Dollars and Sense II

Big City Finances in Western Canada, 1990-2007

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Western Cities Project

Seizing the opportunities, and effectively addressing the challenges, facing Canada's big cities is critical to both economic prosperity and quality of life in Canada. The Canada West Foundation's *Western Cities Project* has been providing timely and accessible information about urban issues since 2000. The project is focused on six western Canadian urban areas – Vancouver, Edmonton, Calgary, Saskatoon, Regina, and Winnipeg – but it speaks to issues that affect urban areas across Canada.

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EXECUTIVE SUMMARY

BACKGROUND

In 2000, the Canada West Foundation launched the *Western Cities Project,* a multi-year research and communications effort designed to draw the attention of governments and citizens to the state of western Canada's large cities and to explore innovative solutions that address a wide range of emerging urban concerns. A key part of this work has always revolved around municipal finance issues.

PURPOSE

The purpose of this study is to provide a broad overview of the key fiscal trends affecting six of western Canada's large cities — Vancouver, Edmonton, Calgary, Saskatoon, Regina, and Winnipeg. The review, conducted over the 1990-2007 period, helps answer a number of questions. Has anything really changed given the urban discussion in Canada? Do the cities possess sufficient fiscal capacity to meet the challenges of population growth, their rising economic importance, and massive infrastructure needs? Are the cities on a more fiscally stable foundation? Are there new policy directions that Canadians and their governments should consider? For the first time, the Canada West Foundation is also publishing its detailed fiscal database on the six cities.

THE RESULTS

- *Budget balances:* Over the 1990-2007 period, the six big western Canadian cities reported a total of 66 effective surpluses and 42 effective deficits. The average annual effective budget balance over the 1990-2007 period is small — 0.6% of total revenue across the six cities. In other words, the fiscal margin in which most cities operate is tight. In the last few years, the size of surpluses has been shrinking for some cities and moving from surplus into deficit for others. Smaller surpluses and the reemergence of deficits mean cities are beginning to spend beyond current revenue, or are moving in that general direction.

- *Borrowing and debt:* The 1990-2000 period was marked by efforts to pay down tax-supported debt and check the growth of self-supported debt. The last few years, however, have seen a resumption of borrowing for most cities. Current net direct long-term debt of the six cities was $500 million higher in 2007 than in 1990. However, the per capita amount of debt in 2007 is either lower or only slightly higher than in 1990. The debt profile of most cities has also changed — tax-supported debt as a percentage of total debt has declined while self-supported debt has increased.

- *Expenditure:* Up until the last few years, real per capita expenditure on programs and services for most cities was either flat or below 1990 levels. Real per capita expenditure on capital experienced significant ups and downs, but had not appreciably increased either. By 2007, a significant reversal can be seen. Capital spending has risen dramatically for all cities, and is the fastest growing expenditure item. Real per capita expenditure on programs and services has also increased. At the same time, it is important to note that the cities have increased their real per capita spending on programs and services only to the extent that they have secured savings in interest costs on their outstanding net direct debt. All cities have been able to take advantage of significantly lower costs of borrowing. These savings on interest expenditure have been redirected to programs and services. At the end of the fiscal day, real per capita operating expenditure for all cities is either lower in 2007 than in 1990, or only slightly higher.

- *Revenue:* User fees are becoming more important as a source of operating revenue for most cities, provincial and federal operating grants have yet to recover to historical levels, and growth in contributions and other revenue has generally outpaced growth in the property tax. Property tax revenue, generally speaking, remains one of the slowest growing revenue sources. A notable shift on the revenue side of the budget equation concerns provincial and federal support for capital expenditure. While real per capita operating grants have not recovered to levels seen in 1990, provincial and federal governments are responding to the infrastructure challenge through increased grants for capital expenditure. Combined with other capital funding sources, capital revenue is one of the fastest growing revenue components for the cities.

POLICY IMPLICATIONS

The ability of western Canada's cities to accommodate a rapidly growing urban population and meet their huge infrastructure requirements is hampered by a singular and heavy reliance on the property tax. Real per capita growth in property tax revenue is well below growth seen in taxes collected federally and provincially. The data indicate that new policy directions are needed to help place our cities on a more firm fiscal foundation. A package of reforms with real potential includes better matching municipal responsibilities with appropriate revenue sources, moving to user pay systems wherever possible, adopting new modes of program and service delivery, pursuing innovation in infrastructure financing, funding, and delivery, and lowering property taxes and supplementing the revenue loss with new tax tools or more robust forms of tax revenue sharing.

INTRODUCTION

In 2000, the Canada West Foundation launched the *Western Cities Project,* a multi-year research and communications effort designed to draw the attention of governments and citizens to the state of western Canada's largest cities, and to explore innovative solutions that address a wide range of emerging urban concerns. Under the *Western Cities Project,* the Canada West Foundation has published numerous research studies exploring various aspects of municipal finance including property taxes, municipal government spending, infrastructure financing, funding, and delivery, and the fiscal relationships between cities, provinces, and the federal government. Many of these studies conclude with specific policy directions to place our cities on a more firm fiscal foundation.

As a prelude to this work, the Canada West Foundation published a ground-breaking document in October 2001 entitled *Dollars and Sense: Big City Finances in the West.* This document involved the construction of a detailed fiscal database covering the six cities of Vancouver, Edmonton, Calgary, Saskatoon, Regina, and Winnipeg. The database, stretching across the 1990-2000 period, was used to identify fiscal trends occurring in the cities and to help shape the direction for Canada West Foundation's research efforts on municipal finance concerns.

Over the last decade, the nation's policy community has been paying greater attention to the urban experience, and there has been significant discussion about the fiscal health of Canada's cities in the media and among the public. As such, the Canada West Foundation believes it is time to revisit the question of fiscal trends in the West's large cities. The result is *Dollars and Sense II*, which summarizes almost 20 years of fiscal data running across the 1990-2007 period.

RATIONALE

The issue of municipal financing is critically important, having ramifications that ripple throughout our cities. In fact, the financing of municipal government touches on virtually every other urban issue, whether it be traffic congestion and transportation infrastructure or affordable housing and the construction of a new homeless shelter. This basic importance is underscored by several additional factors.

- *Our cities are rapidly growing:* Canada's largest city-regions (census metropolitan areas or CMAs) contain almost 70% of the national population and were responsible for 87% of all population growth between 2001 and 2006. This urbanization phenomenon is particularly relevant in western Canada. The population of western Canada's nine CMAs — Abbotsford, Kelowna, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Regina, and Winnipeg — has grown by 145.5% since 1961 compared to 94.0% in other regions of the country. In fact, seven of western Canada's nine CMAs emerge as the fastest growing cities in Canada within their respective size category (Vander Ploeg 2008). Between 2001 and 2006, the population of western Canada's CMAs grew by 430,000. Whether or not western Canada's large cities have the financial resources and fiscal capacity to accommodate such growth remains an open, but very important, question.

- *Cities are growing in economic and social importance:* Not only are big cities the focal point of population growth, they are critically important to provincial, regional, and national economies. Cities are the gateway to global trade and the locus for research, development, and innovation. Cities are home to the knowledge economy, the entrepreneurs, the young, the educated, and the skilled. Cities serve as the hub for national transportation, communications, and financial infrastructure and services, and also embody the growing social diversity of the nation. In short, big cities are crucial for national success on many fronts. To be sure, the economic street does not run in one direction only. The ongoing role of the primary sector — energy, agribusiness, forestry, mining, and virtually all other commodity and resource-based industry — has not lost its economic importance, and much of this activity is centred around smaller urban and rural areas outside the big cities. But the larger point still remains. If cities continually find themselves underfunded — without the resources to finance critical investments in infrastructure and deliver a package of quality services at an affordable price — they will fail in the highly competitive global race to attract external investment. The result will be that the larger provincial, regional, and national economies will operate below their potential.

- *Fiscal stress:* It is no secret that throughout the 1990s Canada's cities have experienced a financial crunch in the form of reduced grants, inconsistent and unpredictable funding for investments in infrastructure, and the offloading of some federal and provincial services as those governments sought to bring balance back to their own fiscal houses. To be sure, the restoration of balance in federal and provincial finances

was a necessary and worthwhile objective. However, it is also important to realize that this took place just when Canada's cities began to exhibit robust growth, the cost of civic services began to increase, and the need for new capital investment became apparent. Revisiting some of the key fiscal trends in western Canada's cities helps us crack the window on whether or not this particular storm has subsided, and whether our cities are more or less fiscally sound today than in the past.

PURPOSE OF THIS STUDY

This study summarizes the key fiscal indicators for six of western Canada's largest and most important cities – Vancouver, Edmonton, Calgary, Saskatoon, Regina, and Winnipeg. The time period under review runs from 1990-2007, and the study itself is broken into several sections.

- *Understanding the basics:* The intricacies of municipal finance can be somewhat confusing. This section acts as a short primer to clarify terms, presents the methodology employed to build the fiscal database, and sets the stage for the discussion that follows.

- *Budget balances:* Provincial legislation typically prevents cities from running a deficit on the operating budget. But this does not mean that cities always post a consolidated budget surplus. Operations and maintenance form only part of the municipal fiscal equation – capital revenues and expenditures also need to be considered. What is more, the way a city defines "operations" can affect whether or not an actual deficit or surplus for the year has occurred. Have large cities in the West posted deficits? What is their record with surpluses? How large have the surpluses and deficits been? In short, how *tight* is the fiscal margin considering the results posted over the last 20 years?

- *Borrowing and debt:* How much debt are western Canada's large cities carrying? How does this compare to debt levels in the past? How much of the debt is tax-supported and how much is self-supported? How has the debt profile changed over the 1990-2007 period? How similar are the cities with respect to their debt profile? What types of debt are held by the six cities? How much is direct and how much is indirect? What about other long-term financial liabilities? What is the net financial position of the cities considering the full range of financial assets and financial liabilities? Is the net financial position of large cities in the West improving or worsening?

- *Expenditures:* On what do western cities spend? How much are cities spending on programs and municipal services? How has this grown over time? What portion of municipal budgets is going to pay interest on long-term debt? How much are the cities investing in infrastructure? Have spending patterns and priorities changed? If so, how have they changed?

- *Revenues:* Where do the cities get their money? To what extent have these revenue sources grown? Have municipal revenue streams changed over the last 20 years? What is the current level of financial support from other governments? How has this changed?

- *Discussion:* Answering the above questions provides some much needed context for the wider discussion concerning the growing importance of cities to our national economic, political, and social life. Given the last decade of discussion and debate over cities, has anything really changed? Given the results of this research, are there any new policy directions that need to be considered?

- *The fiscal database:* Tracking the financial results of six municipal governments over 20 years requires the collection and ordering of massive amounts of data. For the first time, the Canada West Foundation is publishing the complete fiscal database created for the cities *(Appendix A).* The database is a significant undertaking, comprising almost 6,000 separate entries backstopped by literally tens of thousands of separate calculations. As the cities report on their fiscal results in the future, analysts and municipal financial officials can make additions to the database, allowing for even more longitudinal analysis. The value of the database is that it serves as a useful and reasonably consistent baseline from which to work today, and into the future.

- *Graphical analysis:* A detailed analysis of the fiscal database is included in the centre of the study. A series of charts were created for each city that presents the 2007 fiscal results and tracks revenues, expenditures, budget balances, and debt levels over the 1990-2007 period. The graphics plot both actual dollar amounts and per capita inflation-adjusted amounts using 1990 as the baseline. The fiscal database and graphical analysis form the basis for the commentary and conclusions of this study.

UNDERSTANDING THE BASICS

1. A Helpful Schematic

The intricacies of municipal finance are complex. A helpful way to conceptualize the process is drawn in *Figure 1 (page 4).* At the heart of any city's budget are five essential components.

- *Operations (or Operating Fund):* Every year millions of dollars in *operating revenue* such as property taxes, business occupancy taxes, user fees, and interest income flow into the operating side of the budget. Most of this revenue is then spent to cover *program expenditure* such as policing, fire and EMS, roadway maintenance, and transit. The difference between *operating revenue* and *program expenditure* can be termed the *program surplus.* Interest on debt is also paid out of operations. Interest plus program expenditure equals *operating expenditure.* The difference between *operating revenue* and *operating expenditure* is the *operating surplus.* (In many cities, operations are actually divided up across a dizzying array of separate funds that account for specific functions. Such funds can include a general revenue fund, separate utility funds, and other specialized funds. In the end, most of these funds can be conceived as serving one basic purpose – operations.)

- *Capital (or Capital Fund):* The capital side of the budget is comprised of dedicated *capital revenue* such as provincial and federal grants and development cost charges (DCCs). This external *capital revenue* is dedicated to funding specific infrastructure or *capital expenditure* such as roadways, water lines, sewer treatment facilities, recreation centres, and municipal parks. Because *capital expenditure* typically exceeds the amount of *capital revenue,* the capital side of the budget usually ends the year with a shortfall – the *capital deficit.* In theory, adding the *operating surplus* to the *capital deficit* yields a consolidated or *effective budget balance.* This balance is either in surplus or deficit.

- *Reserves (including accumulated surpluses and fund balances):* Every city maintains a separate set of *reserves* or special funds holding surplus revenue accumulated over time. The savings in reserves are typically invested in a range of different instruments or held as cash and cash equivalents. Reserves can be *restricted* (set aside for specific purposes) or *unrestricted* (funds can be used for purposes yet to be determined).

- *Debt (long-term borrowing for capital):* If reserves constitute the savings account of a city, *debt* is the amount owed to various lenders. Most debt owed by cities is in the form of long-term debentures issued to finance capital expenditures. However, other forms of debt also exist, such as long-term capital leases, mortgage debt, and unfunded pension liabilities.

- *Interfund Transfers:* Circling around these four budget components are a series of *interfund transfers* represented by the blue and black arrows in *Figure 1.* These transfers are fiscal flows that move among operations, capital, reserves, and debt. During the fiscal year, for example, amounts can be transferred from operations to capital, to reserves, and to repay debt. Amounts from reserves can be transferred to operations, to capital, and to repay debt. Amounts can also flow into the capital fund from the issuance of debt as well.

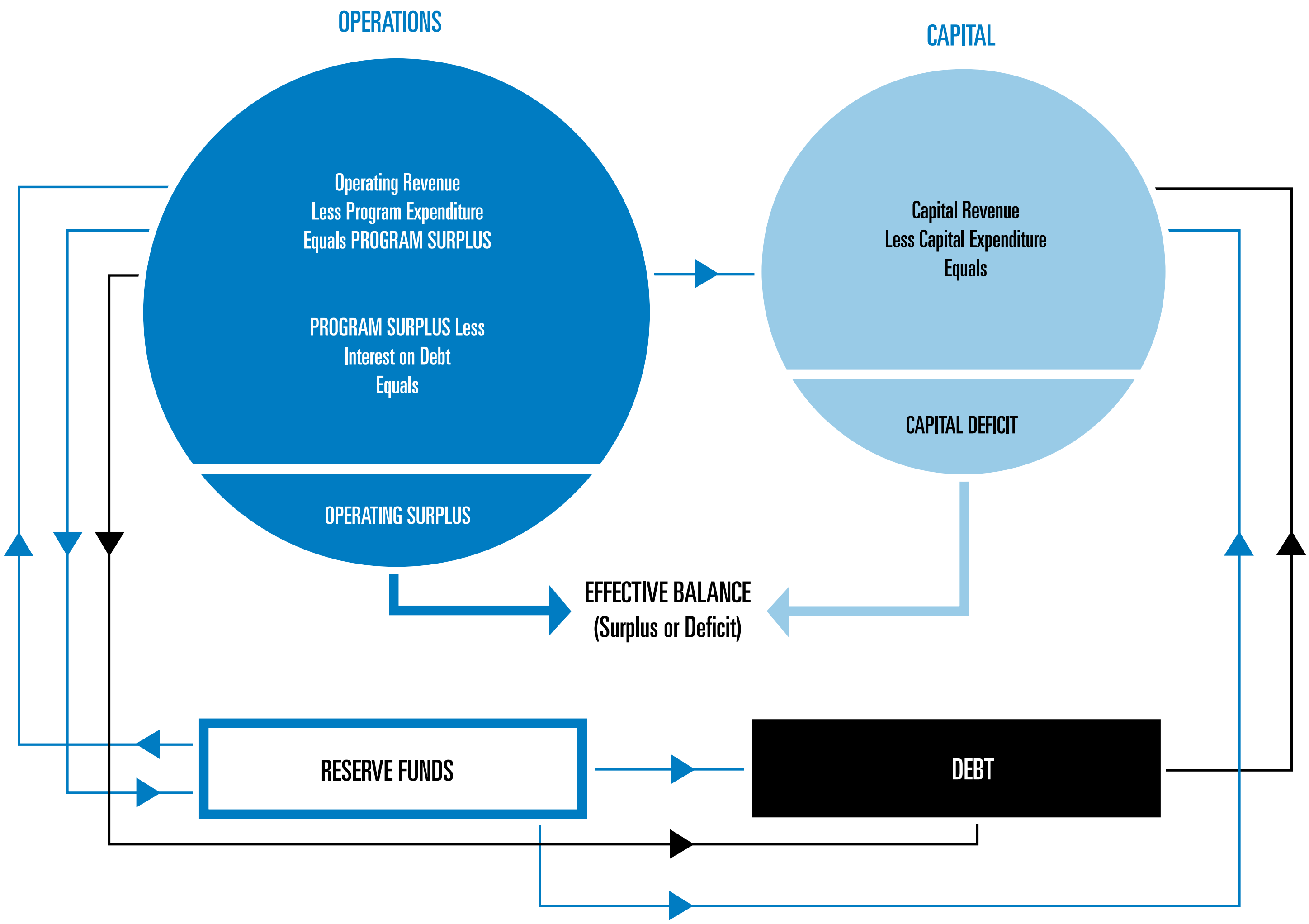
If a variant of this basic schematic were followed by each city, and followed consistently over the 1990-2007 period, a database of financial information could be built with relative ease. Unfortunately, this was far from the case.

2. The Challenges of Building a Database

Constructing a reasonably comparable set of trend data on government finances is no small assignment. From a municipal perspective, the researcher is immediately confronted with two very big problems. The first concerns *intra-city* comparability or relative consistency in the data for a specific city over a period of time. The second problem concerns *inter-city* comparability or consistency in the data between different cities regardless of the time period. While there is a certain degree of commonality regarding the broader rules for accounting, significant differences do emerge in the specifics.

- *Cities define and treat revenue and expenditure differently:* Across the 1990-2007 period, some cities recorded the full value of all current capital revenue and capital expenditure, while others ignored capital revenue and expenditure and expensed only an amount for depreciation. Some cities have historically treated the repayment of principal on debt as an expenditure, while others have not. Some cities used to include transfers to reserves as an expenditure and transfers from reserves as revenue, while others did not. Some cities net certain revenue against specific expenditure and report only the "net" expenditure or "net"

FIGURE 1: The Essentials of Municipal Finance



OPERATING REVENUE INCLUDES:

TAXATION:
- General Residential Property Tax
- General Commercial Property Tax
- Business Occupancy Tax
- Local Improvement Levies
- Miscellaneous Taxes

CONTRIBUTIONS:
- Revenue-in-Lieu of Tax
- Franchise Fees and Taxes

OPERATING GRANTS:
- Provincial Grants
- Federal Grants

USER FEES:
- Sales of Service User Fees
- Regulatory User Fees

OTHER REVENUE:
- Investment Income
- Fines and Penalties
- Net Income of Enterprises
- Other Income

OPERATING EXPENDITURE INCLUDES:

PROTECTION:
- Policing
- Fire and EMS

TRANSPORTATION:
- Public Transit
- Roadways and Related

PRSCC (Parks, Rec, Social, Community, Culture):
- Parks and Recreation
- Social Services
- Community Services
- Cultural Services

GENERAL:
- General Government
- Interest on Debt

ENVIRONMENT AND UTILITY:
- Water Treatment and Distribution
- Sewer Collection and Treatment
- Storm Water Drainage
- Solid Waste Removal
- Other Utility or Enterprise

CAPITAL REVENUE INCLUDES:

OWN SOURCE:
- Development Cost Charges (DCC)
- Donated Assets
- Miscellaneous Fees and Charges

OTHER GOVERNMENTS:
- Provincial Capital Grants
- Federal Capital Grants

CAPITAL EXPENDITURE INCLUDES:

- Protection
- Transportation
- PRSCC
- General
- Environment and Utility
- Land Purchases
- Land Development

SOURCE: Developed by Canada West Foundation.

revenue. Some cities also choose to expend monies on certain programs through a tax expenditure, which amounts to foregone revenue as opposed to a specific expenditure line item.

- *Cities present and categorize revenue and expenditure differently:* Scanning across the cities, one is immediately struck by the fact that no two cities use the same revenue or expenditure categories. The fact is, cities have a certain amount of freedom in deciding how to group and present their revenue and expenditure. For example, some cities report their land development activities as a "general government" expenditure while others do not. Some cities lump together all interest payments on debt into one amount on their consolidated statements while others attach interest to specific expenditure functions or combine it with principal repayments into one "debt servicing" amount.

- *Changes in accounting standards:* The fact that cities use different presentation styles does not in itself prevent city-specific trend analysis as long as each maintains a relatively consistent approach over time. Across the 1990-2007 period, however, many cities were constantly changing the methods used to build their financial statements, often without restating the information for prior years. The largest shift here is the recent move by many cities to adopt the accounting methods promoted by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). These standards required cities to undertake significant changes in how they treat interfund transfers, capital revenue and expenditure, depreciation, and the repayment of debt. The standards continue to evolve, with the most recent changes affecting the accounting of capital assets. The end result is that today's financial statements look very different from statements in the past, and using them to draw together a set of comparable data takes considerable time and effort.

- *Changes in municipal operations and consolidation practices:* Between 1990 and 2007, many cities divested themselves of certain utility operations (e.g., sale of Edmonton Telephones and Winnipeg Hydro) or converted them into subsidiary corporations (e.g., creation of Edmonton's EPCOR and Calgary's ENMAX). Both changes resulted in hundreds of millions of dollars in revenue and expenditure vanishing from the municipal budget. Similarly, many cities did not include the public libraries on their financial statements in the early and mid-1990s. Consolidating these operations later — and others as well — adds millions of dollars in revenue and expenditure to a city's budget.

- *No two cities deliver an identical set of services:* One city's revenue intake and expenditure outlay may be higher not because it is being run inefficiently or overspending, but because it is responsible for delivering a different set of services or even provincial programs such as social services for which compensation is provided through operating grants. In the end, no two cities ultimately deliver the same package of municipal goods and services. As a result, direct revenue and expenditure comparisons cannot always be made between cities.

Different accounting and presentation styles, changing accounting practices, inconsistent definitions, significant changes in municipal operations, and differing service levels all make it very difficult to arrive at a comparable set of numbers between cities, and worse, even *within* one city over an extended time period. In other words, the entire exercise is fraught with risk — one cannot simply take the information as presented and start making comparisons or drawing conclusions. At the same time, the most problematic inconsistencies do have to be managed or no story about the cities can be told. Canada West Foundation researchers managed these inconsistencies by pursuing a specific methodology designed to sort out these problems and standardize the data by fitting it into the schematic outlined in *Figure 1.*

3. Methodology

If the fiscal data presented by western Canada's cities are to have any meaning at all, researchers must be sensitive to both the distinct approaches that cities use in preparing their financial information as well as the continually evolving nature of each city's financial operation. To manage these difficulties, researchers pursued a number of strategies.

The financial statements, supporting schedules, and historical statistics in over 100 annual financial reports issued by the six cities were reviewed in-depth. Work always started with the 2007 *Consolidated Financial Statements* and the most recent description of the municipal operation. Using historical information in the annual reports, efforts turned toward building a consistent baseline of data covering the most recent four or five year period. Researchers then worked back from that point. As data were secured for earlier years and changes to accounting practices and city operations emerged, adjustments in the earlier data were made in an attempt to draw the information back to the presentation in effect for 2007.

Researchers also reviewed independent sources. Credit reports from the Dominion Bond Rating Service (DBRS) were used to help guide the quest for comparability and secure additional details. Researchers also reviewed online databases of financial information maintained by several provincial governments. This information is based upon the financial returns submitted by cities. Both of these sources helped provide a measure of independent verification for our data.

Research always proceeded on a city-by-city basis, with the first goal being to secure a database for each city that possessed a reasonable degree of consistency over time (intra-city comparability). With that achieved, adjustments were then made to better align the data between cities (inter-city comparability). For example, researchers first concerned themselves with securing a consistent stream of revenue-in-lieu of tax in each city. The same was done for franchise fees and taxes. Some cities record revenue-in-lieu as tax, while others do not. Other cities record franchise fees and taxes as user fees while others do not. To ensure consistency, revenue-in-lieu was removed from the tax totals of all cities and the franchise fees and taxes were removed from the user fee totals. The two were then combined to form their own category. The result is a more consistent measure of the taxes collected in each city as well as the amount of user fees levied. Similar types of adjustments for other revenue and expenditure categories were also made.

In some instances, complete consistency was not possible given the information publicly available. While such instances were relatively rare, they did occur. At this point, researchers were confronted with either absorbing the inconsistency or developing estimates. The use of estimates was always a last resort and was carefully pursued. Estimates were typically derived as a percentage of some known variable, interpolated based on a consistent rate of growth in a known variable, or extrapolated based on an average rate of growth in a known variable. The use of estimates was always restricted to specific revenue or expenditure items, and never resulted in an increase or decrease in total revenue or expenditure. In this way, the final surplus or deficit for any given year was not affected.

To track intra-city and inter-city trends in revenue and expenditure, it is also necessary to control for population and the effects of inflation. As such, our analysis includes both *nominal* (actual or current) amounts and *real* (constant or inflation-adjusted) per capita amounts. To generate per capita figures, researchers relied upon the population estimates as provided by each city in their annual reports or data from Statistics Canada. To control for inflation, researchers used the consumer price index (CPI) for each individual city as published by Statistics Canada. It should be noted that using the CPI is inherently conservative. The spending profile of municipal government is much different than that of an individual consumer. As such, using the CPI as a price deflator likely understates the inflationary pressures facing our cities. For example, the increase in the CPI for Calgary in 2007 was 5.1%. The increase in 2006 was 4.6%. However, the construction price index for Calgary increased by 19.2% in 2007 and 14.2% in 2006. Comparative figures for Edmonton were 17.9% for 2007 and 12.6% for 2006.

The goal of the work is to arrive at some firm conclusions concerning the fiscal experience of western Canada's marque cities. In turn, this requires that the historical information published by the cities be placed in a standardized format to facilitate comparisons. The Canada West Foundation format broadly reflects the approach recommended by PSAB and followed by the DBRS, whose analysis of private and public finance is highly respected within the financial community.

Briefly summarized, this standard removes all principal repayment of debt from operating expenditure and removes all proceeds of debt issuance from operating or capital revenue. Transfers to and from reserves are also eliminated, and count neither as expenditure nor revenue. Further, any amount charged to operating expenditure for depreciation is also removed. The full value of current capital expenditure is then added to expenditure and current external capital revenue is added to revenue. With this approach, a deficit for the year means that a city has failed to generate enough revenue to cover its program and capital expenditures for the year, including interest on long-term debt. A surplus implies the reverse.

The size of any deficit approximates the amount by which the city's closing balance in its various funds will drop, reserves will fall, debt will rise, or some combination of the three. A surplus approximates the degree to which fund balances will increase, reserves will grow, debt can be paid down, or some combination of the three. In short, the *effective* surplus or deficit is meant to provide a measure of the degree to which a city's financial assets are growing or declining relative to its financial liabilities.

The fiscal database presents two balances for Edmonton and Calgary. The first includes the net income of EPCOR and ENMAX. The other is an *effective* balance that removes net income retained in the two corporations and employs only the dividends received. The latter measure better reflects the year-to-year revenue for funding municipal services and infrastructure. Until either city draws upon its equity within EPCOR or ENMAX, only the dividends are readily available. A more in-depth discussion is included in *Appendix B*.

4. Summary

The Canada West Foundation's fiscal database resolves most of the major challenges inherent in urban finance research. To be sure, the database remains an imperfect effort, in large part due to accessibility challenges – particularly the quantity and quality of historical data both readily and publicly available. At the same time, the database does provide a reasonable basis upon which to conduct a clinical assessment of big city finances across the West. Only one caveat remains – readers are encouraged to avoid ranking cities with these data. *The best approach is to focus on similar trends that the cities exhibit. Where useful and reasonable comparisons can be made, we have done so.*

BUDGET BALANCES: Surpluses and Deficits

One of the most important fiscal indicators is the final result posted by a government at the end of the year. Were the books closed with a budget surplus or a deficit? If the budget is in surplus, resources are available to reduce debt or increase reserves. If the budget is in deficit, debt will rise or reserves will fall.

1. Reported and Effective Budget Balances

Throughout the 1980s and early 1990s, Canadians witnessed a string of sizeable federal and provincial deficits. However, discussion of city deficits was non-existent. It is not difficult to see why. On the surface, it appears that our cities did not run deficits *(Figure 2)*. A review of the 1990-2007 annual financial statements issued by the cities shows Saskatoon reporting four deficits, Regina reporting two, and Winnipeg reporting one. All other cities reported surpluses every year, and the amounts were generally significant. Vancouver reported surpluses in the range of $20 to $30 million annually. Edmonton and Calgary reported surpluses exceeding $100 million and even up to $500 million.

FIGURE 2: Reported and Effective Budget Surpluses and Deficits
(Actual Amounts in $ 000s)

	VANCOUVER		EDMONTON		CALGARY		SASKATOON		REGINA		WINNIPEG	
	Reported	Effective	Reported	Effective	Reported	Effective	Reported	Effective	Reported	Effective	Reported	Effective
1990	$ 28,502	$ 22,993	$ 155,538	$ (69,822)	$ 79,924	$ 49,978	$ (8,162)	$ (11,621)	$ 2,192	$ (601)	$ 19,445	$ (83,422)
1991	28,867	24,464	146,460	(84,446)	70,290	24,475	2,764	3,637	3,163	(2,897)	17,956	(60,506)
1992	38,119	7,726	119,138	14,201	66,087	2,350	4,323	7,024	5,351	(6,282)	4,066	(80,336)
1993	22,596	(22,294)	111,563	(24,533)	74,095	(27,512)	9,046	19,266	5,980	(3,715)	(5,436)	(51,411)
1994	29,811	(107,599)	151,358	(21,473)	101,914	74,691	18,722	18,722	7,305	(5,811)	41,468	18,020
1995	26,603	(26,974)	127,712	(85,313)	85,386	46,845	(24,579)	(25,028)	9,780	962	15,113	(59,578)
1996	26,775	(222)	127,894	79,385	99,023	77,223	14,879	15,923	7,345	522	3,971	(14,030)
1997	18,607	(25,739)	103,178	53,570	90,390	104,210	881	881	376	376	60,284	68,783
1998	23,102	(26,617)	162,738	108,653	104,380	95,663	4,260	4,260	1,263	1,263	57,918	38,731
1999	20,824	(21,277)	87,830	47,558	44,871	29,876	14,157	14,157	10,773	10,773	68,490	3,290
2000	22,035	22,035	156,539	77,787	50,380	32,678	13,401	13,401	5,232	5,432	129,922	119,000
2001	26,138	26,138	247,897	(44,776)	321,876	99,278	6,446	6,446	18,093	18,093	38,943	35,280
2002	15,273	15,273	158,411	68,410	69,061	(62,587)	46,498	46,498	7,970	7,970	36,095	(713)
2003	16,709	16,709	312,800	7,223	57,935	(60,130)	22,696	22,696	(16,228)	(16,228)	50,426	(3,715)
2004	37,113	37,113	126,819	41,332	103,846	2,044	7,522	7,522	(21,038)	(21,038)	38,965	13,956
2005	40,009	40,009	145,458	80,975	65,568	(1,386)	(21,486)	(21,486)	12,683	12,683	75,725	(870)
2006	4,804	4,804	478,894	(8,657)	64,061	(15,610)	(48,789)	(48,789)	19,096	19,096	120,300	(17,085)
2007	426	426	75,102	(110,408)	132,410	56,598	5,122	5,122	26,870	26,870	187,285	(31,229)

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

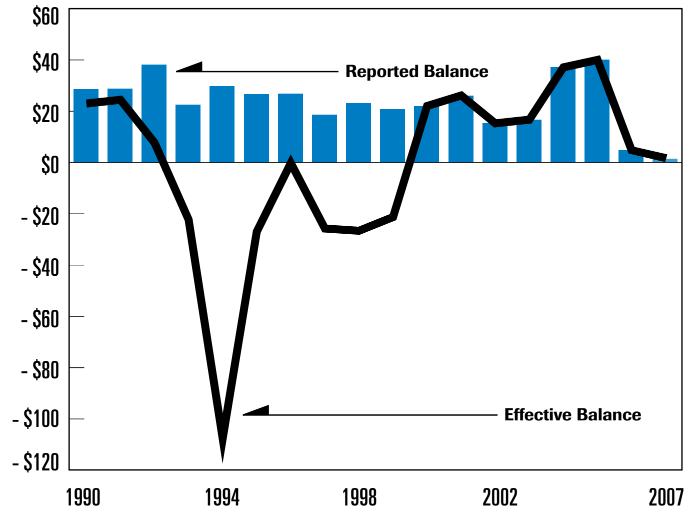
In the absence of glaring deficits, the obvious conclusion is that the West's cities are in pretty good fiscal shape. But such a conclusion is unwarranted because these reported deficits and surpluses do not share a common definition, they are based on several different systems of accounting, and they often ignore certain revenues and expenditures that should be included. When all of the fiscal data are presented using a consistent methodology, a much different picture emerges.

For example, Vancouver reported a surplus each and every year from 1990-2007. But when repayment of debt and transfers to and from reserves are removed, and the full value of capital revenue and expenditure are added, it can be seen that Vancouver has indeed run deficits *(Figure 3)*. In every year from 1993 to 1999, the City's operating and capital expenditure exceeded operating and capital revenue. Vancouver's "reported" budget balance and its actual or "effective" budget balance merged in 2000 when the City modified its accounting. Without assessing any other fiscal data on Vancouver, the more appropriate conclusion is that the City experienced at least some fiscal stress throughout the 1990s.

None of this is to imply that cities have been less than forthcoming about their finances. Rather, the essential point is that the accounting employed today is vastly improved over that used in the past, and stretching the current approach back in time yields conclusions that are not evident under past accounting practices. Further, while Vancouver provides an interesting example, it is hardly the exception. In fact, when a more consistent methodology is applied to all six big cities across the West, more than a few deficits emerge *(see Figure 2 on page 7 and Chart 1 in the graphical analysis section, pages 12-23)*.

Across the eighteen year period from 1990-2007, the six western cities under consideration posted a total of 66 "effective" surpluses and 42 "effective" deficits. Two patterns in the data are worth noting. First, four of the cities – Vancouver, Edmonton, Regina, and Winnipeg – have tended to share a similar historical experience with respect to their surpluses and deficits. For the most part, these cities started the 1990s in a deficit position. By the end of the decade, each of these cities had worked themselves into an effective surplus position. This group of cities contrasts with Calgary and Saskatoon. The latter two cities have been more likely to post regular surpluses punctuated by a few isolated deficits.

FIGURE 3: Vancouver's Budget Balance, 1990-2007
(Actual Amounts in $ Millions)



SOURCE: Derived by Canada West Foundation from City of Vancouver Annual Financial Reports (1990-2007) and DBRS.

The historical experience of the six cities with surpluses and deficits has not always aligned. However, a second and more recent trend now emerging is indeed shared by all. In the last few years, all six cities have seen the relative size of their surpluses dwindle. Some of the cities are also registering fewer surpluses and more deficits. For example, Vancouver registered surpluses ranging from $20 to $40 million between 2000-2005. In 2006, however, Vancouver registered a much smaller surplus at $4.8 million. In 2007, the City barely broke even. But again, Vancouver is not alone.

In 2007, Edmonton posted a $75 million consolidated surplus for the year. However, removing amounts retained in EPCOR shows a sizeable deficit of $110.4 million for 2007. A small deficit of $8.7 million was also recorded for 2006. Calgary has registered effective surpluses for most years between 1990-2001. Since 2002, however, Calgary has seen four deficits and two surpluses when amounts retained in ENMAX are removed from the equation. In Saskatoon, 2005 and 2006 saw some of the largest deficits posted at any time over the entire 1990-2007 period. The deficit for 2006 was $48.8 million and $21.5 million for 2005. Before this, Saskatoon's last deficit was recorded in 1995. After a string of surpluses from 1995-2002, Regina posted two significant deficits in 2003 and 2004. After running a series of impressive surpluses and two very small deficits between 1997-2004, Winnipeg has posted deficits since 2005. The 2007 result showed a $31.2 million effective deficit for the year.

2. Relative Size of Surpluses and Deficits

Whether or not a government runs a surplus or deficit is a key consideration, but even more important is the relative size of any surplus or deficit. Because the West's large cities differ so widely with respect to population size, presenting actual deficit and surplus figures ignores the relative magnitude of the amounts involved. The fact is, a $30 million deficit for Winnipeg is not the same as a $30 million deficit for Regina. *Figure 4* presents the effective budget balance for each city in 2007, and also expresses it in per capita terms and as a percentage of 2007 total revenue.

In scanning across the 2007 results, the most notable thing is the sheer lack of congruency – each city is quite different with respect to the relative size of its most recent fiscal results. Regina posted the largest surplus at almost $150 per capita, followed by Calgary at $55, and Saskatoon at $25. Vancouver's 2007 surplus amounted to less than $1 per capita. Winnipeg's 2007 deficit was just under $50 per capita, while the 2007 deficit in Edmonton was $140 per capita. Similar variances are seen when the surpluses and deficits are expressed as a percentage of total revenue.

More congruency emerges when the annual effective surplus and deficit recorded by each city are converted into per capita amounts and then averaged across the 1990-2007 period. This produces an average annual per capita surplus or deficit figure for each city. The similarity here centres around the fact that the average effective balances recorded by the cities are generally small.

