

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2011

Municipality Name:

City of Lethbridge

CERTIFICATION

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.



Signature of Duly Authorized Signing Officer

GARTH SHERWIN

Print Name

April 27/12

Date



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Independent Auditors' Report

To the Mayor and Members of Council of the City of Lethbridge

We have audited the accompanying municipal financial information return of the City of Lethbridge for the year ended December 31, 2011. The municipal financial information return has been prepared by management based on the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs.

Management's Responsibility for the Municipal Financial Information Return

Management is responsible for the preparation of the municipal financial information return in accordance with the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, and for such internal control as management determines is necessary to enable the preparation of the municipal financial information return that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the municipal financial information return is prepared in accordance with the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs.



Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, which describe the basis of accounting. The municipal financial information return has been prepared as requested by the Minister of Alberta Municipal Affairs and is to be used primarily for statistical purposes. This municipal financial information return is not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

April 16, 2012
Lethbridge, Canada

FINANCIAL POSITION

Schedule 9A

	Total 1
Assets	0010
Cash and Temporary Investments	0020 29,321,000
Taxes and Grants in Place of Taxes Receivable	0030
Current	0040 1,734,000
Arrears	0050 1,302,000
Allowance	0060
Receivable From Other Governments	0070 8,550,000
Loans Receivable	0080 171,000
Trade and Other Receivables	0090 26,954,000
Debt Charges Recoverable	0095
Inventories Held for Resale	0130
Land	0140 287,000
Other	0150
Long Term Investments	0170
Federal Government	0180 10,955,000
Provincial Government	0190 47,514,000
Local Governments	0200 3,589,000
Other	0210 134,158,000
Other Current Assets	0230 252,000
Other Long Term Assets	0240
	0250
Total Financial Assets	0260 264,787,000
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290 2,872,000
Accounts Payable & Accrued Liabilities	0300 49,286,000
Deposit Liabilities	0310 10,599,000
Deferred Revenue	0340 106,699,000
Long Term Debt	0350 65,346,000
Other Current Liabilities	0360
Other Long Term Liabilities	0370
	0380
Total Liabilities	0390 234,802,000
	0395
Net Financial Assets (Net Debt)	0395 29,985,000
Non Financial Assets	
Tangible Capital Assets	0400 907,897,000
Inventory for Consumption	0410 8,811,000
Prepaid Expenses	0420 1,587,000
Other	0430 24,193,000
	0440
Total Non-Financial Assets	0440 942,488,000
	0450
Accumulated Surplus	0450 972,473,000

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

	Unrestricted	Restricted	Equity in TCA	Total	
	1	2	3	4	
Accumulated Surplus - Beginning of Year	0500	19,633,000	88,286,000	793,724,000	901,643,000
Net Revenue (Expense)	0505	70,830,000			70,830,000
Funds Designated For Future Use	0511	4,208,000	-4,208,000		
Restricted Funds - Used for Operations	0512	-27,200,000	27,200,000		
Restricted Funds - Used for TCA	0513				
Current Year Funds Used for TCA	0514	-53,775,000		53,775,000	
Donated and Contributed TCA	0516	-19,105,000		19,105,000	
Disposals of TCA	0517	1,107,000		-1,107,000	
Annual Amortization Expense	0518	29,532,000		-29,532,000	
Long Term Debt - Issued	0519			-27,800,000	-27,800,000
Long Term Debt - Repaid	0521	-6,586,000		6,586,000	
Capital Debt - Used for TCA	0522			27,800,000	27,800,000
	0523				
Other Adjustments	0524				
Accumulated Surplus - End of Year	0525	18,644,000	111,278,000	842,551,000	972,473,000

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 101,543,000	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730	1170 289,000
General Administration	0740 17,178,000	1180 18,879,000
Other General Government	0750	1190
Protective Services	0760	1200
Police	0770 3,919,000	1210 30,330,000
Fire	0780 2,279,000	1220 14,913,000
Disaster and Emergency Measures	0790 821,000	1230 589,000
Ambulance and First Aid	0800 7,604,000	1240 8,352,000
Bylaws Enforcement	0810 2,980,000	1250 3,146,000
Other Protective Services	0820 1,509,000	1260 2,321,000
Transportation	0830	1270
Common and Equipment Pool	0840 2,030,000	1280 1,356,000
Roads, Streets, Walks, Lighting	0850 15,222,000	1290 22,343,000
Airport	0860	1300
Public Transit	0870 9,994,000	1310 15,938,000
Storm Sewers and Drainage	0880 3,357,000	1320 2,032,000
Other Transportation	0890 3,596,000	1330 4,842,000
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910 23,341,000	1350 15,037,000
Wastewater Treatment and Disposal	0920 20,240,000	1360 12,384,000
Waste Management	0930 15,564,000	1370 11,578,000
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 1,898,000	1400 2,437,000
Day Care	0970	1410
Cemeteries and Crematoriums	0980 1,037,000	1420 948,000
Other Public Health and Welfare	0990	1430 100,000
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010 916,000	1450 2,198,000
Economic/Agricultural Development	1020 9,000	1460 1,187,000
Subdivision Land and Development	1030 8,352,000	1470 2,821,000
Public Housing Operations	1040 2,713,000	1480 2,982,000
Land, Housing and Building Rentals	1050	1490
Other Planning and Development	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 17,669,000	1530 26,648,000
Culture: Libraries, Museums, Halls	1100 4,500,000	1540 9,846,000
Convention Centres	1110	1550
Other Recreation and Culture	1120	1560
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127 65,179,000	1567 49,124,000
Other	1130	1570
Total Revenue/Expense	1140 333,450,000	1580 262,620,000
Net Revenue/Expense		1590 70,830,000

