection of the increasing value of ENMAX Corporation. The decline since 2007 reflects the increase in long-term debt for infrastructure. Increases in gross financial assets beyond the increase due to ENMAX are related to liquid assets that are offset primarily by increasing liabilities 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 projects, and employee benefit obligations.

## Long-Term Debt

As at December 31 (in thousands of dollars)

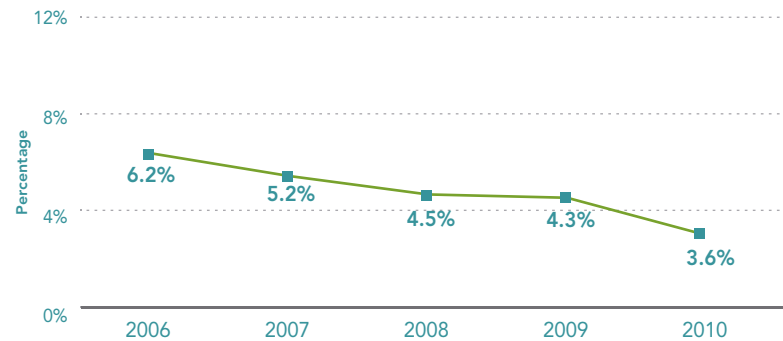
	Actual 2010	Actual 2009	Actual 2008 (restated)	Actual 2007	Actual 2006
<b>Opening Balance</b>	<b>\$ 2,461,850</b>	<b>\$ 1,959,231</b>	<b>\$ 1,696,323</b>	<b>\$ 1,429,244</b>	<b>\$ 1,322,301</b>
<b>Increase (Decrease)</b>					
Tax supported	(14,020)	(37,342)	(22,663)	(15,597)	(45,647)
Self-sufficient tax supported	308,000	266,000	40,000	–	–
Self supported	174,393	273,961	245,571	282,676	152,590
<b>Net increase during the year</b>	<b>468,373</b>	<b>502,619</b>	<b>262,908</b>	<b>267,079</b>	<b>106,943</b>
<b>Closing balance</b>	<b>2,930,223</b>	<b>2,461,850</b>	<b>1,959,231</b>	<b>1,696,323</b>	<b>1,429,244</b>
ENMAX debt in The City's name	631,494	516,852	438,586	406,968	339,700
Total debt attributable to The City	<b>\$ 3,561,717</b>	<b>\$ 2,978,702</b>	<b>\$ 2,397,817</b>	<b>\$ 2,103,291</b>	<b>\$ 1,768,944</b>

In 2010, Standard & Poor's affirmed The City's long-term debt rating at AA+ and commercial paper rating of A-1+ reflecting the city's very strong economic performance and growth prospects; strong budgetary results; steadily increasing cash and investment balances; and the significant and increasing funding support The City receives from other orders of government. Dominion Bond Rating Service Limited (DBRS) 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 and diverse economy, financial policies/practices and approval of three-year business plans and budgets.

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, but increasing self-supported debt may be a constraint.

In 2010, \$45.1 million in new tax-supported debt was obtained to finance growth-related projects, which was \$14.0 million less than tax-supported debt repayments. The City's tax-supported long-term debt was \$436.5 million as at December 31, 2010. The ratio of debt servicing charges to tax-supported gross expenditure (net of recoveries) was 3.6% (Chart A below), which is well within The City's 10% policy limitation. \$350 million of additional tax-supported debt capacity, approved by Council in 2002, is fully committed. In 2006, Council approved a further \$75 million per year for 2007-2008 for self-sufficient tax-supported debt in anticipation of possible funding requirements for new projects such as The Rivers Community Revitalization Plan. In 2008, Council authorized \$100 million per year, in each of the next five years, of self-sufficient, tax-supported debt for self sustaining projects (eg. Calgary Municipal Land Corporation projects). As at December 31, 2010, the Calgary Municipal Land Corporation has borrowed a total of \$104 million.

**Chart A – Debt Servicing as a Percent of Operating Expenditures (Net of Recoveries), Tax Supported**

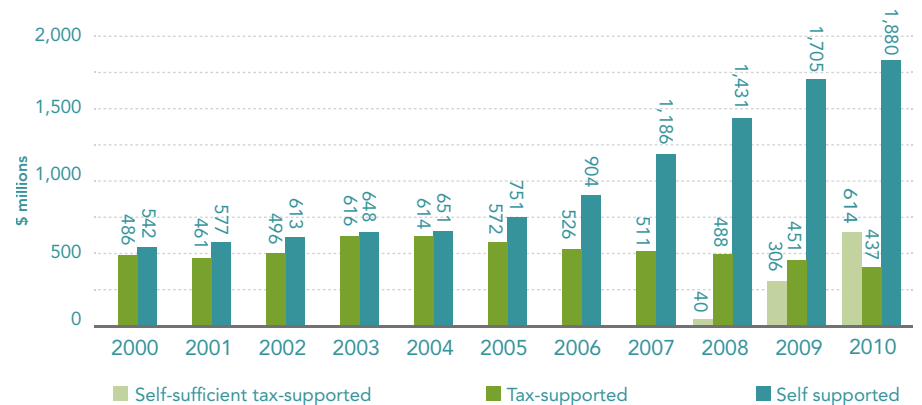


In 2009, Council also approved a maximum debt of \$1 billion to provide bridge financing for MSI-funded projects. As at December 31, 2010, The City has borrowed a total of \$510 million for these projects. Additional bridge financing for MSI-funded projects was approved in 2011, bringing the total amount of bridge financing to approximately \$1.6 billion.

Also in 2010, \$297.1 million in new self-supported debt was obtained, and new borrowing exceeded debt repayments by \$174.4 million, bringing the total self-supported debt up to \$1.879 billion (excluding \$631.5 million in debt attributable to ENMAX).

Chart B below shows the cumulative debt for the past 10 years, which highlights the significant growth of self-supported and self-sufficient tax-supported debt in recent years resulting from infrastructure requirements, past cost escalation due to international construction materials demand and borrowing on behalf of future MSI grant receipts.

**Chart B – Outstanding Capital Debt**



## Reserves

As at December 31 (in thousands of dollars)

	Actual 2010	Actual 2009	Actual 2008 (restated)	Actual 2007	Actual 2006
	\$ 1,017,747	\$ 958,433	\$ 862,290	\$ 816,143	\$ 614,178

The reserve balances totaled \$1.017 billion at the end of 2010 (2009 – \$958.4 million). The net increase was primarily the result of transferring funds to the Fiscal Stability Reserve from a reduction in tax loss provisions and contingencies no longer required (in accordance with Council direction) reflecting resolution of a number of property and business tax issues, and funds for major capital projects as well as corporate housing and real estate, partially offset by reductions in funds for future capital and legacy parks.

The City allocates funds to reserves to meet specific future operating and capital expenditure requirements and to provide for emergencies. In 2010, Council approved FA-050, Financial Reserves, an updated Financial Reserve Policy that establishes guidelines and criteria for proper administration of reserves. This policy now 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. The first year of the review is 2011.

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, used to fund operating expenditures for one-time projects/pilot programs; to stabilize operating budgets for unanticipated fluctuations in revenue or expenditures; to comply with a contractual agreement; or for contingency funds for operational emergencies.
- Capital reserves, used to fund capital expenditures.
- Sustainment reserves, used to fund both operating and capital expenditures 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 Reserve for Future Capital (2010 – \$232.5 million; 2009 – \$251.1 million) which funds capital projects and the Fiscal Stability Reserve (FSR) (2010 – \$224.9 million; 2009 – \$195.7 million) which is a contingency reserve for urgent situations with significant financial implications and is also used to fund one-time operating costs.

## 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. In addition to the corporate-wide IRM framework, there are specific risk management processes in place that are presented below.

### Economic Monitoring

The City of Calgary was not materially impacted by the worldwide economic downturn as much as many other organizations in 2010, but the recovery that has begun is somewhat fragile. In keeping with Council’s Integrated Risk Management 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 Calgary for infrastructure construction underway and planned for the near future. As a result, Calgary will take on short-term debt until the deferred grant funding is provided in order to continue planned projects, thus avoiding costs of delaying projects and taking advantage of a more favourable construction market. Declining economic activity in 2010 weakened property development, but population and the tax base continues to grow. Franchise fee revenues were affected by less growth in demand and lower energy prices, but even as recovery gets underway there is still uncertainty about the direction in the coming year.

Calgary has been buffered from some economic impacts by the fact that its unemployment rate did not increase to as high a level as most jurisdictions and population continued to grow, but it is an integral part of the global economy and will ultimately be affected by worldwide economic conditions.

### Normal Operational

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 a loss that is not covered by any insurance policy.

### Environmental

The City of Calgary employs environmental management professionals to assist business units to achieve and maintain compliance with environmental laws and regulations. Specifically, all City of Calgary business units have implemented Environmental Management Systems (EMS), which have been registered to the ISO 14001 standard across the corporation since 2003, providing a sound model to effectively deal with environmental impacts associated with The City's activities. Calgary is the first city in North America to obtain such corporate ISO registration.

Policies and procedures have been implemented to address environmental concerns on many issues including the purchase, sale and redevelopment of contaminated land. The City has also established an environmental liability assessment program to identify, quantify and manage liability arising from contaminated sites, along with measures to address contamination of City lands by others.

In 2007, Council approved a Brownfield Strategy focusing on redevelopment of City-owned contaminated sites and management of related environmental issues. Also, The City and Alberta Health Services created the Calgary Region Air Shed Zone (CRAZ) to address regional air shed issues, take over management of air monitoring equipment from Alberta Environment and address air quality issues. CRAZ has also adopted the Calgary Region Airshed Zone Strategic Plan 2010-2011 and Action Plan which focuses activities and resources up to the end of 2011.

### Commodity Price and Foreign Exchange

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 \$250,000 Canadian. At December 31, 2010, The City had U.S. dollar foreign exchange fixed contract arrangements totaling \$50.0 million Canadian dollars (2009 – \$71.3 million) at exchange rates ranging from 1.01 to 1.16 Canadian dollars for U.S. dollar contracts. During the fiscal year ended December 31, 2010, the various arrangements for foreign merchandise purchases cost The City \$1.985 million (2009 – \$1.716 million) more than if the arrangements had not been entered into.

### ENMAX (The City's Wholly-Owned Subsidiary)

The City of Calgary Electric System was a department of The City until 1998 when its assets, responsibilities and liabilities were transferred to ENMAX Corporation, 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 executives, oversees risk management and reports risk exposures to the Board of Directors' Enterprise Risk Management Committee.

ENMAX Power Corporation, ENMAX's electricity distribution and transmission (wires) 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 substantial City equity holding. In 2009 The City, as shareholder, endorsed the company's 2010 strategic plan. Approvals for capital projects in excess of \$30 million are sought separately and explicitly from the shareholder. ENMAX provides The City with annual dividends that are determined by board policy and have been \$50 million or more for each of the last five years.

# The Outlook

## Calgary Economy and Management of Growth

Calgary's economic prospects are closely connected with fluctuations in the global, national and provincial economies. Thus, the speed and shape of Calgary's recovery from the 2008-2010 recession is dependent on global economic factors, and the growth outlook for the United States in particular. Although it would appear that the local economy is rebounding following the recent downturn, sluggish global demand for energy and a stronger Canadian dollar will tend to dampen Calgary's exports, in turn tempering growth expectations for Calgary's business, equity and property markets.

Estimates for the Calgary Economic Region forecast growth of about 3.3% in 2011, rising above 4% for 2012, and then drifting back down to around 3% by the end of the decade, a rate of economic expansion lower than what was experienced in the last decade. Calgary is expected to continue experiencing a mild recovery in residential construction levels, a slow improvement in employment leading toward a full employment scenario by 2012, and consumer price inflation rebounding to the 2% -3% range over the next several years. Although office vacancy rates are expected to rise in the short term as new capacity is added, steady employment growth should drive more significant construction in the non-residential sector by 2015. In general, the effects of the global recession were somewhat muted in Calgary, but the ultimate speed and degree of the expected recovery hinges on the strength of the recovery in the economies outside of Calgary.

Calgary's economy has for the most part continued to attract many people from other locations; however, 2010 saw the first net out migration from Calgary in almost 20 years, although natural increase (births less deaths) more than offset this. With employment growth improving and the unemployment rate returning back to more normal levels, migrants would again be attracted to the local economy, annual net migration is therefore forecasted to average about 7,000 per year over the next five years, which, combined with natural increases will increase population by an average of 16,300 persons (1.5%) per year, a healthy growth rate for a large city.

The rapid swings in economic prospects, from the record growth of 2006-2007 to the slump of 2008-2010, and the gradual recovery now expected, have validated the flexibility built into The City's process for strategic and business planning. Council reviews the impacts of current decisions on future budget prospects and gives the Administration clear direction concerning business plans and budgets through its guidelines and decisions. Council's approval of the 2009-2011 business plans and operating and capital budgets in 2009 and adjustments in 2010 were followed by a set of approved adjustments for 2011 to respond to changing economic and operating conditions. The 2010 and 2011 adjustments centred on containing costs, deferring some elements of growth, controlling the increase in full-time City employees, and reducing the rates of increase in property taxes and utility rates, all in reflection of the changing Calgary economy. With the adjustment process for the current cycle completed, work has begun on the next round of three-year Council priorities, business plans and budgets for the 2012-2014 period.

The City of Calgary's longer-term perspective carries well beyond its three-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. Calgary has also been a major contributor to the Calgary Metropolitan Plan, completed and approved by the Calgary Regional Partnership, which includes a comprehensive regional land use plan, a governance strategy and principles for regional servicing. The Metropolitan Plan contemplates the extension of Calgary's water, sewer and transit services to the surrounding region, which will have significant future operational, budgetary and growth management implications. The City is working with the Calgary Regional Partnership (CRP) to establish a governance model for the region to implement the Calgary Metropolitan Plan. In particular, The City is working with the CRP to implement regional servicing and regional transit requirements, as well as further refinement of identified urban growth areas. The City also will update its long-range financial plan, building on, and extending, the projections for 2010-2019, and their related financial goals and strategies that were provided to Council in 2009.

Calgary'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 \$50 billion (estimated replacement cost) in assets, by integrating multiple asset management systems into a corporate Asset Management Plan. The City has entered into a 20-year contract for electricity from ENMAX Energy for 2007-2026 with the objective of moving towards 100% "green" energy use. Building on the success of the blue cart recycling program established in 2009, implementation of a more automated collection system for all household garbage began in 2010.

## Funding Growth and Renewal – Intergovernmental Relations

The City will continue to identify and address Calgary's growth requirements while seeking to obtain the necessary funding to undertake the additional projects required to maintain the social, environmental and economic conditions that Calgarians expect. Intergovernmental relations continue to be critical in allowing The City to respond to the needs of a rapidly growing community. 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 totalling \$3.3 billion for Calgary over a ten-year period. Due to the substantial change in provincial revenues, the Alberta government in its 2010-11 budget has 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 of Calgary has made several long-term commitments to major construction projects based on the funding agreement, the Province will allow Calgary to use 7% of its total MSI grant for interest costs on the debt 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 Calgary to maintain its pace of construction within its infrastructure investment plan.

Provincial cooperation also is key to a renewed effort to make housing as affordable as possible, and to reduce the incidence of homelessness in Calgary. Joint City-provincial funding, and partnerships with the development industry, have created an Attainable Home Ownership Program with a goal to create 1,000 housing units on City-owned surplus lands and former dedicated school sites. The program is being administered by the newly created Attainable Homes Calgary Corporation, an independent non-profit corporation, and is designed to have a positive impact on the rental vacancy rate and the wait list for Calgary Housing Company units, leading to improved economic vitality.

Federal government support for municipal priorities remains in place. In its 2010-11 budget, The Government of Canada has maintained its commitment to a long-term funding agreement with municipalities to share a portion of federal fuel tax proceeds for transportation infrastructure as well as for environmental initiatives.