From 1990-2007, the average annual effective surplus for Edmonton was $11 per capita. This is followed by Regina at $15, Saskatoon at $22, and Calgary at $37. In Vancouver and Winnipeg, the average annual balance turned out to be a small deficit. The average annual deficit is $3 per capita for Vancouver and $9 per capita for Winnipeg.

Another way to handle the data is to express each annual surplus or deficit as a percentage of total revenue, and then calculate an average ratio for each city over the 1990-2007 period. This is perhaps the most instructive way to look at the matter. The average annual surplus across the 1990-2007 period ranged from a low of 0.2% of total revenue in Edmonton to a high of 2.3% in Calgary. Vancouver's average annual deficit was 0.3% of total revenue while Winnipeg's was 1.0%. The average annual effective budget balance across the cities is only 0.6% of total revenue.

3. Summary

The experience of western Canada's big cities with surpluses and deficits yields four conclusions. First, all of the cities operate within a tight fiscal margin. To be sure, some cities did post large surpluses over the years. But these are generally offset by deficits in other years. When surpluses and deficits are expressed in per capita terms or as a percentage of total revenues, and then averaged across the 1990-2007 period, it is clear that the cities are not exactly rolling in cash. What constitutes a reasonable fiscal cushion over the long-term is open to debate. But one thing is clear – average annual effective budget balances that represent less than 1% of total revenue can be considered relatively small indeed.

FIGURE 4: Relative Size of Effective Surpluses and Deficits
(Actual Amounts in $ 000s and $ Per Capita)

	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG
2007 EFFECTIVE Balance	$ + 426	$ – 110,408	$ + 56,598	$ + 5,122	$ + 26,870	$ – 31,229
1990-2007 Average Annual EFFECTIVE Balance	$ – 724	$ + 7,214	$ + 29,371	$ + 4,368	$ + 2,637	$ – 5,880
2007 EFFECTIVE Balance:	$ + 426	$ – 110,408	$ + 56,598	$ + 5,122	$ + 26,870	$ – 31,229
2007 Effective Balance Per Capita	$ + 0.70	$ – 142.28	$ + 55.49	$ + 24.82	$ + 147.87	$ – 47.79
2007 Effective Balance as a % of 2007 Total Revenue	+ 0.04%	– 4.93%	+ 1.95%	+ 0.91%	+ 8.29%	– 2.51%
1990-2007 Average Annual EFFECTIVE Balance:	$ – 724	$ + 7,214	$ + 29,371	$ + 4,368	$ + 2,637	$ – 5,880
Average Annual Effective Balance Per Capita	$ – 2.65	$ + 11.04	$ + 37.66	$ + 22.74	$ + 14.62	$ – 9.42
Average Annual Effective Balance as % of Total Revenue	– 0.33%	+ 0.24%	+ 2.33%	+ 1.68%	+ 0.80%	– 1.02%

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

Second, if deficits serve as a signal that a government's finances are under pressure and its fiscal health may be deteriorating, then most western Canadian cities have experienced at least some fiscal stress, particularly in the early and mid-1990s. While the level of stress varied across the cities, each shares a common problem in that this stress was not communicated to the general public through the deficit signal. After all, Vancouver, Edmonton, and Calgary reported no deficits across the entire 1990-2007 period, and only seven deficits were reported by Saskatoon, Regina, and Winnipeg combined.

Third, the string of deficits in the early and mid-1990s did give way to a string of surpluses. Turning the fiscal equation around takes effort and often requires difficult decisions. In short, many were likely unaware of just how difficult a time the 1990s may have been for these cities. Moving into the latter part of the current decade, eyebrows should start to lift once again as the cities begin posting smaller surpluses and more deficits.

Fourth, it is critically important to remember that any effective deficit posted by a city is completely capital driven. Cities cannot legally run deficits on the operating side of the budget. Thus, the move toward smaller surpluses and even deficits in some cities is an early indication of yet another trend that must be emerging within the West's big cities – the level of capital investment and infrastructure spending is likely spiking upward. The extent to which this is occurring will be examined more closely in the section exploring big city expenditure.

THE PUBLIC CREDIT: Big City Borrowing and Debt

Another important indicator of fiscal health is the amount of long-term debt that a government is carrying, the types of debt that comprise the total amount, and whether debt is increasing or decreasing over time. If the total stock of outstanding long-term debt – and the costs of servicing that debt – are growing faster year-over-year than growth in operating revenue, then the time to reorganize fiscal priorities has arrived. A situation where debt servicing costs continually eat more and more operating revenue can only be tolerated for so long. Eventually, the continually rising costs of debt service will "squeeze" or "crowd out" expenditures for programs and services.

1. Types of Debt

Making comparisons between cities with respect to outstanding debt is not a straightforward exercise. There are many different types of debt and cities themselves employ different labels to describe each type.

- *Short-term debt and long-term debt:* In the municipal context, debt is usually comprised of two broad categories – *short-term borrowing* and *long-term debt.* Analysts typically ignore short-term borrowing and focus entirely on long-term debt. Short-term borrowing tends to be marginal and it is usually repaid quickly. Long-term debt is of more concern because it has the potential to represent a significant draw on future operating revenue.

- *Gross debt and net debt:* Depending on a particular city's debt management policies, long-term debt may be presented in two different ways. One way is to report *gross long-term debt,* or the actual amount owed. Another is to report *net long-term debt.* Some cities contribute to *sinking funds* that retire debt when it comes due. Since sinking fund assets are a restricted reserve dedicated to paying down debt, these assets can be subtracted from the gross amount to provide a better reading of the outstanding obligations. Some cities also borrow against their own reserves and accumulated surpluses in other funds. This *internally-held* debt is typically subtracted from gross amounts as well since the city owes this debt to itself.

- *Net tax-supported debt and net self-supported debt:* Net long-term debt can be further divided into net tax-supported debt and net self-supported debt. Tax-supported net debt is used to finance capital needs that are non-commercial in nature and rely exclusively on taxation (e.g., roadways and bridges) or are subsidized with tax revenue (e.g., public transit). Tax-supported net debt must be repaid – in whole or in part – with tax dollars. Self-supported net debt finances the capital needs of operations that are commercial in nature and are sustained by their own revenue stream – typically user fees. Self-supported net debt finances the capital needs of operations that survive on their own cash flow and involve no future draw on the tax base. A sharp distinction is usually drawn between a city's net tax-supported and net self-supported debt. The former depends on the municipal tax base, and can be viewed as simply deferring a tax increase to some point in the future. Because of this, net tax-supported debt is often seen to be a more pernicious form of debt than net self-supported debt.

■ *Direct debt and indirect debt:* Another distinction involves separating debt into direct debt (borrowings that are the sole responsibility of the city) and indirect debt (borrowings that have been issued by other entities). Indirect debt is sometimes a contingent liability in the sense that a city may have to assume responsibility for the debt at some point in the future, usually in the case of default. In other instances, a city may be helping to pay the costs of servicing the debt, but does so indirectly.

■ *Other debt:* Most forms of city debt are borrowings undertaken to finance capital expenditure. But cities do carry other long-term liabilities as well. The most common liabilities here include benefits or vacation pay owed to employees, unfunded pension liabilities, and future landfill closure costs.

Aside from the distinctions above, debt can also be separated based on its form. For example, debt can come in the form of debentures (whether serial or sinking fund debentures) long-term capital leases of equipment, buildings, and land, mortgages, and loan guarantees.

2. Total Net Direct Debt of the Cities

At the end of the 2007 fiscal year, the six western cities under consideration were carrying $3.5 billion in total net direct long-term debt *(Figure 5).* In 1990, the total net direct long-term debt outstanding across the six cities was $3.0 billion. Thus, from 1990-2007, the combined total net direct debt of the six cities rose by approximately $500 million.

At first glance, it would appear that debt levels are higher in 2007 than in 1990. But this ignores the fact that there are significantly more people living in each of the cities in 2007 than in 1990. To more accurately gauge any growth in debt, it is important to look at per capita amounts. In 2007, per capita net direct debt averaged across the six cities was $769. In 1990, the amount was $847 per capita. Thus, while there is almost half a billion more dollars in debt sitting on the books of the six cities, the amount of total net direct debt outstanding – measured in per capita terms – has actually fallen by 9.2%.

FIGURE 5: Net Direct Tax-Supported and Self-Supported Long-Term Debt, 1990 and 2007
(Actual Amounts in $ 000s and $ Per Capita)

	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG
1990:						
Net Tax-Supported Debt	$ 97,511	$ 200,805	$ 925,048	$ 28,542	$ 23,156	$ 558,249
Net Self-Supported Debt	115,722	351,610	545,459	11,650	23,828	141,047
Total Net Direct Long-Term Debt	**213,233**	**552,415**	**1,470,507**	**40,192**	**46,984**	**699,296**
2007:						
Net Tax-Supported Debt	$ 279,146	$ 329,543	$ 510,537	$ 30,189	$ 9,800	$ 276,525
Net Self-Supported Debt	298,843	429,330	1,186,419	16,557	25,500	120,937
Total Net Direct Long-Term Debt	**577,989**	**758,873**	**1,696,956**	**46,746**	**35,300**	**397,462**
Percent Increase in Tax-Supported Debt	**+ 186.3%**	**+ 64.1%**	**– 44.8%**	**+ 5.8%**	**– 57.7%**	**– 50.5%**
Percent Increase in Self-Supported Debt	**+ 158.2%**	**+ 22.1%**	**+ 117.5%**	**+ 42.1%**	**+ 7.0%**	**– 14.3%**
Percent Increase in Total Long-Term Debt	**+ 171.1%**	**+ 37.4%**	**+ 15.4%**	**+ 16.3%**	**– 24.9%**	**– 43.2%**
1990:						
Per Capita Net Tax-Supported Debt	$ 204.14	$ 331.61	$ 1,335.07	$ 154.67	$ 129.72	$ 894.34
Per Capita Self-Supported Debt	242.26	580.66	787.23	63.13	133.49	225.96
Per Capita Net Direct Long-Term Debt	**446.40**	**912.27**	**2,122.30**	**217.80**	**263.21**	**1,120.30**
2007:						
Per Capita Net Tax-Supported Debt	$ 456.22	$ 424.69	$ 500.55	$ 146.31	$ 53.93	$ 423.21
Per Capita Self-Supported Debt	488.41	553.28	1,163.22	80.24	140.33	185.09
Per Capita Net Direct Long-Term Debt	**944.63**	**977.97**	**1,663.77**	**226.55**	**194.26**	**608.30**
Percent Increase in Per Capita Tax-Supported	**+ 123.5%**	**+ 28.1%**	**– 62.5%**	**– 5.4%**	**– 58.4%**	**– 52.7%**
Percent Increase in Per Capita Self-Supported	**+ 101.6%**	**– 4.7%**	**+ 47.8%**	**+ 27.1%**	**+ 5.1%**	**– 18.1%**
Percent Increase in Per Capita Total Direct Debt	**+ 111.6%**	**+ 7.2%**	**– 21.6%**	**+ 4.0%**	**– 26.2%**	**– 45.7%**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

VANCOUVER

BRITISH COLUMBIA

2007 SNAPSHOT (000s)

Total Revenue	$1,103,700
Program Expenditure	$889,400
Interest on Debt	$22,056
Capital Expenditure	$191,818
Effective Balance	$426
Tax-Supported Debt	$279,146
Self-Supported Debt	$298,843
Total Direct Debt	$577,989

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Vancouver Annual Financial Reports (1990-2007).

CHART 3: Program Spending (1990-2007)

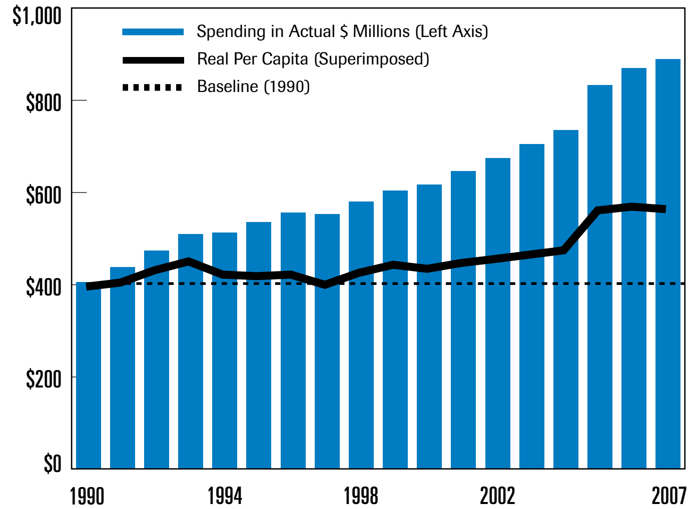


CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

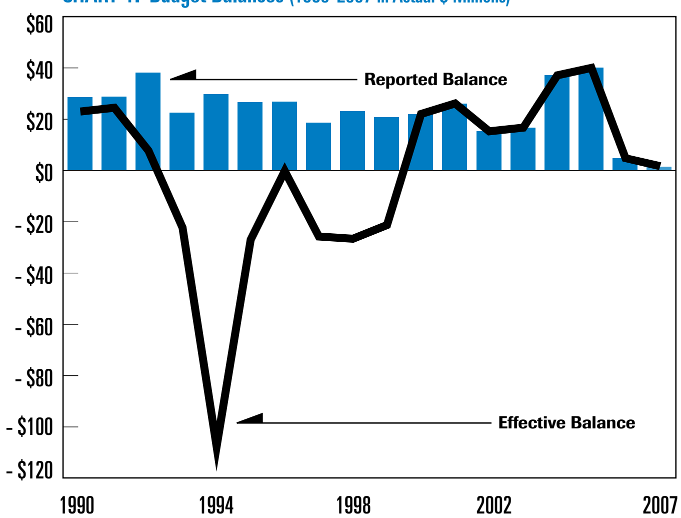


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

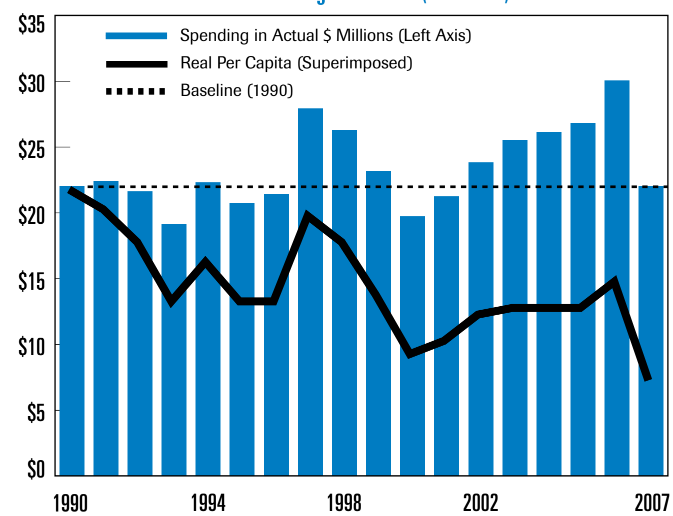


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

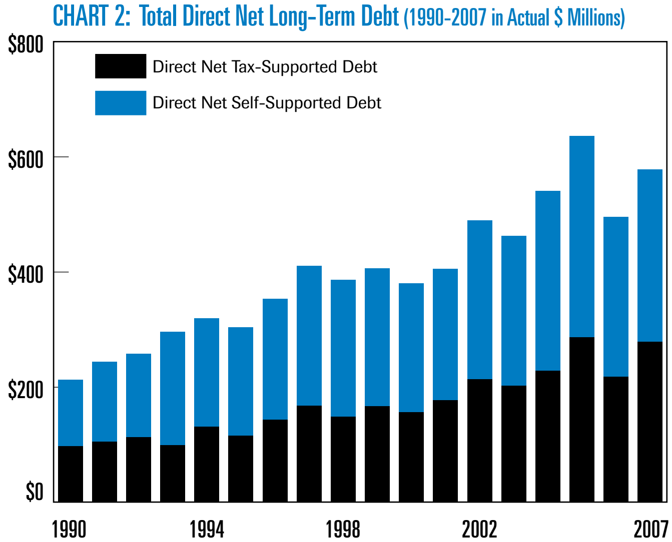


CHART 5: Capital Spending (1990-2007)

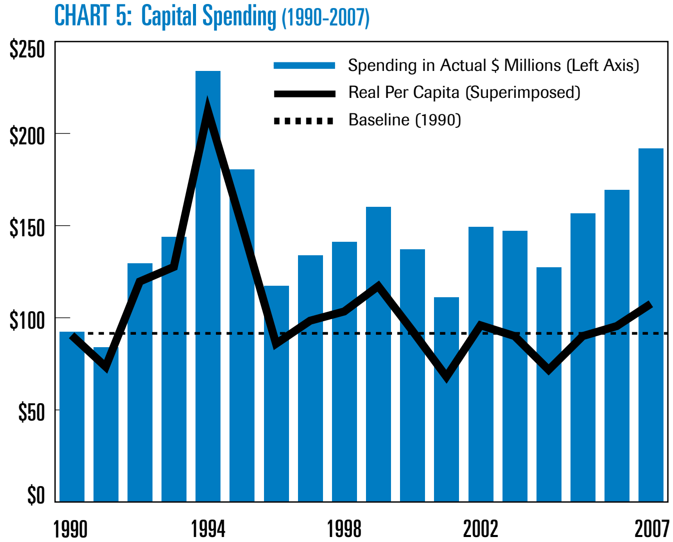


CHART 6: Tax Revenue (1990-2007)

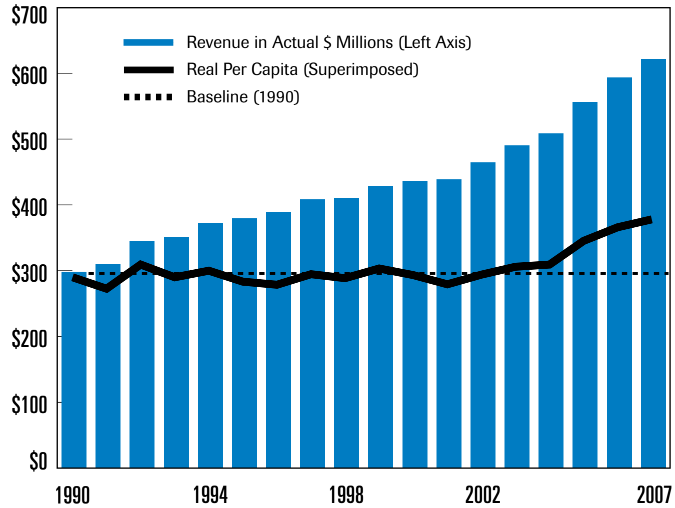


CHART 9: Operating Contributions (1990-2007)

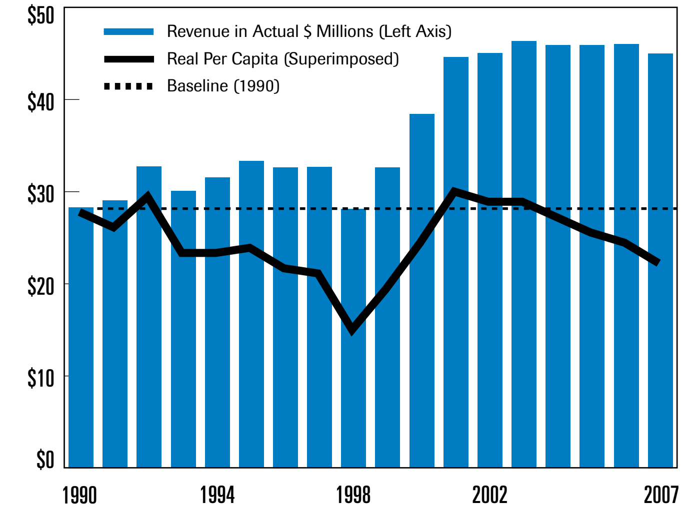


CHART 7: User Fee Revenue (1990-2007)

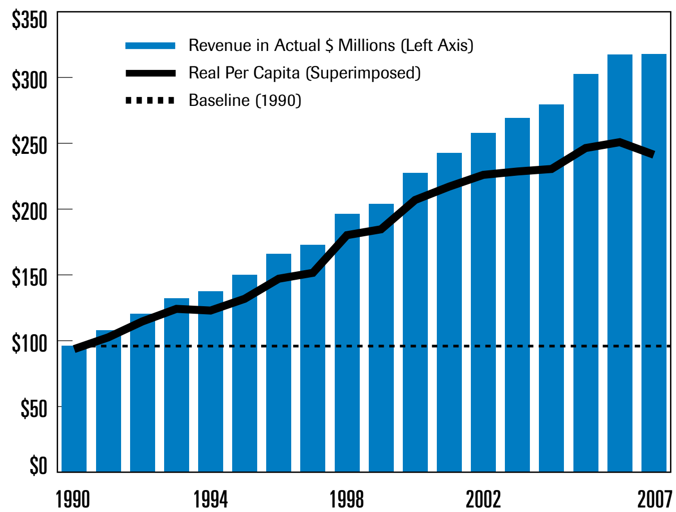


CHART 10: Other Operating Revenue (1990-2007)

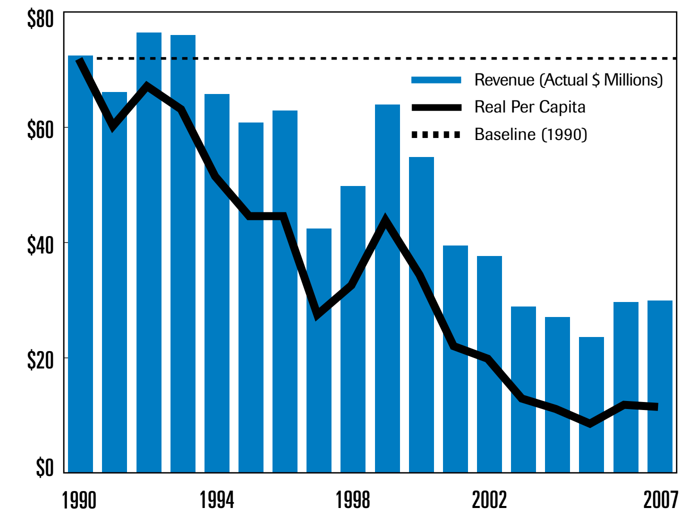


CHART 8: Operating Grants (1990-2007)

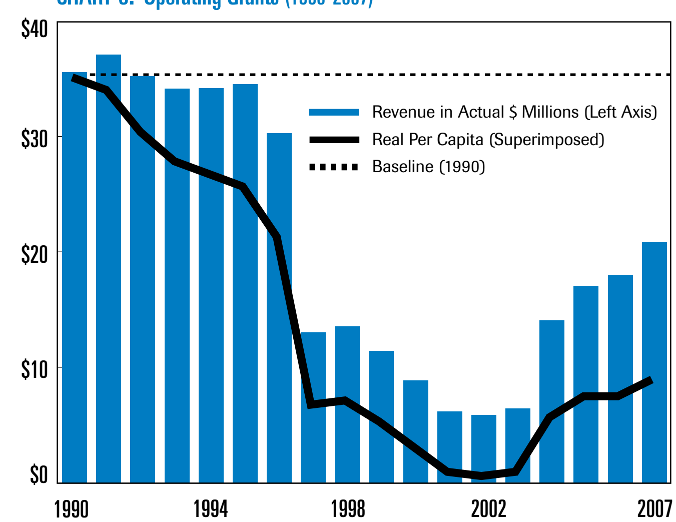
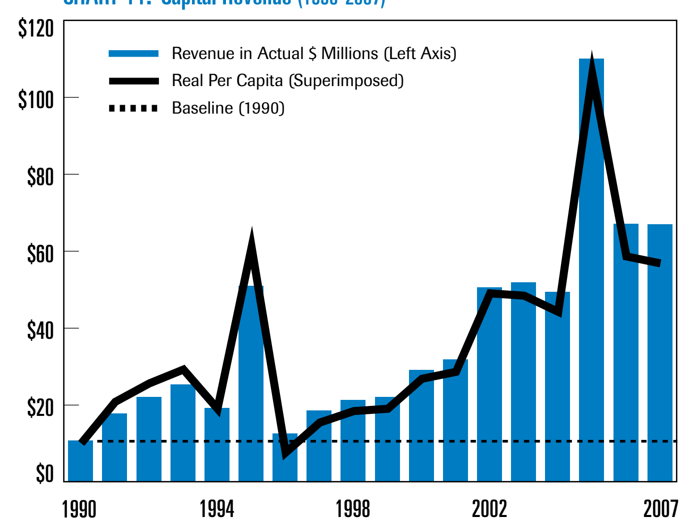


CHART 11: Capital Revenue (1990-2007)



EDMONTON

ALBERTA

2007 SNAPSHOT (000s)

Total Revenue	$2,238,384
Total Expenditure	$2,163,282
Consolidated Balance	$75,102
Retained in Enterprises	($185,510)
Effective Balance	($110,408)
Tax-Supported Debt	$329,543
Self-Supported Debt	$429,330
Total Direct Debt	$758,873

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Edmonton Annual Financial Reports (1990-2007).

CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

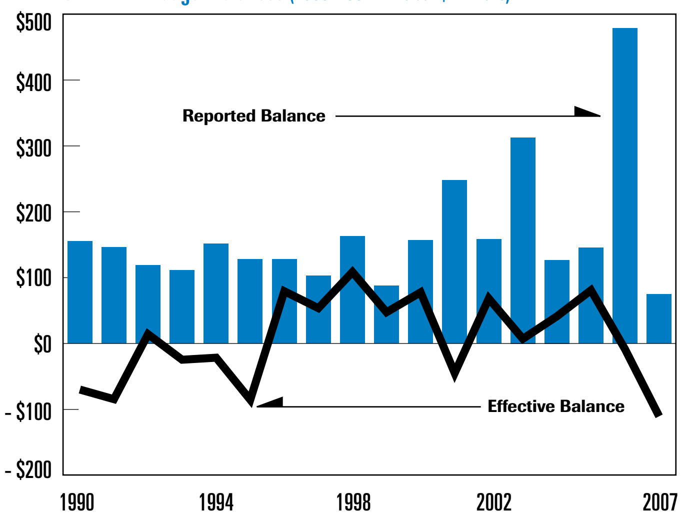


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

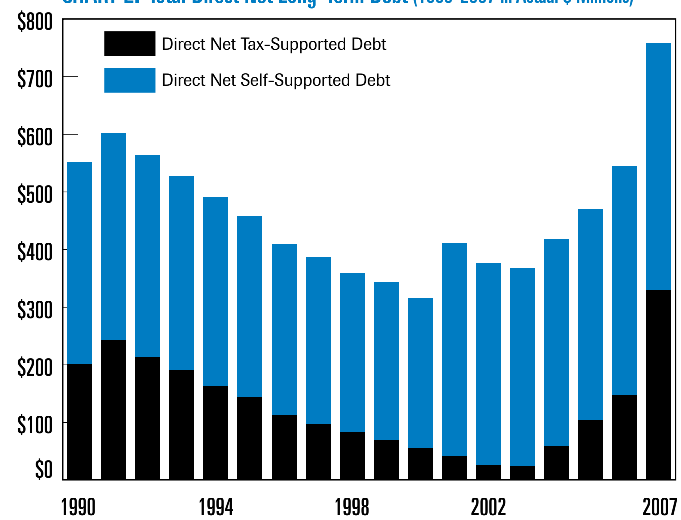


CHART 3: Program Spending (1990-2007)

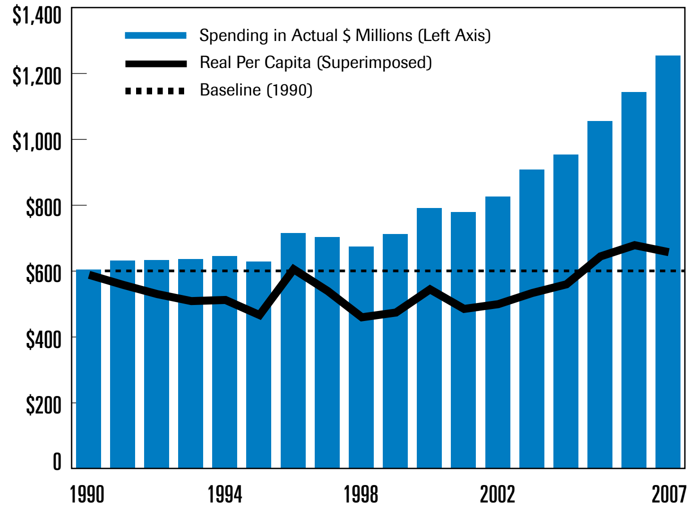


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

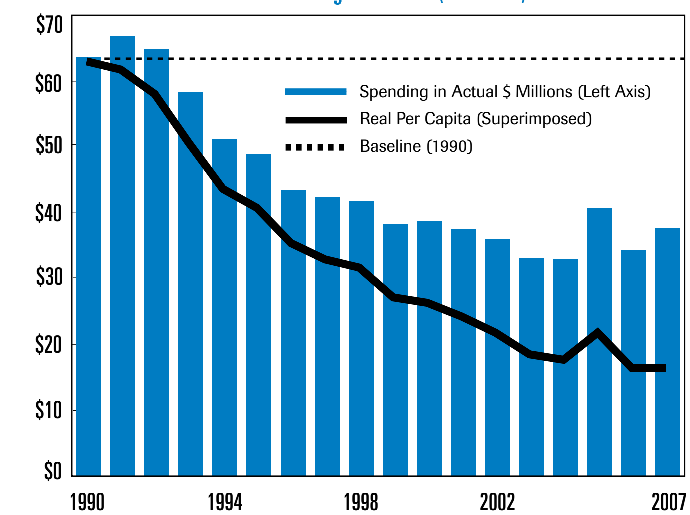


CHART 5: Capital Spending (1990-2007)

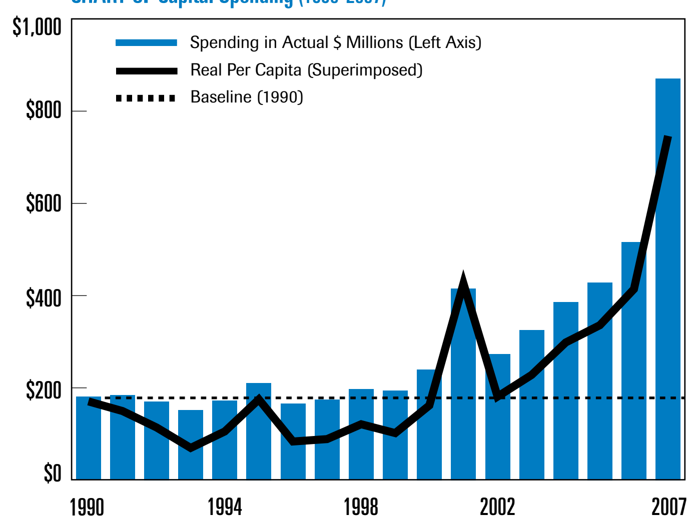


CHART 6: Tax Revenue (1990-2007)

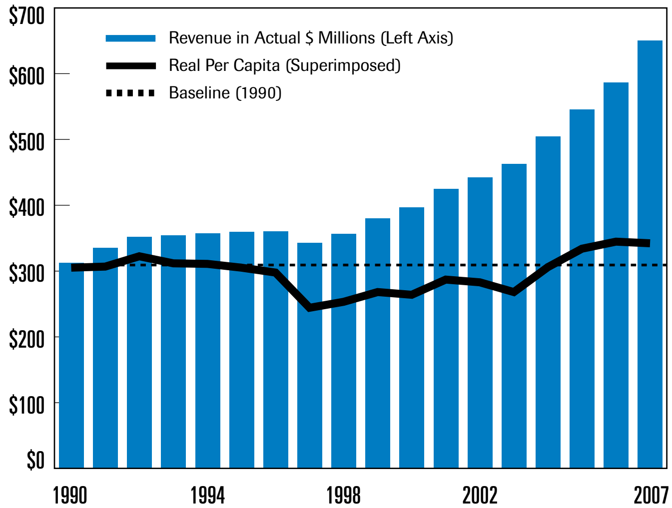


CHART 9: Operating Contributions (1990-2007)

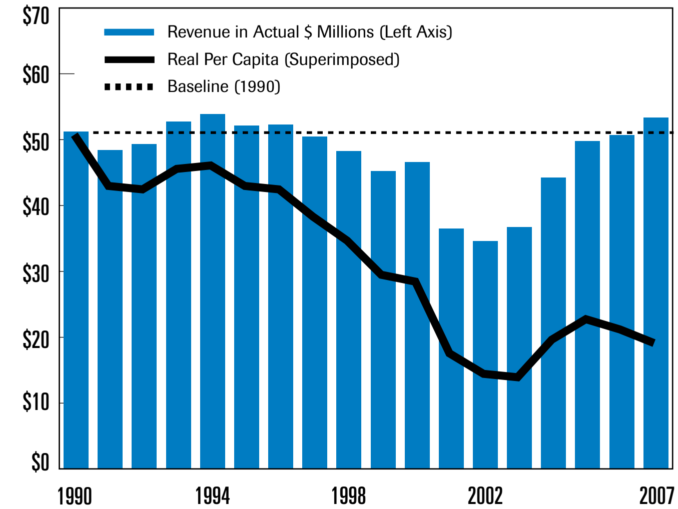


CHART 7: User Fee Revenue (1990-2007)

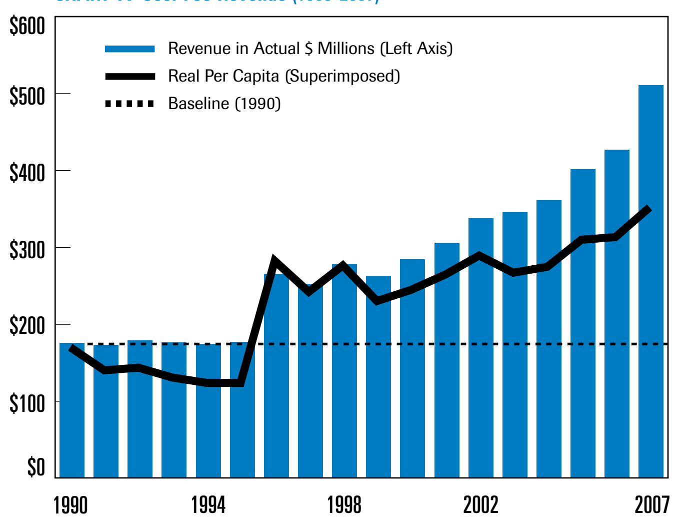


CHART 10: Other Operating Revenue (1990-2007)

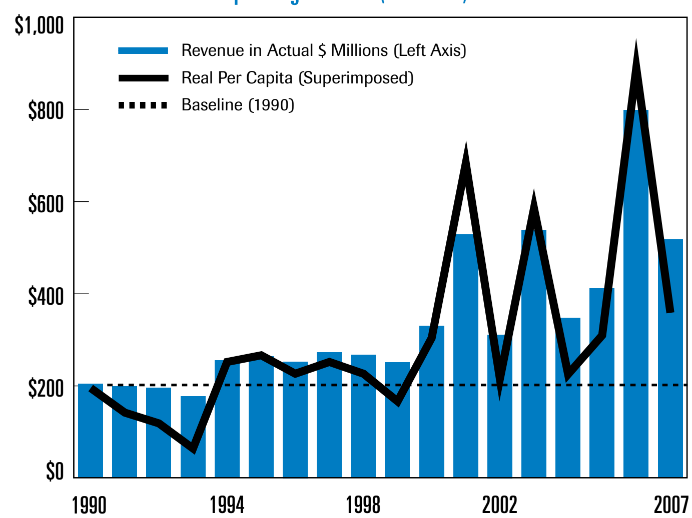


CHART 8: Operating Grants (1990-2007)

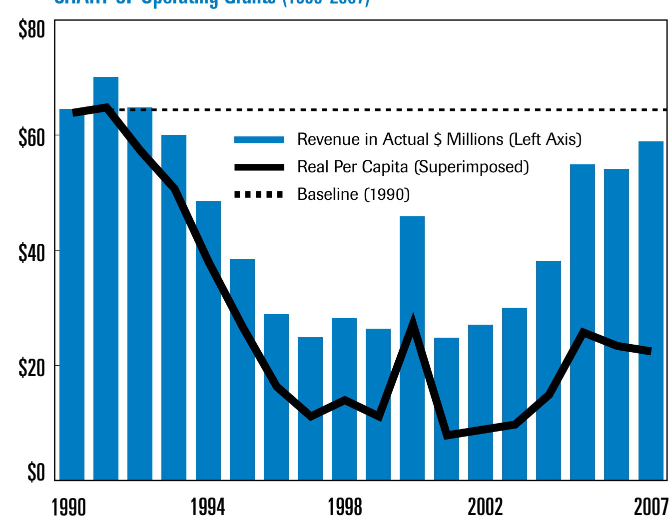
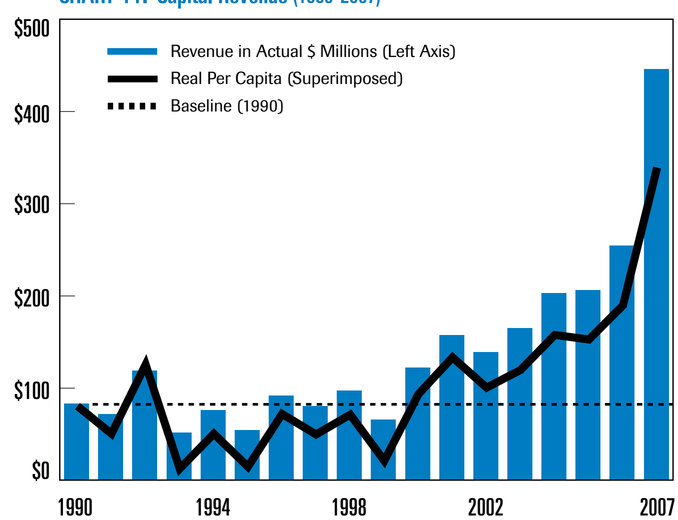


CHART 11: Capital Revenue (1990-2007)



CALGARY

ALBERTA

2007 SNAPSHOT (000s)

Total Revenue	$2,896,405
Total Expenditure	$2,763,995
Consolidated Balance	$132,410
Retained in Enterprises	($75,812)
Effective Balance	$56,598
Tax-Supported Debt	$510,537
Self-Supported Debt	$1,186,419
Total Direct Debt	$1,696,956

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Calgary Annual Financial Reports (1990-2007).

CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

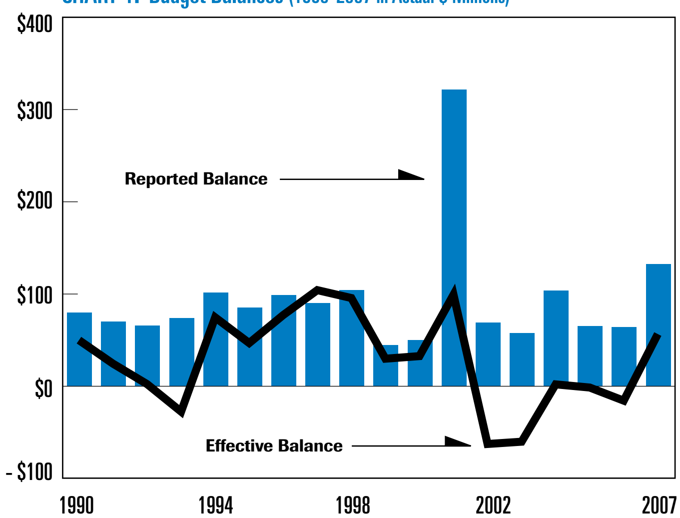


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

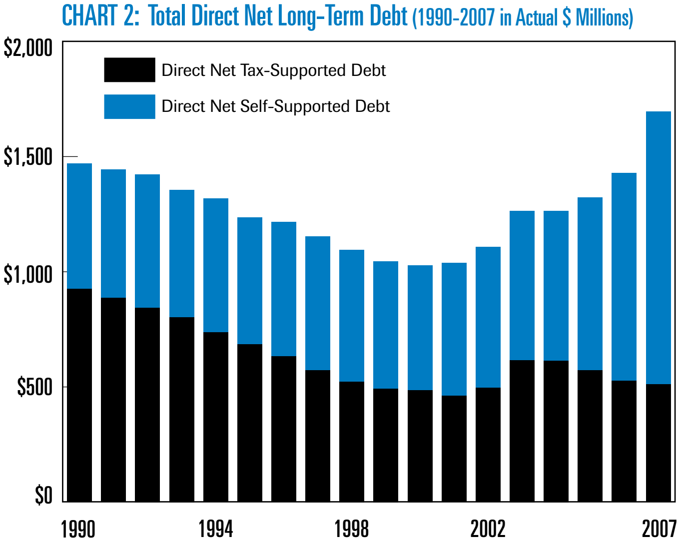


CHART 3: Program Spending (1990-2007)

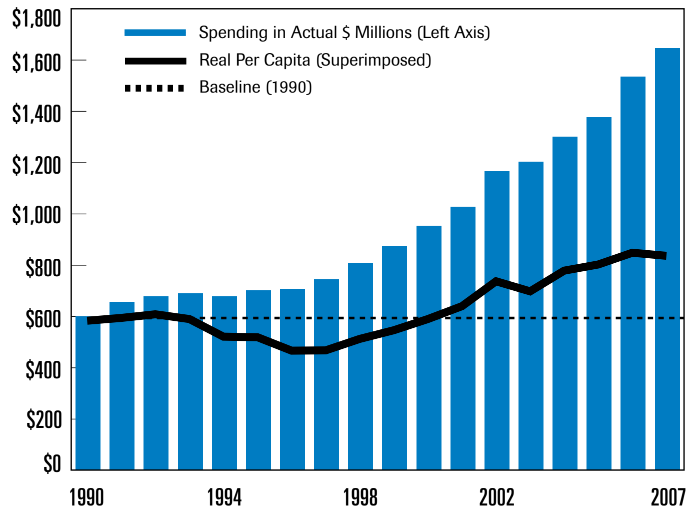


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

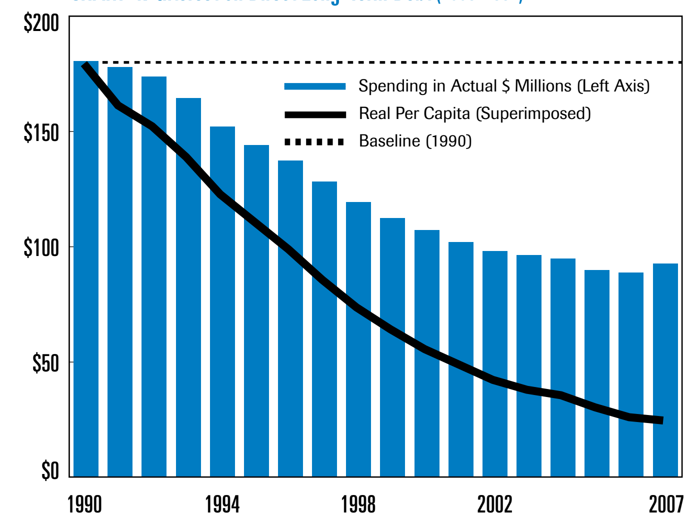


CHART 5: Capital Spending (1990-2007)

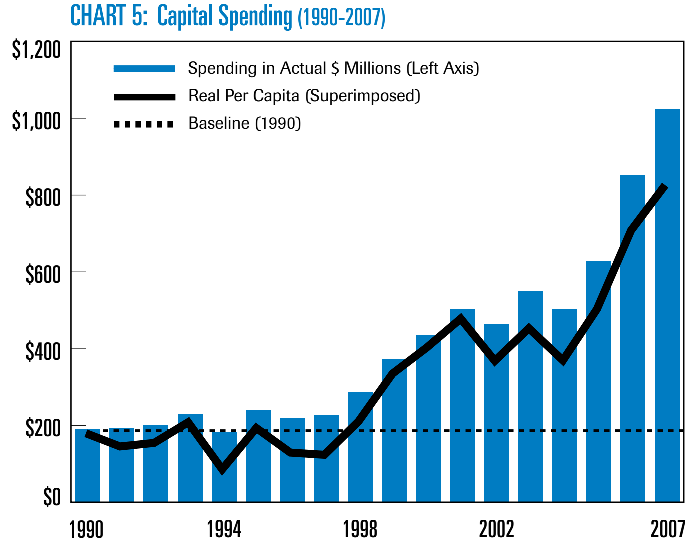


CHART 6: Tax Revenue (1990-2007)

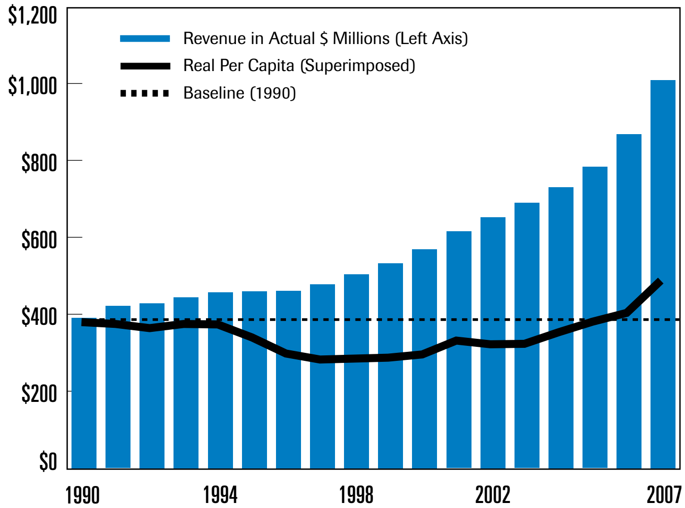


CHART 7: User Fee Revenue (1990-2007)

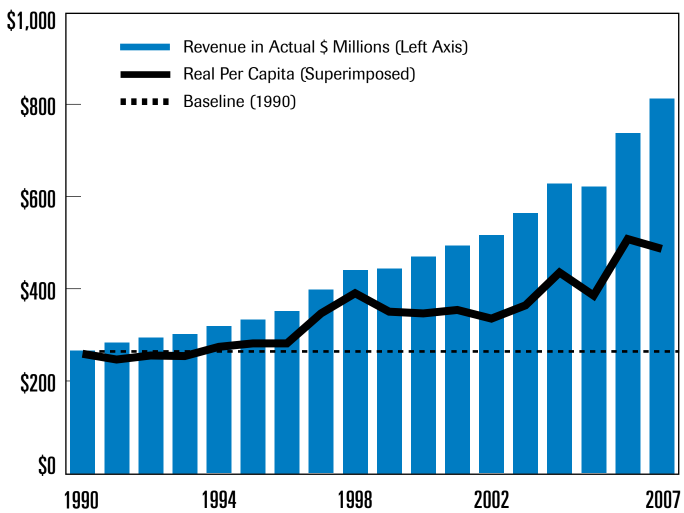


CHART 8: Operating Grants (1990-2007)

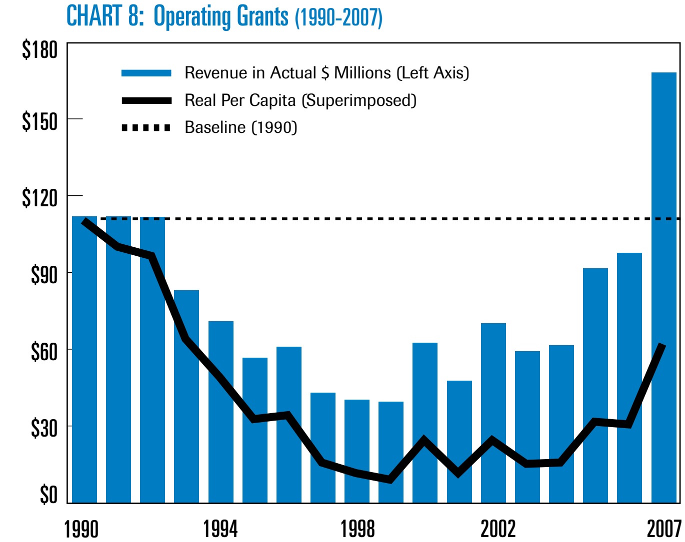


CHART 9: Operating Contributions (1990-2007)

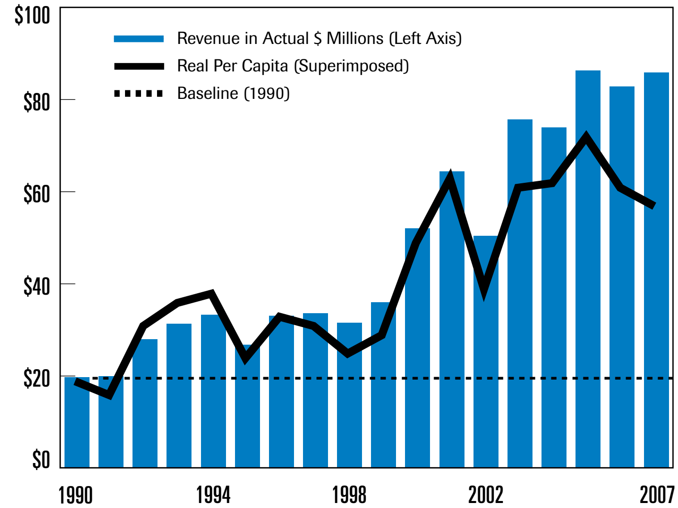


CHART 10: Other Operating Revenue (1990-2007)

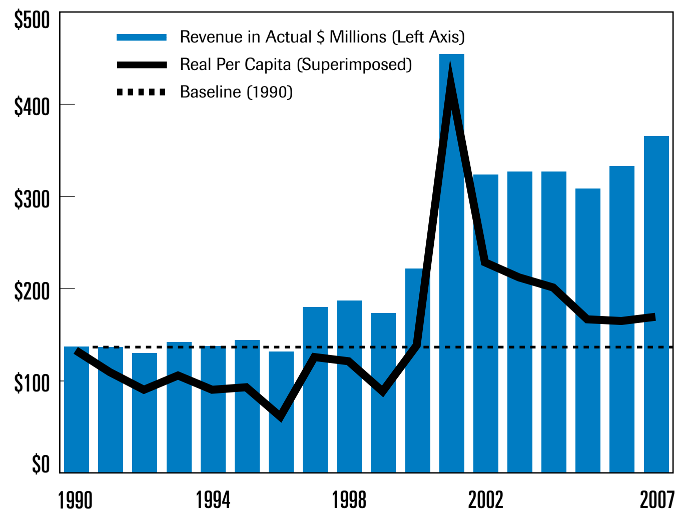
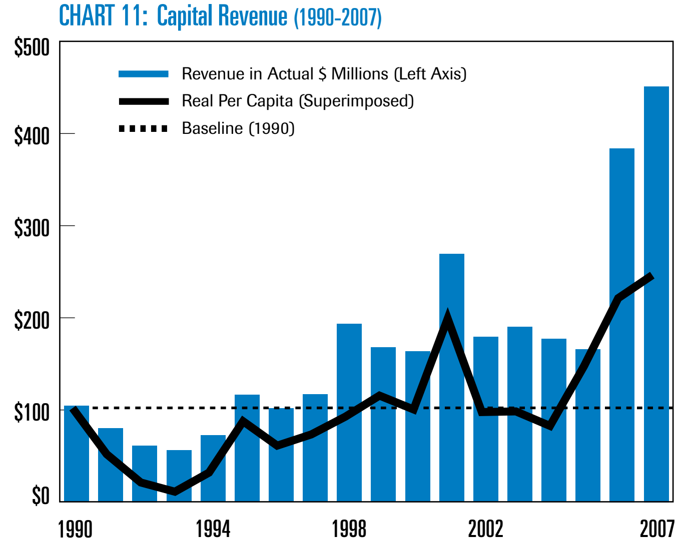


CHART 11: Capital Revenue (1990-2007)



SASKATOON

SASKATCHEWAN

2007 SNAPSHOT (000s)

Total Revenue	$560,204
Program Expenditure	$345,801
Interest on Debt	$6,728
Capital Expenditure	$202,553
Effective Balance	$5,122
Tax-Supported Debt	$30,189
Self-Supported Debt	$16,557
Total Direct Debt	$46,746

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Saskatoon Annual Financial Reports (1990-2007).

CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

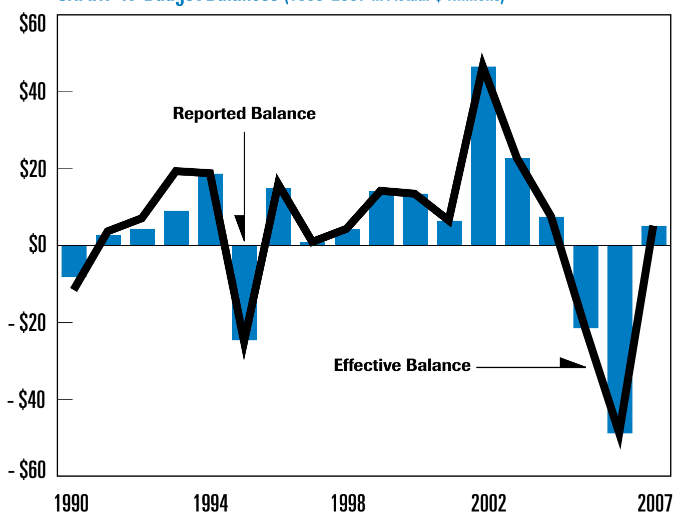


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

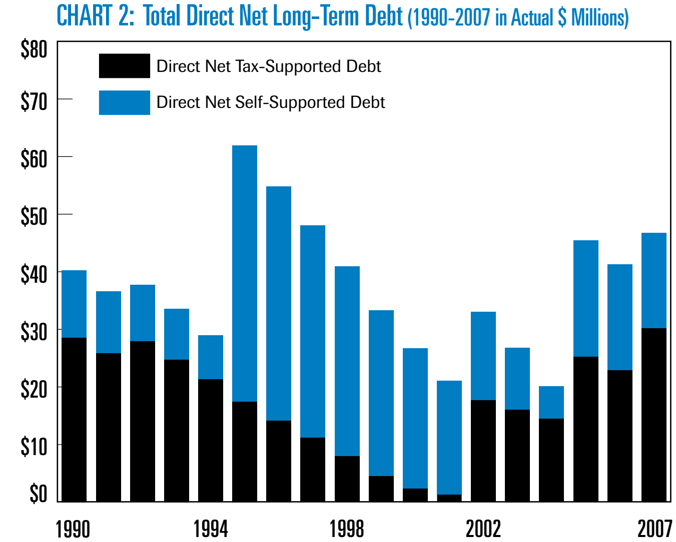


CHART 3: Program Spending (1990-2007)

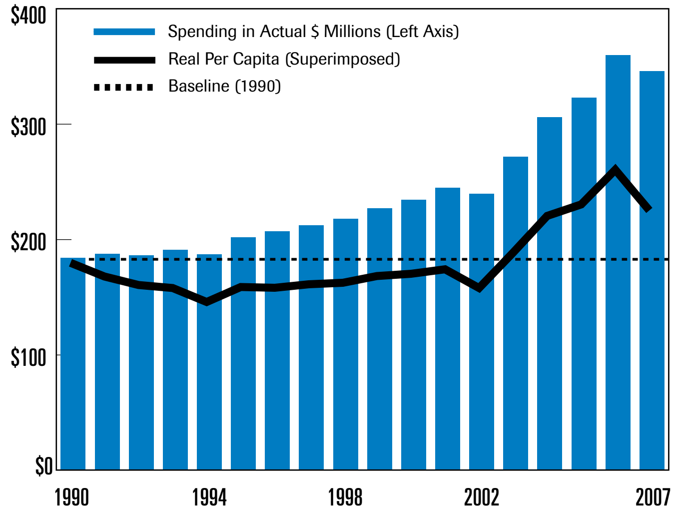


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

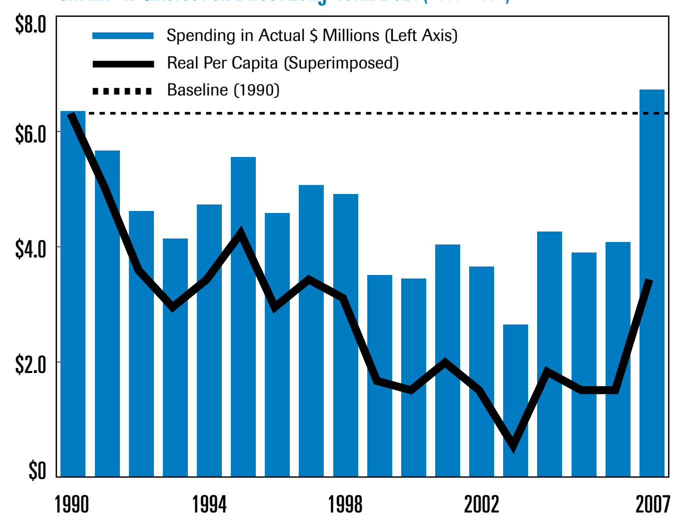


CHART 5: Capital Spending (1990-2007)

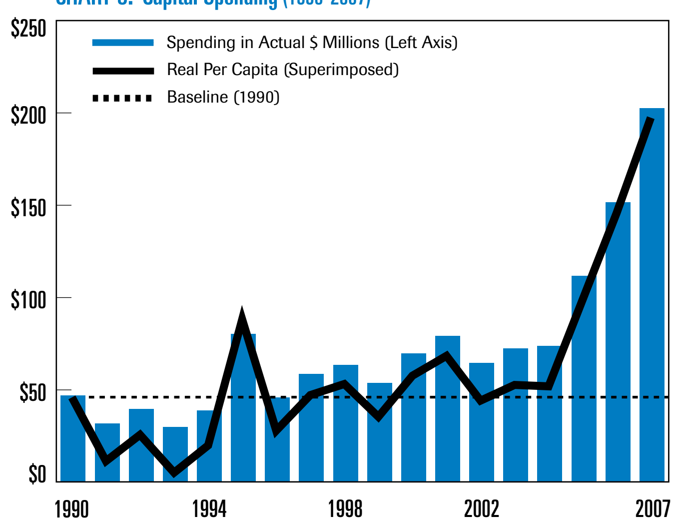


CHART 6: Tax Revenue (1990-2007)

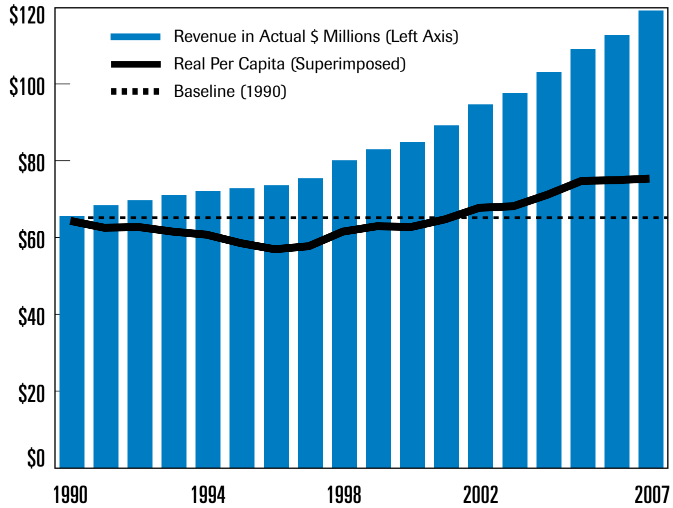


CHART 9: Operating Contributions (1990-2007)

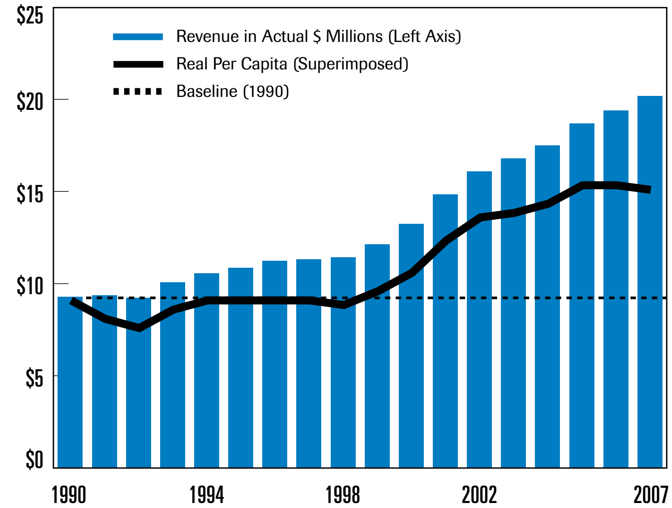


CHART 7: User Fee Revenue (1990-2007)

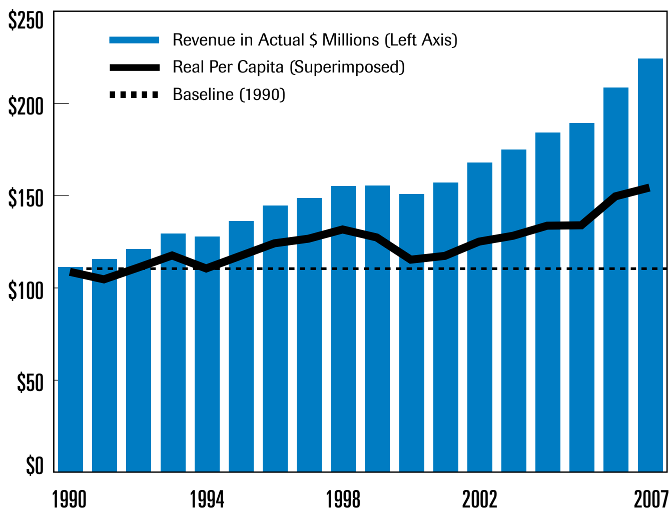


CHART 10: Other Operating Revenue (1990-2007)

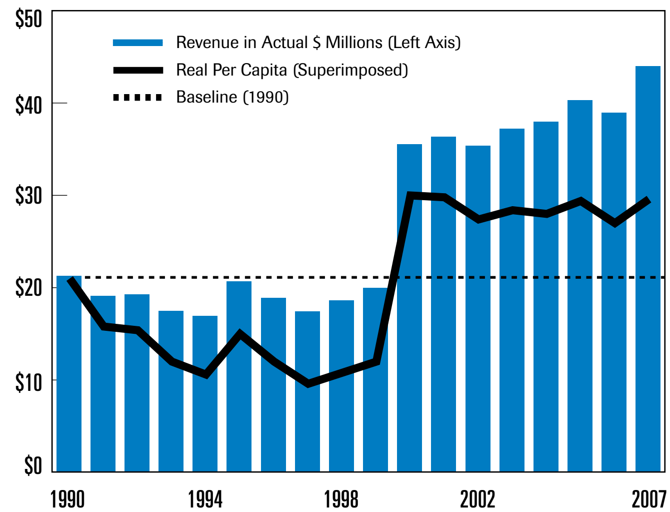


CHART 8: Operating Grants (1990-2007)

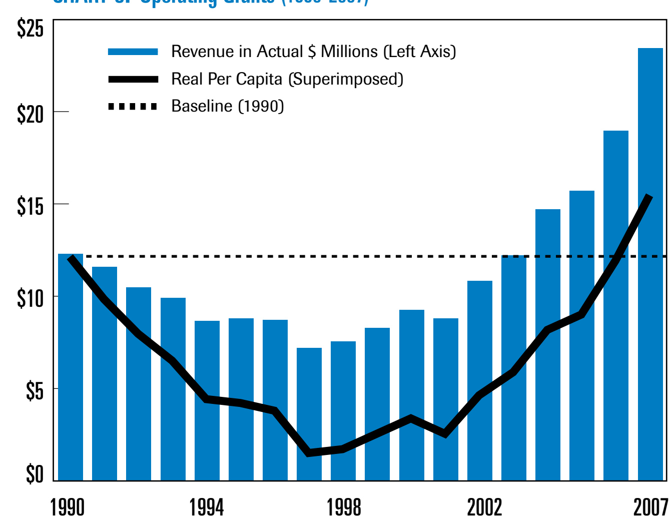
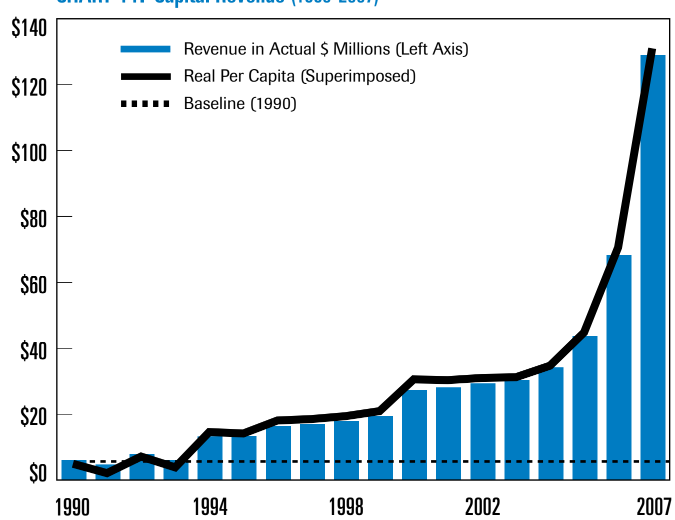


CHART 11: Capital Revenue (1990-2007)



REGINA

SASKATCHEWAN

2007 SNAPSHOT (000s)

Total Revenue	$324,073
Program Expenditure	$247,672
Interest on Debt	$2,120
Capital Expenditure	$47,411
Effective Balance	$26,870
Tax-Supported Debt	$9,800
Self-Supported Debt	$25,500
Total Direct Debt	$35,300

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Regina Annual Financial Reports (1990-2007).

CHART 3: Program Spending (1990-2007)

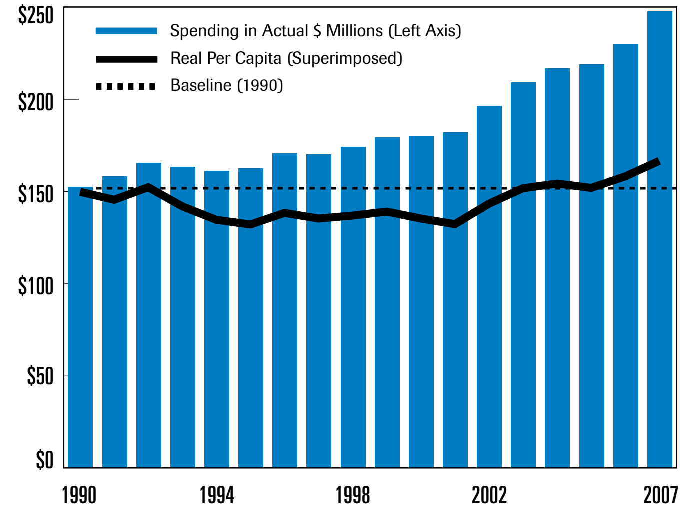


CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

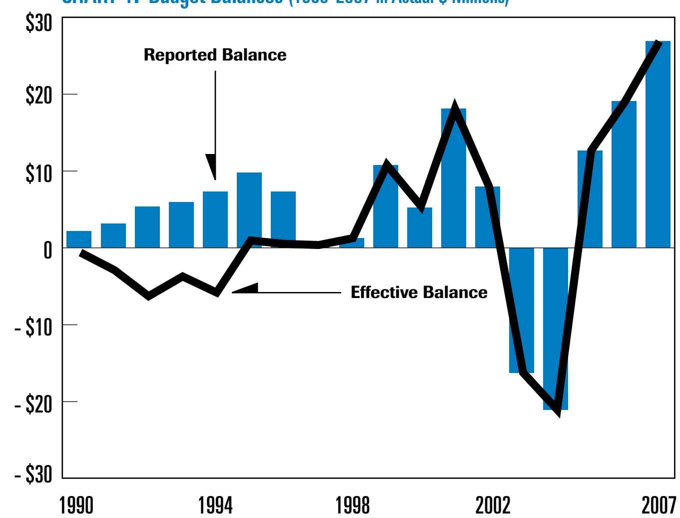


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

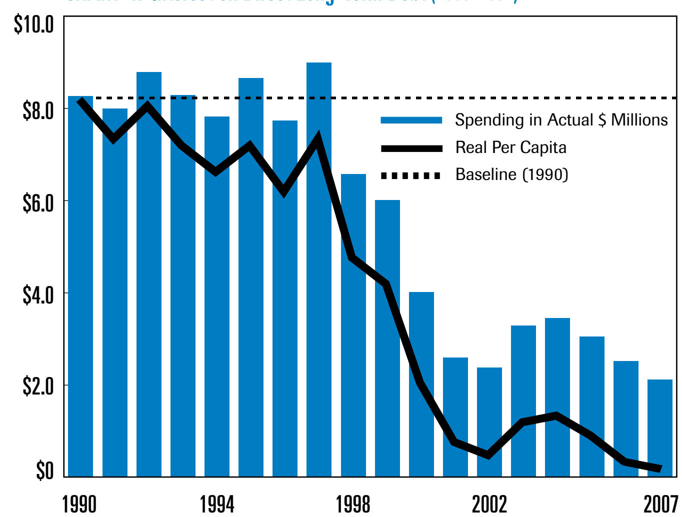


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

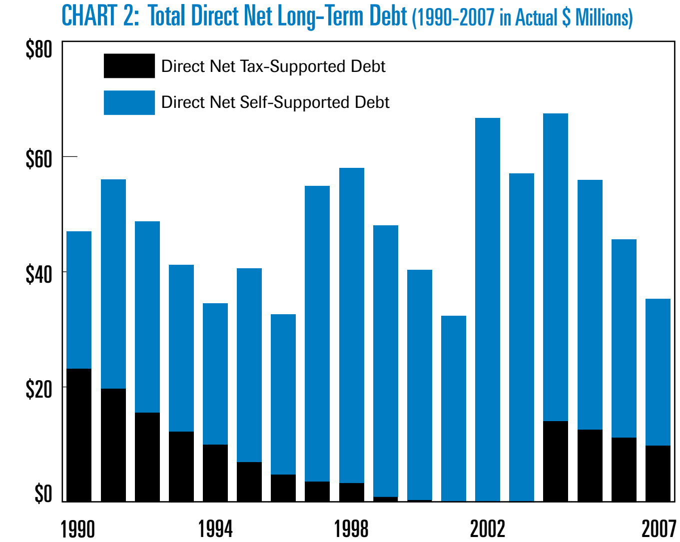


CHART 5: Capital Spending (1990-2007)

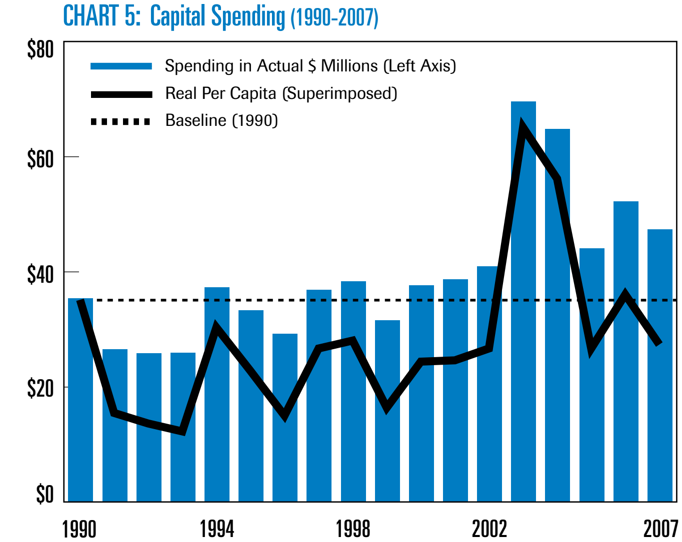


CHART 6: Tax Revenue (1990-2007)

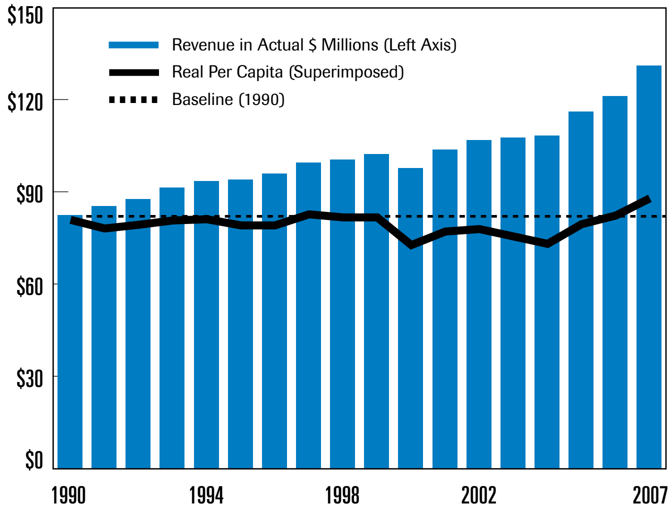


CHART 9: Operating Contributions (1990-2007)

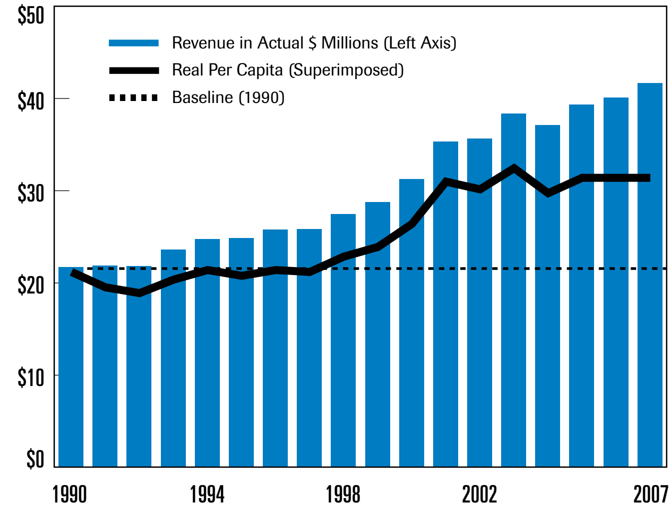


CHART 7: User Fee Revenue (1990-2007)

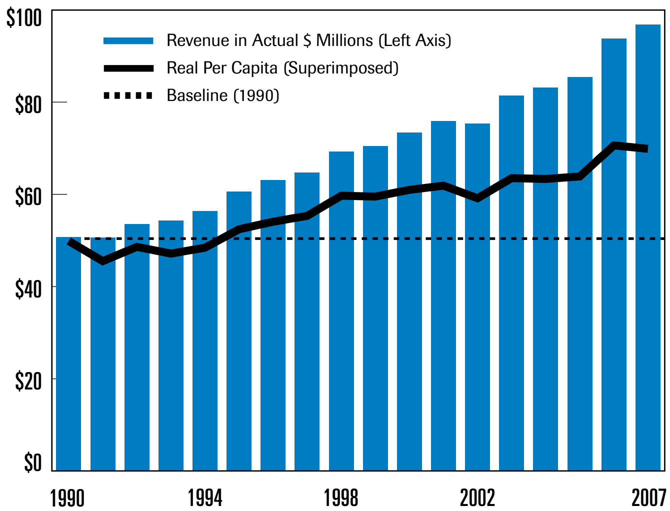


CHART 10: Other Operating Revenue (1990-2007)

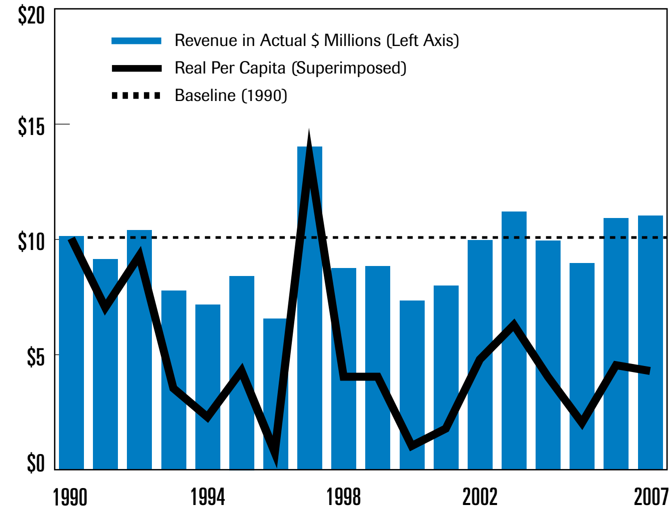


CHART 8: Operating Grants (1990-2007)

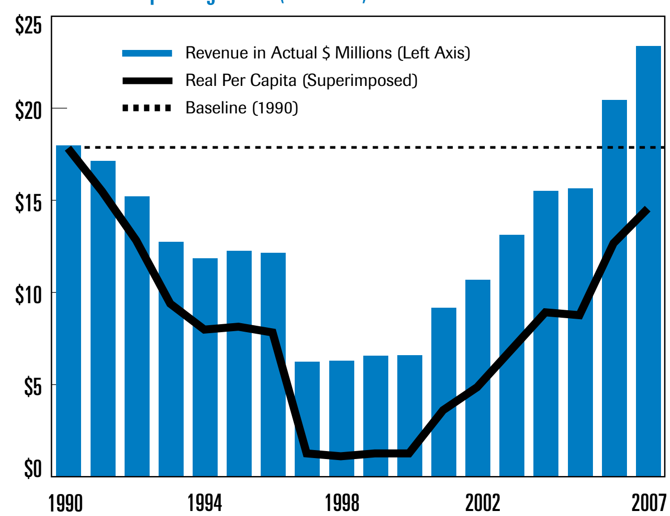
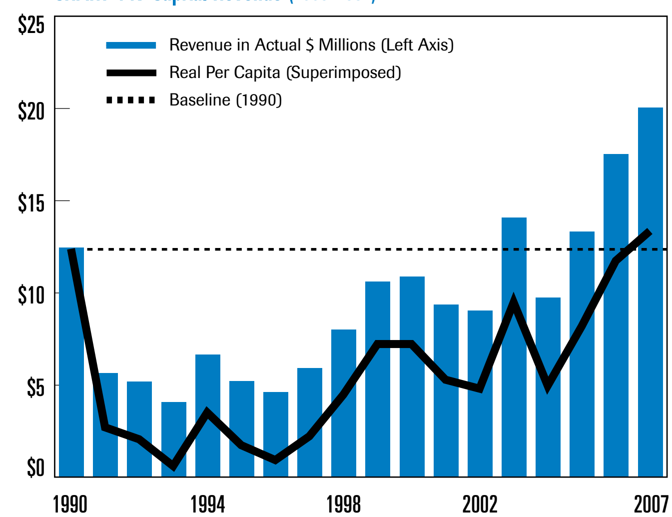


CHART 11: Capital Revenue (1990-2007)



WINNIPEG

MANITOBA

2007 SNAPSHOT (000s)

Total Revenue	$1,244,464
Program Expenditure	$876,594
Interest on Debt	$46,950
Capital Expenditure	$352,149
Effective Balance	($31,229)
Tax-Supported Debt	$276,525
Self-Supported Debt	$120,937
Total Direct Debt	$397,462

SOURCE: All data derived by the Canada West Foundation from Statistics Canada and City of Winnipeg Annual Financial Reports (1990-2007).