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total
		1
Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	92,458,000
Business	1730	
Business Revitalization Zone	1740	205,000
Special	1750	2,994,000
Well Drilling	1760	
Local Improvement	1770	281,000
Sales To Other Governments	1790	281,000
Sales and User Charges	1800	153,830,000
Penalties and Costs on Taxes	1810	773,000
Licenses and Permits	1820	3,202,000
Fines	1830	6,294,000
Franchise and Concession Contracts	1840	4,077,000
Returns on Investments	1850	4,444,000
Rentals	1860	518,000
Insurance Proceeds	1870	107,000
Net Gain on Sale of Tangible Capital Assets	1880	
Contributed and Donated Assets	1885	19,105,000
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	4,297,000
Provincial Government Unconditional Transfers	1910	
Provincial Government Conditional Transfers	1920	34,104,000
Local Government Transfers	1930	
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	6,480,000
Total Revenue	1980	333,450,000
Expenses	1990	
Salaries, Wages, and Benefits	2000	127,429,000
Contracted and General Services	2010	42,714,000
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	62,152,000
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	
Transfers to Individuals and Organizations	2070	5,044,000
Bank Charges and Short Term Interest	2080	834,000
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	2,204,000
Amortization of Tangible Capital Assets	2110	29,532,000
Net Loss on Sale of Tangible Capital Assets	2125	298,000
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	-7,587,000
Total Expenses	2140	262,620,000
Net Revenue (Expense)	2150	70,830,000

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	704,000	3,298,000	1,697,000	35,000
Other General Government	2230				
Protective Services	2240				
Police	2250	1,648,000		406,000	
Fire	2260	404,000	1,638,000	360,000	
Disaster and Emergency Measures	2270		808,000	8,000	
Ambulance and First Aid	2280	7,603,000			
Bylaws Enforcement	2290	1,000		21,000	
Other Protective Services	2300	1,508,000		453,000	
Transportation	2310				
Common and Equipment Pool	2320	674,000		2,442,000	411,000
Roads, Streets, Walks, Lighting	2330	1,820,000	2,723,000	6,693,000	20,000
Airport	2340				
Public Transit	2350	5,456,000		1,130,000	
Storm Sewers and Drainage	2360		5,000	1,416,000	
Other Transportation	2370	3,027,000		4,000	
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	19,263,000		2,990,000	368,000
Wastewater Treatment and Disposal	2400	14,613,000		2,054,000	207,000
Waste Management	2410	15,497,000		1,146,000	951,000
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440				
Day Care	2450				
Cemeteries and Crematoriums	2460	692,000	319,000	36,000	
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490	574,000			
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510	10,428,000		13,000	194,000
Public Housing Operations	2520	64,000			
Land, Housing and Building Rentals	2530				
Other Planning and Development	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	3,984,000	8,972,000	2,058,000	
Culture: Libraries, Museums, Halls	2580	667,000	2,459,000	1,024,000	
Convention Centres	2590				
Other Recreation and Culture	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607	65,203,000		5,581,000	18,000
Other	2610				
Total	2620	153,830,000	20,222,000	29,532,000	2,204,000

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720	4,880,000			116,000
Other General Government	2730				
Protective Services	2740				
Police	2750	51,000			
Fire	2760	3,014,000			
Disaster and Emergency Measures	2770	63,000			
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services	2800	824,000			
Transportation	2810				
Common and Equipment Pool	2820	4,945,000		25,300,000	425,000
Roads, Streets, Walks, Lighting	2830	7,969,000	6,308,000		128,000
Airport	2840				
Public Transit	2850	4,492,000			
Storm Sewers and Drainage	2860	2,270,000	3,353,000		
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	11,772,000	3,980,000		1,297,000
Wastewater Treatment and Disposal	2900	6,954,000	5,440,000	500,000	1,189,000
Waste Management	2910	67,000			3,074,000
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960	273,000			
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010	2,687,000	-2,240,000		357,000
Public Housing Operations	3020	5,000			
Land, Housing and Building Rentals	3030				
Other Planning and Development	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070	16,608,000	2,187,000		
Culture: Libraries, Museums, Halls	3080	3,232,000	60,000		
Convention Centres	3090				
Other Recreation and Culture	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107	11,469,000	17,000	2,000,000	
Other	3110				
Total	3120	81,575,000	19,105,000	27,800,000	6,586,000