#### **Funding Growth and Renewal – 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 Community Revitalization Plan. The plan was initiated as a self-sufficient tax-supported program in 2007 under the 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. As with other development projects, challenging economic conditions could affect the implementation schedule. The City is also actively evaluating the use of public-private partnerships (P3s) for the delivery of major infrastructure projects, along with the potential for financial support from the Federal government for this type of project delivery. As well, Council approved the Financing Municipal Infrastructure report in 2010 which set out the principles for funding infrastructure in new growth areas. The City is currently negotiating a new Standard Development Agreement with the Urban Development Institute based on these principles.

#### **Funding Growth and Renewal – Council and City Administration Actions**

City Council continues to provide policy guidance and to support the longer-term planning perspective afforded by the three-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 fluctuations have reinforced the need to maintain flexibility and to monitor the economy and The City's financial status to ensure continuing adaptation to economic impacts. 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 18, 2011

# Canadian Award for Financial Reporting

Presented to

The City of Calgary  
Alberta

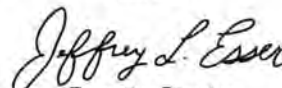
For its Annual  
Financial Report  
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting  
is presented by the Government Finance Officers  
Association of the United States and Canada  
to government units whose annual financial reports  
achieve the highest program standards for Canadian  
Government accounting and financial reporting.

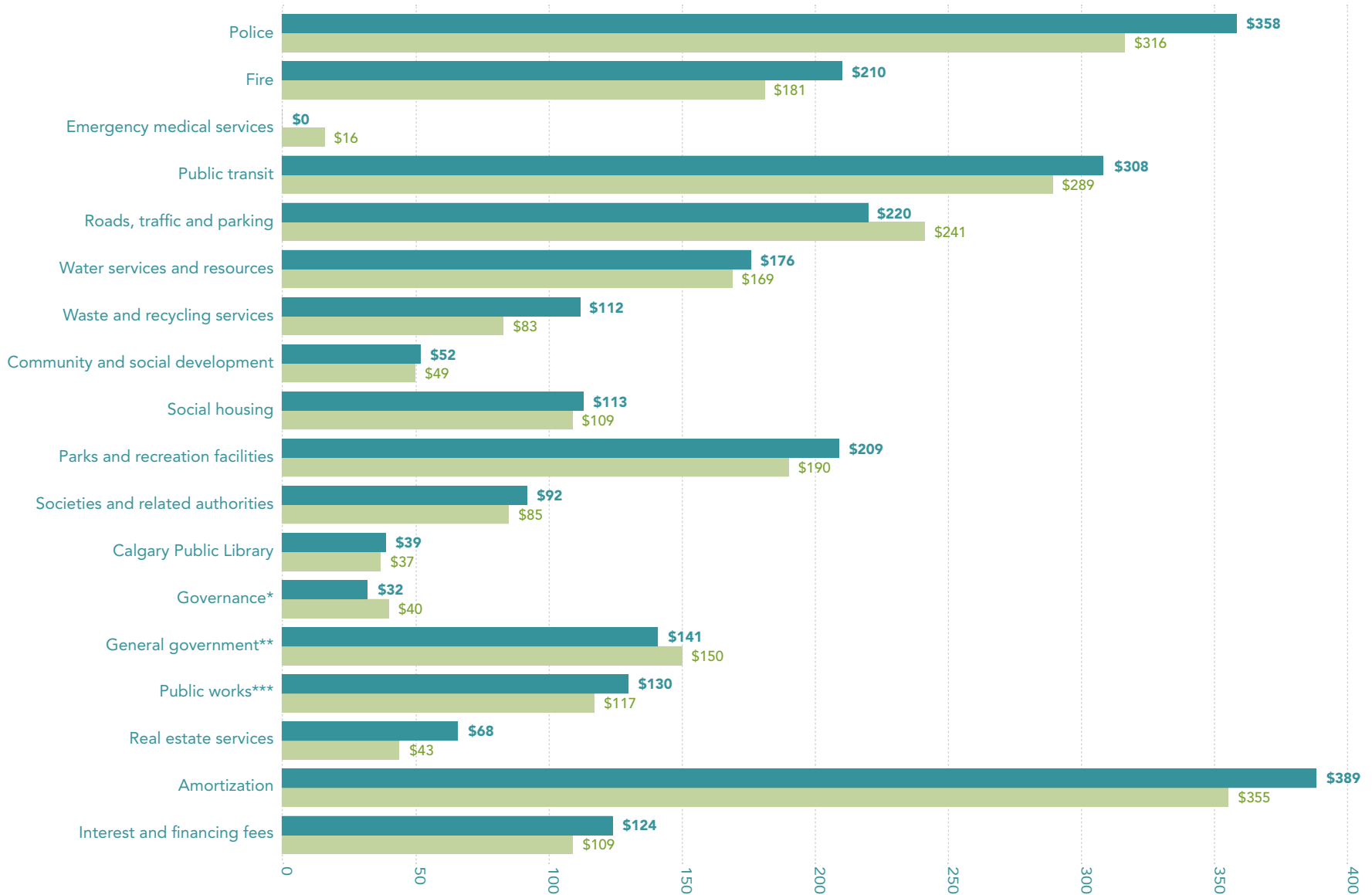


  
President

  
Executive Director

FINANCIAL SYNOPSIS EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (in millions of dollars)

2010 Total Expenditures \$2,773      2009 Total Expenditures \$2,579 (Restated)

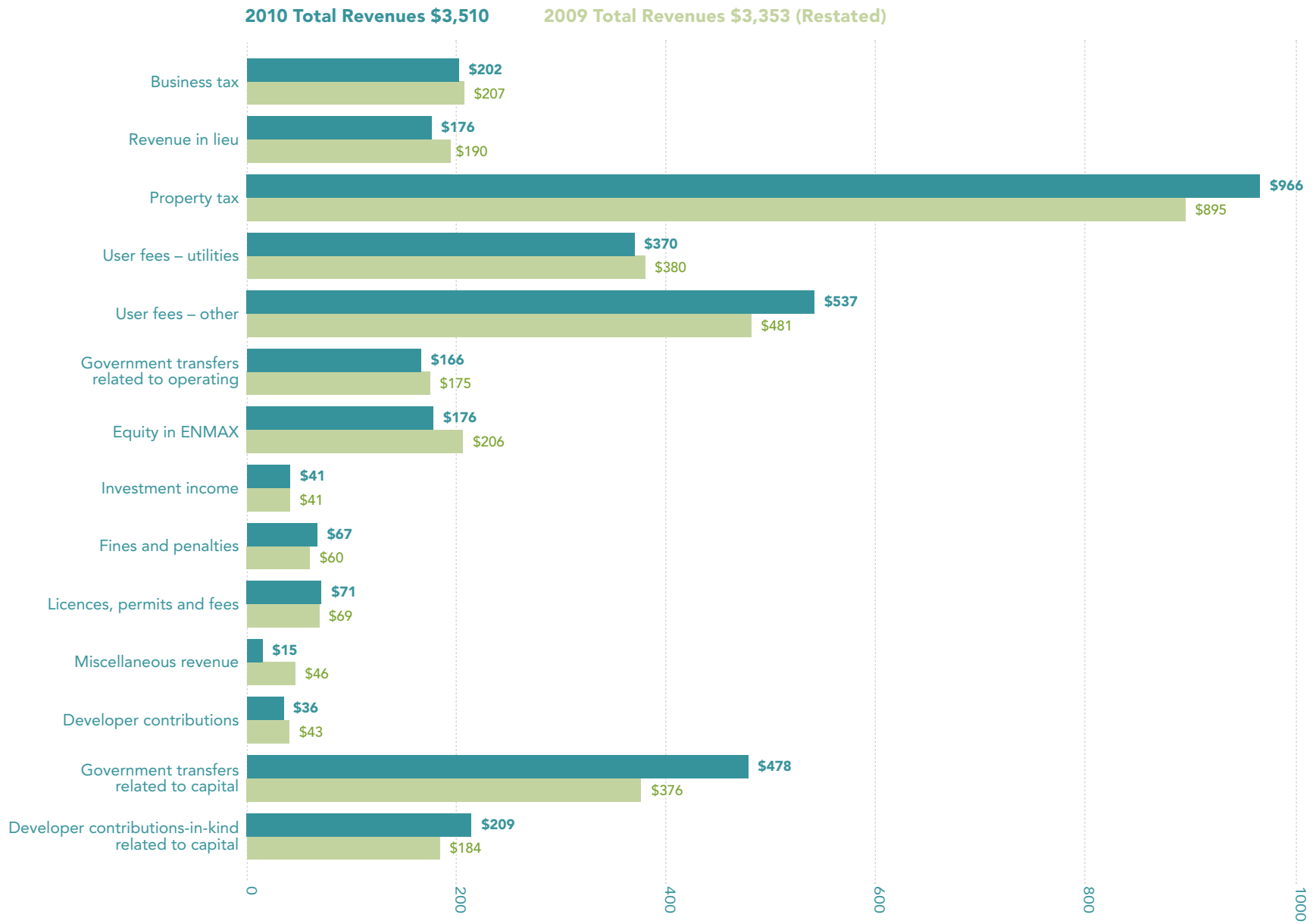


\* Includes offices of the Mayor, Aldermen, City Manager, Chief Financial Officer, City Auditor, City Clerk and Law.

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

\*\*\* includes Animal & Bylaw Services, Development & Building Approvals (DBA), Land Use Planning and Policy, Land Information and Mapping, Environmental & Safety Management, Infrastructure Services and facilities.





# CONSOLIDATED FINANCIAL STATEMENTS



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

City Council fulfils its responsibility for financial reporting through its Standing Policy Committee ("S.P.C.") on Finance and Corporate Services and its Audit Committee. The S.P.C. on Finance and Corporate Services consists of seven aldermen who meet regularly to deal with budget-related matters. The Audit Committee of five alderman and two citizen representatives meets regularly with both the independent external auditors and the City Auditor to review financial control and reporting matters.

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



Owen Tobert, City Manager



Eric Sawyer, Chief Financial Officer

Calgary, Canada

April 18, 2011

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

We have audited the accompanying financial statements of The City of Calgary, which comprise the consolidated statement of financial position as at December 31, 2010 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 Management's Responsibility for the Consolidated Financial Statements

City Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as City Management 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 an 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. 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 Management, 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.

### Audit 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, 2010 and its financial performance, cash flows and changes in net financial assets for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*  
Chartered Accountants

Calgary, Alberta  
April 18, 2011

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31** (in thousands of dollars)

	2010	2009
		(Restated Note 28)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 60,359	\$ 54,064
Investments (Note 3)	2,358,079	2,218,939
Receivables (Notes 4 and 6(c))	237,469	224,490
Land inventory	254,288	241,017
Other assets (Note 5)	21,494	10,395
Investment in ENMAX (Note 6)	1,845,250	1,744,464
	<b>4,776,939</b>	<b>4,493,369</b>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness (Note 7)	57,470	56,518
Accounts payable and accrued liabilities (Notes 6(c) and 8)	589,441	574,820
Deferred revenue (Note 9)	54,268	64,189
Capital deposits (Note 10)	713,477	613,498
Provision for landfill rehabilitation (Note 11)	40,900	12,100
Employee benefit obligations (Note 12)	309,138	278,994
Long-term debt (Note 13)	2,930,223	2,461,850
	<b>4,694,917</b>	<b>4,061,969</b>
<b>NET FINANCIAL ASSETS</b>	<b>82,022</b>	<b>431,400</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14 and 28)	11,194,948	10,123,639
Inventory	42,915	42,273
Prepaid assets	16,269	16,913
	<b>11,254,132</b>	<b>10,182,825</b>
<b>ACCUMULATED SURPLUS</b> (Note 16)	<b>\$ 11,336,154</b>	<b>\$ 10,614,225</b>

Commitments, contingent liabilities and guarantees  
(Notes 23 and 24)

See accompanying notes to the consolidated financial statements

Approved on behalf of City Council:



Mayor Naheed Nenshi



Alderman Brian Pincott, Chairman, Audit Committee

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS** For the year ended December 31 (in thousands of dollars)

	Budget 2010	Actual 2010	Actual 2009
	(unaudited)		(Restated Note 28)
	(note 15)		
<b>REVENUES</b>			
Net taxes available for municipal purposes (Note 18)	\$ 1,299,405	\$ 1,343,960	\$ 1,292,408
Sales of goods and services	903,739	907,229	861,126
Government transfers and revenue sharing agreements			
Federal	4,821	6,941	9,506
Province of Alberta	142,938	158,748	165,753
Investment income	37,637	40,507	40,486
Fines and penalties	59,520	67,324	60,075
Licences, permits and fees	66,357	70,739	69,061
Miscellaneous revenue	9,633	14,599	46,343
Equity in earnings of ENMAX (Note 6)	152,583	177,819	206,034
	<b>2,676,633</b>	<b>2,787,866</b>	<b>2,750,792</b>
<b>EXPENSES</b>			
Police	349,371	358,038	316,055
Fire	210,145	209,534	181,082
Emergency medical services	–	–	15,939
Public transit	309,260	307,957	288,707
Roads, traffic and parking	221,735	219,802	241,088
Water services & resources	172,362	175,935	168,827
Waste and recycling services	91,435	111,610	82,833
Community and social development	51,206	51,609	49,535
Social housing	116,263	112,937	109,421
Parks and recreation facilities	203,673	209,113	189,518
Societies and related authorities	98,636	92,186	84,690
Calgary Public Library Board	43,454	39,375	37,574
General government	205,611	173,755	190,156
Public works	142,648	130,377	117,045
Real estate services	55,264	67,940	42,964
Amortization	103,312	388,868	354,910
Interest and financing fees	118,537	124,038	108,823
	<b>2,492,912</b>	<b>2,773,074</b>	<b>2,579,167</b>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER</b>	<b>183,721</b>	<b>14,792</b>	<b>171,625</b>
<b>OTHER</b>			
Developer contributions	36,988	36,031	42,738
Government transfers related to capital (Note 21)	835,142	478,483	376,424
Developer contributions-in-kind related to capital	–	207,856	183,540
<b>NET REVENUES</b>	<b>1,055,851</b>	<b>737,162</b>	<b>774,327</b>
ENMAX – transition adjustments upon new accounting standard adoption (Note 6)	–	–	8,200
ENMAX – other comprehensive loss adjustment (Note 6)	–	(15,233)	(11,198)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>1,055,851</b>	<b>721,929</b>	<b>771,329</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>10,614,225</b>	<b>10,614,225</b>	<b>9,842,896</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 11,670,076</b>	<b>\$ 11,336,154</b>	<b>\$ 10,614,225</b>

See accompanying notes to the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS** For the year ended December 31 (in thousands of dollars)

	2010	2009
		(Restated Note 28)
<b>NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 721,929	\$ 771,329
Deduct items not affecting cash:		
Equity in earnings of ENMAX	(177,819)	(206,034)
ENMAX – other comprehensive loss (Note 6)	15,233	11,198
ENMAX – transition adjustments upon new accounting standard adoption (Note 6)	–	(8,200)
Amortization of tangible capital assets	388,868	354,910
Loss/(gain) on disposal of tangible capital assets	9,020	(22,399)
Developer contributions-in-kind related to capital	(207,856)	(183,540)
Change in non-cash items:		
Receivables	(12,979)	20,578
Land inventory	(13,271)	(3,560)
Other assets	(11,099)	1,036
Inventory	(642)	3,021
Prepaid assets	644	(3,416)
Accounts payable and accrued liabilities	14,621	66,013
Deferred revenue	(9,921)	(5,496)
Capital deposits	99,979	38,920
Provision for landfill rehabilitation	28,800	600
Employee benefit obligations	30,144	30,338
	<b>875,651</b>	<b>865,298</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,277,473)	(1,209,064)
Proceeds on sale of tangible capital assets	16,132	48,724
	<b>(1,261,341)</b>	<b>(1,160,340)</b>
<b>INVESTING ACTIVITIES</b>		
Dividends from ENMAX Corporation	61,800	55,000
Net purchase of investments	(139,140)	(260,817)
	<b>(77,340)</b>	<b>(205,817)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt issued	650,296	703,114
Long-term debt repaid	(181,923)	(200,495)
Net (decrease)/increase in bank indebtedness	952	(19,853)
	<b>469,325</b>	<b>482,766</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,295</b>	<b>(18,093)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>54,064</b>	<b>72,157</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 60,359</b>	<b>\$ 54,064</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 2010	Actual 2010	Actual 2009
	(unaudited)		(Restated Note 28)
	(note 15)		
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 1,055,851	\$ 721,929	\$ 771,329
Amortization of tangible capital assets	103,312	388,868	354,910
Proceeds on sale of tangible capital assets	711	16,132	48,724
Acquisition of supplies inventories	-	248,971	177,986
Use of supplies inventories	-	(249,613)	(174,965)
Acquisition of prepaid assets	-	51,646	38,380
Use of prepaid assets	-	(51,002)	(41,796)
Tangible capital assets received as contributions	-	(207,856)	(183,540)
Loss / (gain) on sale of tangible capital assets	29	9,020	(22,399)
Acquisition of tangible capital assets	(1,318,078)	(1,277,473)	(1,210,007)
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(158,175)</b>	<b>(349,378)</b>	<b>(241,378)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>431,400</b>	<b>431,400</b>	<b>672,778</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>273,225</b>	<b>82,022</b>	<b>431,400</b>

See accompanying notes to the consolidated financial statements.