CHART 1: Budget Balances (1990-2007 in Actual $ Millions)

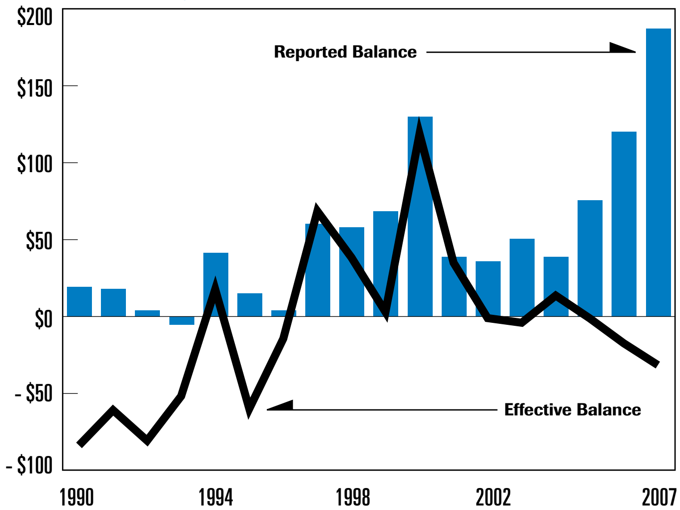


CHART 2: Total Direct Net Long-Term Debt (1990-2007 in Actual $ Millions)

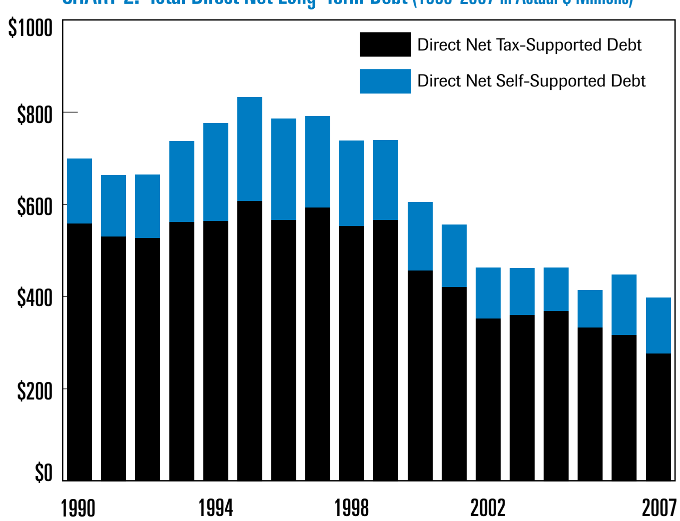


CHART 3: Program Spending (1990-2007)

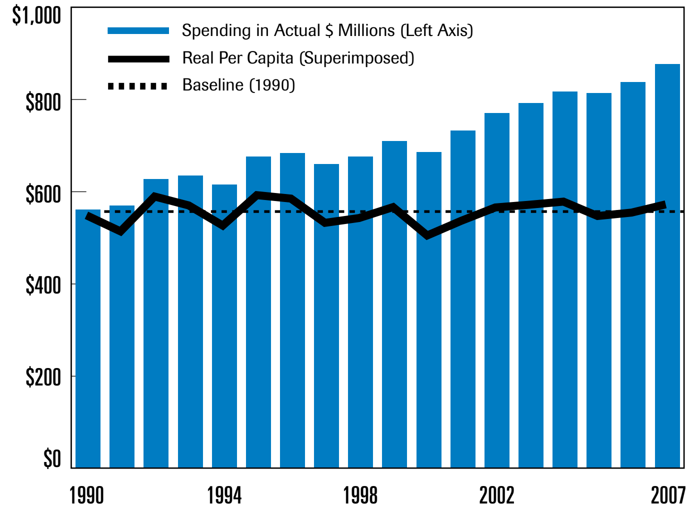


CHART 4: Interest on Direct Long-Term Debt (1990-2007)

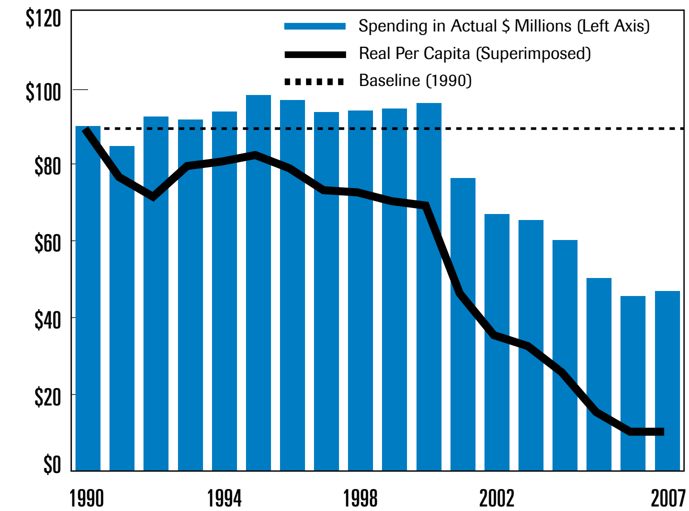


CHART 5: Capital Spending (1990-2007)

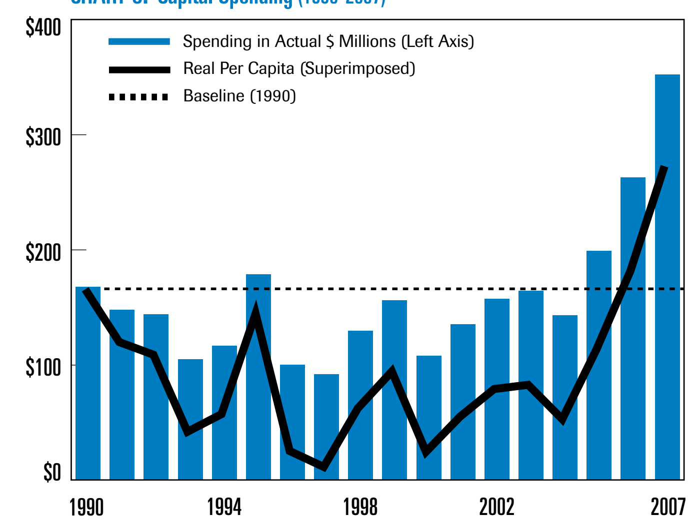


CHART 6: Tax Revenue (1990-2007)

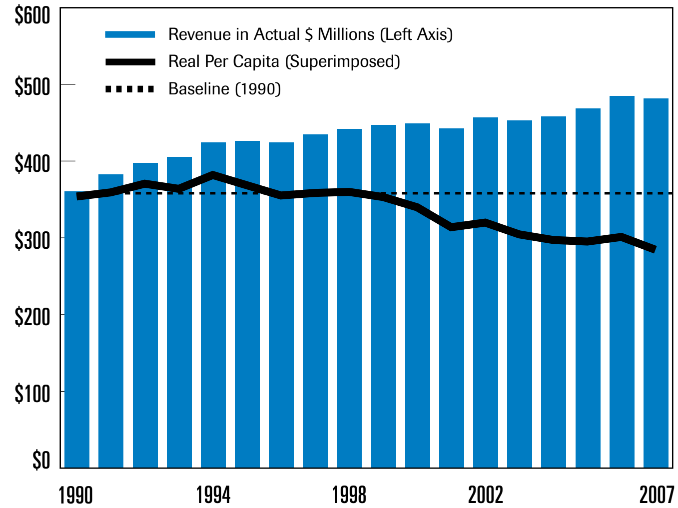


CHART 9: Operating Contributions (1990-2007)

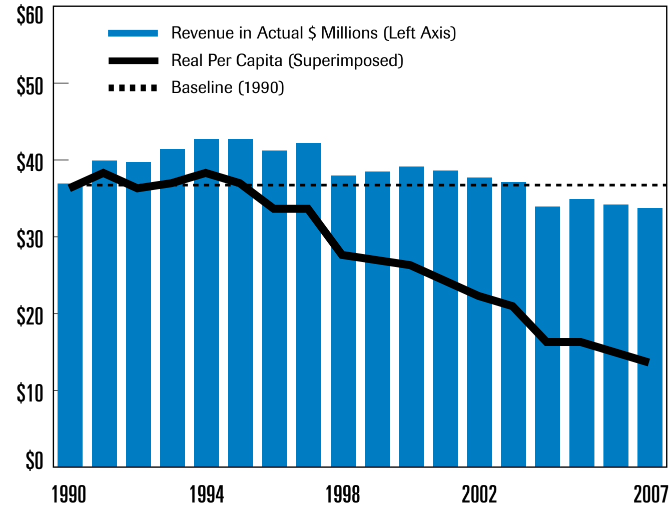


CHART 7: User Fee Revenue (1990-2007)

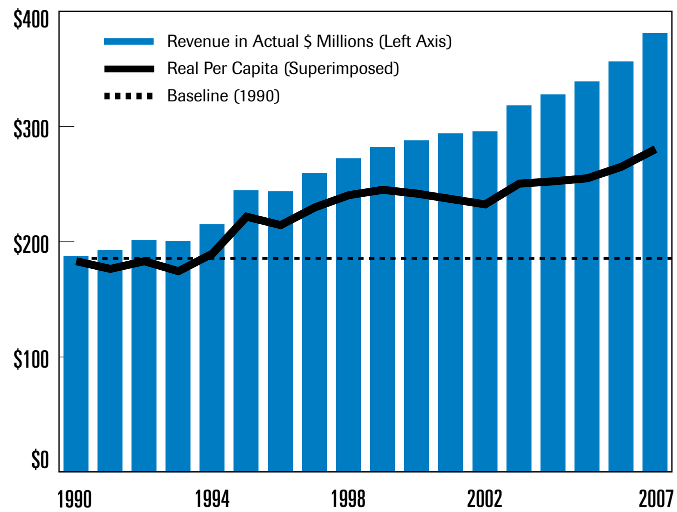


CHART 10: Other Operating Revenue (1990-2007)

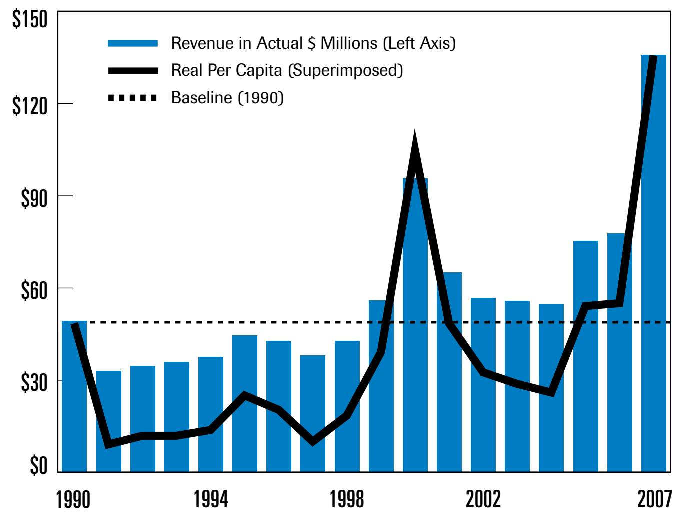


CHART 8: Operating Grants (1990-2007)

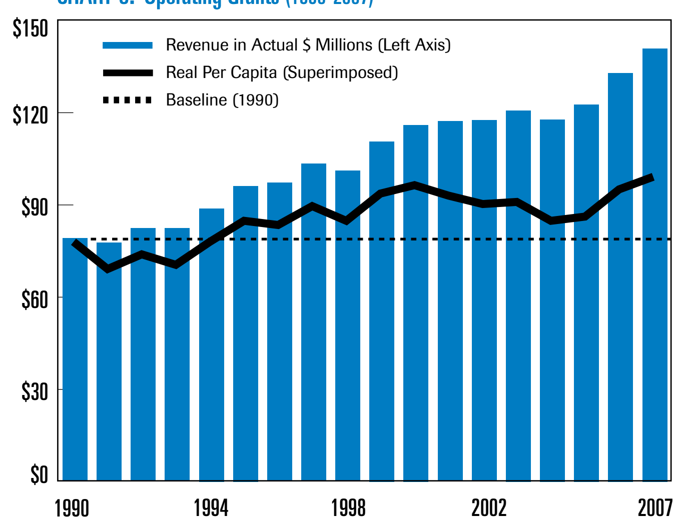
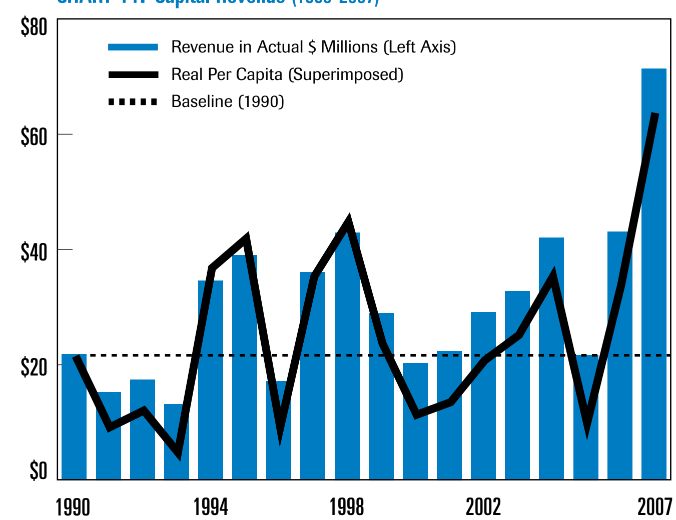


CHART 11: Capital Revenue (1990-2007)



3. A Changing Regional Debt Profile

As already noted, a sharp distinction is usually drawn between tax-supported and self-supported net direct debt. Of the $3.5 billion in net direct debt outstanding in 2007, $1.4 billion was in the form of tax-supported debt while $2.1 billion was in the form of self-supported debt. Of the $3.0 billion outstanding in 1990, approximately $1.8 billion was tax-supported and $1.2 billion was self-supported *(Figure 5, page 11).* The proportion of tax-supported and self-supported net direct debt has shifted considerably between 1990-2007. In 1990, almost 60% of the combined net direct debt of the six cities was in the form of tax-supported debt while 40% was self-supported. In 2007, the ratios have reversed. Today, only 40% of the combined net direct debt is tax-supported while 60% is self-supported.

When the six cities are viewed together, the larger regional pattern is one where tax-supported debt is falling and self-supported debt is rising. In 2007, per capita net tax-supported direct debt averaged across the six cities was $334. In 1990, the amount was $508. In 2007, per capita net self-supported direct debt averaged across the six cities was $435. In 1990 the amount was $339. Average per capita tax-supported debt of the six cities has fallen 34.3% since 1990 while average per capita self-supported debt has risen 28.3%.

4. City-Specific Comparisons

In four of the West's big cities, nominal debt totals have increased. This includes Vancouver, Edmonton, Calgary, and Saskatoon. Debt has grown from $213 million to $578 million in Vancouver, from $552 million to $759 million in Edmonton, from $1.5 billion to $1.7 billion in Calgary, and from $40 million to $47 million Saskatoon. Net direct debt has fallen from $47 million to $35 million in Regina, and from $699 million to $398 million in Winnipeg.

The amount of outstanding debt, measured in per capita terms, varies widely across the six cities. Calgary currently carries the most net direct debt at $1,664 per capita, followed by Edmonton at $978, Vancouver at $945, and Winnipeg at $608. Both Saskatoon and Regina carry very little debt at $227 and $194 respectively. Relatively speaking, Calgary carries a high level of debt, Vancouver, Edmonton, and Winnipeg carry a medium level of debt, and Saskatoon and Regina carry very low levels of debt.

However, the grouping of cities changes when considering growth in per capita debt levels. Only in Vancouver has net direct debt per capita increased significantly, moving from $446 to $945 (111.6%). In all other cities, net direct debt per capita has grown very little, or has actually fallen. For example, net direct debt per capita in Edmonton has moved up only slightly from $912 to $978 (7.2%), and in Saskatoon it has moved from $218 to $227 (4.0%). In Winnipeg, Regina, and Calgary, total net direct debt per capita is lower in 2007 than in 1990. Total net direct debt per capita has fallen the most in Winnipeg, moving from $1,120 to $608 (45.7%). Total net direct debt per capita moved from $263 to $194 (26.2%) in Regina and from $2,122 to $1,664 (21.6%) in Calgary.

The degree to which each of the six cities reflects the larger regional pattern of shifting tax-supported and self-supported debt varies. *Figure 5 (page 11)* shows per capita tax-supported debt falling in Calgary, Saskatoon, Regina, and Winnipeg, while per capita self-supported debt has grown (Calgary, Saskatoon, and Regina) or fallen less than tax-supported debt (Winnipeg). The experience in Vancouver and Edmonton is different. In Vancouver, per capita tax-supported debt is growing faster than self-supported debt. In Edmonton, per capita tax-supported debt is higher in 2007 than 1990, but per capita self-supported debt is slightly lower.

Measuring changes in net direct debt between 1990 and 2007 provides a basic picture of trends, but it does pass over nuances. *Chart 2 (graphical analysis section, pages 12-23)* helps close this gap by plotting tax-supported and self-supported net direct debt for each city and all years across the 1990-2007 period. In Vancouver, tax-supported debt has gradually yet continually risen year-over-year. In Winnipeg, tax-supported debt was relatively stable until 1998, at which time it began its downward trend. In Calgary and Edmonton, tax-supported debt was in a steady and continual decline from 1990 to around 2002 or 2003, at which time it began to increase. In Saskatoon and Regina, tax-supported borrowing has proceeded in waves. These two cities borrow, and then begin repaying the debt, after which another round of borrowing occurs. For a period of three years (2001-2003) Regina actually carried no tax-supported debt.

5. Indirect and Other Debt

Most cities also carry other forms of long-term debt. The most important consideration here is the indirect debt of related agencies or entities, employee benefit liabilities, and unfunded pension liabilities. In 2007, Vancouver, Edmonton, and Calgary

all possessed a certain measure of indirect debt. In Vancouver, this indirect debt comes in the form of a per capita share of debt issued and held by the Greater Vancouver Regional District (GVRD). The degree to which Vancouver helps in servicing this indirect debt is less than clear, but one notable trend does stand out. In 2007, Vancouver's estimated per capita share of certain portions of GVRD debt amounted to $569.1 million. This compares to $197.3 million in 1990. The amount has almost tripled since 1990.

In Calgary and Edmonton, indirect debt comes in the form of the debt carried by EPCOR and ENMAX. While the two cities are not responsible for servicing this debt, it is a potential contingent liability. The amounts are substantial. In 2007, EPCOR carried $2.1 billion in debt and ENMAX carried $407 million. In 1990, the comparative figures were $1.2 billion and $116.4 million. By corporatizing these two utilities in the mid-1990s, the two cities have been able to keep a substantial amount of debt off of the municipal balance sheet.

Five of the six cities also report some rather substantial liabilities related to employee benefits and unfunded pension plans. Calgary recorded these liabilities at $231.3 million for 2007, while Edmonton recorded $103.6 million. Winnipeg's total comes in at $143.2 million, followed by Regina at $36.4 million and Saskatoon at $20.3 million.

6. Net Financial Assets

In public finance, there is often some confusion concerning the term "net debt." When it comes to federal and provincial governments, the term typically refers to the amount by which total financial liabilities exceed total financial assets. A government in a "net debt" position does not possess sufficient cash, cash equivalents, investments, and savings to repay all of which it owes. In the municipal context, "net debt" typically refers to gross long-term debt less certain assets that will eventually be used to help repay that debt.

To bring greater clarity to the matter, it is helpful to set the net direct debt of the cities in context. This can be done by placing all financial assets of the cities against all financial liabilities, of which net direct long-term debt is one. This captures whether or not a city government has sufficient financial assets to cover its financial liabilities. In common parlance, it is a measure of "net worth" that generally excludes the value of public capital assets – which may or may not be able to be sold to raise funds.

Figure 6 (page 26) sets the net direct long-term debt of each city alongside all other liabilities, and then relates that to the financial assets owned by the cities. Scanning across the data, five of the six cities report a positive net financial asset position in 2007. Only Vancouver reported financial liabilities that exceeded financial assets. While Regina was in a similar position in 2006, the 2007 surplus moved it from a negative financial asset position into a positive position. The net financial asset position increased for Edmonton, Calgary, Saskatoon, and Regina, while it deteriorated for Vancouver and Winnipeg.

Figure 6 also shows the financial assets and liabilities as they existed in 1990. To be sure, the 1990 data and the 2006 and 2007 data are not directly comparable given the many changes that have occurred in the cities over the last 20 years. Further, it would be utterly impossible to draw it back to a common baseline. At the same time, the data do serve as an instructive snapshot of how things looked in 1990 relative to 2007. In 1990, every city except Saskatoon reported financial liabilities that exceeded their financial assets. As a result of paying down long-term debt, growing reserves, converting utility operations into separate corporations (e.g., EPCOR and ENMAX), and selling off other assets and operations (e.g., EdTel and Winnipeg Hydro) the cities have managed to improve their balance sheets.

7. Summary

From 1990-2000, most of the cities worked to lower tax-supported debt and keep the growth of self-supported debt in check. As a result, levels of tax-supported debt relative to self-supported debt have fallen for most of the cities. While the nominal amount of net direct debt in 2007 is higher for many of the cities, per capita net direct debt has increased only slightly, or not at all. Only Vancouver has gone against this regional pattern.

The degree to which all of this will continue into the future is not entirely clear. After years of paying down tax-supported debt, Edmonton and Calgary are beginning to borrow once again. Both cities have recently revised their borrowing policies. Saskatoon and Regina have also recently issued tax-supported debt as well. Only in Winnipeg does the path appear to continue working its way downward. At any rate, the debt load of the cities is largely covered by their financial assets. Given the data available, it appears that the balance sheets of the cities have improved over time, and this is a remarkable testament to the fiscal resilience of the cities given the stresses of the 1990s.

FIGURE 6: Net Financial Asset Position
(Actual Amounts in $ 000s)

	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG
2007 FINANCIAL ASSETS:						
Cash and Temporary Investments	$ 877,704	$ 435,863	$ 70,937	$ 64,244	$ 71,601	$ 404,742
Accounts and Taxes Receivable	163,955	126,183	197,291	119,975	32,805	160,796
Long-Term Investments	—	1,509,389	1,818,898	147,790	75,208	260,714
Land Inventory	—	59,438	222,507	20,728	—	10,627
Equity in Commercial Enterprises	—	2,367,965	1,461,970	—	—	22,609
All Other Financial Assets	—	37,567	23,883	81,096	—	—
TOTAL FINANCIAL ASSETS	**$ 1,041,659**	**$ 4,536,405**	**$ 3,795,486**	**$ 433,833**	**$ 179,614**	**$ 859,488**
2007 FINANCIAL LIABILITIES:						
Accounts Payable	$ 360,292	$ 363,786	$ 465,098	$ 95,660	$ 36,508	$ 185,130
Deferred Revenue	106,429	344,546	60,831	56,045	20,648	43,637
Long-Term Debt	577,989	758,873	1,696,956	46,746	35,300	397,462
Pensions and Employee Benefits	—	103,595	231,346	20,310	36,404	143,154
All Other Liabilities	—	37,815	582,566	910	32,647	37,665
TOTAL FINANCIAL LIABILITIES	**$ 1,044,710**	**$ 1,608,615**	**$ 3,036,797**	**$ 219,671**	**$ 161,507**	**$ 807,048**
2007 NET FINANCIAL ASSETS	**$ (3,051)**	**$ 2,927,790**	**$ 758,689**	**$ 214,162**	**$ 18,107**	**$ 52,440**
2006 FINANCIAL ASSETS:						
Cash and Temporary Investments	$ 702,311	$ 341,595	$ 47,908	$ 41,827	$ 61,093	$ 445,049
Accounts and Taxes Receivable	165,855	101,125	185,785	83,989	40,524	141,204
Long-Term Investments	—	1,416,247	1,523,902	145,027	52,349	266,688
Land Inventory	—	38,829	145,987	14,250	—	13,054
Equity in Commercial Enterprises	—	2,243,393	1,386,158	—	—	22,096
All Other Financial Assets	—	38,357	22,525	76,130	—	—
TOTAL FINANCIAL ASSETS	**$ 868,166**	**$ 4,179,546**	**$ 3,312,265**	**$ 361,223**	**$ 153,966**	**$ 888,091**
2006 FINANCIAL LIABILITIES:						
Accounts Payable	$ 300,899	$ 280,589	$ 506,333	$ 76,117	$ 42,127	$ 158,140
Deferred Revenue	73,692	314,826	47,762	13,813	8,131	29,639
Long-Term Debt	495,554	544,035	1,429,980	41,260	45,600	447,607
Pensions and Employee Benefits	—	94,698	214,711	19,534	35,821	142,097
All Other Liabilities	—	31,772	487,200	1,459	31,050	38,841
TOTAL FINANCIAL LIABILITIES	**$ 870,145**	**$ 1,265,920**	**$ 2,685,986**	**$ 152,183**	**$ 162,729**	**$ 816,324**
2006 NET FINANCIAL ASSETS	**$ (1,979)**	**$ 2,913,626**	**$ 626,279**	**$ 209,040**	**$ (8,763)**	**$ 71,767**
1990 FINANCIAL ASSETS:						
Cash and Temporary Investments	$ 219,141	$ 11,500	$ 1,411	$ 52,333	$ 18,068	$ 156,209
Accounts and Taxes Receivable	59,438	393,662	110,472	31,900	29,637	74,853
Long-Term Investments	—	232,253	349,933	26,074	13,726	162,941
Land Inventory	—	199,915	79,284	—	—	—
Equity in Commercial Enterprises	—	—	—	—	—	—
All Other Financial Assets	8,150	66,637	95,907	52,997	3,458	38,120
TOTAL FINANCIAL ASSETS	**$ 286,729**	**$ 903,967**	**$ 637,007**	**$ 163,304**	**$ 64,889**	**$ 432,123**
1990 FINANCIAL LIABILITIES:						
Accounts Payable	$ 46,753	$ 242,117	$ 113,772	$ 24,323	$ 17,278	$ 73,363
Deferred Revenue	94,631	8,888	7,717	—	3,720	9,242
Long-Term Debt	213,233	2,013,821	1,586,867	40,192	46,984	944,808
Pensions and Employee Benefits	—	—	—	—	—	—
All Other Liabilities	—	432,412	180,748	8,343	3,420	109,874
TOTAL FINANCIAL LIABILITIES	**$ 354,617**	**$ 2,697,238**	**$ 1,889,104**	**$ 72,858**	**$ 71,402**	**$ 1,137,287**
1990 NET FINANCIAL ASSETS	**$ (67,888)**	**$ (1,793,271)**	**$ (1,252,097)**	**$ 90,446**	**$ (6,513)**	**$ (705,164)**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

EXPENDITURE

1. Types of Expenditure

Today's modern cities spend large sums providing their residents with a wide array of public goods and services. The Canada West Foundation fiscal database takes expenditure information published by the cities and seeks to organize it into a relatively coherent typology to facilitate comparisons and help identify trends. The database can be used to assess spending across three broad areas.

- *Program expenditure:* Program expenditure is the cost incurred for providing specific municipal services. The database breaks out program spending along five functions including protection (police, fire, and EMS response); transportation (roadways and transit); PRSCC (parks, recreation, social and family services, community and cultural facilities and services); environment and utility (water treatment and distribution, wastewater collection and treatment, storm water drainage, solid waste removal, and other utility operations); and general (corporate governance and other program expenditure cutting across functions).

- *Interest on debt:* Interest is the cost incurred for long-term debt used to finance capital expenditure. When interest and program expenditure are taken together, they equal operating expenditure.

- *Capital expenditure:* Capital expenditure is the cost incurred for acquiring physical assets to provide services. Capital expenditure and infrastructure expenditure are terms often used interchangeably, and refer to everything from roads and buses to recreation centres and IT hardware. Capital expenditure is often broken into the same functional categories as program expenditure. Adding capital expenditure to operating expenditure yields total expenditure.

2. Nominal Spending

In 1990, the six cities spent a grand total of $3.594 billion. Collectively, the cities spent $2.508 billion on programs, $715 million on capital, and $371 million on interest. In 2007, the collective expenditure of the six cities had risen to $8.158 billion. Of this amount, $5.260 billion was spent on programs, $2.690 billion on capital, and $208 million on interest.

Charts 3-5 (graphical analysis section, pages 12-23) plot nominal program spending, interest, and capital spending for each city across the entire 1990-2007 period. With only a few exceptions, most of the cities share the same basic trends. First, program spending in nominal terms has continually inched upwards for each city. Second, the amount spent on interest has declined significantly. In Edmonton and Calgary, this decline has been in progress since 1990. In Winnipeg and Regina, interest expenditure was relatively stable up to the late 1990s, after which it declined sharply. Saskatoon's interest has also been in decline for most of the period, although it has recently moved back up to 1990 levels. Only Vancouver's interest expenditure has remained relatively constant. Third, capital spending, which was erratic throughout the 1990s and into the early 2000s, has increased sharply in every city. Capital expenditure in 2007 is up dramatically in Edmonton, Calgary, Saskatoon, and Winnipeg. While the trend is less pronounced in Vancouver and Regina, they too are spending significantly more on capital in 2007 than in 1990.

3. Real Per Capita Spending

The real test as to whether cities are actually spending more can only be determined when expenditures are controlled for population growth and inflation. *Charts 3-5 (graphical analysis section, pages 12-23)* superimpose a real per capita trendline over nominal program expenditure, interest, and capital spending. All of the trendlines start at 1990, which is the baseline year. If a trendline goes under the baseline, spending in real per capita terms has fallen. If a trendline goes over the baseline, real per capita spending has increased.

With respect to program expenditure, most cities are not spending much more in real per capita terms than in 1990 *(Chart 3).* In fact, real per capita program spending remained relatively flat for most of the period. Only recently has it begun to inch upward. Spending in Winnipeg has hugged the baseline across the whole period. In 2007, real per capita program spending is basically at the same level as 1990. In Edmonton, Saskatoon, and Regina, real per capita program spending was well below the 1990 baseline for most of the period. While real per capita program spending for all three cities is higher in 2007 than 1990, the increase is a recent phenomenon, starting in 2003 for Saskatoon, 2005 for Edmonton, and 2006 for Regina. Calgary has experienced much the same pattern, but real per capita spending crossed the baseline earlier in 2001. Only Vancouver's real per capita spending has tended to track higher than the 1990 baseline for most of the period under review.

Reduced interest expenditure in nominal terms obviously implies reduced expenditure in real per capita terms as well. But even Vancouver and Saskatoon, both of which are paying out the same amount of interest in nominal terms in 2007 as they did in 1990, have seen real per capita spending on interest decline *(Chart 4).*

Turning to capital expenditure, the real per capita trendlines have increased sharply in Edmonton, Calgary, and Saskatoon *(Chart 5).* Calgary's capital expenditure in real per capita terms crossed the baseline in 1998. Saskatoon followed in 2000 and Edmonton in 2001. Real per capita expenditure in Winnipeg was quite volatile throughout the period, but broke sharply through the baseline in 2006. Regina experienced a significant spike in real per capita capital spending in 2003 and 2004, but the level has since fallen back below the 1990 baseline. Capital expenditure in Vancouver in real per capita terms is only slightly higher than 1990 levels.

Figure 7 provides detailed real per capita expenditure amounts for each city for 2007 and 1990. The data show slight increases in program spending, vastly decreased amounts of real per capita spending on interest, and sharp increases in capital spending for some of the cities.

4. Growth Rate of Real Per Capita Spending

Figure 8 (page 29) shows the percentage change in real per capita spending across program spending functions, interest, and capital. On average, real per capita program spending has increased by 11.2%. Winnipeg has seen the least growth at 2.5%, followed by Edmonton at 5.3% and Regina at 7.4%. Real per capita program spending has increased 14.3% in Saskatoon, 16.8% in Calgary, and 20.9% in Vancouver. On average, real per capita spending on interest has fallen by 62.9%.

Figure 7 and *Figure 8* yield five conclusions. First, the biggest story lies in real per capita operating expenditure – program and interest spending combined. Relatively small increases in program expenditure combined with dramatic decreases in interest means most cities are actually spending less in real per capita operating expenditure in 2007 than 1990. Real per capita operating expenditure has fallen by 7.0% in Winnipeg, 5.2% in Calgary, and 1.9% in Edmonton. Regina's real per capita operating expenditure is only 2.7% higher than 1990. Only Saskatoon and Vancouver have seen significant increases. On average, real per capita operating expenditure has increased by only 3.1% across all of the cities.