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems.....	3201	302,575,000	10,427,000	1,837,000	311,165,000
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	127,223,000	5,463,000	8,000	132,678,000
Wastewater Systems.....	3204	91,129,000	5,688,000	-570,000	97,387,000
Storm Systems.....	3205	86,487,000	3,813,000		90,300,000
Fibre Optics.....	3206	2,582,000	263,000		2,845,000
Electricity Systems.....	3207	107,094,000	11,198,000	278,000	118,014,000
Gas Distribution Systems.....	3208				
Total Engineered Structures.....	3210	717,090,000	36,852,000	1,553,000	752,389,000
Construction In Progress.....	3219	105,956,000	18,099,000		124,055,000
Buildings.....	3220	184,514,000	25,169,000		209,683,000
Machinery and Equipment.....	3230	76,617,000	7,316,000	3,781,000	80,152,000
Land.....	3240	88,862,000	1,097,000	1,000	89,958,000
Land Improvements.....	3245	37,150,000	6,919,000	929,000	43,140,000
Vehicles.....	3250	48,875,000	5,228,000	2,330,000	51,773,000
Total Capital Property Cost	3260	1,259,064,000	100,680,000	8,594,000	1,351,150,000
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	135,402,000	6,770,000	1,610,000	140,562,000
Light Rail Transit Systems	3272				
Water Systems	3273	37,329,000	2,019,000	8,000	39,340,000
Wastewater Systems	3274	30,652,000	1,420,000	-357,000	32,429,000
Storm Systems	3275	19,023,000	1,415,000		20,438,000
Fibre Optics	3276	2,512,000	14,000		2,526,000
Electricity Systems	3277	46,287,000	3,243,000	278,000	49,252,000
Gas Distribution Systems	3278				
Engineered Structures.....	3280	271,205,000	14,881,000	1,539,000	284,547,000
Buildings.....	3290	75,143,000	4,045,000		79,188,000
Machinery and Equipment.....	3300	36,322,000	4,874,000	2,764,000	38,432,000
Land.....	3310				
Land Improvements.....	3315	17,645,000	2,115,000	875,000	18,885,000
Vehicles.....	3320	20,893,000	3,617,000	2,309,000	22,201,000
Total Accumulated Amortization	3330	421,208,000	29,532,000	7,487,000	443,253,000
Net Book Value of Capital Property	3340	837,856,000			907,897,000
Capital Long Term Debt (Net)	3350	44,132,000			65,346,000
Equity in Tangible Capital Assets	3400	793,724,000			842,551,000

LONG TERM DEBT SUPPORT

Schedule 9H

	Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support 3405			
Supported by General Tax Levies 3410			
Supported by Special Levies 3420		366,000	366,000
Supported by Utility Rates 3430		28,050,000	28,050,000
Other 3440		36,930,000	36,930,000
Total Long Term Debt Principal Balance 3450		65,346,000	65,346,000

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority 3500		65,346,000	65,346,000
Canada Mortgage and Housing Corporation 3520			
Mortgage Borrowing 3600			
Other 3610			
Total Long Term Debt Principal Balance 3620		65,346,000	65,346,000

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year 3700			
Current + 1 3710		7,118,000	7,118,000
Current + 2 3720		6,895,000	6,895,000
Current + 3 3730		6,142,000	6,142,000
Current + 4 3740		4,562,000	4,562,000
Current + 5 3750		4,663,000	4,663,000
Thereafter 3760		35,966,000	35,966,000
Total Principal 3770		65,346,000	65,346,000
Interest by Year 3780			
Current + 1 3790		2,639,000	2,639,000
Current + 2 3800		2,314,000	2,314,000
Current + 3 3810		1,990,000	1,990,000
Current + 4 3820		1,710,000	1,710,000
Current + 5 3830		1,530,000	1,530,000
Thereafter 3840		7,341,000	7,341,000
Total Interest 3850		17,524,000	17,524,000

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

	Property Taxes 1	Grants - in Place 2	Total 3
Property Taxes	3900		
Residential Land and Improvements	3910	78,145,000	79,002,000
Non-Residential	3920		
Land and Improvements (Excluding M & E).....	3935	37,652,000	38,856,000
Machinery and Equipment	3950		
Linear Property	3960	3,119,000	3,119,000
Railway	3970	18,000	18,000
Farm Land	3980	364,000	364,000
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000	119,298,000	121,359,000
Requisition Transfers		4010	
Education			
Residential/Farm Land		4031	20,570,000
Non-Residential		4035	6,860,000
Seniors Lodges		4090	1,316,000
Other		4100	198,000
Adjustments to Requisition Transfers		4110	-43,000
Total Requisition Transfers		4120	28,901,000
Net Municipal Property Taxes and Grants In Place		4130	92,458,000

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200	198,000		198,000
Provincial Government	4210	1,863,000	19,000	1,882,000
Local Government	4220			
Other	4230			
Total	4240	2,061,000	19,000	2,080,000

DEBT LIMIT

Schedule 9AA

1

Debt Limit	5700	429,378,000
Total Debt	5710	65,346,000
Debt Service Limit	5720	71,563,000
Total Debt Service Costs	5730	9,757,000

Enter Prior year's Line 3450 Column 2 balance here:

44,132,000