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 generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA").

### 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").

#### Consolidated Entities

The six 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 and Calgary TELUS Convention Centre ("CTCC") (Note 19). Transactions and balances between The City and the related authorities have been eliminated.

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:

Calgary Board of Education  
 Calgary Exhibition and Stampede Limited  
 Calgary HandiBus Association  
 Alberta Health Services  
 Calgary Arts Development Authority Ltd.  
 Calgary Roman Catholic Separate School District No.1  
 TELUS World of Science & Creative Kids Museum  
 Calgary Zoological Society  
 EPCOR Centre for the Performing Arts  
 Heritage Park Society

Lindsay Park Sports Society  
 Metropolitan Calgary Foundation  
 Saddledome Foundation

#### Registered Pension Plans (Note 12)

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 6). In 2009, the CTCC was also considered a government business enterprise. In 2010, the basis of consolidation changed such that the CTCC is now accounted for on a consolidated basis (see note 28b)).

#### 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 on the continuity of funds (Note 27).

### b) Basis of Accounting

- i) Revenues are accounted for in the period in which the transactions or events occurred that gave rise to 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, 2010.
- iii) 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 have been met and reasonable estimates of the amounts can be made.
- iv) Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.
- v) 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 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 an internally managed portfolio consisting of temporary investments in short term instruments and portfolio investments such as fixed income bonds. The City also has externally managed portfolio investments consisting of short and long term investments such as money market and fixed income bonds. In 2008, The City added equities, on a limited basis, as an allowable asset class, with a constraint of not more than 10% of the market value of total funds invested allocated to 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 expenditures. 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 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 *Alberta Environmental Protection Act* 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 expenses, and the accumulated provision is reported as a liability on the consolidated statement of financial position.

**j) Employee Benefit Obligations**

The City has fully funded its total estimated employee benefit obligations.

- i) Contributions to multi-employer plans are expensed when the contributions are due.
- ii) The cost of City-sponsored, registered defined-benefit pension plans and non-registered defined-benefit pension plans and post-employment benefits are recognized when earned by plan 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. The City holds assets within its cash and investments to address these obligations. 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.

**k) 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.

**l) Accumulated Surplus/Deficit**

Accumulated surplus 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 physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

#### m) 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 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 at the time they are transferred to the City and are also recorded as revenue. 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 but are disclosed.

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 & 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 & landfills	20 – 50
Machinery and equipment	
Computer equipment	3 – 5
Furniture & equipment	5 – 25
Boats & other mobile machinery	3 – 25
Other equipment and machinery	5 – 35

#### i) Inventories

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

#### ii) Land Held for Municipal Purposes

Land held for municipal purposes comprises 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.

#### n) 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.

#### o) Budget Figures (unaudited)

The 2010 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.

#### p) 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.

#### q) 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 reduce the impact of fluctuating interest rates on its investment income and fluctuating foreign currency exchange rates on anticipated future expenditures 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.

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 13(e).

**r) Loan Guarantees**

Periodically the City provides loan guarantees on specific debt held by related authorities 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.

**s) 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 expenditures 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, employee benefit obligations, provision for landfill rehabilitation and 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.

**3. INVESTMENTS**

All the investments managed by The City are held in fixed income securities and equity investments. Investments with a cost of \$2,087 (2009 – \$1,981) are managed by the Parks Foundation, and include equity investments of \$1,659 (2009 – \$1,531). The cost and market value of all investments as at December 31 are as follows:

	2010 Cost	2010 Market value	2009 Cost	2009 Market value
Government of Canada bonds	\$ 164,569	\$ 164,614	\$ 252,619	\$ 252,037
Provincial bonds	399,370	403,198	307,931	310,190
Federally regulated banks	367,028	369,015	232,191	238,573
Other Canadian corporations	1,318,896	1,321,920	1,324,078	1,329,990
Equity investments	108,216	127,430	102,120	112,248
	<b>\$ 2,358,079</b>	<b>\$ 2,386,177</b>	<b>\$ 2,218,939</b>	<b>\$ 2,243,038</b>

The average yield earned from investments during the year was 2.6% (2009 – 2.7%). Maturity dates on the investments range from 2011 to 2108. Investments include \$1,696,043 (2009 – \$1,208,485) in an internally managed portfolio composed of money market instruments maturing within one year.

**2. CASH AND CASH EQUIVALENTS**

	2010	2009
		(restated Note 28b)
Cash on deposit	\$ 53,340	\$ 48,702
Treasury bills and GICs with original maturities of 90 days or less	7,019	5,362
	<b>\$ 60,359</b>	<b>\$ 54,064</b>

**4. RECEIVABLES**

	2010	2009
		(restated Note 28)
Taxes	\$ 44,213	\$ 39,880
Federal and Provincial governments	33,797	35,953
General	159,459	148,657
	<b>\$ 237,469</b>	<b>\$ 224,490</b>

## 5. OTHER ASSETS

	2010	2009
Deferred charges	\$ 3,030	\$ 2,732
Long-term debt recoverable	6,201	3,604
Assets held for sale	5,539	–
Long-term receivables	6,724	4,059
	<b>\$ 21,494</b>	<b>\$ 10,395</b>

## 6. INVESTMENT IN ENMAX

- a) 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 (wires) 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. Upon deregulation, effective January 1, 2001, The City approved only those electrical rates determined for the regulated activities of electricity transmission and distribution. Effective January 2004, Alberta Energy and Utilities Board ("AEUB") became the regulator of ENMAX Power, approving the electricity transmission and distribution rates to charge customers within ENMAX's service area.

Debentures in the amount of \$631,494 (2009 – \$516,852) and reported by ENMAX in long-term debt have been issued in the name of The City (Note 13(a)).

In 2009, ENMAX adopted new accounting standards that resulted in a transitional accounting adjustment of \$8,200 on the Statement of Operations and Accumulated Surplus. This accounting adjustment was as a result of the application of the CICA's issuance of EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". As a result of the application of this new standard, the fair value of derivatives included in ENMAX's other long-term liabilities was reduced by \$11,000 and future income tax liability was increased by \$2,800. The standard is effective for ENMAX beginning January 1, 2009 with retrospective application without restatement.

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

	2010	2009
		(restated Note 28)
<b>Financial Position</b>		
Current assets	\$ 821,135	\$ 732,756
Power purchase arrangements	517,020	504,280
Future income taxes	91,171	89,219
Capital assets	2,386,759	2,302,412
Other assets	66,860	115,576
	<b>3,882,945</b>	<b>3,744,243</b>
Current liabilities		
(including current portion of long-term debt; 2010 – \$49,986; 2009 – \$46,142)	514,754	547,859
Other long-term liabilities	145,282	178,234
Long-term debt	1,377,659	1,273,686
	<b>2,037,695</b>	<b>1,999,779</b>
ENMAX net assets	1,845,250	1,744,464
Accumulated other comprehensive loss	(38,304)	(23,041)
Retained earnings	1,883,554	1,767,505
<b>Investment in ENMAX</b>	<b>1,845,250</b>	<b>1,744,464</b>
	2010	2009
		(restated Note 28)
<b>Results of Operations</b>		
Revenues	\$ 2,404,230	\$ 2,314,340
Operating expenses	2,146,029	1,990,466
Interest charges (net)	62,016	54,042
Earnings before income tax	196,185	269,832
Income tax	18,366	63,798
Earnings before dividends paid	177,819	206,034
Dividends paid	(61,800)	(55,000)
Net earnings after dividends paid	116,019	151,034
Other comprehensive loss	(15,233)	(11,198)
Transition adjustment resulting from adopting new accounting standard	–	8,200
Net assets, beginning of year	1,744,464	1,596,428
<b>Equity in ENMAX</b>	<b>1,845,250</b>	<b>1,744,464</b>

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

	2010	2009
<b>Received by The City</b>		
Dividends	\$ 61,800	\$ 55,000
Local access fee	97,621	107,991
Sales of services	12,398	32,985
<b>Purchased by The City</b>		
Power and other services	115,392	80,031

The City's accounts payable and accrued liabilities include \$21,120 (2009 – \$12,933) for amounts owed to ENMAX at December 31, 2010. The City's receivables include \$5,156 (2009 – \$13,204) for amounts owing to The City by ENMAX at December 31, 2010. Corresponding related-party differences between the payables and receivables (Note 6 (c)) 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.

In 2010, CTCC no longer qualified as a government business enterprise. As a result, beginning in 2010, The City has fully consolidated the CTCC with retroactive restatement of 2009 financial results. See Note 28 for information regarding the CTCC restatement.

## 7. BANK INDEBTEDNESS

The City has the approved authority to issue up to \$100,000 of short-term borrowing, through a combination of a bank line of credit and the issue of commercial paper. 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, 2010 The City had a total of \$57,470 (2009 – \$56,518) of bank indebtedness comprised of \$780 (2009 – \$nil) on its line of credit and cheques issued in excess of deposits of \$56,690 (2009 – \$56,518). As at December 31 2010, The City has not issued any promissory notes.

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
		(restated Note 28)
Trade	\$ 518,678	\$ 523,093
Government	42,049	22,587
Accrued interest	28,714	29,140
	\$ 589,441	\$ 574,820

## 9. DEFERRED REVENUE

	2010	2009
		(restated Note 28)
Advance sales of goods and services	\$ 17,842	\$ 19,875
Licences, permits and application fees	15,624	22,449
Government transfers	16,316	17,624
Other contributions	4,486	4,241
	\$ 54,268	\$ 64,189

## 10. 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 investment income, and some may become refundable with interest should they not be fully utilized for the designated capital projects. Current transactions are summarized below:

	2010	2009
Opening balance	\$ 613,498	\$ 576,881
New deposits		
Fuel tax	125,459	65,000
Federal government	70,669	99,381
Provincial government	342,364	227,134
Developer contributions	67,261	57,393
Investment income	9,830	6,797
Recognized as revenue	(515,604)	(419,088)
Closing Balance	\$ 713,477	\$ 613,498

Certain interdepartmental balances have been properly reclassified in 2009.

## 11. 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. The estimated total liability of \$156,900 (2009 – \$41,500) for these expenditures represents the sum of the discounted future cash flows for closure and post-closure activities for 40 years after closure. A discount rate of 4% (2009 – 4%) was used.

The calculation of the reported liability of \$40,900 (2009 – \$12,100) is based on the cumulative capacity used at December 31, 2010 compared to the total estimated landfill capacity at that same date. The estimated remaining capacity of the landfill sites is 56.6 (2009 – 57.9) million cubic metres, which is 60% (2009 – 62%) of the sites' total capacity. Based on current disposal practices and projected growth rates, the landfills have an expected remaining life of 33 years (2009 – 32 years).

The City has provided a reserve to fund future landfill capital expenditures, which is funded through tipping fees. In 2010, The City reclassified \$9,924 (2009 – \$600) from the landfill closure reserve to a liability to account for the provision for site rehabilitation. At December 31, 2010 the balance of the landfill closure reserve was \$nil (2009 – \$9,688).

## 12. EMPLOYEE BENEFIT OBLIGATIONS

Civic employees and elected officials qualify to belong to one or more multi-employer pension plans and 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.

The City has fully funded its total estimated employee benefit obligations.

	2010	2009
		(restated Note 28)
a) Registered defined-benefit pension plans	\$ 11,355	\$ 6,612
b) Non-registered defined-benefit pension plans	15,333	13,462
c) Other retirement benefits (discounted)	115,615	103,912
d) Vacation and overtime (undiscounted)	166,835	155,008
	<b>\$ 309,138</b>	<b>\$ 278,994</b>

### a) Registered defined-benefit pension plans

Certain of the 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 provincial legislation, actuarial funding valuations are performed at least triennially on the registered plans to determine The City's required contributions to plan trusts.

Actuarial accounting valuations are performed periodically using the projected benefit method prorated on services to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The most recent actuarial accounting valuation was prepared on December 31, 2010 for each of the registered defined-benefit pension plans. For each plan, the actuarial value of the assets as at December 31, 2010 was determined as the market value of assets as of October 31, 2010, projected forward to December 31, 2010 using expected employer and employee contributions and benefit payments for November and December 2010, and expected interest at an annual rate of 6.25% for the projection period, and adjusted for estimated net receivables/payables.

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

	2010	2009
Fair value of plan assets – beginning of year	\$ 80,928	\$ 73,198
Contributions – employer	6,644	5,720
Contributions – member	1,269	1,229
Expected interest on plan assets	5,109	4,576
Less benefits paid	(6,268)	(6,907)
Actuarial gain	1,148	3,112
Fair value of plan assets – end of year	<b>88,830</b>	80,928
Accrued benefit obligation – beginning of year	134,301	117,482
Current period benefit cost	7,351	6,251
Interest on accrued benefit obligation	5,887	5,713
Less benefits paid	(6,268)	(6,907)
Actuarial loss	5,062	11,762
Accrued benefit obligation – end of year	<b>146,333</b>	134,301
Funded status – plan deficit	57,503	53,373
Unamortized net actuarial loss	(46,148)	(46,761)
Accrued benefit liability	\$ 11,355	\$ 6,612
Current period benefit cost	\$ 7,351	\$ 6,251
Amortization of actuarial losses	4,527	3,821
Less member contributions	(1,269)	(1,229)
Benefit expense	<b>10,609</b>	8,843
Interest on accrued benefit obligation	5,887	5,713
Less expected interest on plan assets	(5,109)	(4,576)
Benefit interest income	778	1,137
Total expense	<b>\$ 11,387</b>	<b>\$ 9,980</b>
Year end obligation discount rate	4.00%	4.25%
Inflation rate	2.50%	2.50%
Long term rate of return on plan assets	6.25%	6.25%
Rate of compensation increase, excluding merit and promotion increases (SPP & EOPP)	3.50%	6.00%
Rate of compensation increase, excluding merit and promotion increases (FSPP)		
Expected average remaining service life – beginning of year	5.10%	6.00%
	(1)	(1)

(1) Actuarial gains and losses are amortized over the expected average remaining service life ("EARSL") of the related employee group commencing in the period following the determination of the gain or loss. As at January 1, 2010, the EARSL is: 13.8 (2009 – 13.8) years for the Calgary Firefighters' Supplementary Pension Plan ("FSPP"), 8.7 (2009 – 8.7) years for the Supplementary Pension Plan ("SPP") and 9.7 (2009 – 9.7) years for the Elected Officials Pension Plan ("EOPP"). Since there are no active members in the Police Supplemental Pension Plan ("PSPP"), actuarial gains and losses under the PSPP are amortized over the average remaining life expectancy of the former employees, which is equal to 10.7 (2009 – 10.7) years as at January 1, 2010.

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 provides a supplement to the Local Authorities Pension Plan (Note 12 e) i) to provide 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). In 2008 the FSPP obtained registration under the *Employment Pension Plans Act* of Alberta (EPPA) and as a result is subject to the EPPA minimum funding requirements. 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. 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 for the FSPP. The City and members' contributions and rates are provided in the Note 12 a) v).

At December 31, 2010, 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 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, 2007.

**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 provides a supplement to the Local Authorities Pension Plan (Note 12 e) i) to provide 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. The City and members' contributions and contribution rates are provided in Note 12 a) v).