FIGURE 7: Real Per Capita Expenditures, 1990 and 2007

(All Amounts in Real Per Capita Inflation-Adjusted 2007 $)

	VANCOUVER		EDMONTON		CALGARY		SASKATOON		REGINA		WINNIPEG	
	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007
Police	$ 237.94	$ 304.60	$ 247.17	$ 293.95	$ 247.30	$ 248.91	$ 201.60	$ 285.47	$ 234.47	$ 261.04	$ 181.47	$ 243.52
Fire and EMS	140.64	137.20	177.91	194.88	179.48	196.28	123.56	158.50	138.83	146.30	150.47	190.03
PROTECTION	**378.58**	**441.80**	**425.08**	**488.83**	**426.78**	**445.19**	**325.16**	**443.97**	**373.30**	**407.34**	**331.94**	**433.55**
Roads & Related	106.99	107.66	178.92	162.94	125.70	151.26	106.91	100.64	115.27	133.36	254.89	263.04
Public Transit	76.45	142.39	232.67	252.91	203.06	241.50	111.28	126.82	107.66	111.19	169.77	161.83
TRANSPORTATION	**183.44**	**250.05**	**411.59**	**415.85**	**328.76**	**392.76**	**218.19**	**227.46**	**222.93**	**244.55**	**424.66**	**424.87**
PRSCC	**235.90**	**217.32**	**322.05**	**317.71**	**271.36**	**282.28**	**215.68**	**322.26**	**269.68**	**270.34**	**180.46**	**145.48**
ENVIRONMENT & UTILITY	**134.06**	**226.64**	**200.21**	**224.00**	**153.59**	**188.90**	**514.01**	**534.89**	**159.19**	**224.12**	**123.83**	**155.55**
GENERAL & OTHER	**270.45**	**317.76**	**177.03**	**170.72**	**201.82**	**304.82**	**192.59**	**147.30**	**244.13**	**216.63**	**248.58**	**182.14**
TOTAL PROGRAM	**1,202.43**	**1,453.57**	**1,535.96**	**1,617.11**	**1,382.31**	**1,613.95**	**1,465.63**	**1,675.88**	**1,269.23**	**1,362.98**	**1,309.47**	**1,341.59**
Interest on Debt	**65.43**	**36.05**	**161.80**	**48.58**	**415.78**	**90.89**	**50.63**	**32.61**	**68.81**	**11.67**	**209.84**	**71.85**
TOTAL OPERATING	**1,267.86**	**1,489.62**	**1,697.76**	**1,665.69**	**1,798.09**	**1,704.84**	**1,516.26**	**1,708.49**	**1,338.04**	**1,374.65**	**1,519.31**	**1,413.44**
Capital Expenditure	**273.38**	**313.50**	**459.60**	**1,122.17**	**440.05**	**1,005.11**	**375.56**	**981.65**	**295.10**	**260.91**	**392.04**	**538.95**
TOTAL EXPENDITURE	**1,541.24**	**1,803.12**	**2,157.36**	**2,787.86**	**2,238.14**	**2,709.95**	**1,891.82**	**2,690.14**	**1,633.14**	**1,635.56**	**1,911.35**	**1,952.39**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

FIGURE 8: Percent Change in Real Per Capita Expenditures, 1990-2007
(Percent Change in Real Per Capita Amounts)

	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG	AVERAGE
	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007
Police	+ 28.0%	+ 18.9%	+ 0.7%	+ 41.6%	+ 11.3%	+ 34.2%	+ 22.5%
Fire and EMS	– 2.4%	+ 9.5%	+ 9.4%	+ 28.3%	+ 5.4%	+ 26.3%	+ 12.8%
PROTECTION	**+ 16.7%**	**+ 15.0%**	**+ 4.3%**	**+ 36.5%**	**+ 9.1%**	**+ 30.6%**	**+ 18.7%**
Roads & Related	+ 0.6%	– 8.9%	+ 20.3%	– 5.9%	+ 15.7%	+ 3.2%	+ 4.2%
Public Transit	+ 86.3%	+ 8.7%	+ 18.9%	+ 14.0%	+ 3.3%	– 4.7%	+ 21.1%
TRANSPORTATION	**+ 36.3%**	**+ 1.0%**	**+ 19.5%**	**+ 4.2%**	**+ 9.7%**	**+ 0.0%**	**+ 11.8%**
PRSCC	**– 7.9%**	**– 1.3%**	**+ 4.0%**	**+ 49.4%**	**+ 0.2%**	**– 19.4%**	**+ 4.2%**
ENVIRONMENT & UTILITY	**+ 69.1%**	**+ 11.9%**	**+ 23.0%**	**+ 4.1%**	**+ 40.8%**	**+ 25.6%**	**+ 29.1%**
GENERAL & OTHER	**+ 17.5%**	**– 3.6%**	**+ 51.0%**	**– 23.5%**	**– 11.3%**	**– 26.7%**	**+ 0.6%**
TOTAL PROGRAM	**+ 20.9%**	**+ 5.3%**	**+ 16.8%**	**+ 14.3%**	**+ 7.4%**	**+ 2.5%**	**+ 11.2%**
Interest on Debt	**– 44.9%**	**– 70.0%**	**– 78.1%**	**– 35.6%**	**– 83.0%**	**– 65.8%**	**– 62.9%**
TOTAL OPERATING	**+ 17.5%**	**– 1.9%**	**– 5.2%**	**+ 12.7%**	**+ 2.7%**	**– 7.0%**	**+ 3.1%**
Capital Expenditure	**+ 14.7%**	**+ 144.2%**	**+ 128.4%**	**+ 161.4%**	**– 11.6%**	**+ 37.5%**	**+ 79.1%**
TOTAL EXPENDITURE	**+ 17.0%**	**+ 29.2%**	**+ 21.1%**	**+ 42.2%**	**+ 0.1%**	**+ 2.1%**	**+ 18.6%**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

Second, the cost savings on interest expenditure have accrued despite the fact that many of the cities held more long-term debt in 2007 than 1990. Much of this is the result of lower borrowing costs. The net savings have been redirected to bump up program spending. None of this, however, has entailed major increases in real per capita operating expenditure, which has actually fallen in some cities during the 1990-2007 period. While cities are spending more in real per capita terms on programs in 2007 than they did in 1990, most of this was accomplished through savings on interest.

Third, no two cities are exactly the same when it comes to real per capita growth among the various program spending functions. For example, real per capita spending on protection has increased sharply in Saskatoon at 36.5% and Winnipeg at 30.6%. But increases in other cities have been more modest. In Calgary and Regina, real per capita spending on protection has grown by only 4.3% and 9.1%, respectively. Real per capita spending on PRSCC services grew by 49.4% in Saskatoon, while it fell by 19.4% in Winnipeg, 7.9% in Vancouver, and 1.3% in Edmonton. At first glance, a certain amount of congruency seems to emerge with respect to real per capita spending on general government. Real per capita spending on this program function has fallen in Winnipeg (26.7%), Saskatoon (23.5%), Regina (11.3%), and Edmonton (3.6%). However, Vancouver and Calgary spoil the regional trend. Real per capita spending for general government purposes grew by 17.5% in Vancouver and 51.0% in Calgary.

Fourth, it is real per capita spending on capital where cities share the strongest commonality. Out of all the expenditure categories, real per capita spending on capital has shown the highest rates of growth. This trend holds for Saskatoon (161.4%), Edmonton (144.2%), Calgary (128.4%), and Winnipeg (37.5%). Only in Vancouver and Regina is growth in capital spending eclipsed by other expenditure categories.

Fifth, it is clear that capital expenditure has been largely responsible for increases in total expenditure between 1990-2007. Cities that have seen the largest increase in real per capita total spending are the very same cities that have the highest rates of real per capita growth in capital spending. In short, the vast majority of growth in total expenditure is largely driven by new infrastructure investment.

5. Contributions to Spending Growth

A singular focus on growth rates alone does not always provide a complete picture of what is driving municipal expenditures. For example, a particular program expenditure function may show high rates of growth, but if that function comprises only a relatively small portion of program expenditure, the overall impact is marginal. As such, it is helpful to calculate the increase in expenditure for programs and capital, and then determine the degree to which various functions have contributed to the overall increase.

The results of this analysis are shown in *Figure 9 (page 31).* Scanning across the data, the full impact of increased capital expenditure comes out in stunning fashion. In Edmonton, Calgary, and Saskatoon, capital expenditure is responsible for about half of the total increase in expenditure since 1990. Capital expenditure is responsible for 51.5% of increased expenditure in Edmonton, 44.4% in Calgary, and 49.0% in Saskatoon. The impact of increased capital expenditure is less pronounced in Winnipeg at 36.8%, but it still remains the single largest contributor. While the impact of capital expenditure is less pronounced in Vancouver and Regina, some of this may simply be the result of timing. Regina made some significant capital expenditures in 2003 and 2004, after which expenditure tailed off. Measuring between 1990 and 2007 misses this nuance.

Program spending on protection is the next largest contributor, coming in second for Edmonton, Calgary, Saskatoon, and Winnipeg. In Vancouver and Regina, program expenditure on protection is the largest contributor. Depending on the city in view, program spending on protection contributed between 14.3% of the total increase (Calgary) to 28.2% (Winnipeg). Within the protection category, expenditure on policing contributed more than expenditures on fire and EMS response.

The next most important contributor is a toss-up between transportation and environmental and utility program expenditure. Transportation won the contest in Winnipeg (19.2%), Calgary (13.7%), and Edmonton (12.0%). In these cities, environmental and utility program expenditure was lower (Winnipeg at 9.7%, Edmonton at 7.1%, and Calgary at 6.7%). In Vancouver, Saskatoon, and Regina, it is the reverse. Environmental and utility program expenditure was responsible for 20.1% of increased expenditure in Regina (compared to 16.5% for transportation), 16.0% in Vancouver (compared to 15.6% for transportation), and 14.5% in Saskatoon (compared to 6.1% for transportation).

Capital expenditure and increases in program spending for protection, transportation, and environment and utility operations are responsible for the great majority of increased expenditure from 1990-2007. These four areas were responsible for 73.1% of increased expenditure in Vancouver, 75.0% in Regina, 79.1% in Calgary, 85.6% in Saskatoon, 86.4% in Edmonton, and 93.9% in Winnipeg. The impact of all remaining areas has been minimal. Averaged across the six cities, PRSCC program expenditure constituted 9.8% of the total increase in spending while general government program expenditure constituted 8.0%.

The quality of the foregoing analysis is slightly marred by two factors. First, Winnipeg's transportation program expenditure includes spending on general public works as well. This increases Winnipeg's program spending on roadway transportation relative to other cities and lowers its general government program expenditure. Second, the PRSCC and general categories act as a "catch-all" for a wide range of services that differ between cities. Thus, we have kept the focus on their average contribution across the cities.

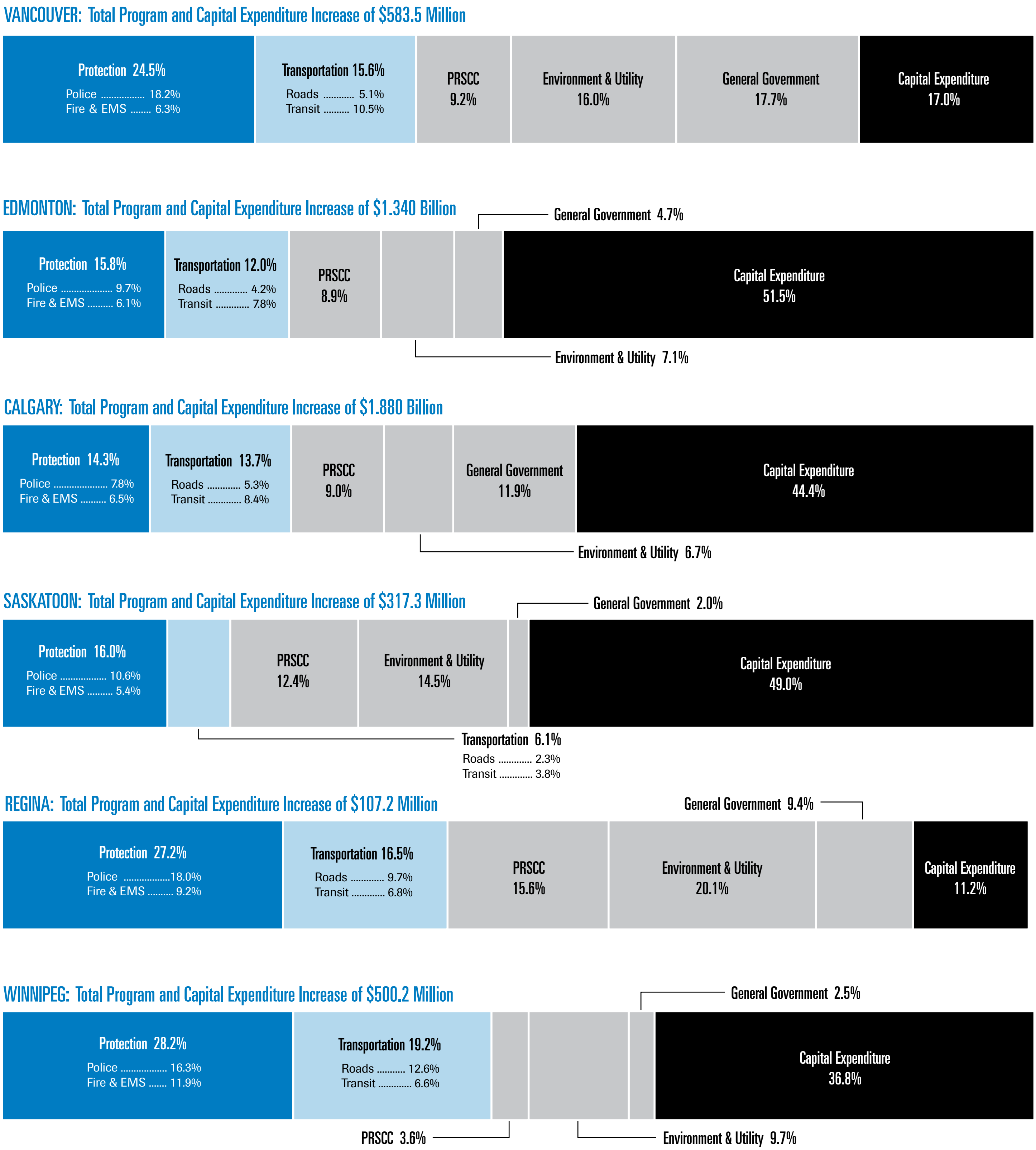
6. A Shifting Expenditure Profile

Figure 10 and *Figure 11 (pages 32-33)* present an expenditure profile for each city in 1990 and 2007. As a proportion of city budgets, interest expenditure has dwindled and capital expenditure has come to increasingly dominate. Whether or not these shifts will hold into the future is unclear. Capital can be a volatile expenditure item, and if cities do begin to borrow more, the profiles could shift back. For the time being at least, the profiles have undergone some significant change.

7. Summary

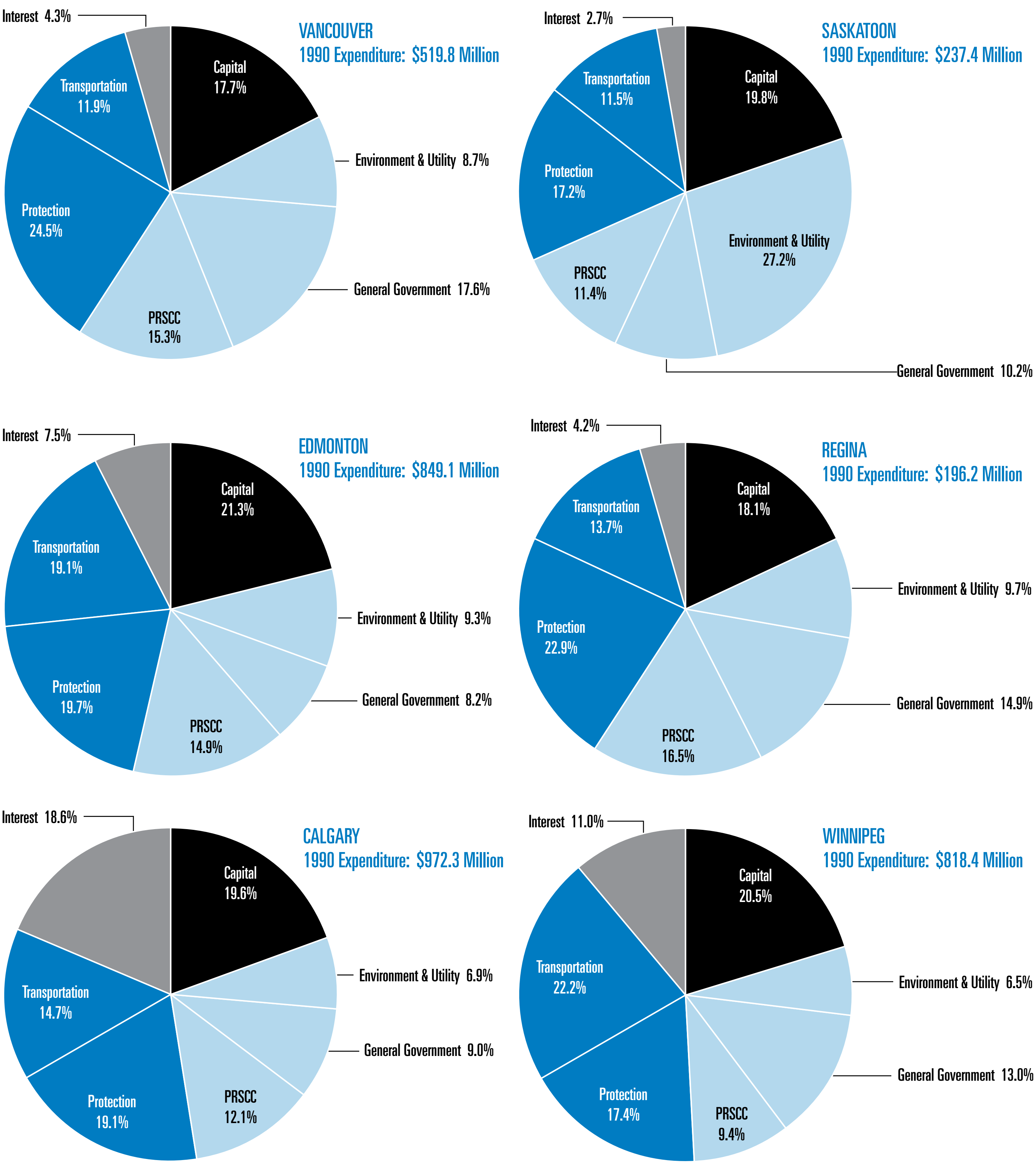
The six cities under consideration spent $4.564 billion more in 2007 than 1990. However, the additional spending is illusory given dramatic increases in population and the effects of inflation. Real per capita expenditure on programs and services either fell or remained flat throughout the 1990-2000 period, and only recently has it increased over 1990 levels. This increase, however, has largely been funded through savings on interest. In the final analysis, real per capita operating expenditure for all cities has either fallen or grown very little. While some cities have seen increases in real per capita total expenditure, this is the direct result of vastly increased capital spending. Total expenditure in real per capita terms has increased for those cities that have ramped up infrastructure investment. For those that have not, real per capita total expenditure has increased little.

FIGURE 9: Relative Contribution to Growth in Combined Program and Capital Expenditure, 1990-2007



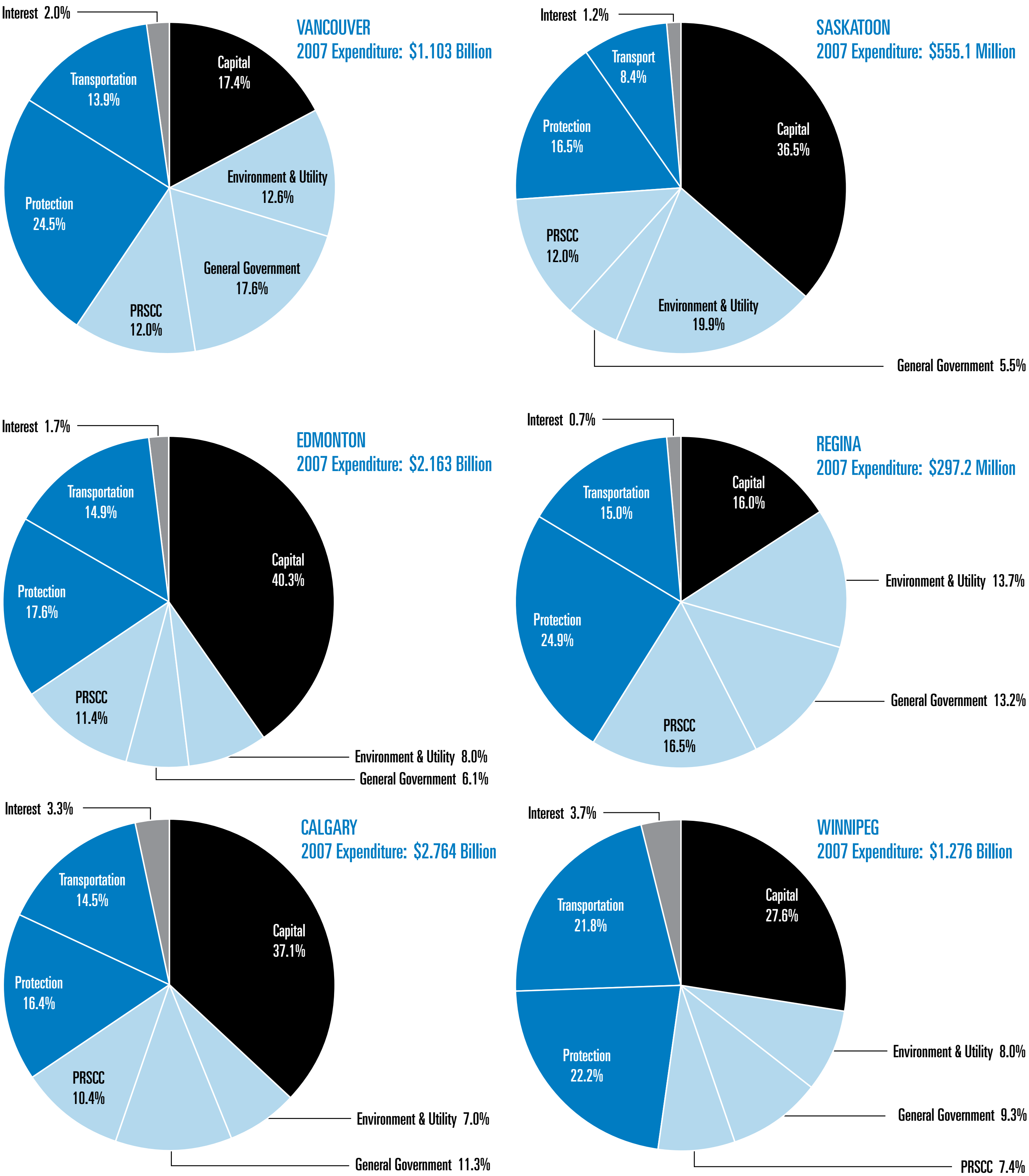
SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

FIGURE 10: Expenditure Profile in 1990



SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

FIGURE 11: Expenditure Profile in 2007



SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

REVENUE

1. Types of Revenue

The revenue that cities collect is typically broken into two broad categories – operating and capital. Within each category are a number of specific revenue items.

- *Taxation:* Taxes are comprised of general property tax, business occupancy taxes, local improvements, and other taxes. General property tax is collected from residential, commercial, and industrial properties through a mill rate applied against the assessed value of the properties. The application of a business occupancy tax often differs between cities, but it is usually levied by applying a rate against the square footage of a business property. Local improvement levies are special assessments applied to properties benefitting from a capital or service improvement restricted to the local area. Other taxes are a hodge-podge of levies that include amusement taxes, special mobile home levies, and the like. At the end of the fiscal day, general property tax and business occupancy taxes generate the bulk of tax revenue.

- *User fees:* User fees come in two forms. The first type of fee accrues from the sale of municipal services. User fees are charged by cities for water, wastewater, solid waste, transit, recreation centres, etc. The second type of fee is the regulatory fee. These fees include various municipal permits and licenses.

- *Contributions:* Contributions include revenue-in-lieu of tax and franchise fees and taxes. Each may or may not constitute a tax strictly speaking, and may or may not constitute a user fee either. How these revenue sources are received, structured, and administered often differs widely. As such, they are best viewed in isolation from taxes and user fees. Revenue-in-lieu of tax is often considered property tax revenue, but it is not dependent on the mill rate and cities cannot always control the amounts received. Revenue-in-lieu of tax is paid to cities by federal and provincial governments whose properties are exempt from the general property tax and by various private property owners whose properties are unique and do not fit well into the assessment base. Franchise fees and taxes constitute everything from a sales tax on utility services (e.g., electricity, natural gas) to revenue received for using city right-of-ways and even the leasing of city properties. Because franchise fees and taxes are a relatively vague category, they are best separated from taxes and user fees and combined with revenue-in-lieu to form their own category.

- *Operating grants:* Operating grants are transfers provided by federal and provincial governments. These transfers can be unconditional (revenue use is unrestricted) or conditional (revenue is restricted to offsetting specific costs such as policing, transit, or social and community services). Operating grants typically come in the form of a discretionary federal or provincial expenditure. Some cities do, however, receive grants in the form of tax revenue sharing.

- *Other revenue:* All cities report other revenue, usually comprised of interest income on investments, fines and penalties, and the all-encompassing but mysterious miscellaneous category. For many cities, the amounts here are not at all insignificant. As already noted, Edmonton and Calgary receive considerable revenue in the form of the net income generated by EPCOR and ENMAX.

- *Capital revenue:* Revenue for capital expenditure is usually hived off operating revenue since it is specifically tied to capital projects. This revenue is comprised of conditional federal and provincial grants, development cost charges (DCCs), and small amounts of other revenue. Federal and provincial grants come both in the form of a discretionary expenditure and in the form of tax revenue sharing, particularly federal and provincial fuel tax sharing. Development cost charges are special fees charged to developers of new properties to aid in the provision of public infrastructure, or constitute the value of infrastructure built by developers and then donated to the city.

2. Nominal Revenue

In 1990, the six cities took in $3.626 billion in total revenue. This amount was made up of $3.387 billion in operating revenue and $239 million in capital revenue. In 2007, the six cities collected $7.183 billion in operating revenue and $1.184 billion in capital revenue for a grand total of $8.367 billion.

Charts 6-11 (graphical analysis section, pages 12-23) plot nominal revenue growth for each of the six revenue categories in each city from 1990-2007. A quick scan of the data shows that property tax revenue, user fee revenue, and capital revenue have grown for all cities. Contributions, on the other hand, have grown only in Vancouver, Calgary, Saskatoon, and Regina. This revenue, in nominal terms, has stalled in Winnipeg and Edmonton. During the first half of the 1990-2007 period, operating grants were in free-fall for every city except Winnipeg. After bottoming out,

operating grants flatlined for several years before beginning a slow rise starting around 2002. By 2007, operating grants had grown past their 1990 level for Calgary, Saskatoon, Regina, and Winnipeg. It is important to note that only Winnipeg breaks with this relatively consistent regional trend. Winnipeg's operating grants have slowly but steadily increased in nominal terms throughout the period. Other operating revenue has proven to be quite volatile from year to year. Despite the unpredictable nature of this revenue, the general pattern in Vancouver is one of decline, while in Edmonton, Calgary and Saskatoon the general trend is marked by growth. Other revenue in Regina and Winnipeg is essentially flat, although 2007 did see a sharp increase in Winnipeg.

3. Real Per Capita Revenue

As with expenditure, the real test for assessing growth in revenue is whether or not the cities are collecting more revenue per capita in inflation-adjusted amounts. If this is not occurring, then the cities are actually falling behind in accommodating population growth and keeping pace with the rising cost of providing services and infrastructure. *Charts 6-11 (graphical analysis section, pages 12-23)* superimpose a real per capita trendline over the nominal data using 1990 as the baseline. If the trendline falls below the baseline, the revenue component has failed to keep pace with population growth and inflation. If the trendline exceeds the baseline, the revenue component is growing faster than population and inflation.

Property tax revenue in Vancouver has hugged the baseline closely for all years between 1990-2004 *(Chart 6).* Since 2005, property taxes in real per capita terms have increased slightly. In Edmonton, Calgary, and Regina, property tax revenue tracked the baseline for the first half of the 1990-2007 period, after which real per capita tax collections fell below the baseline. Recently, property tax collections in all three cities have crossed to a point above the baseline. This happened in 2005 for Edmonton, 2006 for Calgary, and 2007 for Regina. In each city, however, the trendline remains only slightly above the baseline. In Saskatoon, real per capita property taxes continued a downward path below the baseline until 1997. Since then, real per capita property taxes have started an upward swing, crossing the baseline in 2002. Winnipeg provides an interesting contrast. Real per capita property taxes hugged the baseline until 1998, after which they have dipped sharply below the baseline. In Winnipeg, real per capita property taxes are now considerably lower than in 1990.

Real per capita user fee revenue is positive for all cities, showing the strongest growth in Vancouver *(Chart 7).* In Vancouver, real per capita user fees have grown every year since 1990, although they did taper off in 2006. For all the other cities, user fee revenue generally tracked either below or slightly above the baseline for most of 1990-1995, after which growth took off.

Operating grants, measured in real per capita terms, have yet to bounce back to 1990 levels in four of the cities *(Chart 8).* The two exceptions are Saskatoon and Winnipeg. In 2007, the amount of real per capita operating grants received by Saskatoon surpassed the amount received in 1990. Winnipeg's real per capita grants exceeded the baseline every year since 1995 – the only city to experience this kind of support.

Two groups of cities emerge with respect to real per capita contributions. The first group is comprised of Calgary, Saskatoon, and Regina. In these cities, the amount of real per capita contributions received is well above the 1990 baseline *(Chart 9).* Growth in the two Saskatchewan cities was relatively flat until the late 1990s, after which growth took off. Calgary's contributions have exhibited much more variability over the years, but growth is still solidly in positive territory. On the other hand, contributions in Edmonton and Winnipeg have seen a steady deterioration over the period. Vancouver's real per capita contributions fell steadily since 1990, recovered in 1998, but then started to slide again 2001.

Growth in other operating revenue, in real per capita terms, has been negative in both Vancouver and Regina *(Chart 10).* In Edmonton, Calgary, and Saskatoon, real per capita growth has tended to the positive side. The pattern in Winnipeg is roughly the same, however 2007 collections were significantly higher, once again demonstrating the relative volatility of this revenue category. Finally, real per capita revenue for capital expenditure is positive in all six cities *(Chart 11).*

Figure 12 (page 36) presents real per capita collections for all six major revenue categories – and their specific components – for the two endpoints of the 1990-2007 period. While the data do allow for comparisons between cities with respect to taxes, user fees, grants, contributions, other operating revenue, and capital revenue, such city-by-city commentary is outside the intended scope of this study. Rather, the intent here is to uncover shared trends with respect to growth in these revenue sources over time. With that in mind, *Figure 13 (page 37)* takes the information in *Figure 12* and converts the amounts into growth rates.

FIGURE 12: Real Per Capita Revenues, 1990 and 2007
(All Amounts in Real Per Capita Inflation-Adjusted 2007 $)

	VANCOUVER		EDMONTON		CALGARY		SASKATOON		REGINA		WINNIPEG	
	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007
General Property Tax	$ 746.74	$ 827.03	$ 573.57	$ 683.10	$ 658.61	$ 785.05	$ 481.30	$ 574.46	$ 658.82	$ 704.06	$ 699.67	$ 597.63
Business Occupancy Tax	—	—	140.51	135.92	226.29	194.32	27.61	—	9.48	—	85.45	85.79
Local Improvements	15.92	5.33	69.92	11.68	13.78	9.49	10.41	0.19	3.37	4.85	51.23	43.92
All Other Taxes	121.27	183.89	8.56	7.10	—	—	3.33	2.89	14.54	12.27	5.00	9.56
TOTAL TAXES	**883.93**	**1,016.25**	**792.56**	**837.80**	**898.68**	**988.86**	**522.65**	**577.54**	**686.21**	**721.18**	**841.35**	**736.90**
Sales of Service User Fees	239.67	445.99	423.38	601.57	574.34	726.06	877.10	1,066.24	373.30	487.57	404.83	513.50
Regulatory User Fees	49.02	75.29	24.06	57.37	42.74	72.79	8.97	21.21	49.81	45.38	33.13	70.02
TOTAL USER FEES	**288.69**	**521.28**	**447.44**	**658.94**	**617.08**	**798.85**	**886.07**	**1,087.45**	**423.11**	**532.95**	**437.96**	**583.52**
Provincial Grants	—	—	153.96	64.39	246.50	158.82	97.82	110.57	148.92	122.98	182.97	215.51
Federal Grants	—	—	10.21	11.58	12.86	6.58	0.14	3.03	0.75	5.70	1.85	0.04
TOTAL OPERATING GRANTS	**105.51**	**34.07**	**164.17**	**75.97**	**259.36**	**165.40**	**97.96**	**113.60**	**149.67**	**128.68**	**184.82**	**215.55**
Revenue-in-Lieu	48.58	39.35	86.56	30.78	27.97	11.57	21.22	20.10	36.36	43.45	61.15	25.38
Franchise Fees and Taxes	35.63	34.36	43.68	37.99	17.87	72.86	52.85	77.76	144.84	186.16	25.05	26.21
TOTAL CONTRIBUTIONS	**84.21**	**73.71**	**130.24**	**68.77**	**45.84**	**84.43**	**74.07**	**97.86**	**181.20**	**229.61**	**86.20**	**51.59**
Investments	65.54	31.71	84.08	150.34	114.46	55.37	94.13	52.13	—	—	71.32	76.70
Fines, Penalties, Other	149.16	17.15	62.89	52.03	56.07	72.27	75.48	161.19	—	—	43.84	131.10
Enterprise Revenue	—	—	374.55	466.44	149.77	232.29	—	—	—	—	—	—
TOTAL OTHER	**214.70**	**48.86**	**521.52**	**668.81**	**320.30**	**359.93**	**169.61**	**213.32**	**84.36**	**60.70**	**115.16**	**207.80**
OPERATING REVENUE	**1,577.04**	**1,694.17**	**2,055.93**	**2,310.29**	**2,141.26**	**2,397.47**	**1,750.36**	**2,089.77**	**1,524.55**	**1,673.12**	**1,665.49**	**1,795.36**
Capital Grants	10.77	12.23	142.25	446.71	101.92	308.01	15.09	110.68	62.01	67.78	51.04	109.23
Developers & Other	21.61	97.42	69.77	127.63	138.33	134.29	33.77	514.51	41.55	42.55	—	—
CAPITAL REVENUE	**32.38**	**109.65**	**212.02**	**574.34**	**240.25**	**442.30**	**48.86**	**625.19**	**103.56**	**110.33**	**51.04**	**109.23**
TOTAL REVENUE	**1,609.42**	**1,803.82**	**2,267.95**	**2,884.63**	**2,381.51**	**2,839.77**	**1,799.22**	**2,714.96**	**1,628.11**	**1,783.45**	**1,716.53**	**1,904.59**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

4. Growth Rate of Real Per Capita Revenue

Figure 13 (page 37) shows the percentage change in real per capita revenue across all of the various revenue components. Real per capita operating revenue, averaged across the cities, has grown by 11.5% from 1990-2007. Saskatoon has seen the largest increase at 19.4%, followed by Edmonton at 12.4%, and Calgary at 12.0%. Real per capita operating revenue growth in the other three cities has been lower, increasing by 9.7% in Regina, 7.8% in Winnipeg, and 7.4% in Vancouver.

Real per capita growth in total revenue is quite a bit higher than that of operating because of significantly increased capital income over the past few years. Averaged across the cities, real per capita total revenue grew 21.7%. The biggest increases were seen in Saskatoon (50.9%), Edmonton (27.2%) and Calgary (19.2%). Increases in the other cities have been more modest.

With respect to growth of the various revenue components, it is interesting to note the degree to which the cities share the same patterns. When the growth rates of each component are averaged across the cities, capital revenue emerges as the fastest growing component, followed by user fees, contributions, other revenue, taxes, and operating grants.

Capital revenue was the fastest growing component in four cities (Vancouver, Edmonton, Saskatoon, Winnipeg) and tied for first in another (Calgary). As such, one should not make too much of the variation in inter-city total revenue growth. Capital revenue, like capital expenditure, can be quite volatile. Oftentimes, cities proceed with a few large capital projects over a one or two year period, which increases both revenue and expenditure. After the projects are completed, capital revenue and expenditure tail off. Some of the growth in total revenue – or lack of growth – may simply reflect differences in the timing of capital projects.

FIGURE 13: Percent Change in Real Per Capita Revenues, 1990-2007
(Percent Change in Real Per Capita Amounts)

	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG	AVERAGE
	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007	% Change 1990-2007
General Property Tax	+ 10.8%	+ 19.1%	+ 19.2%	+ 19.4%	+ 6.9%	– 14.6%	+ 10.1%
All Other Taxes	+ 37.9%	– 29.4%	– 15.1%	– 92.5%	– 37.5%	– 1.7%	– 23.1%
TOTAL TAXES	**+ 15.0%**	**+ 5.7%**	**+ 10.0%**	**+ 10.5%**	**+ 5.1%**	**– 12.4%**	**+ 5.7%**
Sales of Service User Fees	+ 86.1%	+ 42.1%	+ 26.4%	+ 21.6%	+ 30.6%	+ 26.8%	+ 38.9%
Regulatory User Fees	+ 53.6%	+ 138.4%	+ 70.3%	+ 136.4%	– 8.9%	+ 111.4%	+ 83.5%
TOTAL USER FEES	**+ 80.6%**	**+ 47.3%**	**+ 29.5%**	**+ 22.7%**	**+ 26.0%**	**+ 33.2%**	**+ 39.9%**
Provincial Grants	—	– 58.2%	– 35.6%	+ 13.0%	– 17.4%	+ 17.8%	– 16.1%
Federal Grants	—	+ 13.5%	– 48.9%	+ 2,135.8%	+ 660.3%	– 97.6%	+ 532.6%
TOTAL OPERATING GRANTS	**– 67.7%**	**– 53.7%**	**– 36.2%**	**+ 16.0%**	– 14.0%	**+ 16.6%**	**– 23.2%**
Revenue-in-Lieu	– 19.0%	– 64.4%	– 58.6%	– 5.3%	+ 19.5%	– 58.5%	– 31.1%
Franchise Fees and Taxes	– 3.6%	– 13.0%	+ 307.7%	+ 47.1%	+ 28.5%	+ 4.6%	+ 61.9%
TOTAL CONTRIBUTIONS	**– 12.5%**	**– 47.2%**	**+ 84.2%**	**+ 32.1%**	**+ 26.7%**	**– 40.2%**	**+ 7.2%**
Investments	– 51.6%	+ 78.8%	– 51.6%	– 44.6%	—	+ 7.5%	– 12.3%
Fines, Penalties, Other	– 88.5%	– 17.3%	+ 28.9%	+ 113.6%	—	+ 199.1%	+ 47.2%
Enterprise Revenue	—	+ 24.5%	+ 55.1%	—	—	—	+ 39.8%
TOTAL OTHER	**– 77.2%**	**+ 28.2%**	**+ 12.4%**	**+ 25.8%**	– 28.1%	**+ 80.4%**	**+ 6.9%**
OPERATING REVENUE	**+ 7.4%**	**+ 12.4%**	**+ 12.0%**	**+ 19.4%**	**+ 9.7%**	**+ 7.8%**	**+ 11.5%**
Capital Grants	+ 13.6%	+ 214.0%	+ 202.2%	+ 633.3%	+ 9.3%	+ 114.0%	+ 197.7%
Developers & Other	+ 350.9%	+ 82.9%	– 2.9%	+ 1,423.4%	+ 2.4%	—	+ 371.3%
CAPITAL REVENUE	**+ 238.7%**	**+ 170.9%**	**+ 84.1%**	**+ 1,179.4%**	**+ 6.5%**	**+ 114.0%**	**+ 298.9%**
TOTAL REVENUE	**+ 12.1%**	**+ 27.2%**	**+ 19.2%**	**+ 50.9%**	**+ 9.5%**	**+ 11.0%**	**+ 21.7%**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007) and Statistics Canada.

With that caution in mind, it is interesting to contrast real per capita growth in capital revenue to that of operating grants, which came in last for two cities (Edmonton and Calgary) and second last in another three (Vancouver, Saskatoon, Regina). In fact, real per capita growth in operating grants is negative for all cities with the exception of Saskatoon and Winnipeg. Real per capita operating grants have fallen by 67.7% in Vancouver, 53.7% in Edmonton, 36.2% in Calgary, and 14.0% in Regina. Averaged across the cities, real per capita operating grants are down 23.2%.