At December 31, 2010, 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 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, 2007. In 2008, The City made an additional payment to the external trust within the allowable funding requirements of the December 31, 2007 valuation report. The payment increased the plan's funded ratio at December 31, 2007 and as a result the next actuarial funding valuation required for the plan is at the triennial valuation date of December 31, 2010. No such payment was made in 2009 or 2010.

**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 City elected officials who choose to participate. The City and members' contributions and contribution rates are provided in Note 12 a) v).

At December 31, 2010, 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 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, 2009. In 2010, The City made an additional payment to the external trust within the allowable funding requirements of the December 31, 2009 valuation report. The payment increased the plan's funded ratio at December 31, 2009 and as a result the next actuarial funding valuation required for the plan is at the triennial valuation date of December 31, 2012.

**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. Police officers who have retired after September 1, 1979 are covered under the Special Forces Pension Plan (Note 12 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 the appropriate GAAP and PSAB guidelines. Sufficient funds are held with The City's investments to cover the liabilities as determined by the actuarial valuation as at December 31, 2010.

**v) Employer and members' contributions for registered defined-benefit pension plans**

The City and members of the registered defined-benefit pension plans made the following contributions to the respective plans (expressed in dollars and as a percentage of pensionable salaries):



	2010 Employer	2010 Members	2009 Employer	2009 Members
<b>FSPP (Note 12 a) i)</b>				
Past and current service	\$ 3,451	\$ 2,859	\$ 3,864	\$ 2,957
Past and current service	3.09%	2.53%	3.09%	2.53%
<b>SPP (Note 12 a) ii)</b>				
Current service	\$ 1,400	\$ 1,171	\$ 1,330	\$ 1,130
Current service	2.41%	2.00%	2.34%	2.00%
<b>EOPP (Note 12 a) iii)</b>				
Current service	\$ 1,535	\$ 92	\$ 247	\$ 91
Current service	19.47%	6.00%	16.30%	6.00%

#### 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.

Actuarial accounting valuations are performed periodically using the projected benefit method prorated on services to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The most recent actuarial valuation was prepared at the following dates:

Pension Plan	Valuation Date
OCPD for management employees	December 31, 2007
OCPD for the Police Chief and deputies	December 31, 2008
OCPD for the Fire Chief and deputies	December 31, 2008
EOSP	December 31, 2010
Contractual obligations	December 31, 2010
EPP	December 31, 2010

The results of and significant assumptions utilized in the most recent actuarial accounting valuations for the non-registered pension plans are as follows:

	2010	2009
Accrued benefit obligation – beginning of year	\$ 19,061	\$ 16,330
Current period benefit cost	607	591
Past service cost	–	303
Interest on accrued benefit obligation	826	793
Less benefits paid	(486)	(455)
Actuarial loss	356	1,499
Accrued benefit obligation – end of year	\$ 20,364	\$ 19,061
Funded status – plan deficit	\$ 20,364	\$ 19,061
Unamortized net actuarial loss	(5,031)	(5,599)
Accrued benefit liability <sup>(1)</sup>	\$ 15,333	\$ 13,462
Current period benefit cost	\$ 607	\$ 591
Past service cost	–	303
Amortization of actuarial losses	924	720
Interest on accrued benefit obligation	826	793
Total expense	\$ 2,357	\$ 2,407
Year end obligation discount rate	4.00%	4.25%
Inflation rate	2.50%	2.50%
Rate of compensation increase, excluding merit and promotion increases	3.50%	6.00%
Expected average remaining service life beginning of year	(2)	(2)

<sup>1)</sup> Assets in the amount of \$15,333 (2009 – \$13,462) to satisfy the obligations under these plans are held within The City's investments.

<sup>(2)</sup> Actuarial gains and losses are amortized over the expected average remaining service life ("EARSL") of the related employee group commencing in the period following the determination of the gain or loss. As at January 1, 2010 EARSL is: 7.3 (2009 – 7.3) years for the City of Calgary Overcap Pension Plan ("OCPD") management employees, 2.7 (2009 – 7.9) years for OCPD Police Chief and deputies, 7.0 (2009 – 6.1) years for OCPD Fire Chief and deputies, 14.8 (2009 – 15.8) years for the Supplementary Pension Plan for Elected Officials of The City of Calgary ("EOSP").

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 ("OCPP")**

The OCPP 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 OCPP for management employees provides a coordinated benefit with the LAPP (Note 12 e i)), and the SPP (Note 12 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 OCPP for the Police Chief and deputies and the OCPP for the Fire Chief and deputies provide supplementary pension benefits in excess of the maximum pension benefits provided under the SFPP (Note 12 e ii)) and the FSPP (Note 12 a i)) respectively.

**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 12 a iii)).

Since the EOSP was designed to provide benefits on the non-taxable portion of Council salaries, the elimination of the non-taxable portion of Council salaries in July 2006 will result in a gradual decrease in the benefit obligations under the EOSP. This decrease will occur with a corresponding increase in benefits under the EOPP due to the increase in taxable earnings. Since the EOSP and EOPP determine benefits using the final 36 months' salary, the EOSP will continue to provide benefits to any current Council member who retires or leaves office before October 2009. In addition, the EOSP will continue to provide benefits to existing retirees and eligible Council members in excess of the maximum pension benefits provided under the EOPP (Note 12 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 OCPP and SPP. The EPP will continue to provide benefits to existing retirees and to grandfathered members. The City has fully funded its total estimated employee benefit obligations.

**iv) Contractual obligations**

The City has entered into individual compensation arrangements with key members of management that provide defined benefits upon retirement. These arrangements are sponsored and administered by The City and are fully funded.

**c) Other retirement benefits**

The City sponsors 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 Plan begins. After 10 years or age 65, the life policy reduces to a paid-up death benefit based on the number of years of contributory service in the group life insurance plan 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 also 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.

Actuarial accounting valuations are performed periodically using the projected benefit method prorated on services to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The most recent actuarial accounting valuation for other retirement benefits was at December 31, 2010.

The results of and significant assumptions utilized in the most recent actuarial accounting valuations for other retirement benefits include:

	2010	2009
Accrued benefit obligation – beginning of year	\$ 144,369	\$ 119,535
Current period benefit cost	7,452	6,148
Interest on accrued benefit obligation	6,311	5,842
Less benefits paid	(6,651)	(5,389)
Actuarial gain/(loss)	(14,854)	18,233
Accrued benefit obligation – end of year	\$ 136,627	\$ 144,369
Funded status – plan deficit	\$ 136,627	\$ 144,369
Plan assets	(609)	(557)
Unamortized net actuarial loss	(20,403)	(39,900)
Accrued benefit liability <sup>(1)</sup>	\$ 115,615	\$ 103,912
Current period benefit cost	\$ 7,452	\$ 6,148
Amortization of actuarial loss	4,002	2,338
Interest on accrued benefit obligation	6,311	5,842
Total expense	\$ 17,765	\$ 14,328
Year end obligation discount rate	4.00%	4.25%
Inflation Rate	2.50%	2.50%
Rate of compensation increase, excluding merit and promotion increases <sup>(2)</sup>	3.50%	3.50%
Annual increase in extended health care costs <sup>(3)</sup>	7.00%	6.00%
Annual increase in dental costs	5.00%	6.00%
Expected average remaining service life – beginning of year	<sup>(4)</sup>	<sup>(4)</sup>

(1) Assets in the amount of \$115,615 (2009 – \$103,912) to satisfy the obligations under these plans are held within The City's investments.

(2) 2011:4.0%, 2012:3.9%, 2013: 3.80%, 2014:3.70%; 2015: 3.6%; thereafter 3.50% per annum.

(3) 2011/2012: 8.00%; thereafter 7.00% per annum.

(4) 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. As at January 1, 2010, the EARSL is 11.0 (2009 – 11.0).

#### d) Vacation and overtime

The vacation and overtime liability comprises the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. 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. Assets in the amount of \$166,835 (restated 2009 (Note 28 (b) \$155,008)) to satisfy the obligations under these programs are held within The City's investments.

#### e) 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"). 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.

##### 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:

2010 Employer	2010 Members	2009 Employer	2009 Members
\$86,032	\$75,726	\$74,711	\$67,131
9.06% of YMPE and 12.53% over YMPE	8.06% of YMPE and 11.53% over YMPE	8.46% of YMPE and 11.66% over YMPE	7.46% of YMPE and 10.66% over YMPE

Based on the latest information available (December 31, 2009 audited financial statements), in total the LAPP had a deficiency in the net assets available for benefits of (\$3,998,614) (2008: (\$4,413,971) deficiency) based on the actuarial valuation performed by William M. Mercer Ltd. as at December 31, 2008, The City's portion of which is not readily determinable. The City's 2010 contribution rates increased 7% (2009 – 9%) 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:

2010 Employer	2010 Members	2009 Employer	2009 Members
<b>\$21,315</b>	<b>\$19,534</b>	\$16,518	\$14,999
<b>*14.55% of pensionable salaries</b>	<b>*13.45% of pensionable salaries</b>	11.11% of pensionable salaries	10.01% pensionable salaries

\*Effective July 1, 2010

Based on the latest information available (December 31, 2009 audited financial statements), in total the SFPP had a deficiency in the net assets available for benefits of (\$374,927), (2008: (\$429,966) deficiency) based on the actuarial valuation performed by William M. Mercer Ltd. as at December 31, 2008, The City's portion of which is not readily determinable. The City's 2010 contribution rates increased 24% (2009 – 0%) as a result of this deficit.

### 13. LONG-TERM DEBT

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

	2010 Tax Supported	2010 Self Sufficient Tax Supported	2010 Self Supported	2010 Total	2009 Tax Supported	2009 Self Sufficient Tax Supported	2009 Self Supported	2009 Total
i) Debentures	\$ 436,042	\$ 614,000	\$ 2,405,288	\$ 3,455,330	\$ 449,441	\$ 306,000	\$ 2,092,804	\$ 2,848,245
ii) Mortgages and other debt	-	-	105,917	105,917	-	-	129,365	129,365
iii) Capital leases	470	-	-	470	1,092	-	-	1,092
	<b>436,512</b>	<b>614,000</b>	<b>2,511,205</b>	<b>3,561,717</b>	450,533	306,000	2,222,169	2,978,702
Less								
iv) Debt attributable to ENMAX	-	-	631,494	631,494	-	-	516,852	516,852
	<b>\$ 436,512</b>	<b>\$ 614,000</b>	<b>\$ 1,879,711</b>	<b>\$ 2,930,223</b>	\$ 450,533	\$ 306,000	\$ 1,705,317	\$ 2,461,850

i) Debentures, which are predominantly held by the Alberta Capital Finance Authority, mature in annual amounts to the year 2039.

Tax-supported debt is repaid using tax revenue and is the long-term debt used in tax-supported area.

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 Government's Municipal Sustainability Initiative (MSI).

Self supported debt includes debentures in the amount of \$82,056 (2009 – \$64,691) 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.

In 2010, included in the self supported debt is the debenture issued by the The City on behalf of the Lindsay Park Sports Society (LPSS) pursuant to City Bylaw authorization in the amount of \$2,874. In accordance with a Credit Agreement between LPSS and The City, The City shall service the existing debenture through the disbursement of principal and interest payments. The City continues to be liable for the outstanding debenture debt to the debenture debt holder. The LPSS is 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.

- 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 \$115,445 (2009 – \$120,122) are pledged as collateral against the mortgages.
- iii) Capital leases for computer equipment mature between 2011-2012. The future minimum payments totalling \$475 (2009 – \$1,117) over the next 3 years include interest of \$5 (2009 – \$25) at a weighted average rate of 4.67% (2009 – 4.67%).

b) Long-term debt is repayable as follows:

- 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 \$156,008 in 2010 (2009 – \$116,938), 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.

	Tax Supported	Self Sufficient Tax Supported	Self Supported	Less: Debt attributable to ENMAX	Total
2011	\$ 52,013	\$ –	\$ 185,066	\$ 42,490	\$ 194,589
2012	54,396	–	214,816	41,196	228,016
2013	49,847	–	154,895	39,917	164,825
2014	34,704	240,000	161,480	38,175	398,009
2015	33,152	275,000	148,816	36,022	420,946
Thereafter	212,400	99,000	1,646,132	433,694	1,523,838
	\$ 436,512	\$ 614,000	\$ 2,511,205	\$ 631,494	\$ 2,930,223

- c) Debenture interest is payable, before provincial subsidy, at rates ranging from 1.907% to 10.625% (2009 – 2.026% to 12%) 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 4.59% (2009- 5.22%) before provincial subsidy and 4.55% (2009 – 5.097%) after provincial subsidy.

The mortgages of Calgary Housing Company in the amount of \$41,010 (2009 – \$45,599) are payable with interest ranging from 1.81% to 6.45% (2009 – 1.81% to 6.45%) before interest rate subsidy. The effective interest rate after the subsidy for the fixed-subsidy projects is 2.0% (2009 – 2.0%).

- d) Interest charges are as follows:

	2010 Tax Supported	2010 Self Sufficient Tax Supported	2010 Self Supported	2009 Tax Supported	2009 Self Sufficient Tax Supported	2009 Self Supported
Debenture interest	\$ 22,775	\$ 15,753	\$ 81,333	\$ 26,022	\$ 4,414	\$ 73,842
Other interest and charges	2,336	–	1,841	39	–	4,506
	<b>\$ 25,111</b>	<b>\$ 15,753</b>	<b>\$ 83,174</b>	<b>\$ 26,061</b>	<b>\$ 4,414</b>	<b>\$ 78,348</b>

- e) The estimated fair value of The City's long-term debt is \$2,764,756 (2009 – \$2,937,863). Calculation of the estimated fair value of the debt is based on lending rates obtainable at December 31 for debentures with comparable maturities from The City's primary lender, the Alberta Capital Finance Authority.

- f) Section 271 of the *Municipal Government Act* 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.

	2010	2009
Total debt limit (2 times revenue)	\$ 5,292,156	\$ 5,174,992
Total debt (short- and long-term)	3,009,139	2,536,991
Percentage of debt to debt limit	56.86%	49.02%
Total debt service limit (35% of revenue)	\$ 926,127	\$ 905,624
Total debt service	430,362	290,758
Percentage of debt service to service limit	46.47%	32.11%

**14. TANGIBLE CAPITAL ASSETS**

Cost	Opening Balance	Additions	Disposals	Closing Balance
	(restated Note 28)			
Land	\$ 1,426,646	\$ 133,284	\$ (6,367)	\$ 1,553,563
Land Improvements	864,629	57,205	(757)	921,077
Engineered Structures	8,436,639	475,776	(134,539)	8,777,876
Buildings	1,111,602	184,690	(3,850)	1,292,442
Machinery and Equipment	563,589	82,717	(23,041)	623,265
Vehicles	900,942	88,405	(23,085)	966,262
	13,304,047	1,022,077	(191,639)	14,134,485
Work in Progress				
Land	218,665	(26,490)	(7,059)	185,116
Construction	1,026,674	498,008	98,959	1,623,641
	\$ 14,549,386	\$ 1,493,595	\$ (99,739)	\$ 15,943,242
Accumulated Amortization	Opening Balance	Additions	Disposals	Closing Balance
	(restated Note 28)			
Land Improvements	\$ 455,129	\$ 35,630	\$ (749)	\$ 490,010
Engineered Structures	2,855,709	206,788	(26,842)	3,035,655
Buildings	448,741	42,792	(435)	491,098
Machinery and Equipment	292,235	53,267	(19,230)	326,272
Vehicles	373,933	50,391	(19,065)	405,259
	\$ 4,425,747	\$ 388,868	\$ (66,321)	\$ 4,748,294
Net Book Value	\$ 10,123,639	\$ 1,104,727	\$ (33,418)	\$ 11,194,948

In 2010, there was a permanent writedown of machinery and equipment of \$444 (2009 – nil).

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.

**15. 2010 BUDGET – UNAUDITED**

The budget amounts presented throughout these consolidated financial statements are based upon the Operating and Capital Budgets approved by Council, except in regard to certain budget amounts for capital revenue sources and capitalization of Tangible Capital Assets (collectively referred to as the “tangible capital asset related adjustments”).