Thus, the larger pattern here is one of provincial and federal grants shifting away from operations to support capital. At the same time that real per capita operating grants have decreased for most cities, real per capita capital grants have clearly increased. When operating and capital grants are combined, real per capita growth is positive in Saskatoon (98.4%), Edmonton (70.6%), Winnipeg (37.7%), and Calgary (31.0%). While growth is negative in both Vancouver and Regina, this may be due in part to the timing of various capital projects.

For most cities, capital revenues are advancing the fastest and operating grants are still in full retreat. All other revenue sources tend to fall somewhere in between. User fees were the second fastest growing revenue source in three cities (Vancouver, Edmonton, Regina) and took third place in another two cities (Calgary and Winnipeg). Real per capita growth in contributions was the fastest growing revenue component in Calgary and Regina and took second place in Saskatoon. Other revenue came in second in Winnipeg and third in Edmonton and Saskatoon.

An interesting similarity concerns growth in real per capita tax revenue, which came in last place in Saskatoon, second last place in Calgary and Winnipeg, and fourth place in Edmonton and Regina. In no city did tax revenue claim first or second spot in terms of real per capita growth. Real per capita taxes grew the most in Vancouver (15.0%), followed by Saskatoon (10.5%), Calgary (10.0%), Edmonton (5.7%), and Regina (5.1%). Real per capita tax revenue actually fell 12.4% in Winnipeg.

5. Contributions to Revenue Growth

Like expenditure, a focus on real per capita growth in revenue is only half the story. Because the various revenue components comprise a differing amount of each city's overall budget, growth rates do not indicate which revenue components have contributed the most to overall revenue growth. *Figure 14 (page 39)* shows the overall increase in revenue for each city across the 1990-2007 period, and the degree to which various revenues components have contributed to that overall increase.

While capital revenue has the largest real per capita growth rates for most cities, it has not tended to contribute the greatest amount to overall revenue growth. In Calgary, for example, capital revenue is well behind other revenue sources. In Vancouver, Regina, and Winnipeg, capital revenue represents less than 10% of the total revenue increase between 1990 and 2007. Capital revenue was the single largest contributor only in Saskatoon (36.2%) and Edmonton (26.2%).

Scanning across the data, it is property taxes and user fees that have contributed the most to overall revenue growth. In all cities, these two revenue sources are responsible for at least half of the total revenue increase from 1990-2007. The degree to which taxes and user fees contribute does differ between cities, however. In Vancouver, property taxes were responsible for 52.5% of the total increase in revenue, the highest among all the cities. In Regina, taxes were responsible for 36.8% of the increase, followed by Calgary at 33.2%, Edmonton at 25.7% Winnipeg at 23.3%, and Saskatoon at 17.1%. Generally speaking, property taxes have tended to contribute between one-quarter to one-third of the revenue increase from 1990-2007.

User fees have generally provided a similar amount, but in two cities, they actually contributed more than property taxes. User fees were responsible for 37.3% of all revenue growth in Winnipeg and 33.2% in Saskatoon. In the other cities, user fees tended to come in second to property tax revenue – but always a close second. In Vancouver, user fees contributed 35.8% of all revenue growth, followed by Regina at 34.8%, Calgary at 29.4%, and Edmonton at 24.2%.

The gap left after considering capital revenue, taxes, and user fees is generally quite small, and the experience of each city here is different. Other revenue is generally more important in Edmonton, Calgary, and Winnipeg. In Edmonton, other revenue contributed 22.6% of the total revenue increase, followed by Winnipeg at 16.6%, and Calgary at 12.2%. The explanation here is quite easy in the case of Edmonton and Calgary, both of which receive significant amounts of net income from EPCOR and ENMAX. In 2007, Edmonton received $214.5 million more from EPCOR than it received from the electrical and water utilities in 1990. Calgary received $171.9 million more. The strength shown in Winnipeg's other revenue category is less clear.

Revenue-in-lieu of tax and franchise fee and tax contributions generated 15.1% of the total revenue increase in Regina, but the amounts were negligible for most other cities. This prevails despite some high rates of growth in the contribution component for cities like Calgary and Saskatoon. While this revenue source may be growing faster than other sources, it remains a relatively small part of the overall budget and its overall impact is marginal.

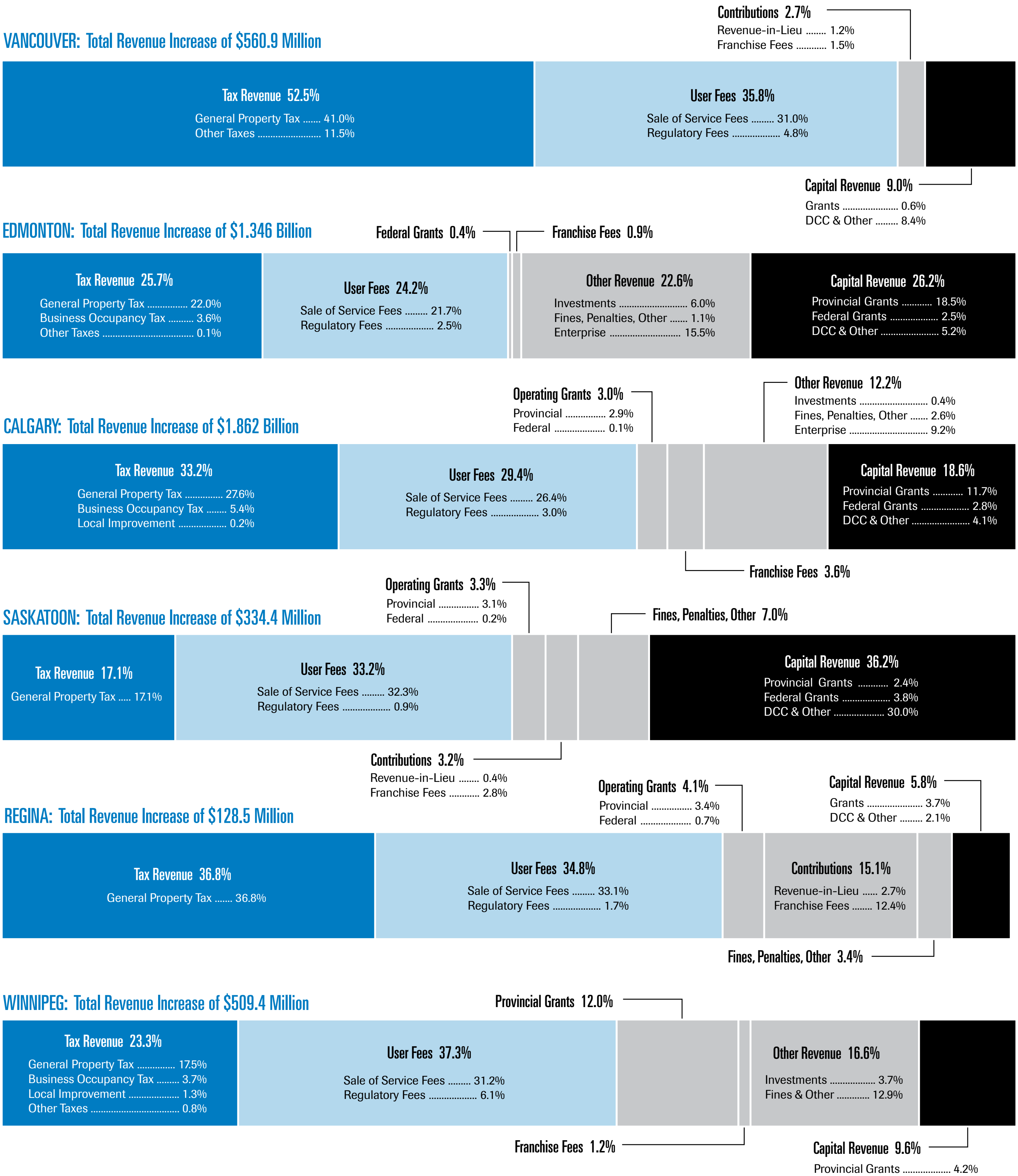
Not surprisingly, operating grants have arguably contributed the least for most cities. While increases in operating grants were responsible for a significant portion of overall revenue growth in Winnipeg (12.0%), it is the clear exception. Operating grants contributed nothing in Vancouver, and were responsible for only 0.4% of total revenue growth in Edmonton. Leaving the unique situation of Winnipeg aside, Regina showed the greatest amount of revenue growth from operating grants at 4.1%. Every other city falls somewhere in between.

6. A Shifting Revenue Profile

Figure 15 and *Figure 16 (pages 40-41)* present revenue profiles for each city in 1990 and 2007. Several shifts are worth noting. First, property tax revenue has become less important for most cities, having fallen as a percentage of total revenue. In Edmonton, for example, property taxes moved from 35.0% of total revenue in 1990 to 29.1% in 2007. Similar shifts have occurred in Calgary (37.7% to 34.8%), Saskatoon (29.1% to 21.3%), Regina, (42.1% to 40.4%), and Winnipeg (49.0% to 38.7%). Only Vancouver has seen its reliance on property taxes, as a percentage of total revenue, increase over the 1990-2007 period.

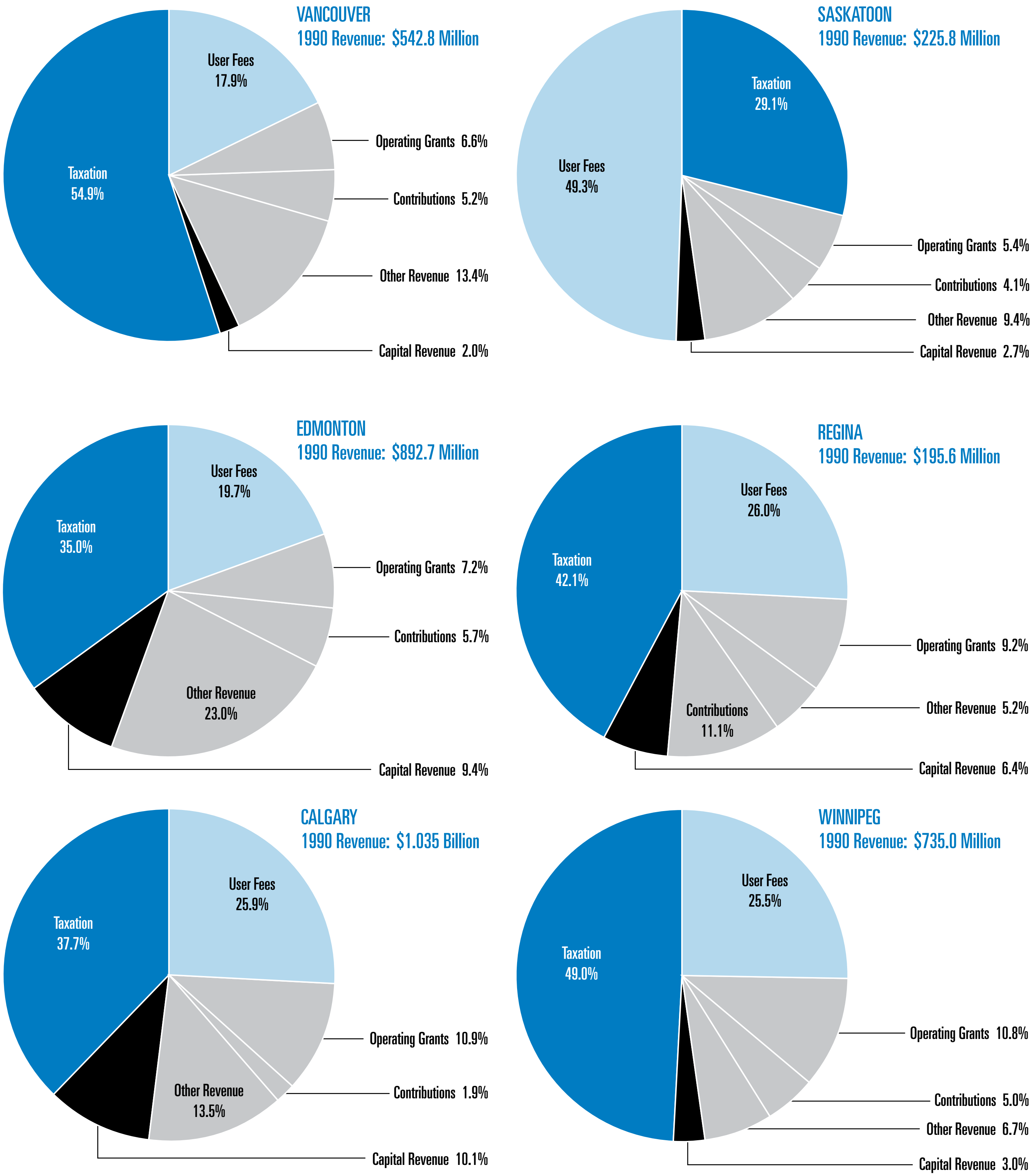
Second, every city with the exception of Saskatoon has seen their reliance on user fees grow. In Vancouver, user fees have moved from 17.9% of total revenue to 28.9%, and similar changes have been seen in Edmonton (19.7% to 22.8%), Calgary (25.9% to 28.1%), Regina (26.0% to 29.9%), and Winnipeg (25.5% to 30.7%).

FIGURE 14: Relative Contribution to Growth in Total Revenue, 1990-2007



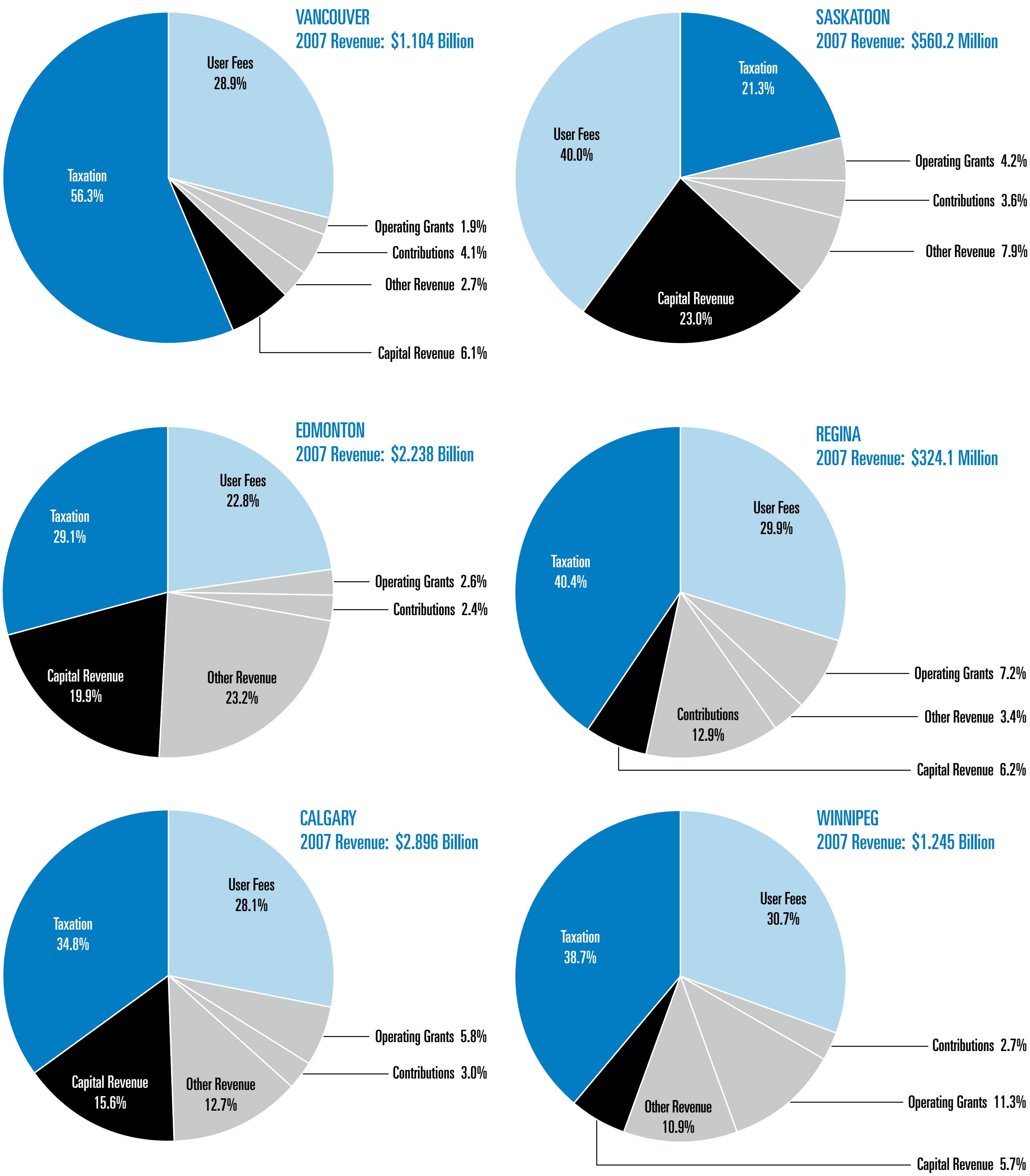
SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

FIGURE 15: Revenue Profile in 1990



SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

FIGURE 16: Revenue Profile in 2007



SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

Third, capital revenue has also come to claim an increasingly higher share of total revenues in every city. This is not surprising given our earlier analysis. Capital revenue, as a percentage of total revenue, has moved up in Vancouver (2.0% to 6.1%), Edmonton (9.4% to 19.9%), Calgary (10.1% to 15.6%), Saskatoon (2.7% to 23.0%), and Winnipeg (3.0% to 5.7%). Only in Regina has the percentage remained relatively constant.

Fourth, the degree to which other revenue categories have shifted is slight. Generally speaking, each city is collecting roughly the same proportion of contributions and other revenue in 2007 as it did in 1990. There are differences here to be sure, but they tend to be quite marginal in their overall impact.

Finally, operating grants have dwindled as a proportion of total revenue for most cities. Operating grants, as a percentage of total revenue have fallen in Vancouver (6.6% to 1.9%), Edmonton (7.2% to 2.6%), Calgary (10.9% to 5.8%), Saskatoon (5.4% to 4.2%), and Regina (9.2% to 7.2%). Operating grants do contribute more to Winnipeg's total revenue in 2007 than they did in 1990, but only marginally so (10.8% in 1990 to 11.3% in 2007).

Again, whether or not these shifts will hold into the future is unclear. The look of the overall profile in 2007 has been affected by recent changes in capital revenue. Some of these revenue changes, such as increased provincial grants for capital and higher DCC revenue to accommodate new developments, may be relatively short-lived. This revenue can also change dramatically from year to year. Other changes, such as the new federal fuel tax sharing arrangement, may prove to have more staying power.

7. Education and Municipal Property Taxes

No review of big city finances can afford to ignore the issue of municipal property tax collections in relation to education property taxes. In all western Canadian provinces, property tax room is shared between amounts collected for municipal purposes and amounts collected for provincial or local educational purposes. Revenue-in-lieu of tax is also collected for municipal and educational purposes. As such, there is a certain amount of competition for property tax room. Cities have often argued that this competition places them at a disadvantage. Because the cities act as collection agents for all property taxes, it is the cities that often "take the heat" when education property taxes are rising. Over the 1990-2007 period, what do the numbers show us about this particular issue?

Figure 17 (page 43) plots municipal and education property taxes in each city across the 1990-2007 period. Two groups of cities emerge. The first is comprised of cities where municipal property taxes have grown faster than education property taxes. These cities include Vancouver, Edmonton, Calgary, and Regina. In Vancouver, municipal property taxes in 1990 were 54.3% of all property taxes collected. In 2007, municipal collections were 62.9%. In Edmonton, municipal property taxes moved from 58.4% of the total in 1990 to 69.7% in 2007, and in Calgary, municipal collections moved from 62.8% to 67.2%. In Regina, municipal property tax collections went from 51.8% in 1990 to 53.1% in 2007.

In Edmonton and Calgary, provincial education property taxes were actually reduced at points during the 1990-2007 period. For example, education property taxes in Edmonton totalled $274.0 million in 1995, falling to $232.7 million in 1998. In 1994, education property taxes were $328.4 million in Calgary falling to $324.8 million in 1995. In 2001, education property taxes in Calgary fell to $371.0 million from $380.5 million collected in 2000. A significant reduction in education property taxes also occurred in Regina. In 2005, education property taxes in Regina were $97.8 million, much lower than the $112.5 collected in the year previous. Until that point, growth in education property taxes in Regina had been outstripping growth in municipal property tax collections. For all these cities, a reduction in education property tax has allowed them at least some additional room within the property tax. This differs from the situation in Saskatoon and Winnipeg. In Saskatoon, the ratio of municipal property tax to education property tax has stayed virtually the same. In Winnipeg, municipal property taxes have grown slower than education property taxes.

8. Summary

In 2007, the six cities under consideration took in $8.367 billion in revenue compared to $3.626 billion in 1990. When adjusted for population growth and inflation, real per capita operating revenue has grown by 11.5% when averaged across the cities, and growth in real per capita total revenue has averaged 21.7%. A good portion of the revenue increase is directly related to increased capital funding, user fees, various types of contributions, and other revenue. Property taxes have tended to generate between one-quarter to one-third of the total revenue increase. Generally speaking, the cities are less dependent on property taxes in 2007 than they were in 1990 and more dependent on user fees. While capital funding has clearly increased, federal and provincial operating grants have slipped significantly as a percentage of total revenue collected.

FIGURE 17: Municipal and Education Taxes Compared, 1990-2007

CHART 1: Vancouver

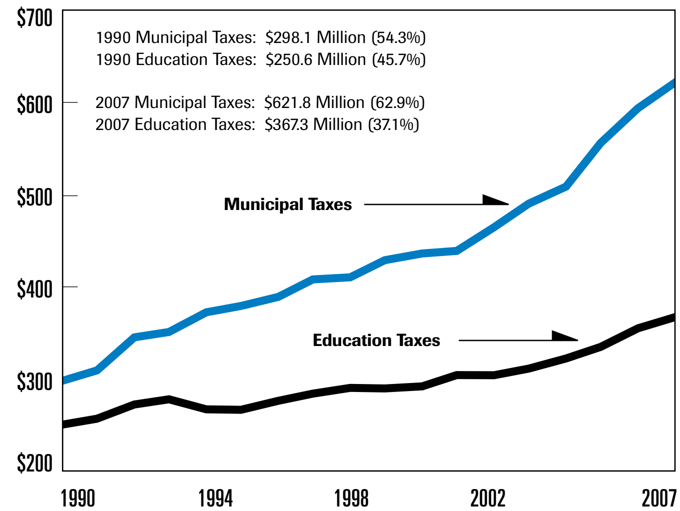


CHART 4: Saskatoon

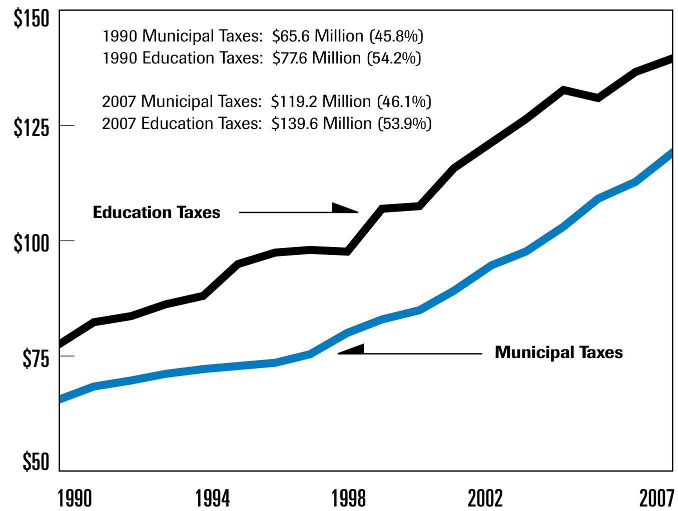


CHART 2: Edmonton

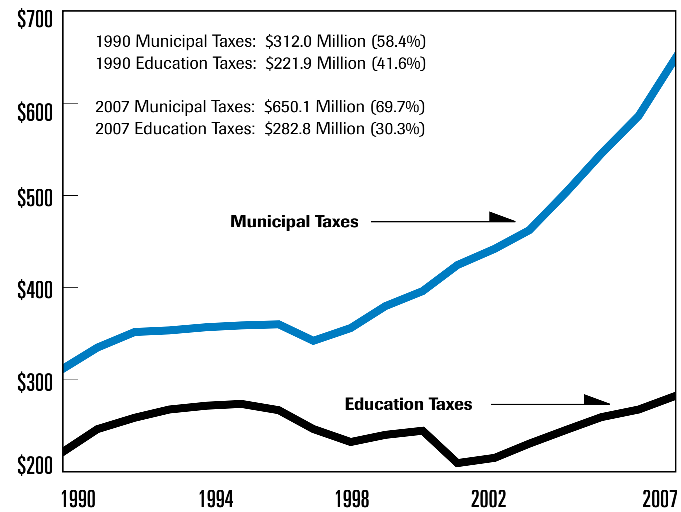


CHART 5: Regina

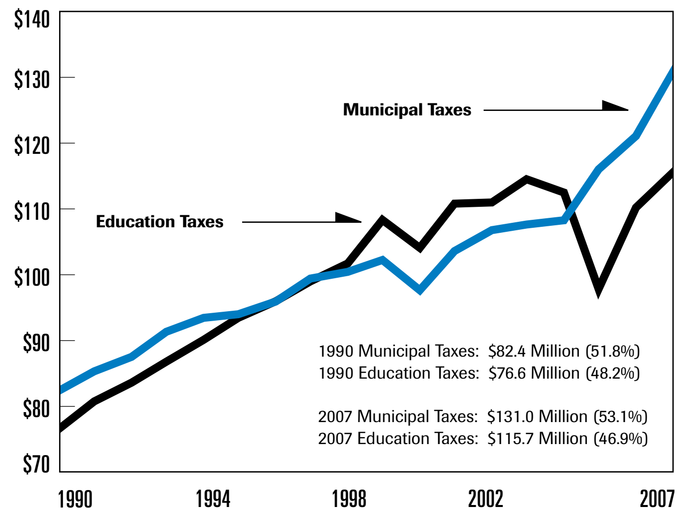


CHART 3: Calgary

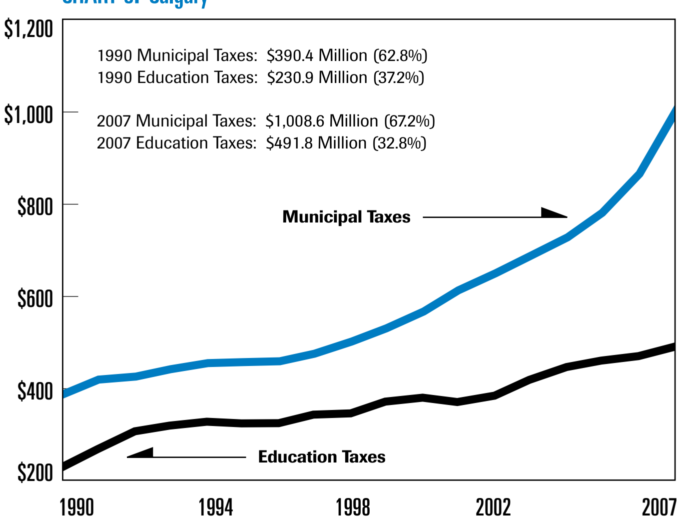
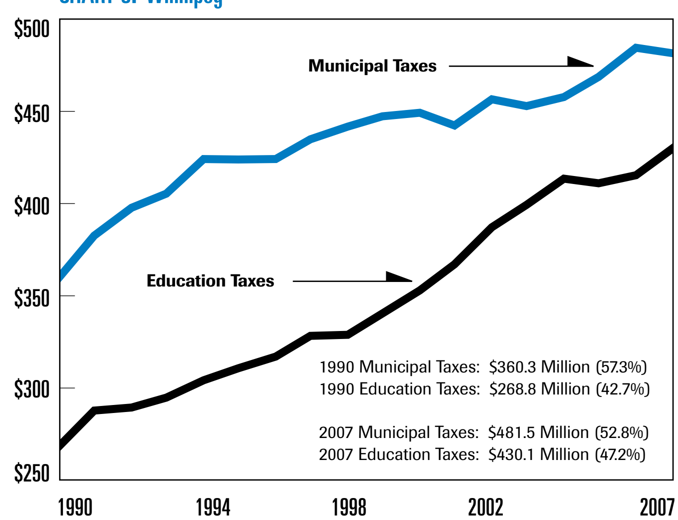


CHART 6: Winnipeg



SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007).

DISCUSSION

At the beginning of this study, a number of questions were posed concerning the fiscal experience of western Canada's six large cities. Given the last 10 years of discussion and debate, has anything really changed? Do the cities have sufficient capacity to absorb and accommodate population and economic growth? Are the cities more fiscally sound today? Given our fiscal review, are there new policy directions that need to be considered? The key fiscal trends in the six cities shed at least some light on each of these questions.

1. Has Anything Really Changed?

The Canada West Foundation's original *Dollars and Sense* study examined the finances of the same six cities over the 1990-2000 period. That study reported that real per capita program spending was actually lower for most of the cities in 2000 compared to 1990. Capital expenditure had experienced significant ups and downs for many cities, but was generally at the same point in 2000 as in 1990. On the revenue side of the equation, both operating and capital grants had been significantly reduced and most of the cities were seeing an increased reliance on user fees and larger profit margins produced by their utility operations. In real per capita terms, property tax revenue growth was negative in four of the six cities and relatively sluggish in two others. Outstanding net direct debt was on the decline, and most cities were in an effective surplus position.

In 2007, the picture has indeed changed, and in some interesting ways. On the expenditure side, real per capita program spending has now risen past 1990 levels for all cities except Winnipeg, whose program spending is still at the same level as 1990. While the increases in most cities are slight, the evidence appears to suggest that the cities are finally finding at least some fiscal wherewithal to reinvest in municipal programs and services. However, the biggest difference on the expenditure side comes when considering capital spending, which has risen dramatically in recent years for all of the cities. Indeed, capital expenditure is the fastest growing expenditure item across the six cities. In three cities, increased capital expenditure has contributed up to half of the increase in total nominal spending since 1990. Given that all of the cities are reporting huge infrastructure needs, the increased capital spending is welcome news and symbolizes policy action that is moving in the right direction at the right time.

Interesting shifts have also occurred on the revenue side, with the most notable change concerning provincial and federal support. In 2000, real per capita operating and capital grants were down substantially for all of the cities. This has reversed. To be sure, real per capita operating grants have not recovered, but provincial and federal governments have responded to the infrastructure challenge by increasing grants for capital expenditure. Combined with other capital funding sources, capital revenue is one of the fastest growing revenue components for the cities. Other trends in operating revenue seen in the earlier *Dollars and Sense* study appear to be holding. For example, user fees are becoming more important as a source of revenue for most cities, real per capita operating grants remain below 1990 levels, and growth in contributions and/or other revenue tends to outpace growth in property tax revenue, which remains one of the slowest growing sources of municipal income.

A final change worth noting concerns net direct debt and budget balances. In 2000, the net direct debt of the six cities was on a clear path downward. The sole exception to this larger regional pattern was Vancouver. Today, debt is on the rise in all of the cities with the exception of Winnipeg. This should come as no surprise given the huge capital expenditure now taking place. The nominal increase in capital revenue has not kept pace with the increase in capital expenditure. Capital revenue increased by $945 million across the six cities but capital expenditure has increased by almost $2.0 billion. The difference between the two is being funded by increased debt, drawing on reserves, and transferring amounts from the operating side of the budget. Running in tandem with all of this is a trend toward smaller effective surpluses in some cities, more deficits in others, and larger deficits than those seen in the past. At the same time, it should be noted that the debt outstanding has increased only in nominal terms – the per capita debt load for most of the cities is actually lower in 2007 than in 1990, or only slightly higher.

2. Do Cities Have Sufficient Fiscal Capacity?

Whether or not the cities have sufficient fiscal capacity to address a rapidly growing urban population and accommodate the pressures that come in the wake of economic growth is a tricky question. While a macro review of fiscal indicators alone cannot provide a complete answer, it does help crack the window on the question. Six specific trends in our data review speak to this matter.

First, a lot depends on whether or not recently increased provincial and federal support for capital can be sustained over the long-term. If the increased support is intended as a short-term response to various political pressures, then the cities are not as well-positioned as our data indicate. On the other hand, if provincial and federal governments decide to stay in the urban infrastructure game for the duration, then the capacity of the West's big cities to deal with various growth pressures may be enhanced – at least relative to the situation in the 1990s. In the end, a lot of the fiscal capacity question is highly dependent on provincial and federal policies with respect to infrastructure investment, not to mention increased operating support – which has yet to materialize in any substantial fashion for most cities.

A second and related matter concerns long-term sustainability with respect to the current high levels of capital expenditure. In the past, capital expenditure has often been viewed as "one-off" spending – once the required capital investments were made, that was the end of the matter. But this is not so. Every dollar spent on capital today requires at least some dollars for operations and maintenance tomorrow. Further, every dollar spent on capital today will require many more dollars at some point in the future to rehabilitate or replace the capital assets when they reach the end of their life cycle.

The fact is, high levels of capital expenditure today involve the creation of a huge financial liability at some point in the future. This was not sufficiently considered 50 years ago when much of Canada's urban infrastructure was laid down, and it is one of the main reasons behind Canada's current infrastructure funding challenge. With this in mind, it is not enough to merely point to increased levels of capital expenditure and make the argument that this is meeting the needs of the cities. Thought must also be given to ensuring a measure of fiscal capacity to deal with the future needs of the infrastructure being built today. If that consideration is ignored, then fiscal capacity is shorted and long-term fiscal sustainability remains elusive.

Third, the smaller size of effective budget surpluses and the reemergence of deficits mean that some cities are now beginning to spend beyond their current revenue, or are moving in that general direction. In itself, this is not a bad thing – debt financing and the use of reserves is a legitimate financing tool for infrastructure. In many ways, past policies that prohibited tax-supported debt or sought to eliminate it completely were unrealistic, if not damaging. At the same time, no government can pursue such an approach indiscriminately over the long-term. A string of deficits resulting from high levels of capital expenditure will eventually have to be offset by at least some surpluses to keep the larger fiscal dynamics balanced over the long-term. Failing this, cities will see a continual slide in their net financial asset position.

Fourth, the data indicate that the cities are beginning to stretch themselves fiscally to accommodate the growth pressures they face. What is more, this current fiscal stretching comes on the heels of average annual surpluses that were relatively small across the 1990-2007 period. The upshot here is that if the cities are currently meeting their growth challenges, they are doing so by throwing virtually everything they have at the challenge. If the cities are not meeting the challenge, this may be as good as it gets unless something else starts to give.

Fifth, it is important to understand that the cities have increased their real per capita spending on programs and services only to the extent that they have secured savings in interest costs on their outstanding net direct debt. As noted earlier, all cities have been able to take advantage of lower costs of borrowing, and these savings have been redirected to programs and services. At the end of the fiscal day, however, real per capita operating expenditure for all cities is either lower in 2007 than in 1990, or only slightly higher.

This general pattern has played out for some time across the cities. As long as debt was being paid down and interest rates continued to fall, the cities secured savings they could redirect to support programs and services. However, this pattern may be coming to an end given the vastly increased capital expenditure now occurring and rising levels of debt. In short, the primary means used by cities to maintain real per capita program spending in the past may not be there in the future. This raises questions about whether levels of real per capita program expenditure can be maintained over the long-term, and whether the revenue tools available to the cities can take on this role.

All of this leads to the sixth point, which concerns the capacity of each city's operating revenue to sustain program expenditure, maintain current levels of capital expenditure and investment, and absorb potentially higher interest costs that might come with higher levels of debt. The data here are not particularly encouraging.

The operating and capital revenue sources of the West's big cities are limited and relatively narrow, marked by a singular and heavy dependence on the property tax. Over the 1990-2007 period, this basket of revenue sources has demonstrated relatively little revenue-generating capacity.

Figure 18 shows real per capita taxes and total revenue for the federal government, each of the four western provinces, and the six cities from 1990-2007. *Figure 19 (page 47)* takes the results and converts them into growth rates. The differences are striking. Total federal tax revenue, measured in real per capita terms, grew by 25.3% between 1990-2007. Real per capita tax revenue grew 19.1% for the province of British Columbia, 22.0% for Manitoba, 44.5% for Alberta, and 59.3% for Saskatchewan.

This contrasts sharply with the experience of the six cities, where growth in real per capita tax revenue averaged only 5.7% over the same time period. Relatively low real per capita tax growth was seen in both Regina (5.1%) and Edmonton (5.7%). Growth in Calgary (10.0%) and Saskatoon (10.5%) was somewhat higher but still a far cry from the rates seen federally and provincially. Winnipeg's real per capita tax revenue is actually lower in 2007 than in 1990. Only in Vancouver does growth in real per capita tax revenue even come close to approaching the levels seen federally and provincially. What is more, other sources of non-tax revenue are not much help either. When considering total real per capita operating revenue, the amounts collected by the cities still show much lower rates of growth than amounts collected by the federal and provincial governments.