The City has adopted the new PSAB Tangible Capital Asset accounting standards beginning January 1, 2009. These new standards have not been adopted for budget preparation and presentation purposes. The 2010 Council approved budget has been modified for the amount of capital budget revenues based on the percentage of completion of the various capital projects and the capitalization of tangible capital assets.

The table below shows the adjustments to the 2010 budget approved by Council after adjusting the budget values by the tangible capital asset related items that were not included in the approved 2010 budget.

	2010 Operating Budget Council Approved	2010 Capital Budget Council Approved	2010 Reserves	Tangible Capital Asset Related Adjustments	2010 Budget Financial Statements
Statement of Operations:					
<b>REVENUES</b>					
Net taxes available for municipal purposes	1,299,405	–	–	–	1,299,405
Sales of goods and services	903,739	–	–	–	903,739
Government transfers and revenue sharing agreements					
Federal	4,821	–	–	–	4,821
Provincial	142,938	–	–	–	142,938
Investment income	37,637	–	–	–	37,637
Fines and penalties	59,520	–	–	–	59,520
Licences, permits and fees	66,357	–	–	–	66,357
Miscellaneous revenue	8,893	–	–	–	8,893
Proceeds on sale of TCA	711	–	–	–	711
Gain/Loss on sale of TCA	29	–	–	–	29
Equity in earnings of government business enterprises	152,583	–	–	–	152,583
	2,676,633	–	–	–	2,676,633
<b>EXPENDITURES</b>					
Police	349,984	78,066	–	(78,679)	349,371
Fire	210,145	107,488	–	(107,488)	210,145
Emergency medical services	–	–	–	–	–
Public transit	309,260	767,631	–	(767,631)	309,260
Roads, traffic and parking	175,774	395,716	–	(349,755)	221,735
Water services & resources	172,362	511,263	–	(511,263)	172,362
Waste and recycling services	91,435	72,998	–	(72,998)	91,435
Community and social development	51,206	–	–	–	51,206
Social housing	116,263	106,659	–	(106,659)	116,263
Parks and recreation facilities	147,219	251,172	–	(194,718)	203,673
Societies and related authorities	47,062	144,278	–	(92,704)	98,636
Calgary Public Library Board	43,454	8,434	–	(8,434)	43,454
General government	214,173	101,483	–	(110,045)	205,611
Public works	139,701	106,537	–	(103,590)	142,648
Real estate services	44,655	126,044	–	(115,435)	55,264
Fleet services	–	65,705	–	(65,705)	–
Amortization	103,312	–	–	–	103,312
Interest and financing fees	118,537	–	–	–	118,537
	2,334,542	2,843,474	–	(2,685,104)	2,492,912
<b>NET EXPENDITURES BEFORE OTHER</b>	342,091	(2,843,474)	–	2,685,104	183,721



	2010 Operating Budget Council Approved	2010 Capital Budget Council Approved	2010 Reserves	Tangible Capital Asset Related Adjustments	2010 Budget Financial Statements
<b>OTHER</b>					
Developer contributions	–	135,540	–	(98,552)	36,988
Government transfers related to capital	–	1,348,066	–	(512,924)	835,142
Developer contributions-in-kind related to capital	–	–	–	–	–
<b>NET EXPENDITURES</b>	342,091	(1,359,868)	–	2,073,628	1,055,851
<b>FINANCING AND TRANSFERS</b>					
Debt principal repayment	97,898	–	–	–	97,898
Debt issued	–	687,227	–	(941,816)	(254,589)
Net interfund transfers					
From (to) reserves fund	(404,026)	636,678	(232,652)	186,266	186,266
Between capital and operating fund	(35,963)	35,963	–	–	–
Capital fund expenditures	–	–	–	(1,318,078)	(1,318,078)
	(342,091)	1,359,868	(232,652)	(2,073,628)	(1,288,503)
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	–	–	(232,652)	–	(232,652)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	2,141	177,090	958,433	–	1,137,664
Transfer of prior year's surplus to reserve fund	(2,141)	–	2,141	–	–
<b>FUND BALANCE, END OF YEAR</b>	–	177,090	727,922	–	905,012

## 16. ACCUMULATED SURPLUS

Accumulated Surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2010	2009 (restated Note 28)
Operating fund	\$ 24,992	\$ 2,141
Capital fund	93,735	177,242
Reserves (Note 17)	1,017,747	958,433
Equity in ENMAX (Note 6)	1,845,250	1,744,464
Equity in non-financial assets	8,354,430	7,731,945
	\$ 11,336,154	\$ 10,614,225

## 17. RESERVES

Reserves consist of operating and capital reserves and the operating surpluses of municipal enterprises and related authorities. Individual reserves with significant balances include:

	2010	2009
Fiscal stability	\$ 224,916	\$ 195,738
Reserve for future capital	232,534	251,054
Debt servicing	82,827	87,991
Legacy parks	15,733	31,738
Corporate housing reserve	65,589	42,935
Real Estate Services	35,851	11,561
Community investment	36,914	40,929
Development and building approvals ("DBA") sustainment	36,071	38,189
Reserve for tax loss provision	33,146	29,630
Landfill revenue	10,794	9,829
Lifecycle maintenance and upgrade	75,477	55,404
Calgary Housing Company	6,851	4,255
	\$ 856,703	\$ 799,253

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

Wastewater treatment and disposal and water supply	\$ 18,624	\$ 17,786
Social programs	9,336	8,479
Police services (capital)	15,502	10,837
Environmental control	24,059	26,346
Other operating	35,976	40,511
Other capital expenditures	57,547	55,221
Subtotal	\$ 161,044	\$ 159,180
	\$ 1,017,747	\$ 958,433

## 18. NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES

	2010	2009
Property taxes	\$ 1,554,635	\$ 1,463,695
Community Revitalization Levy	11,068	7,627
Business taxes	201,681	206,771
Revenue in lieu of taxes	176,246	189,573
Local improvement levies and special taxes	13,121	10,779
	\$ 1,956,751	\$ 1,878,445
Less: Provincial property taxes (see below)		
Current year levy	(602,132)	(578,471)
Prior year levy	(10,659)	(7,566)
Net taxes available for municipal use	\$ 1,343,960	\$ 1,292,408

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 \$5,432 (2009 – \$10,569) has been recorded at December 31 within accounts receivable that will be funded through an increase in the subsequent year's provincial property tax rate.

## 19. 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 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 CCTC. 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 ("AHCC") is a controlled corporation of The City and was incorporated on November 27, 2009 under the Business Corporations Act. The purpose of AHCC is the implementation and administration of attainable housing in the City of Calgary. AHCC began operations in 2010.

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 16 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.

	2010 Calgary TELUS Convention Centre	2010 Attainable Homes Corporation Calgary <sup>(2)</sup>	2010 Calgary Parking Authority	2010 Calgary Public Library Board	2010 Calgary Housing Company	2010 Calgary Municipal Land Corporation	Total
<b>Financial Position</b>							
Physical assets	\$ 2,444	\$ 88	\$ 127,610	\$ 38,177	\$ 97,425	\$ 113,794	\$ 379,538
Financial assets	7,265	1,197	3,856	16,034	37,640	45,995	111,987
	9,709	1,285	131,466	54,211	135,065	159,789	491,525
Long-term debt	–	–	8,860	3,234	41,010	104,000	157,104
Financial liabilities	5,560	39	8,953	4,396	44,277	49,303	112,528
	5,560	39	17,813	7,630	85,287	153,303	269,632
Net Assets	\$ 4,149	\$ 1,246	\$ 113,653	\$ 46,581	\$ 49,778	\$ 6,486	\$ 221,893
<b>Results of Operations</b>							
<b>Revenue</b>							
Property Tax	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 11,835	\$ 11,835
Sales of Goods & Services	19,539	–	56,585	–	45,697	–	121,821
Government transfers, agreements & subsidies	–	–	–	5,358	59,456	–	64,814
Donated assets	–	10	–	–	–	–	10
Investment income	–	4	2,132	114	252	52	2,554
Fines & penalties	–	–	13,397	1,799	320	–	15,516
Licenses, permits and fees	–	–	685	1,471	–	–	2,156
Miscellaneous revenue	–	1,892	–	1,231	–	62	3,185
Gain (Loss) on sale of TCA	–	–	(617)	(19)	–	–	(636)
Internal transfers & contributions	1,691	–	–	37,620	(2,174)	281	37,418
Total revenue	21,230	1,906	72,182	47,574	103,551	12,230	258,673
<b>Expenditures</b>							
Salaries, wages, and benefits	\$ 6,176	\$ 310	\$ 7,877	\$ 29,429	\$ 11,757	\$ 1,362	\$ 56,911
Contracted and general services	3,434	232	22,115	6,186	37,773	1,933	71,673
Materials, equipment and supplies	11,004	89	3,832	4,035	5,108	1,246	25,314
Interest charges	–	–	1,358	190	1,841	4,261	7,650
Transfers	–	–	–	–	30,013	–	30,013
Utilities	1,076	16	1,690	849	8,725	20	12,376
Amortization	1,926	13	7,134	5,897	2,298	45	17,313
Internal recoveries	–	–	(933)	–	–	–	(933)
Debt principle repayments	–	–	1,382	–	4,627	–	6,009
Total expenditures	23,616	660	44,455	46,586	102,142	8,867	226,326
Income (loss) before appropriations	(2,386)	1,246	27,727	988	1,409	3,363	32,347
Internal transfers	2,386	(1,246)	(10,380)	(988)	(1,409)	(3,363)	(15,000)
To City operating fund <sup>(1)</sup>	–	–	(17,347)	–	–	–	(17,347)
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

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

(2) AHCC began operations in 2010.

	2009 Calgary TELUS Convention Centre	2009 Calgary Parking Authority	2009 Calgary Public Library Board	2009 Calgary Housing Company	2009 Calgary Municipal Land Corporation	Total
<b>Financial Position</b>						
Physical assets	\$ 4,260	\$ 128,763	\$ 35,695	\$ 102,101	\$ 81,396	\$ 352,215
Financial assets	6,770	3,798	17,061	28,826	40,009	96,464
	11,030	132,561	52,756	130,927	121,405	448,679
Long-term debt	–	10,242	4,407	45,637	66,000	126,286
Financial liabilities	4,496	9,107	2,720	33,302	52,282	101,907
	4,496	19,349	7,127	78,939	118,282	228,193
Net Assets	\$ 6,534	\$ 113,212	\$ 45,629	\$ 51,988	\$ 3,123	\$ 220,486
<b>Results of Operations</b>						
<b>Revenue</b>						
Property Tax	\$ –	\$ –	\$ –	\$ –	\$ 7,627	\$ 7,627
Sales of Goods & Services	21,687	55,506	–	42,091	622	119,906
Government transfers, agreements & subsidies	–	–	5,719	50,886	–	56,605
Donated assets	–	–	–	3,620	–	3,620
Investment income	–	1,756	169	387	50	2,362
Fines & penalties	–	12,639	1,845	–	–	14,484
Licenses, permits and fees	–	493	1,561	–	–	2,054
Miscellaneous revenue	–	37	898	1,946	–	2,881
Internal transfers & contributions	–	–	35,583	–	–	35,583
Total revenue	21,687	70,431	45,775	98,930	8,299	245,122
<b>Expenditures</b>						
Salaries, wages, and benefits	\$ 5,586	\$ 7,796	\$ 27,705	\$ 9,224	\$ 1,070	\$ 51,381
Contracted and general services	3,348	20,488	5,416	34,731	1,548	65,531
Materials, equipment and supplies	12,045	4,238	3,616	8,968	993	29,860
Interest charges	–	1,299	298	2,099	2,856	6,552
Transfers	1,041	–	–	29,616	–	30,657
Utilities	–	1,672	832	9,161	16	11,681
Amortization	–	–	5,835	2,025	38	7,898
Internal recoveries	–	(958)	–	–	–	(958)
Total expenditures	22,020	34,535	43,702	95,824	6,521	202,602
Income (loss) before appropriations	(333)	35,896	2,073	3,106	1,778	42,520
Internal transfers	333	(17,151)	(2,073)	(3,106)	(1,778)	(23,775)
To City operating fund <sup>(1)</sup>	–	18,745	–	–	–	18,745
Change in fund balance	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

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

## 20. EXPENSES BY OBJECT

	2010	2009
		(restated Note 28)
Salaries, wages and benefits	\$ 1,421,036	\$ 1,299,722
Contracted and general services	394,390	378,618
Materials, equipment and supplies	218,497	205,682
Interest charges	124,038	108,823
Transfer payments	166,177	166,763
Utilities	60,068	64,649
Amortization	388,868	354,910
	<b>\$ 2,773,074</b>	<b>\$ 2,579,167</b>

## 21. GOVERNMENT TRANSFERS

	2010	2009
<b>Operating</b>		
Province of Alberta	\$ 158,748	\$ 165,753
Government of Canada	6,941	9,506
	<b>165,689</b>	<b>175,259</b>
<b>Capital</b>		
Province of Alberta	415,822	322,145
Government of Canada	62,661	54,279
	<b>478,483</b>	<b>376,424</b>
	<b>\$ 644,172</b>	<b>\$ 551,683</b>

In accordance with the recommendations of PSAB, 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 tangible capital assets are acquired.

## 22. SEGMENTED INFORMATION

The Consolidated Schedule of Financial Activities by Segment has been prepared in accordance with PSAB Handbook Section 2700 (PS2700) *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:

- a) **Tax Supported Operating programs** includes the items of revenue, recoveries and expenditures 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.
- b) **Self Supported Operating programs** includes the items of revenue, recoveries and expenditures 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.
- c) **Tax Supported Capital programs** includes the expenditures 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 expenditures 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 and Calgary Municipal Land Corporation. These related authorities are consolidated within these financial statements. For more information regarding these related authorities, refer to Note 19.
- f) **ENMAX Corporation** is included in the government business enterprise and is accounted for on a modified equity basis. For more information regarding ENMAX Corporation, refer to Note 6.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the consolidated financial statements (note1).

## Schedule of Financial Activities by Segment

For the Year Ended December 31, 2010 (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	\$ 1,181,005	\$ –	\$ –	\$ –	\$ 1,181,005
Business tax	201,681	–	–	–	201,681
Sales of goods & services	438,723	381,043	–	–	819,766
Government transfers, agreements & subsidies					
Federal	5,076	–	60,802	–	65,878
Provincial	97,507	325	411,999	3,707	513,538
Developers' contributions	–	–	23,382	15,912	39,294
Donated assets	–	–	–	–	–
Investment income	39,842	1,452	920	–	42,214
Fines & penalties	50,186	1,622	–	–	51,808
Licences, permits & fees	67,277	1,306	–	–	68,583
Miscellaneous revenue	21,208	1,679	2,835	–	25,722
Sale of tangible capital asset	4,125	–	–	–	4,125
Dividends from ENMAX Corporation	61,800	–	–	–	61,800
Equity in earnings from ENMAX Corporation	–	–	–	–	–
Contribution from reserves	153,143	–	218,410	2,133	373,686
Internal transfers & contributions	60,579	–	–	–	60,579
<b>Total Revenues</b>	<b>2,382,152</b>	<b>387,427</b>	<b>718,348</b>	<b>21,752</b>	<b>3,509,679</b>
<b>Expenditures</b>					
Salaries, wages, and benefits	1,297,108	102,754	11,726	11,146	1,422,734
Contracted and general services	430,903	47,014	885,387	178,427	1,541,731
Materials, equipment and supplies	278,344	37,100	317,291	31,322	664,057
Interest charges	42,354	68,409	11,824	–	122,587
Transfers	141,686	35,018	61,719	–	238,423
Utilities	47,909	17,626	1,344	50	66,929
Amortization	25,470	55,087	–	–	80,557
Internal recoveries	(407,202)	(27,588)	(96,668)	2	(531,456)
Debt principle repayments	73,116	3,774	–	–	76,890
Contribution from operations to reserves	423,137	4,998	–	–	428,135
Contribution from operations to capital	4,335	735	–	–	5,070
Internal transfers and contributions	–	42,500	–	–	42,500
<b>Total Expenditures</b>	<b>2,357,160</b>	<b>387,427</b>	<b>1,192,623</b>	<b>220,947</b>	<b>4,158,157</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 24,992</b>	<b>–</b>	<b>(474,275)</b>	<b>(199,195)</b>	<b>(648,478)</b>

	Related Authorities	ENMAX Corporation	Consolidation Adjustments	Total Consolidated 2010
\$	11,835	\$ -	\$ (50,561)	\$ 1,142,279
	-	-	-	201,681
	121,821	-	(34,358)	907,229
	3,782	-	(58)	69,602
	61,032	-	-	574,570
	10	-	(3,273)	36,031
	-	-	207,856	207,856
	2,554	-	(4,261)	40,507
	15,516	-	-	67,324
	2,156	-	-	70,739
	3,185	-	(5,231)	23,676
	(636)	-	(12,566)	(9,077)
	-	-	-	61,800
	-	100,786	-	100,786
	-	-	(373,686)	-
	37,418	-	(97,997)	-
	<b>258,673</b>	<b>100,786</b>	<b>(374,135)</b>	<b>3,495,003</b>
	56,911	-	(58,609)	1,421,036
	71,673	-	(1,219,014)	394,390
	25,314	-	(470,874)	218,497
	7,650	-	(6,199)	124,038
	30,013	-	(102,259)	166,177
	12,376	-	(19,237)	60,068
	17,313	-	290,998	388,868
	(933)	-	532,389	-
	6,009	-	(82,899)	-
	-	-	(428,135)	-
	-	-	(5,070)	-
	-	-	(42,500)	-
	<b>226,326</b>	-	<b>(1,611,409)</b>	<b>2,773,074</b>
	32,347	100,786	1,237,274	721,929

## Schedule of Financial Activities by Segment

For the Year Ended December 31, 2009 (in thousands of dollars) (restated Note 28)

	Tax Supported Operating	Self Supported Operating	Tax Supported Capital	Self Supported Capital	Total The City of Calgary
<b>Revenues</b>					
Property tax	\$ 1,127,174	\$ –	\$ –	\$ –	\$ 1,127,174
Business tax	206,771	–	–	–	206,771
Sales of goods & services	404,957	385,943	8	–	790,908
Government transfers, agreements & subsidies					
Federal	4,564	–	54,279	–	58,843
Provincial	114,188	55	319,409	2,661	436,313
Developers' contributions	–	–	31,267	13,116	44,383
Donated assets	–	–	–	–	–
Investment income	39,712	1,262	–	–	40,974
Fines & penalties	44,007	1,584	–	–	45,591
Licences, permits & fees	66,135	877	4	(9)	67,007
Miscellaneous revenue	36,125	2,153	399	–	38,677
Disposal of fixed assets	–	–	–	–	–
Dividends from ENMAX Corporation	55,000	–	–	–	55,000
Equity in earnings from GBE	–	–	–	–	–
Contribution from reserves	149,114	–	–	28,792	177,906
Internal transfers and contributions	60,690	–	–	–	60,690
<b>Total Revenues</b>	<b>2,308,437</b>	<b>391,874</b>	<b>405,366</b>	<b>44,560</b>	<b>3,150,237</b>
<b>Expenditures</b>					
Salaries, wages, and benefits	1,200,129	93,816	12,540	11,362	1,317,847
Contracted and general services	433,225	46,588	561,323	270,880	1,312,016
Materials, equipment and supplies	282,122	36,827	610,332	21,073	950,354
Interest charges	43,749	61,630	1,876	–	107,255
Transfers	152,936	34,777	36,999	–	224,712
Utilities	44,647	16,605	39	284	61,575
Amortization	26,294	51,934	–	–	78,228
Internal recoveries	(406,538)	(26,983)	(241,718)	(2,044)	(677,283)
Debt principle repayments	81,168	3,234	–	–	84,402
Contribution from operations to reserves	438,567	30,946	–	–	469,513
Internal transfers and contributions	–	42,500	–	–	42,500
Disposal of fixed assets	9,997	–	–	–	9,997
<b>Total Expenditures</b>	<b>2,306,296</b>	<b>391,874</b>	<b>981,391</b>	<b>301,555</b>	<b>3,981,116</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 2,141</b>	<b>–</b>	<b>(576,025)</b>	<b>(256,995)</b>	<b>(830,879)</b>



Related Authorities	ENMAX Corporation	Consolidation Adjustments	Total Consolidated 2009
\$ 7,627	\$ -	\$ (49,164)	\$ 1,085,637
-	-	-	206,771
119,906	-	(49,688)	861,126
5,020	-	(78)	63,785
51,585	-	-	487,898
-	-	(1,645)	42,738
3,620	-	179,920	183,540
2,362	-	(2,850)	40,486
14,484	-	-	60,075
2,054	-	-	69,061
2,881	-	(14,645)	26,913
-	-	19,430	19,430
-	-	-	55,000
-	148,036	-	148,036
-	-	(177,906)	-
35,583	-	(96,273)	-
<b>245,122</b>	<b>148,036</b>	<b>(192,899)</b>	<b>3,350,496</b>
51,381	-	(69,506)	1,299,722
65,531	-	(998,929)	378,618
29,860	-	(774,532)	205,682
6,552	-	(4,984)	108,823
30,657	-	(88,606)	166,763
11,681	-	(8,607)	64,649
7,898	-	268,784	354,910
(958)	-	678,241	-
-	-	(84,402)	-
-	-	(469,513)	-
-	-	(42,500)	-
-	-	(9,997)	-
<b>202,602</b>	<b>-</b>	<b>(1,604,551)</b>	<b>2,579,167</b>
42,520	148,036	1,411,652	771,329

### 23. COMMITMENTS AND CONTINGENT LIABILITIES

- a) Capital commitments of \$1,260,347 (2009 – \$1,489,291) are not reflected in the consolidated financial statements. This amount represents uncompleted portions of contracts, as at December 31, 2010, on major projects and estimated obligations under other various agreements. These capital commitments were included in the current year's capital budget of \$2,843,474 (2009 – \$2,758,827) and will be funded from reserves and debt in future years.
- b) Commitments related to operating leases of \$26,923 (2009 – \$25,996) 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:

2011	\$	9,810
2012		4,771
2013		2,420
2014		997
2015		397
Thereafter		8,528
	\$	<u>26,923</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 \$3,735 (2009 – \$3,470) 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, 2010, 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 Corporation regularly review 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 will provide 75% of The City's electricity from renewable energy sources through 2011. Starting in 2012, 100% of the electricity supplied to The City will come 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.

### 24. 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 variable that is 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

- 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 terms of the related credit facilities, which mature between 2024 and 2034. The interest rates on the credit facilities held by the CES range from 1.92% to 6.23%. As at December 31, 2010, CES has drawn a total of \$72,620 (2009 – \$68,928) on the total maximum available facility of \$135,500 (2009 – \$135,500). The City, as an unconditional guarantor, holds as security a fixed debenture in the amount of \$135,500 (2009 – \$135,500) charging the Ground Lease Lands, all improvements, and any additional lands purchased by the CES from the proceeds of the non-revolving credit facility as well as those purchased from the proceeds of the CES' related, revolving demand credit facility. No amount has been accrued in the consolidated financial statements of The City with respect to this agreement.

ii) The City has provided a guarantee and postponement of claim (to a maximum of \$9,040 (2009 – \$9,040)) regarding certain indebtedness of the Calgary Zoo (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 as it relates to the non-revolving, fixed rate term facility. The term of these guarantees are equal to the terms of the related debts, which mature between 2012 and 2019. The interest rate on the debt held by the Zoo range from 4.94% to 5.60% (2009 – 4.94% to 5.60%). As at December 31, 2010, the Zoo has outstanding \$5,514 (2009 – \$6,248) on the facility guaranteed by The City. As collateral to this guarantee, The City would terminate its 1986 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. No amount has been accrued in the consolidated financial statements of The City with respect to this agreement.

#### 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 covered by the Civic Insurance Program, which comprises a combination of purchased insurance and a self-funded component.

## 25. EXECUTIVE SALARIES AND BENEFITS

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

	2010 Salaries	2010 Benefits	2010 Total	2009 Salaries	2009 Benefits	2009 Total
Mayors <sup>(2) (4)</sup>	\$ 187	\$ 41	\$ 228	\$ 181	\$ 32	\$ 213
Aldermen <sup>(1) (4)</sup>	1,371	469	1,840	1,353	433	1,786
City Manager	340	40	380	338	40	378
Designated Officers <sup>(3)</sup>	918	155	1,073	935	160	1,095

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

#### Notes:

1. Of the aldermen who served throughout 2010 in Wards 1, 2, 3, 5, 7, 8, 10, 11 and 13 each received a salary of \$97 (2009 – \$97) and benefits ranging between \$33 and \$34 (2009 – \$29 and \$31). In the Wards in which aldermen left office (Wards 4, 6, 9, 12 and 14), the outgoing aldermen each received a salary of \$81 and benefits ranging between \$25 and \$27. The new aldermen in Wards 4, 6, 9, 12 and 14 each received a salary of \$20 and benefits of \$8.
2. The former mayor that left office in 2010 was paid a salary of \$149 and benefits of \$32. The new mayor received a salary of \$38 and benefits of \$9.
3. The City’s five designated officers are the City Assessor, City Clerk, City Solicitor, City Treasurer and City Auditor. In 2010, vacation, holiday and severance payouts amounted to: City Solicitor \$9 (2009 – \$1), City Treasurer \$13 (2009 – \$nil), City Assessor \$18 (2009 – \$nil), City Auditor \$221 (2009 – \$nil). These vacation and holiday payouts are not included in the salary and benefits reported above. Some of these amounts will be paid in 2011.
4. 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 mayor and aldermen who left office in 2010 are: Mayor – \$43, Ward 4 – \$20, Ward 6 – \$11, Ward 9 – \$16, Ward 12 – \$17 and Ward 14 – \$37. Transitional allowances to be paid in 2011 are: Mayor: \$83, Ward 4 \$44, Ward 9: \$40, Ward 12: \$17, and Ward 14 \$19.

## 26. FINANCIAL INSTRUMENTS

At December 31, 2010, The City had no outstanding (2009 – 3) Euro and 26 (2009 – 46) U.S. foreign exchange fixed contract arrangements in place with dates for exercising these contracts ranging from January 2011 to January 2012, for committed and anticipated 2011 foreign merchandise purchases totalling nil Euros (2009 – 209 Euros) and \$46,678 U.S. (2009 – \$37,071), 2012 – \$2,500 U.S. (2009 – \$2,500).

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 Schedule One Canadian banks at rates ranging from 1.01 to 1.17 Canadian Dollars. The fair value of these contracts at December 31, 2010 is \$49,955 (2009 – \$71,262) Canadian Dollars. During the fiscal year ended December 31, 2010, the various arrangements for foreign merchandise purchases cost The City \$1,985 (2009 – \$1,716) more than if the arrangements had not been entered into.

## 27. 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, 2009	Receipts	Investment Income	Disbursements	December 31, 2010
Joint Use Reserve Fund	\$ 44,861	\$ –	\$ 999	\$ –	\$ 45,860
Oversize roads	18,017	4,717	85	(5,265)	17,554
Oversize parks	11,465	2,199	54	(994)	12,724
Oversize utilities	4,237	2,025	20	(872)	5,410
Developers' cash bonds	11,015	2,003	39	(4,421)	8,636
Calgary Regional Partnership	535	2,172	5	(1,590)	1,122
Calgary Technologies Inc.	1,484	–	7	–	1,491
Acreage assessments	875	–	3	(432)	446
Other miscellaneous trusts	620	23	3	(14)	632
	\$ 93,109	\$ 13,139	\$ 1,215	\$ (13,588)	\$ 93,875

## 28. PRIOR PERIOD ADJUSTMENTS

- a) In 2010, as a result of continued usage and refinement of evolving capital asset accounting and management systems, certain defined asset balances were identified that required correction. These asset balances included roads engineered structures and land improvements, water business engineered structures and parks land and land improvements. The effect of correcting these misstatements was to increase the net book value of tangible capital assets at December 31, 2009 by \$124,854, from \$9,994,483 to \$10,119,418. Similarly, equity in non-financial assets, a category within accumulated surplus at December 31, 2009 increased by \$124,854, from \$7,602,870 to \$7,727,724. In addition, revenues from Developer contributions-in-kind related to capital previously reported as \$75,242 have been restated to \$183,540 and expenditures have been increased by \$31,970 representing an increase in 2009 depreciation expense for restated assets of \$10,529 and \$21,441 in expenditures previously capitalized.

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 position, 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 2009, the Calgary TELUS Convention Centre ("CTCC") was considered a government business enterprise and consolidated on a modified equity basis of accounting. In 2010, the basis of consolidation changed such that the CTCC is now accounted for on a consolidated basis, with the 2009 comparative figures restated for this change in presentation. This restatement had the effect of replacing the 2009 net investment in CTCC with financial assets of \$6,847, financial liabilities of \$4,571 and non-financial assets of \$4,260, as follows:

	December 31, 2009	
<b>Adjustments to Investment on government business enterprises:</b>		
As previously reported	\$	1,751,000
Adjustment for CTCC		(6,536)
<b>As restated for 2010 Consolidated Financial Statement:</b>		
<b>Investment in ENMAX</b>	<b>\$</b>	<b>1,744,464</b>
<b>Adjustments to Consolidated Statement of Financial Position:</b>		
Increase in cash and cash equivalents	\$	5,406
Increase in receivables		1,136
Increase in bank indebtedness		(76)
Increase in accounts payable and accrued liabilities		(1,755)
Increase in deferred revenue		(2,118)
Increase in employee benefit obligations		(317)
Increase in tangible capital assets		4,221
Increase in prepaid assets		39
<b>Increase in accumulated surplus</b>	<b>\$</b>	<b>6,536</b>
<b>Adjustments to Consolidated Statement of Operations and Accumulated Surplus:</b>		
Increase in sales of goods and services	\$	16,870
Increase in expenses of Societies and related authorities		(18,267)
Increase in equity earnings of government business enterprises		1,397
	\$	-

Certain comparative figures have been restated to conform to the current year's presentation.

## 29. SUBSEQUENT EVENTS

On February 1, 2011, The City guaranteed certain indebtedness of the Calgary Olympic Development Association ("CODA") to a maximum of \$42,250. This third party debt agreement requires The City to make immediate payment of certain outstanding borrowings on behalf of CODA in the event CODA cannot fulfill its obligations to a Canadian chartered bank. The interest rate on the credit facilities held by CODA is prime rate plus 2% per annum. No amount has been accrued in the consolidated financial statements of The City with respect to this agreement.