FIGURE 18: Real Per Capita Federal, Provincial, and Municipal Revenues, 1990 and 2007

(All Amounts in Real Per Capita Inflation-Adjusted 2007 $)

	FEDERAL		BRITISH COLUMBIA		ALBERTA		SASKATCHEWAN		MANITOBA	
	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007
Personal Income Taxes	$ 2,665.20	$ 3,350.22	$ 1,471.22	$ 1,576.39	$ 1,565.43	$ 2,194.02	$ 1,318.54	$ 1,674.24	$ 1,357.30	$ 1,794.93
Corporate Income Taxes	668.73	1,144.62	326.04	455.45	432.10	1,038.00	334.40	1,070.35	577.94	712.91
TOTAL INCOME TAXES	**3,333.93**	**4,494.84**	**1,797.26**	**2,031.84**	**1,997.53**	**3,232.02**	**1,652.94**	**2,744.59**	**1,935.24**	**2,507.84**
General Sales Tax	905.18	949.05	848.13	1,076.19	—	—	734.80	1,083.39	816.23	1,076.11
Other Sales Taxes	622.29	573.09	370.36	401.35	421.61	615.43	437.07	671.10	651.66	567.97
Property Taxes	—	—	437.27	604.07	508.64	382.85	—	—	—	—
TOTAL OTHER TAXES	**1,527.47**	**1,522.14**	**1,655.76**	**2,081.61**	**930.25**	**998.28**	**1,171.87**	**1,754.49**	**1,467.89**	**1,644.08**
Employment Insurance	551.48	509.13	—	—	—	—	—	—	—	—
Canada Pension Plan	624.97	1,036.97	—	—	—	—	—	—	—	—
TOTAL SOCIAL TAXATION	**1,176.45**	**1,546.10**	—	—	—	—	—	—	—	—
TOTAL TAX REVENUE	**6,037.85**	**7,563.08**	**3,453.02**	**4,113.45**	**2,927.78**	**4,230.30**	**2,824.81**	**4,499.08**	**3,403.13**	**4,151.92**
Resource Taxation	—	—	532.32	909.08	1,382.72	3,529.09	542.67	1,699.32	57.93	117.13
Non-Tax Revenues	426.83	629.58	1,857.35	3,590.20	3,614.82	3,183.95	2,707.47	2,615.19	2,627.72	3,374.96
TOTAL OTHER REVENUE	**426.83**	**629.58**	**2,389.67**	**4,499.28**	**4,997.54**	**6,713.04**	**3,250.14**	**4,314.51**	**2,685.65**	**3,492.09**
TOTAL REVENUE	**6,464.68**	**8,192.66**	**5,842.69**	**8,612.73**	**7,925.32**	**10,943.34**	**6,074.95**	**8,813.59**	**6,088.78**	**7,644.01**

	VANCOUVER		EDMONTON		CALGARY		SASKATOON		REGINA		WINNIPEG	
	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007	1990	2007
Total Tax Revenue	$ 883.93	$ 1,016.25	$ 792.56	$ 837.80	$ 898.68	$ 988.86	$ 522.65	$ 577.54	$ 686.21	$ 721.18	$ 841.35	$ 736.90
Non-Tax Revenue	693.11	677.92	1,263.37	1,472.49	1,242.58	1,408.61	1,227.71	1,512.23	838.34	951.94	824.14	1,058.46
OPERATING REVENUE	**1,577.04**	**1,694.17**	**2,055.93**	**2,310.29**	**2,141.26**	**2,397.47**	**1,750.36**	**2,089.77**	**1,524.55**	**1,673.12**	**1,665.49**	**1,795.36**
Capital Revenue	32.38	109.65	212.02	574.34	240.25	442.30	48.86	625.19	103.56	110.33	51.04	109.23
TOTAL REVENUE	**1,609.42**	**1,803.82**	**2,267.95**	**2,884.63**	**2,381.51**	**2,839.77**	**1,799.22**	**2,714.96**	**1,628.11**	**1,783.45**	**1,716.53**	**1,904.59**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007), the Public Accounts of the Government of Canada (1990-2007), budget documents of the various provincial governments (1990-2007), the Dominion Bond Rating Service (DBRS), and Statistics Canada.

FIGURE 19: Percent Change in Real Per Capita Revenues, 1990-2007
(Percent Change in Real Per Capita Amounts)

	FEDERAL	BC	AB	SK	MB	VANCOUVER	EDMONTON	CALGARY	SASKATOON	REGINA	WINNIPEG
Personal Income Taxes	+ 25.7%	+ 7.1%	+ 40.2%	+ 27.0%	+ 32.2%	—	—	—	—	—	—
Corporate Income Taxes	+ 71.2%	+ 39.7%	+ 140.2%	+ 220.1%	+ 23.4%	—	—	—	—	—	—
TOTAL INCOME TAXES	**+ 34.8%**	**+ 13.1%**	**+ 61.8%**	**+ 66.0%**	**+ 29.6%**	—	—	—	—	—	—
General Sales Tax	+ 4.8%	+ 26.9%	—	+ 47.4%	+ 31.8%	—	—	—	—	—	—
Other Sales Taxes	– 21.4%	+ 8.4%	+ 46.0%	+ 53.5%	– 12.8%	—	—	—	—	—	—
Property Taxes	—	+ 38.1%	– 24.7%	—	—	+ 15.0%	+ 5.7%	+ 10.0%	+ 10.5%	+ 5.1%	– 12.4%
TOTAL OTHER TAXES	**– 0.3%**	**+ 25.7%**	**+ 7.3%**	**+ 49.7%**	**+ 12.0%**	**+ 15.0%**	**+ 5.7%**	**+ 10.0%**	**+ 10.5%**	**+ 5.1%**	**– 12.4%**
Employment Insurance	– 7.7%	—	—	—	—	—	—	—	—	—	—
Canada Pension Plan	+ 65.9%	—	—	—	—	—	—	—	—	—	—
TOTAL SOCIAL TAXATION	**+ 31.4%**	—	—	—	—	—	—	—	—	—	—
TOTAL TAX REVENUE	**+ 25.3%**	**+ 19.1%**	**+ 44.5%**	**+ 59.3%**	**+ 22.0%**	**+ 15.0%**	**+ 5.7%**	**+ 10.0%**	**+ 10.5%**	**+ 5.1%**	**– 12.4%**
Resource Taxation	—	+ 70.8%	+ 155.2%	+ 213.1%	+ 102.2%	—	—	—	—	—	—
Non-Tax Revenues	+ 47.5%	+ 93.3%	– 11.9%	– 3.4%	+ 28.4%	– 2.2%	+ 16.6%	+ 13.4%	+ 23.2%	+ 13.5%	+ 28.4%
TOTAL OTHER REVENUE	**+ 47.5%**	**+ 88.3%**	**+ 34.3%**	**+ 32.7%**	**+ 30.0%**	**– 2.2%**	**+ 16.6%**	**+ 13.4%**	**+ 23.2%**	**+ 13.5%**	**+ 28.4%**
TOTAL REVENUE	**+ 26.7%**	**+ 47.4%**	**+ 38.1%**	**+ 45.1%**	**+ 25.5%**	**+ 7.4%**	**+ 12.4%**	**+ 12.0%**	**+ 19.4%**	**+ 9.7%**	**+ 7.8%**

SOURCE: Derived by Canada West Foundation from the Annual Financial Reports of the cities (1990-2007), the Public Accounts of the Government of Canada (1990-2007), budget documents of the various provincial governments (1990-2007), the Dominion Bond Rating Service (DBRS), and Statistics Canada.

NOTE: Total revenue for the cities equates to total operating revenue only.

The taxes in play federally and provincially tend to collect a relatively consistent percentage of economic growth occurring year-over-year. Such is the nature of income taxes and sales taxes. Income tax revenue grows over time as personal incomes and corporate earnings grow, and sales tax revenue grows as more people purchase more goods and services. Federal and provincial tax sources are diverse and elastic, keeping pace with population growth and expansion of the provincial and national economies. This is not the case with the property tax, which tends to be relatively inelastic and any substantial revenue increase requires a highly unpopular political decision to increase the rate of tax.

The taxes used federally and provincially allow those governments to benefit from a steadily increasing population and tap into an expanding economy that lifts revenue and allows them to better accommodate the costs of growth. The basket of provincial and federal taxes capture the full range of economic activity that constitutes provincial and national GDP. These tax sources have built-in escalators that respond to growth. The same dynamic is not in play in the cities, whose tax revenue often fails to keep pace with growth. In short, population growth and the pressures of a growing economy are less a gain for cities and more of a burden. Cities pay for the growth while provincial and federal governments reap the rewards.

3. Are Cities More Fiscally Sound?

In many respects, western Canada's big cities appear to be in better fiscal shape today than at any other point since 1990. All of the cities have managed to increase their net financial asset position, real per capita program spending is no longer on a downward trend, capital spending is accelerating rapidly, and per capita debt levels have not increased substantially. Judging from the numbers alone, it is hard to make the case that our cities are fiscally failing.

At the same time, the health of any city does encompass much more than the balance sheet. A number of stresses and challenges remain, including the renewal of aging infrastructure systems, building new infrastructure to accommodate a swelling urban population, increased incidence of homelessness, affordable housing, urban sprawl, and even the threat of growing violent crime and gang-related offenses. The list could go on and on.

Whether our cities can manage these growing urban concerns with the fiscal tools currently at their disposal is highly questionable. Indeed, it may be time to start exploring some "out-of-the-box" options that hold more potential for better financing our cities.

CONCLUSION:
New Directions Needed

The financial challenges facing the West's big cities coupled with serious questions concerning long-term fiscal sustainability constitute a powerful argument for changing the way cities do business. This has been an ongoing theme of the Canada West Foundation's *Western Cities Project*. While it is outside the scope of this paper to explore all of these new directions, the following summary hopefully serves to catalyze discussion regarding a better way forward.

- *Focus on core responsibilities and priorities, or have current responsibilities better matched with appropriate revenues and resources:* At the end of the policy day, city governments simply cannot "be all things to all people." While numerous concerns in our cities can be tagged as "urban issues", it does not follow that local government be responsible for all of them. This is especially so given the severe limitations of the property tax. Either the focus of our cities needs to be kept on traditional local priorities or their current responsibilities need to be squared with more appropriate revenue tools and resources. Given the complex and integrated nature of government responsibilities, it is arguably the latter that should take priority.

- *Pursue user pay and better pricing models wherever possible:* Cities need to innovate with user fees by converting tax-supported services and infrastructure to user pay wherever possible, and begin charging users the full costs of the services and infrastructure they demand and consume. The fact is, many municipal services and infrastructure confer significant private benefit. User pay brings the demands of residents into line with what they are willing to pay and forces people to realize the actual costs of their behaviour. User pay increases efficiency, discourages waste, and dispels the notion that government goods and services are free.

- *Explore new modes of program and service delivery*: Much of the current discussion around public-private partnerships (PPPs) relates to infrastructure provision. But PPPs actually see the public sector partnering with the private and nonprofit sectors to deliver both infrastructure and services. PPP is a wide-spread and systematic commitment to private and nonprofit involvement through competitive tendering. PPPs in operations include service contracts (purchasing inputs), alternative service delivery (purchasing outputs), operations and maintenance contracts (O&M), and systems of managed competition that run across a governmental organization. Opening municipal service delivery to competition by allowing private and nonprofit producers to compete with public producers can help increase efficiency, improve services, and even lower costs.

- *Pursue innovative infrastructure financing, funding, and delivery:* The cities themselves report that a great deal of the current financial challenge comes from huge capital and infrastructure requirements that outstrip the available financing and funding. One recent estimate of the municipal infrastructure funding deficit in Canada pegs the amount at a whopping $123 billion (Federation of Canadian Municipalities 2007). If government is to ever get a handle on this problem, innovation will have to be the order of the day. In *New Tools for New Times (2006)* the Canada West Foundation identified numerous innovative strategies for financing, funding, and delivering infrastructure investments.

- *Secure new tax tools and/or new tax revenue sharing with other orders of government:* The idea here is to substantially reduce the amount of property taxes collected and secure new taxing authority or better tax revenue sharing that will provide cities with greater revenue-generating capacity and allow cities to capture a larger portion of the economic activity occurring in their boundaries. Fuelling this option is a clear recognition that most of western Canada's competitor cities, whether in Europe, Southeast Asia, or the US, have significantly greater access to a wider range of taxes, and this places them on a more secure fiscal footing. This is not to say that a drastic increase in taxes is the silver bullet to the financial challenges facing the West's cities. It is not. However, a more diverse tax system carries specific advantages that directly address the drivers of some of the most important fiscal challenges they face.

While it is unreasonable to expect the package of reforms above to elicit unqualified support, every time an option is deemed unworkable, the field of choices narrows. It is imperative that Canadians and their governments make some new ideas work. If we are not up to the challenge, the status quo will continue its reign. The only option left is cities continuing to go "cap in hand" to provincial and federal governments. But if well operated, highly livable, and appropriately financed cities are the comparative advantage of the 21st century, then siding with the status quo could be even more ugly. The status quo means Canadians have chosen to preside over a slow but steady decline in the quality of life and the standard of living now afforded by this country. Out of all the options, this one would be the worst. ■

A FINAL WORD: Fiscal Clarity

Throughout this project, Canada West Foundation researchers found themselves continually frustrated in securing some of the essential information required to conduct a comparative longitudinal analysis of big city finances in western Canada. While most of the big western cities now follow a more consistent accounting methodology, and this has provided greater clarity and public accountability in the financial information they publish, some nagging and recurring problems do remain. Solving these issues would result in better accountability and a more clear picture of ongoing financial trends.

It is important to remember that the financial information produced by any government must pass muster for two groups of individuals. The first group is comprised of accountants tasked with verifying and auditing the financial statements. The second group is comprised of citizens and taxpayers who require — if not deserve — a straightforward, easy-to-understand, and helpful set of documents that show the big picture while providing the necessary detail. Although this is a tough balancing act, it must be managed.

From a public policy and public accountability standpoint, what makes for a good annual financial report?

First, a good annual financial report includes sufficient historical data. While accountants are generally concerned with precise year-over-year comparisons, public policy and public accountability requires a much longer time horizon. Two years of comparable property tax data are of little use from an analytical perspective. Five years of historical data is more helpful, but that too is insufficient. A good model here is the Government of Alberta, which publishes a continually expanding 20 year set of historical revenue, expenditure, budget balances, and net debt data at the end of each budget document. Both revenues and expenditures are broken down by their major categories and consistency is maintained in these break-outs over time. When changes in accounting practices, presentation styles, or the government operation occur, efforts are made to adjust the historical data and ensure a reasonable degree of consistency over time. It is not critical that this information be officially audited — it is enough that the information be simply ***provided.***

Second, a good annual financial report breaks out revenue and expenditure items in a consistent and logical fashion, and these break-outs do ***not*** often change. What might appear to be a small change in presentation style can seriously hamper a longitudinal analysis. A good presentation of tax data, for example, would see taxes broken out by general residential property tax, general commercial and industrial property tax, revenue-in-lieu of tax, business occupancy taxes, and all other tax amounts. In terms of expenditure, the same categories are used for both operating and capital. When added together, these amounts equal total program and capital spending by category. Interest on long-term debt should always comprise its own category and never be attached to specific expenditure functions or combined with the repayment of debt principal. Interest should be broken out by tax-supported interest and self-supported interest. The presentation style used by the City of Calgary throughout its annual financial reports provides a good model to pursue.

Third, it is important that the terms surplus and deficit line up in a logical fashion, capture all current operating and capital revenue, and all current operating and capital expenditure. When the net financial assets between two years are subtracted, the remainder should be the deficit or surplus for the year. For 2007, this was indeed the case for three of the six cities under review. However, variances were seen in the other three cities. For example, Vancouver's net financial asset position actually deteriorated even though it recorded a modest surplus. The average citizen is right to ask "How can this be?" Here, the cities of Saskatoon and Regina offer a simple and straightforward, and easy-to-understand model.

Finally, changes in presentation style and shifts in the presentation of various revenue and expenditure categories are only pursued when absolutely required. Consistency over time is ***crucial***. Cities should also make efforts to align the information in their annual financial reports with those of other cities. The reports do not need to be identical — a relative and reasonable degree of similarity is sufficient. It is interesting to note how Edmonton and Calgary's annual financial reports look similar in terms of categories, approach, and the quality of the historical information.

In fiscal 2007, the six big western Canadian cities managed over $8 billion in operating and capital revenue. This is not pocket change. In fact, it is roughly the same amount of revenue managed by the governments of Saskatchewan and Manitoba. Consistent and comparable financial reporting is not too much to ask, is it?

APPENDIX A: Canada West Foundation Fiscal Database

WESTERN BIG SIX: Summary Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

	2007	2006	2005	2004	2003	2002	2001	2000	1999
VANCOUVER									
Operating Revenue	$ 1,036,611	$ 1,006,433	$ 946,636	$ 876,734	$ 842,639	$ 812,456	$ 773,270	$ 767,178	$ 743,583
Program Expenditure	$ (889,400)	$ (869,422)	$ (833,417)	$ (735,791)	$ (705,229)	$ (674,592)	$ (646,955)	$ (617,627)	$ (603,823)
Interest on Debt	$ (22,056)	$ (30,067)	$ (26,813)	$ (26,160)	$ (25,552)	$ (23,841)	$ (21,264)	$ (19,720)	$ (23,197)
Capital Revenue	$ 67,089	$ 67,159	$ 110,166	$ 49,499	$ 51,893	$ 50,624	$ 31,995	$ 29,228	$ 22,196
Capital Expenditure	$ (191,818)	$ (169,299)	$ (156,563)	$ (127,169)	$ (147,042)	$ (149,374)	$ (110,908)	$ (137,024)	$ (160,036)
Effective Balance	**$ 426**	**$ 4,804**	**$ 40,009**	**$ 37,113**	**$ 16,709**	**$ 15,273**	**$ 26,138**	**$ 22,035**	**$ (21,277)**
Net Debt (Direct City Only)	$ 577,989	$ 495,554	$ 636,261	$ 540,825	$ 463,033	$ 489,662	$ 405,891	$ 380,610	$ 405,896
EDMONTON									
Operating Revenue	$ 1,792,718	$ 1,918,315	$ 1,464,005	$ 1,296,020	$ 1,414,913	$ 1,153,864	$ 1,322,288	$ 1,104,257	$ 966,456
Program Expenditure	$ (1,254,818)	$ (1,143,853)	$ (1,055,570)	$ (953,704)	$ (908,841)	$ (825,778)	$ (778,870)	$ (791,589)	$ (712,255)
Interest on Debt	$ (37,694)	$ (34,356)	$ (40,808)	$ (33,021)	$ (33,190)	$ (36,031)	$ (37,521)	$ (38,836)	$ (38,315)
Capital Revenue	$ 445,666	$ 254,616	$ 206,405	$ 202,975	$ 165,025	$ 138,950	$ 157,427	$ 122,477	$ 65,625
Capital Expenditure	$ (870,770)	$ (515,828)	$ (428,574)	$ (385,451)	$ (325,107)	$ (272,594)	$ (415,427)	$ (239,770)	$ (193,681)
Retained in Enterprises	$ (185,510)	$ (487,551)	$ (64,483)	$ (85,487)	$ (305,577)	$ (90,001)	$ (292,673)	$ (78,752)	$ (40,272)
Effective Balance	**$ (110,408)**	**$ (8,657)**	**$ 80,975**	**$ 41,332**	**$ 7,223**	**$ 68,410**	**$ (44,776)**	**$ 77,787**	**$ 47,558**
Net Debt (Direct City Only)	$ 758,873	$ 544,035	$ 470,300	$ 417,504	$ 367,248	$ 377,021	$ 411,293	$ 316,316	$ 343,425
CALGARY									
Operating Revenue	$ 2,445,279	$ 2,154,699	$ 1,896,751	$ 1,826,219	$ 1,716,496	$ 1,618,695	$ 1,680,800	$ 1,380,468	$ 1,231,449
Program Expenditure	$ (1,646,141)	$ (1,534,341)	$ (1,377,041)	$ (1,299,976)	$ (1,202,619)	$ (1,166,967)	$ (1,026,796)	$ (953,171)	$ (873,205)
Interest on Debt	$ (92,705)	$ (88,843)	$ (89,806)	$ (94,819)	$ (96,344)	$ (98,183)	$ (101,977)	$ (107,149)	$ (112,393)
Capital Revenue	$ 451,126	$ 383,899	$ 264,560	$ 177,141	$ 190,241	$ 179,324	$ 269,200	$ 163,473	$ 167,865
Capital Expenditure	$ (1,025,149)	$ (851,353)	$ (628,896)	$ (504,719)	$ (549,839)	$ (463,808)	$ (502,315)	$ (436,300)	$ (373,301)
Retained in Enterprises	$ (75,812)	$ (79,671)	$ (66,954)	$ (101,802)	$ (118,065)	$ (131,648)	$ (219,634)	$ (14,643)	$ (10,539)
Effective Balance	**$ 56,598**	**$ (15,610)**	**$ (1,386)**	**$ 2,044**	**$ (60,130)**	**$ (62,587)**	**$ 99,278**	**$ 32,678**	**$ 29,876**
Net Debt (Direct City Only)	$ 1,696,956	$ 1,429,980	$ 1,323,132	$ 1,264,647	$ 1,263,617	$ 1,109,146	$ 1,037,965	$ 1,028,179	$ 1,044,684
SASKATOON									
Operating Revenue	$ 431,202	$ 398,603	$ 373,177	$ 357,470	$ 339,026	$ 325,046	$ 306,215	$ 293,738	$ 278,920
Program Expenditure	$ (345,801)	$ (359,732)	$ (322,918)	$ (305,883)	$ (271,524)	$ (239,547)	$ (244,648)	$ (234,478)	$ (227,127)
Interest on Debt	$ (6,728)	$ (4,082)	$ (3,896)	$ (4,259)	$ (2,650)	$ (3,653)	$ (4,038)	$ (3,452)	$ (3,510)
Capital Revenue	$ 129,002	$ 68,204	$ 43,833	$ 34,177	$ 30,385	$ 29,402	$ 28,105	$ 27,348	$ 19,574
Capital Expenditure	$ (202,553)	$ (151,782)	$ (111,682)	$ (73,983)	$ (72,541)	$ (64,750)	$ (79,188)	$ (69,755)	$ (53,700)
Effective Balance	**$ 5,122**	**$ (48,789)**	**$ (21,486)**	**$ 7,522**	**$ 22,696**	**$ 46,498**	**$ 6,446**	**$ 13,401**	**$ 14,157**
Net Debt (Direct City Only)	$ 46,746	$ 41,260	$ 45,436	$ 20,128	$ 26,786	$ 33,089	$ 21,087	$ 26,728	$ 33,303
REGINA									
Operating Revenue	$ 304,024	$ 286,443	$ 265,449	$ 254,202	$ 251,817	$ 238,606	$ 232,083	$ 216,366	$ 216,982
Program Expenditure	$ (247,672)	$ (230,077)	$ (218,979)	$ (216,716)	$ (209,255)	$ (196,256)	$ (182,026)	$ (180,162)	$ (179,224)
Interest on Debt	$ (2,120)	$ (2,518)	$ (3,049)	$ (3,458)	$ (3,289)	$ (2,384)	$ (2,595)	$ (4,018)	$ (6,016)
Capital Revenue	$ 20,049	$ 17,536	$ 13,336	$ 9,751	$ 14,075	$ 9,027	$ 9,372	$ 10,895	$ 10,604
Capital Expenditure	$ (47,411)	$ (52,288)	$ (44,074)	$ (64,817)	$ (69,576)	$ (41,023)	$ (38,741)	$ (37,649)	$ (31,573)
Effective Balance	**$ 26,870**	**$ 19,096**	**$ 12,683**	**$ (21,038)**	**$ (16,228)**	**$ 7,970**	**$ 18,093**	**$ 5,432**	**$ 10,773**
Net Debt (Direct City Only)	$ 35,300	$ 45,600	$ 55,900	$ 67,500	$ 57,100	$ 66,700	$ 32,300	$ 40,272	$ 48,065
WINNIPEG									
Operating Revenue	$ 1,173,096	$ 1,086,119	$ 1,041,089	$ 992,533	$ 985,079	$ 964,408	$ 957,465	$ 988,369	$ 935,081
Program Expenditure	$ (876,594)	$ (837,537)	$ (814,048)	$ (817,154)	$ (791,844)	$ (769,828)	$ (732,590)	$ (685,593)	$ (710,037)
Interest on Debt	$ (46,950)	$ (45,665)	$ (50,283)	$ (60,200)	$ (65,353)	$ (66,891)	$ (76,300)	$ (95,795)	$ (94,410)
Capital Revenue	$ 71,368	$ 43,064	$ 21,685	$ 42,063	$ 32,787	$ 29,109	$ 22,398	$ 20,274	$ 28,979
Capital Expenditure	$ (352,149)	$ (263,066)	$ (199,313)	$ (143,286)	$ (164,384)	$ (157,511)	$ (135,693)	$ (108,255)	$ (156,323)
Effective Balance	**$ (31,229)**	**$ (17,085)**	**$ (870)**	**$ 13,956**	**$ (3,715)**	**$ (713)**	**$ 35,280**	**$ 119,000**	**$ 3,290**
Net Debt (Direct City Only)	$ 397,462	$ 447,607	$ 414,702	$ 462,844	$ 461,593	$ 463,268	$ 556,111	$ 605,577	$ 738,831

WESTERN BIG SIX: Summary Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

	1998	1997	1996	1995	1994	1993	1992	1991	1990
VANCOUVER									
Operating Revenue	$ 699,369	$ 670,537	$ 682,327	$ 659,341	$ 642,786	$ 625,129	$ 611,314	$ 551,107	$ 531,842
Program Expenditure	$ (579,876)	$ (553,322)	$ (556,429)	$ (536,189)	$ (513,625)	$ (509,993)	$ (474,509)	$ (438,235)	$ (405,507)
Interest on Debt	$ (26,310)	$ (27,921)	$ (21,459)	$ (20,758)	$ (22,297)	$ (19,148)	$ (21,643)	$ (22,413)	$ (22,065)
Capital Revenue	$ 21,373	$ 18,675	$ 12,692	$ 50,956	$ 19,325	$ 25,450	$ 22,078	$ 17,877	$ 10,918
Capital Expenditure	$ (141,173)	$ (133,708)	$ (117,353)	$ (180,324)	$ (233,788)	$ (143,732)	$ (129,514)	$ (83,872)	$ (92,195)
Effective Balance	**$ (26,617)**	**$ (25,739)**	**$ (222)**	**$ (26,974)**	**$ (107,599)**	**$ (22,294)**	**$ 7,726**	**$ 24,464**	**$ 22,993**
Net Debt (Direct City Only)	$ 386,525	$ 410,307	$ 352,932	$ 304,136	$ 319,690	$ 296,462	$ 257,731	$ 243,717	$ 213,233
EDMONTON									
Operating Revenue	$ 979,501	$ 943,388	$ 960,221	$ 893,032	$ 890,890	$ 821,670	$ 842,091	$ 827,431	$ 809,214
Program Expenditure	$ (675,457)	$ (703,838)	$ (715,360)	$ (629,878)	$ (645,417)	$ (636,652)	$ (634,071)	$ (632,637)	$ (604,551)
Interest on Debt	$ (41,792)	$ (42,357)	$ (43,459)	$ (48,967)	$ (51,211)	$ (58,389)	$ (64,838)	$ (66,859)	$ (63,686)
Capital Revenue	$ 97,251	$ 80,365	$ 91,976	$ 54,238	$ 75,910	$ 51,629	$ 118,791	$ 71,690	$ 83,450
Capital Expenditure	$ (196,765)	$ (174,380)	$ (165,484)	$ (210,606)	$ (171,665)	$ (151,663)	$ (170,537)	$ (183,667)	$ (180,897)
Retained in Enterprises	$ (54,085)	$ (49,428)	$ (48,509)	$ (143,132)	$ (119,980)	$ (51,128)	$ (77,235)	$ (100,404)	$ (113,352)
Effective Balance	**$ 108,653**	**$ 53,750**	**$ 79,385**	**$ (85,313)**	**$ (21,473)**	**$ (24,533)**	**$ 14,201**	**$ (84,446)**	**$ (69,822)**
Net Debt (Direct City Only)	$ 359,191	$ 387,269	$ 409,560	$ 457,692	$ 490,296	$ 526,911	$ 563,425	$ 602,494	$ 552,415
CALGARY									
Operating Revenue	$ 1,209,192	$ 1,138,537	$ 1,042,424	$ 1,026,771	$ 1,024,079	$ 1,007,019	$ 997,121	$ 978,608	$ 930,251
Program Expenditure	$ (809,219)	$ (745,429)	$ (707,805)	$ (701,449)	$ (678,056)	$ (688,692)	$ (679,308)	$ (656,077)	$ (600,525)
Interest on Debt	$ (119,449)	$ (128,354)	$ (137,333)	$ (144,153)	$ (152,071)	$ (164,421)	$ (173,715)	$ (178,021)	$ (180,630)
Capital Revenue	$ 139,406	$ 116,939	$ 101,775	$ 116,551	$ 72,432	$ 56,197	$ 61,341	$ 80,270	$ 104,372
Capital Expenditure	$ (287,091)	$ (228,674)	$ (219,844)	$ (239,840)	$ (183,311)	$ (230,615)	$ (201,920)	$ (193,210)	$ (191,176)
Retained in Enterprises	$ (37,176)	$ (48,809)	$ (1,994)	$ (11,035)	$ (8,382)	$ (7,000)	$ (1,169)	$ (7,095)	$ (12,314)
Effective Balance	**$ 95,663**	**$ 104,210**	**$ 77,223**	**$ 46,845**	**$ 74,691**	**$ (27,512)**	**$ 2,350**	**$ 24,475**	**$ 49,978**
Net Debt (Direct City Only)	$ 1,093,945	$ 1,151,223	$ 1,216,373	$ 1,235,879	$ 1,317,651	$ 1,355,162	$ 1,421,276	$ 1,444,150	$ 1,470,507
SASKATOON									
Operating Revenue	$ 272,755	$ 259,950	$ 256,887	$ 249,497	$ 236,194	$ 237,958	$ 229,830	$ 223,961	$ 219,641
Program Expenditure	$ (217,928)	$ (212,446)	$ (206,872)	$ (201,986)	$ (187,181)	$ (190,891)	$ (186,281)	$ (187,702)	$ (183,914)
Interest on Debt	$ (4,918)	$ (5,068)	$ (4,588)	$ (5,555)	$ (4,733)	$ (4,138)	$ (4,620)	$ (5,666)	$ (6,353)
Capital Revenue	$ 18,042	$ 17,076	$ 16,468	$ 13,476	$ 13,297	$ 6,182	$ 7,934	$ 4,763	$ 6,132
Capital Expenditure	$ (63,691)	$ (58,631)	$ (45,972)	$ (80,460)	$ (38,855)	$ (29,845)	$ (39,839)	$ (31,719)	$ (47,127)
Effective Balance	**$ 4,260**	**$ 881**	**$ 15,923**	**$ (25,028)**	**$ 18,722**	**$ 19,266**	**$ 7,024**	**$ 3,637**	**$ (11,621)**
Net Debt (Direct City Only)	$ 40,966	$ 48,088	$ 54,794	$ 61,936	$ 28,974	$ 33,507	$ 37,706	$ 36,593	$ 40,192
REGINA									
Operating Revenue	$ 212,341	$ 210,357	$ 203,569	$ 200,217	$ 193,754	$ 189,928	$ 188,687	$ 184,202	$ 183,150
Program Expenditure	$ (174,132)	$ (170,018)	$ (170,631)	$ (162,414)	$ (161,073)	$ (163,414)	$ (165,478)	$ (158,156)	$ (152,476)
Interest on Debt	$ (6,580)	$ (8,997)	$ (7,738)	$ (8,663)	$ (7,824)	$ (8,293)	$ (8,789)	$ (7,995)	$ (8,266)
Capital Revenue	$ 8,015	$ 5,917	$ 4,614	$ 5,208	$ 6,662	$ 4,070	$ 5,186	$ 5,643	$ 12,442
Capital Expenditure	$ (38,381)	$ (36,883)	$ (29,292)	$ (33,386)	$ (37,330)	$ (26,006)	$ (25,888)	$ (26,591)	$ (35,451)
Effective Balance	**$ 1,263**	**$ 376**	**$ 522**	**$ 962**	**$ (5,811)**	**$ (3,715)**	**$ (6,282)**	**$ (2,897)**	**$ (601)**
Net Debt (Direct City Only)	$ 57,981	$ 54,889	$ 32,668	$ 40,579	$ 34,480	$ 41,147	$ 48,714	$ 56,040	$ 46,984
WINNIPEG									
Operating Revenue	$ 896,029	$ 878,729	$ 849,363	$ 854,612	$ 808,770	$ 766,551	$ 755,981	$ 726,218	$ 713,165
Program Expenditure	$ (676,548)	$ (660,280)	$ (683,566)	$ (676,182)	$ (615,002)	$ (634,309)	$ (627,280)	$ (569,252)	$ (560,716)
Interest on Debt	$ (93,832)	$ (93,509)	$ (96,657)	$ (97,963)	$ (93,571)	$ (91,505)	$ (82,323)	$ (84,662)	$ (89,853)
Capital Revenue	$ 42,939	$ 36,066	$ 17,144	$ 38,988	$ 34,582	$ 13,202	$ 17,385	$ 15,268	$ 21,855
Capital Expenditure	$ (129,857)	$ (92,223)	$ (100,314)	$ (179,033)	$ (116,759)	$ (105,350)	$ (144,099)	$ (148,078)	$ (167,873)
Effective Balance	**$ 38,731**	**$ 68,783**	**$ (14,030)**	**$ (59,578)**	**$ 18,020**	**$ (51,411)**	**$ (80,336)**	**$ (60,506)**	**$ (83,422)**
Net Debt (Direct City Only)	$ 738,397	$ 791,038	$ 786,153	$ 832,474	$ 776,098	$ 737,503	$ 664,485	$ 663,068	$ 699,296

VANCOUVER: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 506,037	$ 481,100	$ 455,747	$ 438,219	$ 421,865	$ 397,982	$ 378,419	$ 378,105	$ 370,768
Local Improvement Levies	$ 3,262	$ 3,607	$ 3,884	$ 4,040	$ 4,173	$ 4,262	$ 4,407	$ 4,633	$ 4,611
GVRD Transit Taxes	$ 87,127	$ 84,865	$ 73,138	$ 43,875	$ 42,313	$ 40,555	$ 33,792	$ 32,018	$ 31,758
GVRD Property Taxes	$ 12,642	$ 11,760	$ 11,156	$ 10,911	$ 10,056	$ 9,881	$ 10,246	$ 9,691	$ 10,061
Other Taxes	$ 12,741	$ 12,341	$ 12,060	$ 11,615	$ 11,766	$ 11,948	$ 12,085	$ 11,719	$ 11,694
Total Tax Revenue	**$ 621,809**	**$ 593,673**	**$ 555,985**	**$ 508,660**	**$ 490,173**	**$ 464,628**	**$ 438,949**	**$ 436,166**	**$ 428,892**
Total Operating Grants	**$ 20,847**	**$ 18,020**	**$ 17,061**	**$ 14,077**	**$ 6,411**	**$ 5,849**	**$ 6,188**	**$ 8,861**	**$ 11,407**
Revenue-in-Lieu	$ 24,078	$ 22,804	$ 22,692	$ 22,048	$ 22,661	$ 22,327	$ 22,548	$ 18,096	$ 18,621
Franchise Fees & Taxes	$ 21,023	$ 23,338	$ 23,340	$ 23,953	$ 23,768	$ 22,780	$ 22,119	$ 20,396	$ 14,095
Total Contributions	**$ 45,101**	**$ 46,142**	**$ 46,032**	**$ 46,001**	**$ 46,429**	**$ 45,107**	**$ 44,667**	**$ 38,492**	**$ 32,716**
Sales of Service User Fees	$ 272,887	$ 271,297	$ 261,759	$ 241,117	$ 236,025	$ 227,139	$ 213,120	$ 200,790	$ 176,229
Regulatory User Fees	$ 46,069	$ 47,628	$ 42,205	$ 39,817	$ 34,684	$ 32,083	$ 30,899	$ 28,068	$ 28,845
Total User Fees	**$ 318,956**	**$ 318,925**	**$ 303,964**	**$ 280,934**	**$ 270,709**	**$ 259,222**	**$ 244,019**	**$ 228,858**	**$ 205,074**
Investment Income	$ 19,403	$ 17,525	$ 12,764	$ 11,376	$ 11,348	$ 12,778	$ 16,078	$ 13,595	$ 11,316
Fines & Penalties	$ 10,495	$ 12,148	$ 10,830	$ 9,867	$ 10,276	$ 9,357	$ 9,223	$ 8,857	$ 9,035
All Other Income	$ 0	$ 0	$ 0	$ 5,819	$ 7,293	$ 15,515	$ 14,146	$ 32,349	$ 45,143
Total Other Revenue	**$ 29,898**	**$ 29,673**	**$ 23,594**	**$ 27,062**	**$ 28,917**	**$ 37,650**	**$ 39,447**	**$ 54,801**	**$ 65,494**
Capital Grants	$ 7,485	$ 566	$ 29,082	$ 704	$ 816	$ 1,232	$ 5,193	$ 3,174	$ 729
Developers & Other	$ 59,604	$ 66,593	$ 81,084	$ 48,795	$ 51,077	$ 49,392	$ 26,802	$ 26,054	$ 21,467
Total Capital Revenue	**$ 67,089**	**$ 67,159**	**$ 110,166**	**$ 49,499**	**$ 51,893**	**$ 50,624**	**$ 31,995**	**$ 29,228**	**$ 22,196**
TOTAL REVENUE	**$ 1,103,700**	**$ 1,073,592**	**$ 1,056,802**	**$ 926,233**	**$ 894,532**	**$ 863,080**	**$ 805,265**	**$ 796,406**	**$ 765,779**
Police	$ 186,373	$ 175,935	$ 161,908	$ 153,684	$ 150,715	$ 137,447	$ 133,126	$ 126,252	$ 123,752
Fire and EMS	$ 83,947	$ 79,875	$ 78,613	$ 75,295	$ 74,145	$ 72,194	$ 69,981	$ 67,556	$ 67,300
Total Protection	**$ 270,320**	**$ 255,810**	**$ 240,521**	**$ 228,979**	**$ 224,860**	**$ 209,641**	**$ 203,107**	**$ 193,808**	**$ 191,052**
Roads and Related	$ 65,876	$ 67,464	$ 67,322	$ 65,331	$ 62,193	$ 60,927	$ 59,936	$ 57,211	$ 55,398
Transit	$ 87,127	$ 84,865	$ 73,138	$ 43,875	$ 42,313	$ 40,555	$ 33,792	$ 32,018	$ 31,758
Total Transportation	**$ 153,003**	**$ 152,329**	**$ 140,460**	**$ 109,206**	**$ 104,506**	**$ 101,482**	**$ 93,728**	**$ 89,229**	**$ 87,156**
Total PRSCC	**$ 132,973**	**$ 152,673**	**$ 145,498**	**$ 136,823**	**$ 127,765**	**$ 122,692**	**$ 120,194**	**$ 107,149**	**$ 118,176**
Water	$ 48,762	$ 41,028	$ 39,131	$ 36,023	$ 31,928	$ 32,431	$ 29,608	$ 28,288	$ 27,325
Wastewater	$ 44,495	$ 42,115	$ 42,291	$ 42,043	$ 39,493	$ 37,108	$ 35,539	$ 34,531	$ 32,538
Solid Waste	$ 45,420	$ 38,706	$ 35,418	$ 37,484	$ 29,883	$ 28,631	$ 27,656	$ 27,291	$ 23,242
Environment & Utility	**$ 138,677**	**$ 121,849**	**$ 116,840**	**$ 115,550**	**$ 101,304**	**$ 98,170**	**$ 92,803**	**$ 90,110**	**$ 83,105**
GVRD Services	$ 25,383	$ 24,101	$ 23,216	$ 22,526	$ 21,822	$ 21,829	$ 22,331	$ 21,410	$ 21,755
General & Other	$ 169,044	$ 162,660	$ 166,882	$ 122,707	$ 124,972	$ 120,778	$ 114,792	$ 115,921	$ 102,579
Total General & Other	**$ 194,427**	**$ 186,761**	**$ 190,098**	**$ 145,233**	**$ 146,794**	**$ 142,607**	**$ 137,123**	**$ 137,331**	**$ 124,334**
Interest on Debt	**$ 22,056**	**$ 30,067**	**$ 26,813**	**$ 26,160**	**$ 25,552**	**$ 23,841**	**$ 21,264**	**$ 19,720**	**$ 23,197**
Capital Expenditure	**$ 191,818**	**$ 169,299**	**$ 156,563**	**$ 127,169**	**$ 147,042**	**$ 149,374**	**$ 110,908**	**$ 137,024**	**$ 160,036**
TOTAL EXPENDITURE	**$ 1,103,274**	**$ 1,068,788**	**$ 1,016,793**	**$ 889,120**	**$ 877,823**	**$ 847,807**	**$ 779,127**	**$ 774,371**	**$ 787,056**
EFFECTIVE BALANCE	**$ 426**	**$ 4,804**	**$ 40,009**	**$ 37,113**	**$ 16,709**	**$ 15,273**	**$ 26,138**	**$ 22,035**	**$ (21,277)**
Net Tax-Supported Debt	$ 279,146	$ 217,953	$ 286,331	$ 228,434	$ 202,552	$ 213,915	$ 177,411	$ 156,296	$ 167,318
Net Self-Supported Debt	$ 298,843	$ 277,601	$ 349,930	$ 312,391	$ 260,481	$ 275,747	$ 228,480	$ 224,314	$ 238,578
GVRD (Estimated Share)	$ 569,072	$ 455,095	$ 428,707	$ 430,492	$ 403,283	$ 341,264	$ 338,216	$ 310,198	$ 312,399
Total Net Debt	**$ 1,147,061**	**$ 950,649**	**$ 1,064,968**	**$ 971,317**	**$ 866,316**	**$ 830,926**	**$ 744,107**	**$ 690,808**	**$ 718,295**
Population	**611,869**	**606,911**	**597,628**	**590,358**	**583,282**	**575,611**	**569,473**	**563,114**	**556,863**
CPI (2007=100)	**100.0**	**98.0**	**96.2**	**94.4**	**92.6**	**90.7**	**88.8**	**87.1**	**85.2**