# FINANCIAL AND STATISTICAL STATEMENTS



**REVENUE BY SOURCE UNAUDITED 2006 TO 2010 (in thousands of dollars)**

	2010 Operating	2010 Capital	2010 Total	2009 Operating (restated)	2009 Capital (restated)	2009 Total (restated)
Property taxes	\$ 1,554,635	\$ -	\$ 1,554,635	\$ 1,463,695	\$ -	\$ 1,463,695
Community Revitalization Levy	11,068	-	11,068	7,627	-	7,627
Business taxes	201,681	-	201,681	206,771	-	206,771
Municipal ENMAX capital surcharge	-	-	-	-	-	-
Revenue in lieu of taxes	176,246	-	176,246	189,573	-	189,573
Local improvement levies and special taxes	13,121	-	13,121	10,779	-	10,779
	1,956,751	-	1,956,751	1,878,445	-	1,878,445
Less: Provincial property taxes	(612,791)	-	(612,791)	(586,037)	-	(586,037)
<b>Net taxes available for municipal purposes</b>	<b>1,343,960</b>	<b>-</b>	<b>1,343,960</b>	<b>1,292,408</b>	<b>-</b>	<b>1,292,408</b>
Sales of goods and services						
Water and sewer	370,698	-	370,698	380,467	-	380,467
Public transit	150,463	-	150,463	144,129	-	144,129
Real estate	65,683	-	65,683	42,356	-	42,356
Recreation and culture	60,011	-	60,011	58,507	-	58,507
Parking	52,361	-	52,361	52,911	-	52,911
Social housing	42,240	-	42,240	42,091	-	42,091
Protective services	47,866	-	47,866	38,576	-	38,576
Waste disposal	84,068	-	84,068	67,361	-	67,361
Other	33,839	-	33,839	34,728	-	34,728
	907,229	-	907,229	861,126	-	861,126
<b>Government transfers</b>						
Federal						
Debenture interest abatements	943	-	943	943	-	943
Revenue and cost sharing agreements and grants	5,998	62,661	68,659	8,563	54,279	62,842
Provincial						
Debenture interest abatements	153	149	302	359	-	359
Grants, entitlements, revenue and cost sharing agreements	158,595	415,673	574,268	165,394	322,145	487,539
	165,689	478,483	644,172	175,259	376,424	551,683
<b>Other revenue</b>						
Dividends from ENMAX Corporation	61,800	-	61,800	55,000	-	55,000
Other equity earnings in government business enterprises	116,019	-	116,019	151,034	-	151,034
Developer contributions	-	36,031	36,031	-	42,738	42,738
Donated assets	-	207,856	207,856	-	183,540	183,540
Investment income	40,507	-	40,507	40,486	-	40,486
Fines and penalties	67,324	-	67,324	60,075	-	60,075
Licences, permits and fees	70,739	-	70,739	69,061	-	69,061
Miscellaneous revenue	14,559	-	14,559	46,343	-	46,343
	370,988	243,887	614,875	421,999	226,278	648,277
<b>Total revenue</b>	<b>\$ 2,787,866</b>	<b>\$ 722,370</b>	<b>\$ 3,510,236</b>	<b>\$ 2,750,792</b>	<b>\$ 602,702</b>	<b>\$ 3,353,494</b>

Notes: only results from 2008 to 2010 conform to the new local reporting model changes introduced by PSAB effective for 2009 and onwards. This schedule is prepared to provide the reader with additional information.

**REVENUE BY SOURCE UNAUDITED**

2008 Operating	2008 Capital	2008 Total	2007 Operating	2007 Capital	2007 Total	2006 Operating	2006 Capital	2006 Total
(restated)	(restated)	(restated)						
\$ 1,343,143	\$	\$ 1,343,143	\$ 1,292,531	\$	\$ 1,292,531	\$ 1,167,904	\$	\$ 1,167,904
5,018		5,018	-		-	-		-
183,522		183,522	198,195		198,195	160,992		160,992
-		-	-		-	2,325		2,325
230,284		230,284	207,787		207,787	177,555		177,555
9,778		9,778	9,680		9,680	9,584		9,584
1,771,745	-	1,771,745	1,708,193	-	1,708,193	1,518,360	-	1,518,360
(548,558)	-	(548,558)	(499,928)	-	(499,928)	(479,104)	-	(479,104)
1,223,187	-	1,223,187	1,208,265	-	1,208,265	1,039,256	-	1,039,256
353,148		353,148	329,516		329,516	308,982		308,982
134,905		134,905	122,675		122,675	117,524		117,524
48,187		48,187	71,561		71,561	75,487		75,487
38,403		38,403	37,643		37,643	35,845		35,845
51,247		51,247	46,753		46,753	41,126		41,126
40,084		40,084	34,464		34,464	34,656		34,656
44,264		44,264	41,759		41,759	41,951		41,951
35,739		35,739	31,073		31,073	27,275		27,275
35,460		35,460	25,099		25,099	23,737		23,737
781,437	-	781,437	740,543	-	740,543	706,583	-	706,583
961	-	961	988	-	988	1,139	-	1,139
7,241	47,615	54,856	5,719	52,638	58,357	5,797	54,015	59,812
720	-	720	1,142	-	1,142	1,734	-	1,734
110,378	500,502	610,880	160,848	261,515	422,363	89,658	218,635	308,293
119,300	548,117	667,417	168,697	314,153	482,850	98,328	272,650	370,978
50,000	-	50,000	50,000	-	50,000	50,000	-	50,000
131,994	-	131,994	94,299	-	94,299	79,671	-	79,671
-	80,872	80,872	-	71,771	71,771	-	63,261	63,261
-	56,042	56,042	-	62,847	62,847	-	45,446	45,446
57,873	-	57,873	56,474	-	56,474	49,369	-	49,369
56,156	-	56,156	53,571	-	53,571	53,339	-	53,339
77,700	-	77,700	74,238	-	74,238	64,053	-	64,053
35,751	-	35,751	17,679	2,355	20,034	14,100	2,542	16,642
409,474	136,914	546,388	346,261	136,973	483,234	310,532	111,249	421,781
\$ 2,533,398	\$ 685,031	\$ 3,218,429	\$ 2,463,766	\$ 451,126	\$ 2,914,892	\$ 2,154,699	\$ 383,899	\$ 2,538,598



**EXPENSES BY FUNCTION UNAUDITED 2006 TO 2010 (see Notes) (In thousands of dollars)**

	2010	2009 <sup>(2)</sup>	2008 <sup>(1)</sup>	2007 <sup>(1)</sup>	2006 <sup>(1)</sup>
		(restated)	(restated)		
<b>Protective Services</b>					
Police	\$ 358,038	\$ 316,055	\$ 285,936	\$ 253,872	\$ 240,503
Fire	209,534	181,082	159,998	150,391	125,263
Emergency Medical Services	–	15,939	53,928	49,804	49,230
	<b>567,572</b>	<b>513,076</b>	<b>499,862</b>	<b>454,067</b>	<b>414,996</b>
<b>Transportation</b>					
Public transit	307,957	288,707	283,688	246,317	229,456
Roads, traffic and parking	219,802	241,088	166,415	154,275	141,976
	<b>527,759</b>	<b>529,795</b>	<b>450,103</b>	<b>400,592</b>	<b>371,432</b>
<b>Environmental protection</b>					
Water services & resources	175,935	168,827	147,041	139,490	125,086
Waste and recycling	111,610	82,833	60,632	53,180	53,033
	<b>287,545</b>	<b>251,660</b>	<b>207,673</b>	<b>192,670</b>	<b>178,119</b>
<b>Social development</b>					
Community and social development	51,609	49,535	50,641	47,713	46,106
Social housing	112,937	109,421	75,153	53,068	46,850
	<b>164,546</b>	<b>158,956</b>	<b>125,794</b>	<b>100,781</b>	<b>92,956</b>
<b>Recreation and culture</b>					
Parks and recreation facilities	209,113	189,518	162,997	127,347	120,648
Societies and related authorities	92,186	84,690	41,559	22,061	21,806
Calgary Public Library Board	39,375	37,574	35,325	36,872	35,739
	<b>340,674</b>	<b>311,782</b>	<b>239,881</b>	<b>186,280</b>	<b>178,193</b>
<b>Other expenditures</b>					
General government	173,755	190,156	160,958	143,337	183,810
Public works	130,377	117,045	129,428	119,467	94,236
Real estate services	67,940	42,964	37,631	49,050	20,599
	<b>372,072</b>	<b>350,165</b>	<b>328,017</b>	<b>311,854</b>	<b>298,645</b>
<b>Interest and financing fees</b>					
Tax supported	54,178	26,061	31,305	38,940	39,125
Self sufficient tax supported	3,929	4,414	1,069	–	–
Self supported	65,931	78,348	67,018	53,765	49,718
	<b>124,038</b>	<b>108,823</b>	<b>99,392</b>	<b>92,705</b>	<b>88,843</b>
<b>Amortization</b>	<b>388,868</b>	<b>354,910</b>	<b>304,383</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>\$ 2,773,074</b>	<b>\$ 2,579,167</b>	<b>\$ 2,255,105</b>	<b>\$ 1,738,949</b>	<b>\$ 1,623,184</b>

Notes:

(1) Figures for 2008 have been restated to be consistent with the new local reporting model changes introduced by PSAB effective for 2009 and onwards. Years prior to 2008 have not been restated.

(2) Figures for 2009 have been restated for the correction of certain tangible capital asset adjustments identified in 2010. Years prior to 2009 have not been restated for this adjustment.

## Expenses by Object Unaudited

(see Notes)

2006 to 2010 (in thousands of dollars)

	2010	2009 <sup>(2)</sup> (restated)	2008 <sup>(1)</sup> (restated)	2007 <sup>(1)</sup>	2006 <sup>(1)</sup>
Salaries, wages and benefits	\$ 1,421,036	\$ 1,299,722	\$ 1,202,562	\$ 1,080,709	\$ 989,228
Contracted and general services	394,390	378,618	213,096	196,392	177,309
Materials, equipment and supplies	218,497	205,682	290,338	220,715	198,428
Interest charges					
Tax supported	54,178	26,061	32,374	38,940	39,125
Self supported	69,860	82,762	67,018	53,765	49,718
Third-party social, cultural and recreation programs	166,177	166,763	85,985	94,677	120,372
Utilities	60,068	64,649	59,349	53,751	49,004
Amortization	388,868	354,910	304,383	–	–
<b>Total expenditures</b>	<b>\$ 2,773,074</b>	<b>\$ 2,579,167</b>	<b>\$ 2,255,105</b>	<b>\$ 1,738,949</b>	<b>\$ 1,623,184</b>

Notes:

(1) Figures for 2008 have been restated to be consistent with the new local reporting model changes introduced by PSAB effective for 2009 and onwards. Years prior to 2008 have not been restated.

(2) Figures for 2009 have been restated for the correction of certain tangible capital asset adjustments identified in 2010. Years prior to 2009 have not been restated for this adjustment.

## Consolidated Investments Unaudited

2006 to 2010 (in thousands of dollars)

	2010	2009	2008	2007	2006
<b>Cost:</b>					
Government of Canada bonds	\$ 164,569	\$ 252,619	\$ 67,590	\$ 120,758	\$ 152,545
Provincial bonds	399,370	307,931	339,767	67,786	62,806
Federally regulated banks	367,028	232,191	209,515	324,954	222,140
Other Canadian corporations	1,318,896	1,324,078	1,339,989	1,303,870	1,085,616
Equity investments	108,216	102,120	1,261	1,530	795
	<b>\$ 2,358,079</b>	<b>\$ 2,218,939</b>	<b>\$ 1,958,122</b>	<b>\$ 1,818,898</b>	<b>\$ 1,523,902</b>
<b>Market Value:</b>					
Government of Canada bonds	\$ 164,614	\$ 252,037	\$ 68,923	\$ 122,932	\$ 153,727
Provincial bonds	403,198	310,190	340,088	68,981	64,413
Federally regulated banks	369,015	238,573	209,384	322,007	222,217
Other Canadian corporations	1,321,920	1,329,990	1,339,534	1,303,696	1,085,475
Equity investments	127,430	112,248	1,261	1,485	996
	<b>\$ 2,386,177</b>	<b>\$ 2,243,038</b>	<b>\$ 1,959,190</b>	<b>\$ 1,819,101</b>	<b>\$ 1,526,828</b>

## Consolidated Reserves Unaudited

2006 to 2010 (in thousands of dollars)

	2010	2009	2008	2007	2006
			(restated)		
<b>Significant Reserves</b>					
Fiscal stability	\$ 224,916	\$ 195,738	\$ 148,084	\$ 148,125	\$ 80,997
Reserve for future capital	232,534	251,054	215,767	176,038	119,603
Debt servicing	82,827	87,991	109,310	105,739	100,476
Corporate housing reserve	65,589	42,935	33,638	67,316	3,427
Legacy parks	15,733	31,738	53,117	53,112	52,206
Real estate services (combined operating & capital)	35,851	11,561	–	–	50,847
Community investment	36,914	40,929	39,776	34,789	26,753
Development and building approvals (“DBA”) sustainment	36,071	38,189	39,725	38,999	32,079
Reserve for tax loss provision	33,146	29,630	27,000	27,000	–
Landfill revenue	10,794	9,829	3,132	4,069	7,171
Annexation	–	–	–	–	14,762
Lifecycle maintenance and upgrade	75,477	55,404	48,762	23,393	9,042
Calgary Housing Company	6,851	4,255	8,368	7,594	4,874
	\$ 856,703	799,253	726,679	686,174	502,237

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

Wastewater treatment and disposal and water supply	18,624	17,786	15,011	22,301	24,942
Social programs	9,336	8,479	7,922	7,551	7,521
Police services (capital)	15,502	10,837	9,261	9,793	9,199
Environmental control	24,059	26,346	19,091	15,048	7,615
Other operating	35,976	40,511	36,505	35,398	35,031
Other capital expenditures	57,547	55,221	47,821	39,878	27,633
	161,044	159,180	135,611	129,969	111,941
	\$ 1,017,747	\$ 958,433	\$ 862,290	\$ 816,143	\$ 614,178

## Consolidated Accumulated Surplus Unaudited

2006 to 2010 (in thousands of dollars)

	2010	2009	2008	2007	2006
		(restated)	(restated)		
Operating Fund	\$ 24,992	\$ 2,141	\$ 7,300	\$ 9,407	\$ –
Capital Fund	93,735	177,242	161,254	143,723	58,294
Reserves	1,017,747	958,433	862,290	816,143	614,178
Equity in government business enterprises	1,845,250	1,744,464	1,604,361	1,461,970	1,386,158
Obligations to be financed in future years	–	–	–	(20,891)	(47,664)
Equity in non-financial assets	8,354,430	7,731,945	7,156,304	8,101,751	7,433,144
	<b>\$ 11,336,154</b>	<b>\$ 10,614,225</b>	<b>\$ 9,791,509</b>	<b>\$ 10,512,103</b>	<b>\$ 9,444,110</b>

**TAXATION AND ASSESSMENTS UNAUDITED 2006 TO 2010 (in thousands of dollars unless otherwise stated)**

		2010	2009	2008	2007	2006
<b>TAX RATES</b>						
Residential						
Municipal and Library	Mills	<b>3.138</b>	2.640	2.415	2.884	3.999
Provincial property	Mills	<b>2.735</b>	2.360	2.189	2.577	3.684
Non-Residential						
Municipal and Library	Mills	<b>9.909</b>	8.213	8.093	9.923	13.627
Provincial property	Mills	<b>3.885</b>	3.228	3.216	3.822	5.400
<b>ASSESSED VALUES</b>						
Residential		<b>\$ 150,838,293</b>	\$ 170,027,495	\$ 172,262,927	\$ 134,254,973	\$ 89,565,165
Percentage of total (%)		<b>76.2</b>	76.4	77.7	78.2	77.8
Commercial, industrial and farm		<b>\$ 47,067,544</b>	\$ 52,645,433	\$ 49,431,089	\$ 37,444,216	\$ 25,578,379
Percentage of total (%)		<b>23.8</b>	23.6	22.3	21.8	22.2
Total assessment		<b>\$ 197,905,837</b>	\$ 222,672,928	\$ 221,694,016	\$ 171,699,189	\$ 115,143,544
<b>TAX LEVIES</b>						
Municipal property taxes						
Residential		<b>\$ 471,447</b>	\$ 443,963	\$ 412,317	\$ 379,721	\$ 352,225
Non-residential		<b>479,406</b>	442,173	390,471	420,988	345,035
Community Revitalization Levy		<b>11,068</b>	7,627	5,018	–	–
Business tax		<b>201,681</b>	206,771	183,522	198,195	160,992
Revenue in lieu of taxes		<b>167,237</b>	181,095	222,081	199,681	169,095
Municipal ENMAX capital surcharge		–	–	–	–	2,325
Local improvements and special levies		<b>13,121</b>	10,779	9,778	9,680	9,584
		<b>\$ 1,343,960</b>	\$ 1,292,408	\$ 1,223,187	\$ 1,208,265	\$ 1,039,256
Provincial property taxes						
Residential		<b>\$ 412,115</b>	\$ 401,527	\$ 377,174	\$ 343,838	\$ 327,633
Non-residential		<b>191,667</b>	176,032	163,181	147,984	143,011
Revenue in lieu of taxes		<b>9,009</b>	8,478	8,203	8,106	8,460
		<b>612,791</b>	586,037	548,558	499,928	479,104
Total taxes levied		<b>\$ 1,956,751</b>	\$ 1,878,445	\$ 1,771,745	\$ 1,708,193	\$ 1,518,360
<b>Percentage of Total Levies</b>						
Property tax						
Residential property		<b>45.15%</b>	45.01%	44.56%	42.36%	44.79%
Non-residential property		<b>34.29%</b>	32.91%	31.25%	33.31%	32.14%
Local improvement		<b>0.67%</b>	0.57%	0.55%	0.57%	0.63%
Community Revitalization Levy		<b>0.57%</b>	0.41%	0.28%	–	–
Business tax		<b>10.31%</b>	11.01%	10.36%	11.60%	10.60%
Revenue in lieu of taxes		<b>9.01%</b>	10.09%	13.00%	12.16%	11.69%
Municipal ENMAX surcharge		–	–	–	–	0.15%

**TAXATION AND ASSESSMENTS UNAUDITED 2006 TO 2010 (in thousands of dollars unless otherwise stated)**

	2010	2009	2008	2007	2006
<b>PROPERTY TAX – Continuity</b>					
Taxes receivable, January 1	\$ 40,630	\$ 36,632	\$ 22,765	\$ 24,094	\$ 25,500
Current levies					
Property taxes	1,576,283	1,489,955	1,379,373	1,266,628	1,206,380
Business taxes	205,391	198,609	192,937	180,187	175,389
Non-tax items for collection	1,415	1,709	1,143	784	760
Penalties	8,610	7,818	6,586	5,733	4,999
Cancellation of tax arrears	(16,443)	(26,958)	(11,566)	(5,041)	(4,306)
Write-off of taxes	(868)	(903)	(617)	(374)	(1,080)
	<b>1,815,018</b>	<b>1,706,862</b>	<b>1,590,621</b>	<b>1,472,011</b>	<b>1,407,642</b>
Collections					
Current	(1,748,852)	(1,658,062)	(1,540,661)	(1,431,691)	(1,364,778)
Arrears	(21,103)	(8,170)	(13,328)	(17,555)	(18,770)
Subtotal	<b>45,063</b>	<b>40,630</b>	<b>36,632</b>	<b>22,765</b>	<b>24,094</b>
Allowance for doubtful accounts	(850)	(750)	(750)	(650)	(750)
Taxes receivable, December 31	\$ 44,213	\$ 39,880	\$ 35,882	\$ 22,115	\$ 23,344
Percentage of current taxes collected (%)	97.5%	98.2%	98.0%	99.0%	98.8%
Taxes outstanding as a percentage of the current year levy (%)	2.4%	2.4%	2.3%	1.5%	1.7%
<b>Other Major Tax Levies:</b>					
Revenue in lieu of taxes					
Municipal consent and access fee	\$ 97,621	\$ 107,991	\$ 125,903	\$ 113,565	\$ 85,999
Franchise fees	65,327	68,832	92,185	81,290	80,212
Governments					
Provincial	11,094	10,899	10,602	9,138	7,748
Federal	2,204	1,850	1,594	3,770	3,596
	<b>\$ 176,246</b>	<b>\$ 189,572</b>	<b>\$ 230,284</b>	<b>\$ 207,763</b>	<b>\$ 177,555</b>

**CONTINUITY OF LONG-TERM DEBT UNAUDITED 2006 TO 2010 (in thousands of dollars unless otherwise stated)**

	2010	2009	2008	2007	2006
Opening Balance	\$ 2,461,850	\$ 1,959,231	\$ 1,696,323	\$ 1,429,244	\$ 1,322,301
<b>New issues or additions during the year</b>					
Tax supported					
Debentures	45,166	31,438	36,562	42,251	17,201
Capital leases	–	768	563	780	473
	45,166	32,206	37,125	43,031	17,674
Self-sufficient tax supported					
Debentures	308,000	266,000	40,000	–	–
	308,000	266,000	40,000	–	–
Self supported					
Debentures	228,407	382,015	339,029	375,087	219,036
Local improvement debentures	23,686	12,761	6,185	8,061	10,603
Mortgages and other debt	45,037	10,132	10,913	3,306	12,989
	297,130	404,908	356,127	386,454	242,628
<b>Debt repaid during the year</b>					
Tax supported					
Debentures	(58,564)	(68,888)	(59,197)	(58,108)	(62,818)
Mortgages and other debt	–	–	–	–	–
Capital leases	(622)	(660)	(591)	(520)	(503)
	(59,186)	(69,548)	(59,788)	(58,628)	(63,321)
Self-sufficient tax supported					
Debentures	(112,621)	(112,929)	(97,211)	(91,294)	(81,735)
Local improvement debentures	(6,321)	(6,135)	(5,896)	(5,424)	(4,435)
Mortgages and other debt	(3,795)	(11,883)	(7,449)	(7,060)	(3,868)
	(122,737)	(130,947)	(110,556)	(103,778)	(90,038)
<b>Increase (Decrease)</b>					
Tax supported	(14,020)	(37,342)	(22,663)	(15,597)	(45,647)
Self-sufficient tax supported	308,000	266,000	40,000	–	–
Self supported	174,393	273,961	245,571	282,676	152,590
<b>Net Increase during the year</b>	468,373	502,619	262,908	267,079	106,943
<b>Closing balance</b>	\$ 2,930,223	\$ 2,461,850	\$ 1,959,231	\$ 1,696,323	\$ 1,429,244
Debt servicing as a per cent of operating expenditures (net of recoveries), tax supported	3.6	4.3	4.5	5.2	6.2
Percentage of legal debt limit as per <i>Municipal Government Act</i> [see note 13(f)]	56.9	49.0	41.9	37.1	35.4

**CONTINUITY OF LONG-TERM DEBT UNAUDITED 2006 TO 2010**

	2010	2009	2008	2007	2006
<b>Tax Supported</b>					
Calgary Public Library Board	\$ -	\$ 104	\$ 660	\$ 1,507	\$ 2,358
Water Services & Resources	-	-	-	1,025	2,203
Facility Management	51,231	42,490	49,702	42,901	44,190
Fire	3,846	4,214	4,594	4,065	4,501
General Government	676	869	95	114	57
Parks and Recreation	74,737	79,715	77,561	76,772	72,244
Police	3,741	5,351	2,772	1,059	829
Public Housing	6,070	6,330	6,578	6,814	4,908
Real Estate Services	-	-	676	1,311	1,908
Roads	203,892	202,499	269,705	282,322	283,242
Societies & Related Authorities	11,018	12,308	17,154	18,266	19,858
Waste & Recycling Services	5,478	5,706	5,923	6,129	6,277
Transit	75,823	90,946	52,454	68,252	83,559
	<b>436,512</b>	<b>450,532</b>	<b>487,874</b>	<b>510,537</b>	<b>526,134</b>
Tax supported, % of total	14.9	18.3	24.9	30.1	36.8
Per capita, tax supported (\$)	407	423	468	501	531
<b>Self Sufficient Tax Supported</b>					
MSI bridge financing	510,000	240,000	-	-	-
Calgary Municipal Land Corporation	104,000	66,000	40,000	-	-
	<b>614,000</b>	<b>306,000</b>	<b>40,000</b>	<b>-</b>	<b>-</b>
Self sufficient tax supported, % of total	21.0	12.4	2.0	-	-
Per capita, self sufficient tax supported	573	287	38	-	-
<b>Self Supported</b>					
Calgary Parking Authority	8,860	10,242	11,561	12,819	14,020
Calhome Properties Ltd.	41,011	45,637	49,698	53,785	61,049
Lindsay Park Sports Society	2,874	-	-	-	-
Water Services & Resources	1,470,219	1,345,063	1,122,942	913,625	651,985
Facility Management	2,812	3,218	600	626	649
Fleet Services	113,061	133,080	118,725	94,532	67,224
General Government	203	394	574	746	908
Parks and Recreation	11,474	12,836	10,392	6,205	5,370
Police	-	-	123	469	954
Public Housing	19,998	22,125	16,439	17,105	15,057
Real Estate Services	27,650	10,971	4,695	5,320	10,885
Roads	81,490	64,024	57,360	56,689	53,365
Societies & Related Authorities	4,700	5,833	6,889	7,875	8,794
Waste & Recycling Services	20,952	22,525	8,429	3,560	3,725
Transportation Infrastructure	74,407	29,370	22,930	12,430	9,125
	<b>1,879,711</b>	<b>1,705,318</b>	<b>1,431,357</b>	<b>1,185,786</b>	<b>903,110</b>
Total City debt	<b>2,930,223</b>	<b>2,461,850</b>	<b>1,959,231</b>	<b>1,696,323</b>	<b>1,429,244</b>
ENMAX debt	<b>631,494</b>	<b>516,852</b>	<b>438,586</b>	<b>406,968</b>	<b>339,700</b>
Total debt attributable to The City	<b>\$ 3,561,717</b>	<b>\$ 2,978,702</b>	<b>\$ 2,397,817</b>	<b>\$ 2,103,291</b>	<b>\$ 1,768,944</b>
Self supported, % of total (excludes ENMAX)	64.1	69.3	73.1	69.9	63.2
Per capita, self supported (excludes ENMAX) (\$)	1,764	1,601	1,372	1,163	911



**DEMOGRAPHIC AND OTHER INFORMATION UNAUDITED 2006 TO 2010**

	2010	2009	2008	2007	2006
<b>Population, per April civic census</b>	<b>1,071,515</b>	1,065,455	1,042,892	1,019,942	991,759
Change due to natural increase	10,214	9,643	9,695	10,552	9,887
Change due to net migration	(4,154)	12,920	13,255	17,631	25,794
<b>Dwelling Units, per April civic census</b>					
Total number of units	445,455	438,663	432,997	420,311	408,543
Number of vacancies	16,929	13,012	9,199	5,825	6,809
Owner occupancy rate (%)	70.7	71.1	71.6	71.7	71.6
<b>Housing Activity</b>					
Annual applications for residential units					
Total residential	7,249	6,215	6,439	12,937	15,971
Change (%)	16.6	(3.5)	(50.2)	(19.0)	17.7
Single family	4,102	4,166	3,208	5,461	8,285
Change (%)	(1.5)	29.9	(41.2)	(3.1)	20.2
MLS average selling price (\$) <sup>(1)</sup>	397,442	384,347	401,125	425,900	359,000
New housing price inflation (%) <sup>(2)</sup>	3.4	(6.7)	0.6	16.2	43.6
<b>Building Permits, applied for</b>					
Number of applications	15,277	15,125	14,920	18,450	20,757
Change (%)	1.0	1.4	(19.1)	(11.1)	6.7
Value, in thousands of dollars	2,916,000	3,658,000	4,142,000	5,615,995	4,767,624
Change (%)	(20.3)	(11.7)	(26.2)	17.8	32.4
<b>Inflation, CPI annual increases <sup>(2)</sup></b>					
Calgary	0.8%	(0.1%)	3.2%	5.0%	4.6%
Alberta	1.0%	(0.1%)	3.2%	4.9%	3.9%
Canada	1.8%	0.3%	2.4%	2.1%	2.0%
<b>Unemployment Rate <sup>(2)</sup></b>					
Calgary	7.0%	6.3%	3.3%	3.2%	3.4%
Alberta	6.6%	6.3%	3.5%	3.5%	3.5%
Canada	8.1%	8.1%	6.1%	6.0%	6.3%

## External Sources

(1) Calgary Real Estate Board

(2) Statistics Canada

**DEMOGRAPHIC AND OTHER INFORMATION UNAUDITED 2006 TO 2010**

	2010	2009	2008	2007	2006
<b>Revenue sources – city general <sup>(1)</sup></b>	<b>\$ 2,231,090</b>	<b>\$ 2,165,336</b>	<b>\$ 2,002,323</b>	<b>\$ 2,022,950</b>	<b>\$ 1,781,503</b>
Taxes and revenue in lieu of taxes	62.0%	61.6%	63.0%	61.5%	60.2%
General	27.8%	27.4%	27.4%	26.2%	29.0%
Utilities and related authorities contributions	2.9%	3.0%	3.2%	3.1%	4.2%
Government transfers	4.6%	5.5%	4.0%	6.7%	3.8%
Dividends from ENMAX Corporation	2.8%	2.5%	2.5%	2.5%	2.8%
<b>Interest charges – city general</b>					
As a % of operating expenditures					
Before subsidy	5.4%	5.2%	5.2%	5.2%	3.3%
After subsidy	5.0%	5.1%	5.1%	5.2%	3.2%
<b>Interest charges – consolidated</b>					
Before subsidy (000s)	\$ 112,214	\$ 108,823	\$ 99,392	\$ 92,705	\$ 88,843
Share of operating expenditures (%)	4.2	5.2	5.1	5.3	5.3
After subsidy (000s)	\$ 112,198	\$ 108,594	\$ 97,722	\$ 90,576	\$ 85,970
Share of operating expenditures (%) (net of subsidy)	4.2	5.2	5.0	5.2	5.1
<b>Debt service limit (principal + interest)</b>					
Total debt service limit	\$ 926,127	\$ 905,624	\$ 840,639	\$ 827,997	\$ 724,812
Total debt service	\$ 430,362	\$ 290,758	\$ 292,070	\$ 271,854	\$ 261,122
Percentage used (%)	46.5	32.1	34.7	32.8	36.0
<b>Debt limit <sup>(2)</sup></b>					
Total debt limit (000s)	\$ 5,292,156	\$ 5,174,992	\$ 4,803,653	\$ 4,731,414	\$ 4,141,782
Total debt (000s)	\$ 3,009,139	\$ 2,536,991	\$ 2,013,904	\$ 1,753,390	\$ 1,467,912
Percentage used (%)	56.9	49.0	41.9	37.1	35.4
<b>Municipal Full-time Equivalents</b> (excluding ENMAX Corporation)					
Total Full-time Equivalents <sup>(3)</sup>	15,038	14,848	14,440	13,798	12,668
Full-time Equivalents Per 1,000 population	14.0	13.9	13.8	13.5	12.8
Area, square kilometres	848	848	848	848	746
Km of roads (lane km)	17,194	14,447	14,317	14,126	13,639
Km of roads (centreline km)	6,331	4,801	4,745	4,655	4,491
Km of bus routes	4,205	4,518	4,659	4,741	4,530
Transit passenger trips, annual (000s)	94,368	94,151	95,314	90,200	89,800
Km of wastewater mains	4,237	4,680	4,667	4,629	3,989
Km of water mains	4,707	4,320	4,309	4,251	4,516
Km of storm drainage mains	3,791	4,586	4,567	4,498	3,586

## 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 Corporation.

(3) In 2008, the full-time equivalents for Calgary Public Library were included in the total number. Figures for 2007 have been restated. In 2005, full-time equivalents was increased by 202.9 as a result of including all positions funded through operations and cost-recovery activities relating to capital and third-party work. Previously, some specific third-party or private account work was not included in the operating budget and FTE count. Prior years have not been restated.

The savings below are achieved when PC recycled fiber is used in place of virgin fiber. This annual report uses **554** lbs of paper which has a postconsumer recycled percentage of **100%**

**5** trees preserved for the future

**15** lbs water-borne waste not created

**2,259** gal wastewater flow saved

**250** lbs solid waste not generated

**492** lbs net greenhouse gases prevented

**3,767,200** BTUs energy not consumed

.....  
Additional savings since the paper is manufactured with windpower and carbon offsets:

**250** lbs ghg emissions not generated

**2,080** cubic feet natural gas unused

equivalent to not driving **247** mi

equivalent to planting **17** trees

TECHNICAL NOTES AND SOURCES: Calculations to demonstrate the environmental benefits of using recycled fiber in lieu of virgin fiber are based primarily upon information publicly available at: [http://www.environmentaldefense.org/documents/1687\\_figures.pdf](http://www.environmentaldefense.org/documents/1687_figures.pdf)

Calculations to demonstrate the benefits of supporting offsite wind generated electric power and carbon emission reduction projects are based primarily upon Mohawk's corporate-wide greenhouse gas emissions inventory. This inventory was developed to include Scope 1 and Scope 2 emissions according to the US EPA Climate Leaders Program technical guidance which is publicly available at: <http://www.epa.gov/stateply/resources/index.html> Calculator outputs specifically represent Mohawk operations and its unique greenhouse gas emissions profile. They cannot be considered representative of other organizations.



CITY OF CALGARY 2010 ANNUAL REPORT



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