VANCOUVER: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 352,691	$ 349,984	$ 331,360	$ 324,315	$ 316,625	$ 292,746	$ 289,455	$ 258,296	$ 251,831
Local Improvement Levies	$ 4,439	$ 5,064	$ 5,211	$ 5,129	$ 5,220	$ 5,333	$ 5,300	$ 5,289	$ 5,368
GVRD Transit Taxes	$ 31,314	$ 30,973	$ 30,680	$ 28,766	$ 28,905	$ 32,045	$ 29,708	$ 28,056	$ 25,782
GVRD Property Taxes	$ 10,108	$ 10,171	$ 10,168	$ 9,810	$ 10,211	$ 8,797	$ 8,597	$ 7,729	$ 6,814
Other Taxes	$ 11,751	$ 11,862	$ 11,656	$ 11,225	$ 11,427	$ 12,122	$ 12,163	$ 10,051	$ 8,301
Total Tax Revenue	**$ 410,303**	**$ 408,054**	**$ 389,075**	**$ 379,245**	**$ 372,388**	**$ 351,043**	**$ 345,223**	**$ 309,421**	**$ 298,096**
Total Operating Grants	**$ 13,551**	**$ 13,007**	**$ 30,290**	**$ 34,545**	**$ 34,195**	**$ 34,146**	**$ 35,228**	**$ 37,093**	**$ 35,583**
Revenue-in-Lieu	$ 16,250	$ 19,064	$ 19,086	$ 20,078	$ 18,032	$ 16,966	$ 18,136	$ 16,332	$ 16,383
Franchise Fees & Taxes	$ 11,994	$ 13,712	$ 13,645	$ 13,365	$ 13,595	$ 13,190	$ 14,682	$ 12,827	$ 12,017
Total Contributions	**$ 28,244**	**$ 32,776**	**$ 32,731**	**$ 33,443**	**$ 31,627**	**$ 30,156**	**$ 32,818**	**$ 29,159**	**$ 28,400**
Sales of Service User Fees	$ 169,704	$ 144,250	$ 140,927	$ 122,550	$ 114,425	$ 110,696	$ 100,969	$ 93,618	$ 80,827
Regulatory User Fees	$ 27,759	$ 30,002	$ 26,390	$ 28,736	$ 24,420	$ 23,113	$ 20,618	$ 15,675	$ 16,532
Total User Fees	**$ 197,463**	**$ 174,252**	**$ 167,317**	**$ 151,286**	**$ 138,845**	**$ 133,809**	**$ 121,587**	**$ 109,293**	**$ 97,359**
Investment Income	$ 11,120	$ 8,746	$ 14,285	$ 11,519	$ 11,742	$ 15,663	$ 15,106	$ 16,680	$ 22,104
Fines & Penalties	$ 9,437	$ 8,472	$ 6,936	$ 6,595	$ 5,959	$ 7,042	$ 7,267	$ 6,299	$ 4,974
All Other Income	$ 29,251	$ 25,230	$ 41,693	$ 42,708	$ 48,030	$ 53,270	$ 54,085	$ 43,162	$ 45,326
Total Other Revenue	**$ 49,808**	**$ 42,448**	**$ 62,914**	**$ 60,822**	**$ 65,731**	**$ 75,975**	**$ 76,458**	**$ 66,141**	**$ 72,404**
Capital Grants	$ 7,753	$ 3,179	$ 3,792	$ 12,364	$ 4,197	$ 7,889	$ 8,622	$ 9,504	$ 3,633
Developers & Other	$ 13,620	$ 15,496	$ 8,900	$ 38,592	$ 15,128	$ 17,561	$ 13,456	$ 8,373	$ 7,285
Total Capital Revenue	**$ 21,373**	**$ 18,675**	**$ 12,692**	**$ 50,956**	**$ 19,325**	**$ 25,450**	**$ 22,078**	**$ 17,877**	**$ 10,918**
TOTAL REVENUE	**$ 720,742**	**$ 689,212**	**$ 695,019**	**$ 710,297**	**$ 662,111**	**$ 650,579**	**$ 633,392**	**$ 568,984**	**$ 542,760**
Police	$ 122,701	$ 117,613	$ 116,109	$ 111,369	$ 108,894	$ 106,052	$ 95,578	$ 89,816	$ 80,242
Fire and EMS	$ 66,694	$ 65,528	$ 65,185	$ 62,036	$ 58,198	$ 58,694	$ 53,524	$ 50,478	$ 47,428
Total Protection	**$ 189,395**	**$ 183,141**	**$ 181,294**	**$ 173,405**	**$ 167,092**	**$ 164,746**	**$ 149,102**	**$ 140,294**	**$ 127,670**
Roads and Related	$ 48,354	$ 47,144	$ 49,218	$ 44,786	$ 39,653	$ 41,719	$ 39,334	$ 37,799	$ 36,082
Transit	$ 31,314	$ 30,973	$ 30,680	$ 28,766	$ 28,906	$ 32,045	$ 29,708	$ 28,056	$ 25,782
Total Transportation	**$ 79,668**	**$ 78,117**	**$ 79,898**	**$ 73,552**	**$ 68,559**	**$ 73,764**	**$ 69,042**	**$ 65,855**	**$ 61,864**
Total PRSCC	**$ 115,778**	**$ 108,451**	**$ 108,167**	**$ 104,539**	**$ 97,455**	**$ 98,097**	**$ 93,040**	**$ 84,759**	**$ 79,555**
Water	$ 26,860	$ 23,449	$ 21,851	$ 20,242	$ 17,310	$ 15,911	$ 14,811	$ 12,108	$ 11,158
Wastewater	$ 29,628	$ 25,763	$ 25,542	$ 25,090	$ 22,969	$ 22,016	$ 20,226	$ 17,990	$ 17,453
Solid Waste	$ 19,148	$ 19,865	$ 21,187	$ 19,078	$ 19,935	$ 19,585	$ 18,589	$ 17,698	$ 16,600
Environment & Utility	**$ 75,636**	**$ 69,077**	**$ 68,580**	**$ 64,410**	**$ 60,214**	**$ 57,512**	**$ 53,626**	**$ 47,796**	**$ 45,211**
GVRD Services	$ 21,859	$ 22,033	$ 21,824	$ 21,035	$ 21,638	$ 20,919	$ 20,761	$ 17,780	$ 15,114
General & Other	$ 97,540	$ 92,503	$ 96,666	$ 99,248	$ 98,667	$ 94,955	$ 88,938	$ 81,751	$ 76,093
Total General & Other	**$ 119,399**	**$ 114,536**	**$ 118,490**	**$ 120,283**	**$ 120,305**	**$ 115,874**	**$ 109,699**	**$ 99,531**	**$ 91,207**
Interest on Debt	**$ 26,310**	**$ 27,921**	**$ 21,459**	**$ 20,758**	**$ 22,297**	**$ 19,148**	**$ 21,643**	**$ 22,413**	**$ 22,065**
Capital Expenditure	**$ 141,173**	**$ 133,708**	**$ 117,353**	**$ 180,324**	**$ 233,788**	**$ 143,732**	**$ 129,514**	**$ 83,872**	**$ 92,195**
TOTAL EXPENDITURE	**$ 747,359**	**$ 714,951**	**$ 695,241**	**$ 737,271**	**$ 769,710**	**$ 672,873**	**$ 625,666**	**$ 544,520**	**$ 519,767**
EFFECTIVE BALANCE	**$ (26,617)**	**$ (25,739)**	**$ (222)**	**$ (26,974)**	**$ (107,599)**	**$ (22,294)**	**$ 7,726**	**$ 24,464**	**$ 22,993**
Net Tax-Supported Debt	$ 149,136	$ 167,876	$ 143,669	$ 115,601	$ 131,465	$ 99,245	$ 113,177	$ 105,485	$ 97,511
Net Self-Supported Debt	$ 237,389	$ 242,431	$ 209,263	$ 188,535	$ 188,225	$ 197,217	$ 144,554	$ 138,232	$ 115,722
GVRD (Estimated Share)	$ 279,460	$ 259,542	$ 247,833	$ 241,132	$ 219,858	$ 221,898	$ 220,810	$ 198,033	$ 197,261
Total Net Debt	**$ 665,985**	**$ 669,849**	**$ 600,765**	**$ 545,268**	**$ 539,548**	**$ 518,360**	**$ 478,541**	**$ 441,750**	**$ 410,494**
Population	**550,433**	**545,373**	**536,511**	**523,284**	**511,749**	**501,019**	**494,168**	**485,646**	**477,677**
CPI (2007=100)	**84.5**	**84.0**	**83.6**	**82.9**	**80.9**	**79.3**	**76.5**	**74.3**	**70.6**

EDMONTON: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 530,068	$ 473,783	$ 436,328	$ 403,816	$ 365,580	$ 350,011	$ 330,640	$ 302,347	$ 291,224
Business Occupancy Tax	$ 105,472	$ 97,628	$ 93,410	$ 85,215	$ 79,995	$ 75,336	$ 72,929	$ 69,822	$ 67,171
Local Improvement Levies	$ 9,060	$ 9,856	$ 10,815	$ 11,199	$ 12,388	$ 13,458	$ 18,126	$ 21,447	$ 18,921
Other Taxes	$ 5,508	$ 5,031	$ 4,746	$ 3,839	$ 4,405	$ 3,355	$ 2,813	$ 2,705	$ 2,671
Total Tax Revenue	**$ 650,108**	**$ 586,298**	**$ 545,299**	**$ 504,069**	**$ 462,368**	**$ 442,160**	**$ 424,508**	**$ 396,321**	**$ 379,987**
Provincial Grants	$ 49,962	$ 52,116	$ 49,942	$ 36,025	$ 28,613	$ 26,150	$ 23,788	$ 44,898	$ 25,116
Federal Grants	$ 8,988	$ 2,103	$ 5,074	$ 2,173	$ 1,470	$ 989	$ 1,046	$ 1,094	$ 1,306
Total Operating Grants	**$ 58,950**	**$ 54,219**	**$ 55,016**	**$ 38,198**	**$ 30,083**	**$ 27,139**	**$ 24,834**	**$ 45,992**	**$ 26,422**
Revenue-in-Lieu	$ 23,888	$ 22,411	$ 22,381	$ 20,628	$ 21,411	$ 20,833	$ 21,879	$ 23,110	$ 22,249
Franchise Fees & Taxes	$ 29,480	$ 28,311	$ 27,419	$ 23,631	$ 15,341	$ 13,794	$ 14,616	$ 23,486	$ 22,973
Total Contributions	**$ 53,368**	**$ 50,722**	**$ 49,800**	**$ 44,259**	**$ 36,752**	**$ 34,627**	**$ 36,495**	**$ 46,596**	**$ 45,222**
Sales of Service User Fees	$ 466,798	$ 391,188	$ 370,854	$ 332,625	$ 320,373	$ 313,601	$ 289,419	$ 270,281	$ 250,927
Regulatory User Fees	$ 44,517	$ 36,379	$ 30,875	$ 28,675	$ 25,554	$ 24,412	$ 17,385	$ 14,414	$ 12,060
Total User Fees	**$ 511,315**	**$ 427,567**	**$ 401,729**	**$ 361,300**	**$ 345,927**	**$ 338,013**	**$ 306,804**	**$ 284,695**	**$ 262,987**
Investment Income	$ 116,658	$ 103,546	$ 145,403	$ 64,471	$ 52,111	$ 50,109	$ 75,881	$ 112,573	$ 68,617
Fines & Penalties	$ 39,675	$ 36,951	$ 34,922	$ 34,318	$ 30,674	$ 31,288	$ 31,807	$ 29,656	$ 27,508
EPCOR Contributions	$ 361,946	$ 658,522	$ 231,734	$ 248,886	$ 456,577	$ 229,865	$ 421,554	$ 188,254	$ 154,944
All Other Income	$ 698	$ 490	$ 102	$ 519	$ 421	$ 663	$ 405	$ 170	$ 769
Total Other Revenue	**$ 518,977**	**$ 799,509**	**$ 412,161**	**$ 348,194**	**$ 539,783**	**$ 311,925**	**$ 529,647**	**$ 330,653**	**$ 251,838**
Provincial Capital Grants	$ 311,387	$ 126,005	$ 99,409	$ 101,192	$ 89,172	$ 75,610	$ 84,407	$ 86,080	$ 33,695
Federal Capital Grants	$ 35,245	$ 12,847	$ 23,254	$ 10,443	$ 11,802	$ 2,496	$ 71	$ 377	$ 142
Developers & Other	$ 99,034	$ 115,764	$ 83,742	$ 91,340	$ 64,051	$ 60,844	$ 72,949	$ 36,020	$ 31,788
Total Capital Revenue	**$ 445,666**	**$ 254,616**	**$ 206,405**	**$ 202,975**	**$ 165,025**	**$ 138,950**	**$ 157,427**	**$ 122,477**	**$ 65,625**
TOTAL REVENUE	**$ 2,238,384**	**$ 2,172,931**	**$ 1,670,410**	**$ 1,498,995**	**$ 1,579,938**	**$ 1,292,814**	**$ 1,479,715**	**$ 1,226,734**	**$ 1,032,081**
Police	$ 228,093	$ 210,317	$ 201,343	$ 185,692	$ 173,629	$ 160,806	$ 149,118	$ 139,559	$ 130,867
Fire and EMS	$ 151,220	$ 132,584	$ 121,714	$ 114,187	$ 109,509	$ 101,777	$ 96,667	$ 91,168	$ 88,577
Total Protection	**$ 379,313**	**$ 342,901**	**$ 323,057**	**$ 299,879**	**$ 283,138**	**$ 262,583**	**$ 245,785**	**$ 230,727**	**$ 219,444**
Roads and Related	$ 126,434	$ 118,701	$ 89,767	$ 86,294	$ 80,000	$ 69,839	$ 65,627	$ 69,732	$ 69,771
Transit	$ 196,249	$ 173,733	$ 165,330	$ 148,169	$ 138,641	$ 128,623	$ 119,670	$ 112,971	$ 110,986
Total Transportation	**$ 322,683**	**$ 292,434**	**$ 255,097**	**$ 234,463**	**$ 218,641**	**$ 198,462**	**$ 185,297**	**$ 182,703**	**$ 180,757**
Parks and Recreation	$ 93,874	$ 85,305	$ 87,132	$ 86,854	$ 84,024	$ 76,025	$ 70,786	$ 70,194	$ 68,496
Social, Culture, Community	$ 152,658	$ 144,412	$ 110,160	$ 89,599	$ 84,156	$ 90,453	$ 79,446	$ 72,226	$ 68,154
Total PRSCC	**$ 246,532**	**$ 229,717**	**$ 197,292**	**$ 176,453**	**$ 168,180**	**$ 166,478**	**$ 150,232**	**$ 142,420**	**$ 136,650**
Sewer, Waste, Storm Drain	$ 144,190	$ 122,910	$ 120,257	$ 111,255	$ 109,372	$ 105,068	$ 91,017	$ 89,298	$ 80,589
Other Utility-Based	$ 29,626	$ 26,336	$ 31,349	$ 17,745	$ 22,496	$ 26,465	$ 23,198	$ 62,677	$ 24,501
Environment & Utility	**$ 173,816**	**$ 149,246**	**$ 151,606**	**$ 129,000**	**$ 131,868**	**$ 131,533**	**$ 114,215**	**$ 151,975**	**$ 105,090**
Total General & Other	**$ 132,474**	**$ 129,555**	**$ 128,518**	**$ 113,909**	**$ 107,014**	**$ 66,722**	**$ 83,341**	**$ 83,764**	**$ 70,314**
Interest on Debt	**$ 37,694**	**$ 34,356**	**$ 40,808**	**$ 33,021**	**$ 33,190**	**$ 36,031**	**$ 37,521**	**$ 38,836**	**$ 38,315**
Capital Expenditure	**$ 870,770**	**$ 515,828**	**$ 428,574**	**$ 385,451**	**$ 325,107**	**$ 272,594**	**$ 415,427**	**$ 239,770**	**$ 193,681**
TOTAL EXPENDITURE	**$ 2,163,282**	**$ 1,694,037**	**$ 1,524,952**	**$ 1,372,176**	**$ 1,267,138**	**$ 1,134,403**	**$ 1,231,818**	**$ 1,070,195**	**$ 944,251**
BUDGET BALANCE	**$ 75,102**	**$ 478,894**	**$ 145,458**	**$ 126,819**	**$ 312,800**	**$ 158,411**	**$ 247,897**	**$ 156,539**	**$ 87,830**
Less: Retained Earnings	$ (185,510)	$ (487,551)	$ (64,483)	$ (85,487)	$ (305,577)	$ (90,001)	$ (292,673)	$ (78,752)	$ (40,272)
EFFECTIVE BALANCE	**$ (110,408)**	**$ (8,657)**	**$ 80,975**	**$ 41,332**	**$ 7,223**	**$ 68,410**	**$ (44,776)**	**$ 77,787**	**$ 47,558**
Net Tax-Supported Debt	$ 329,543	$ 147,501	$ 103,784	$ 59,217	$ 24,058	$ 25,951	$ 41,252	$ 55,315	$ 69,604
Net Self-Supported Debt	$ 429,330	$ 396,534	$ 366,516	$ 358,287	$ 343,190	$ 351,070	$ 370,041	$ 261,001	$ 273,821
Other Net Debt (Contingent)	$ 2,141,882	$ 2,181,279	$ 2,085,371	$ 1,613,113	$ 1,703,485	$ 1,908,374	$ 1,702,824	$ 1,258,789	$ 1,139,860
Total Net Debt	**$ 2,900,755**	**$ 2,725,314**	**$ 2,555,671**	**$ 2,030,617**	**$ 2,070,733**	**$ 2,285,395**	**$ 2,114,117**	**$ 1,575,105**	**$ 1,483,285**
Population	**775,969**	**730,372**	**712,391**	**700,660**	**688,940**	**677,430**	**666,104**	**658,400**	**648,284**
CPI (2007=100)	**100.0**	**95.4**	**92.5**	**90.6**	**89.7**	**85.2**	**82.7**	**81.0**	**78.4**

EDMONTON: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 271,266	$ 256,380	$ 272,488	$ 272,558	$ 268,443	$ 265,821	$ 263,518	$ 245,788	$ 225,758
Business Occupancy Tax	$ 62,942	$ 64,083	$ 63,421	$ 63,290	$ 62,148	$ 60,861	$ 60,209	$ 59,914	$ 55,303
Local Improvement Levies	$ 19,460	$ 20,350	$ 21,362	$ 22,451	$ 24,177	$ 24,888	$ 26,272	$ 26,828	$ 27,521
Other Taxes	$ 2,556	$ 1,597	$ 2,998	$ 793	$ 2,407	$ 2,131	$ 1,958	$ 2,514	$ 3,369
Total Tax Revenue	**$ 356,224**	**$ 342,410**	**$ 360,269**	**$ 359,092**	**$ 357,175**	**$ 353,701**	**$ 351,957**	**$ 335,044**	**$ 311,951**
Provincial Grants	$ 25,456	$ 23,640	$ 24,768	$ 33,415	$ 43,615	$ 55,231	$ 60,254	$ 63,940	$ 60,600
Federal Grants	$ 2,834	$ 1,337	$ 4,201	$ 5,048	$ 5,008	$ 4,901	$ 4,668	$ 6,223	$ 4,018
Total Operating Grants	**$ 28,290**	**$ 24,977**	**$ 28,969**	**$ 38,463**	**$ 48,623**	**$ 60,132**	**$ 64,922**	**$ 70,163**	**$ 64,618**
Revenue-in-Lieu	$ 25,584	$ 25,681	$ 27,411	$ 30,712	$ 31,358	$ 33,110	$ 33,320	$ 32,023	$ 34,069
Franchise Fees & Taxes	$ 22,676	$ 24,789	$ 24,918	$ 21,462	$ 22,527	$ 19,669	$ 16,068	$ 16,455	$ 17,192
Total Contributions	**$ 48,260**	**$ 50,470**	**$ 52,329**	**$ 52,174**	**$ 53,885**	**$ 52,779**	**$ 49,388**	**$ 48,478**	**$ 51,261**
Sales of Service User Fees	$ 266,906	$ 242,698	$ 255,369	$ 167,828	$ 165,310	$ 166,182	$ 169,014	$ 164,442	$ 166,644
Regulatory User Fees	$ 11,476	$ 9,965	$ 10,420	$ 10,073	$ 9,972	$ 10,722	$ 10,854	$ 9,445	$ 9,470
Total User Fees	**$ 278,382**	**$ 252,663**	**$ 265,789**	**$ 177,901**	**$ 175,282**	**$ 176,904**	**$ 179,868**	**$ 173,887**	**$ 176,114**
Investment Income	$ 79,439	$ 92,102	$ 77,815	$ 51,703	$ 61,574	$ 53,926	$ 45,287	$ 37,061	$ 33,094
Fines & Penalties	$ 27,496	$ 24,936	$ 24,547	$ 24,182	$ 23,545	$ 19,829	$ 19,848	$ 21,686	$ 19,547
EPCOR Contributions	$ 160,425	$ 154,574	$ 149,468	$ 186,335	$ 163,829	$ 94,159	$ 122,038	$ 135,493	$ 147,421
All Other Income	$ 985	$ 1,256	$ 1,035	$ 3,182	$ 6,977	$ 10,240	$ 8,783	$ 5,619	$ 5,208
Total Other Revenue	**$ 268,345**	**$ 272,868**	**$ 252,865**	**$ 265,402**	**$ 255,925**	**$ 178,154**	**$ 195,956**	**$ 199,859**	**$ 205,270**
Provincial Capital Grants	$ 54,930	$ 39,098	$ 56,231	$ 15,888	$ 36,044	$ 19,603	$ 83,679	$ 44,903	$ 55,794
Federal Capital Grants	$ 3,332	$ 14,217	$ 11,730	$ 13,066	$ 1,323	$ 121	$ 284	$ 161	$ 196
Developers & Other	$ 38,989	$ 27,050	$ 24,015	$ 25,284	$ 38,543	$ 31,905	$ 34,828	$ 26,626	$ 27,460
Total Capital Revenue	**$ 97,251**	**$ 80,365**	**$ 91,976**	**$ 54,238**	**$ 75,910**	**$ 51,629**	**$ 118,791**	**$ 71,690**	**$ 83,450**
TOTAL REVENUE	**$ 1,076,752**	**$ 1,023,753**	**$ 1,052,197**	**$ 947,270**	**$ 966,800**	**$ 873,299**	**$ 960,882**	**$ 899,121**	**$ 892,664**
Police	$ 120,172	$ 115,191	$ 111,708	$ 113,350	$ 113,842	$ 114,046	$ 111,360	$ 104,549	$ 97,287
Fire and EMS	$ 82,496	$ 79,693	$ 77,398	$ 80,971	$ 80,455	$ 81,849	$ 78,674	$ 75,469	$ 70,025
Total Protection	**$ 202,668**	**$ 194,884**	**$ 189,106**	**$ 194,321**	**$ 194,297**	**$ 195,895**	**$ 190,034**	**$ 180,018**	**$ 167,312**
Roads and Related	$ 63,400	$ 62,957	$ 67,897	$ 68,378	$ 78,662	$ 71,553	$ 69,935	$ 71,475	$ 70,421
Transit	$ 105,332	$ 108,233	$ 99,914	$ 103,540	$ 104,111	$ 106,300	$ 104,379	$ 98,646	$ 91,578
Total Transportation	**$ 168,732**	**$ 171,190**	**$ 167,811**	**$ 171,918**	**$ 182,773**	**$ 177,853**	**$ 174,314**	**$ 170,121**	**$ 161,999**
Parks and Recreation	$ 65,998	$ 69,545	$ 65,700	$ 72,174	$ 71,381	$ 73,000	$ 72,042	$ 68,870	$ 65,698
Social, Culture, Community	$ 62,896	$ 65,431	$ 71,300	$ 73,009	$ 75,464	$ 75,578	$ 73,442	$ 72,187	$ 61,059
Total PRSCC	**$ 128,894**	**$ 134,976**	**$ 137,000**	**$ 145,183**	**$ 146,845**	**$ 148,578**	**$ 145,484**	**$ 141,057**	**$ 126,757**
Sewer, Waste, Storm Drain	$ 79,202	$ 85,080	$ 104,397	$ 52,432	$ 52,337	$ 51,452	$ 51,801	$ 47,495	$ 41,691
Other Utility-Based	$ 30,717	$ 25,802	$ 17,729	$ 5,747	$ 13,491	$ 15,251	$ 25,452	$ 30,095	$ 37,112
Environment & Utility	**$ 109,919**	**$ 110,882**	**$ 122,126**	**$ 58,179**	**$ 65,828**	**$ 66,703**	**$ 77,253**	**$ 77,590**	**$ 78,803**
Total General & Other	**$ 65,244**	**$ 91,906**	**$ 99,317**	**$ 60,277**	**$ 55,674**	**$ 47,623**	**$ 46,986**	**$ 63,851**	**$ 69,680**
Interest on Debt	**$ 41,792**	**$ 42,357**	**$ 43,459**	**$ 48,967**	**$ 51,211**	**$ 58,389**	**$ 64,838**	**$ 66,859**	**$ 63,686**
Capital Expenditure	**$ 196,765**	**$ 174,380**	**$ 165,484**	**$ 210,606**	**$ 171,665**	**$ 151,663**	**$ 170,537**	**$ 183,667**	**$ 180,897**
TOTAL EXPENDITURE	**$ 914,014**	**$ 920,575**	**$ 924,303**	**$ 889,451**	**$ 868,293**	**$ 846,704**	**$ 869,446**	**$ 883,163**	**$ 849,134**
BUDGET BALANCE	**$ 162,738**	**$ 103,178**	**$ 127,894**	**$ 57,819**	**$ 98,507**	**$ 26,595**	**$ 91,436**	**$ 15,958**	**$ 43,530**
Less: Retained Earnings	$ (54,085)	$ (49,428)	$ (48,509)	$ (143,132)	$ (119,980)	$ (51,128)	$ (77,235)	$ (100,404)	$ (113,352)
EFFECTIVE BALANCE	**$ 108,653**	**$ 53,750**	**$ 79,385**	**$ (85,313)**	**$ (21,473)**	**$ (24,533)**	**$ 14,201**	**$ (84,446)**	**$ (69,822)**
Net Tax-Supported Debt	$ 83,666	$ 97,670	$ 113,082	$ 144,416	$ 163,123	$ 190,352	$ 212,737	$ 242,348	$ 200,805
Net Self-Supported Debt	$ 275,525	$ 289,599	$ 296,478	$ 313,276	$ 327,173	$ 336,559	$ 350,688	$ 360,146	$ 351,610
Other Net Debt (Contingent)	$ 1,028,782	$ 1,130,717	$ 1,210,634	$ 1,311,563	$ 1,407,611	$ 1,493,601	$ 1,357,574	$ 1,297,620	$ 1,235,357
Total Net Debt	**$ 1,387,973**	**$ 1,517,986**	**$ 1,620,194**	**$ 1,769,255**	**$ 1,897,907**	**$ 2,020,512**	**$ 1,920,999**	**$ 1,900,114**	**$ 1,787,772**
Population	**636,100**	**626,500**	**616,306**	**620,000**	**623,400**	**626,999**	**618,195**	**614,665**	**605,538**
CPI (2007=100)	**76.7**	**76.0**	**74.6**	**73.0**	**71.6**	**70.4**	**69.9**	**68.6**	**65.0**

CALGARY: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 800,709	$ 697,260	$ 620,161	$ 569,707	$ 531,714	$ 498,679	$ 465,966	$ 428,584	$ 397,139
Business Occupancy Tax	$ 198,195	$ 160,992	$ 154,349	$ 152,446	$ 149,368	$ 146,128	$ 142,217	$ 134,501	$ 129,833
Local Improvement Levies	$ 9,680	$ 9,584	$ 8,635	$ 7,928	$ 8,461	$ 7,320	$ 6,871	$ 6,103	$ 5,734
Total Tax Revenue	**$ 1,008,584**	**$ 867,836**	**$ 783,145**	**$ 730,081**	**$ 689,543**	**$ 652,127**	**$ 615,054**	**$ 569,188**	**$ 532,706**
Provincial Grants	$ 161,990	$ 91,392	$ 86,338	$ 57,520	$ 56,184	$ 48,374	$ 43,137	$ 58,558	$ 36,288
Federal Grants	$ 6,707	$ 6,936	$ 5,975	$ 4,693	$ 3,717	$ 22,494	$ 5,122	$ 4,610	$ 3,853
Total Operating Grants	**$ 168,697**	**$ 98,328**	**$ 92,313**	**$ 62,213**	**$ 59,901**	**$ 70,868**	**$ 48,259**	**$ 63,168**	**$ 40,141**
Revenue-in-Lieu	$ 11,798	$ 10,296	$ 8,586	$ 8,219	$ 8,141	$ 5,497	$ 5,550	$ 6,776	$ 6,976
Franchise Fees & Taxes	$ 74,318	$ 72,801	$ 77,881	$ 65,999	$ 62,732	$ 45,121	$ 59,116	$ 45,499	$ 29,239
Total Contributions	**$ 86,116**	**$ 83,097**	**$ 86,467**	**$ 74,218**	**$ 70,873**	**$ 50,618**	**$ 64,666**	**$ 52,275**	**$ 36,215**
Sales of Service User Fees	$ 740,543	$ 706,583	$ 574,465	$ 587,153	$ 528,724	$ 484,624	$ 463,555	$ 441,529	$ 418,207
Regulatory User Fees	$ 74,238	$ 64,053	$ 50,015	$ 43,622	$ 38,381	$ 34,756	$ 32,882	$ 30,473	$ 28,838
Total User Fees	**$ 814,781**	**$ 770,636**	**$ 624,480**	**$ 630,775**	**$ 567,105**	**$ 519,380**	**$ 496,437**	**$ 472,002**	**$ 447,045**
Investment Income	$ 56,474	$ 49,369	$ 37,162	$ 29,829	$ 33,331	$ 31,083	$ 40,765	$ 37,601	$ 27,138
Fines & Penalties	$ 53,571	$ 53,339	$ 51,273	$ 48,698	$ 44,421	$ 39,823	$ 39,408	$ 37,451	$ 35,213
ENMAX Contributions	$ 236,918	$ 216,066	$ 189,189	$ 221,166	$ 236,530	$ 238,871	$ 360,260	$ 113,512	$ 92,013
All Other Income	$ 20,138	$ 16,028	$ 32,722	$ 29,239	$ 14,792	$ 15,925	$ 15,951	$ 35,271	$ 20,978
Total Other Revenue	**$ 367,101**	**$ 334,802**	**$ 310,346**	**$ 328,932**	**$ 329,074**	**$ 325,702**	**$ 456,384**	**$ 223,835**	**$ 175,342**
Provincial Capital Grants	$ 261,515	$ 218,635	$ 179,158	$ 104,178	$ 104,217	$ 91,930	$ 180,713	$ 93,425	$ 74,909
Federal Capital Grants	$ 52,638	$ 54,015	$ 5,982	$ 8,930	$ 11,428	$ 4,021	$ 477	$ 88	$ 638
Developer Contributions	$ 71,771	$ 63,261	$ 31,039	$ 21,814	$ 30,104	$ 37,662	$ 46,098	$ 50,555	$ 48,670
Donated Assets and Other	$ 65,202	$ 47,988	$ 48,381	$ 42,219	$ 44,492	$ 45,711	$ 41,912	$ 19,405	$ 43,648
Total Capital Revenue	**$ 451,126**	**$ 383,899**	**$ 264,560**	**$ 177,141**	**$ 190,241**	**$ 179,324**	**$ 269,200**	**$ 163,473**	**$ 167,865**
TOTAL REVENUE	**$ 2,896,405**	**$ 2,538,598**	**$ 2,161,311**	**$ 2,003,360**	**$ 1,906,737**	**$ 1,798,019**	**$ 1,950,000**	**$ 1,543,941**	**$ 1,399,314**
Police	$ 253,872	$ 240,503	$ 226,033	$ 209,218	$ 186,809	$ 200,852	$ 163,458	$ 150,367	$ 138,472
Fire and EMS	$ 200,195	$ 174,493	$ 162,588	$ 149,577	$ 147,326	$ 141,466	$ 127,587	$ 116,313	$ 108,747
Total Protection	**$ 454,067**	**$ 414,996**	**$ 388,621**	**$ 358,795**	**$ 334,135**	**$ 342,318**	**$ 291,045**	**$ 266,680**	**$ 247,219**
Roads and Related	$ 154,275	$ 141,976	$ 131,392	$ 120,793	$ 113,000	$ 96,867	$ 88,603	$ 83,352	$ 79,149
Transit	$ 246,317	$ 229,456	$ 205,989	$ 190,054	$ 177,743	$ 171,207	$ 149,749	$ 142,432	$ 134,338
Total Transportation	**$ 400,592**	**$ 371,432**	**$ 337,381**	**$ 310,847**	**$ 290,743**	**$ 268,074**	**$ 238,352**	**$ 225,784**	**$ 213,487**
Parks and Recreation	$ 127,347	$ 120,648	$ 108,225	$ 100,442	$ 91,318	$ 87,022	$ 81,037	$ 72,323	$ 67,987
Social, Culture, Community	$ 160,562	$ 150,501	$ 142,761	$ 136,114	$ 121,537	$ 119,594	$ 104,655	$ 96,306	$ 94,218
Total PRSCC	**$ 287,909**	**$ 271,149**	**$ 250,986**	**$ 236,556**	**$ 212,855**	**$ 206,616**	**$ 185,692**	**$ 168,629**	**$ 162,205**
Water	$ 63,546	$ 56,766	$ 55,539	$ 52,726	$ 42,645	$ 42,272	$ 36,164	$ 33,949	$ 30,792
Wastewater	$ 75,944	$ 68,320	$ 60,752	$ 59,203	$ 60,364	$ 48,282	$ 44,601	$ 41,146	$ 35,837
Solid Waste	$ 53,180	$ 53,033	$ 41,428	$ 36,349	$ 33,908	$ 32,573	$ 30,896	$ 28,300	$ 25,964
Environment & Utility	**$ 192,670**	**$ 178,119**	**$ 157,719**	**$ 148,278**	**$ 136,917**	**$ 123,127**	**$ 111,661**	**$ 103,395**	**$ 92,593**
Total General & Other	**$ 310,903**	**$ 298,645**	**$ 242,334**	**$ 245,500**	**$ 227,969**	**$ 226,832**	**$ 200,046**	**$ 188,683**	**$ 157,701**
Interest on Debt	**$ 92,705**	**$ 88,843**	**$ 89,806**	**$ 94,819**	**$ 96,344**	**$ 98,183**	**$ 101,977**	**$ 107,149**	**$ 112,393**
Capital Expenditure	**$ 1,025,149**	**$ 851,353**	**$ 628,896**	**$ 504,719**	**$ 549,839**	**$ 463,808**	**$ 502,315**	**$ 436,300**	**$ 373,301**
TOTAL EXPENDITURE	**$ 2,763,995**	**$ 2,474,537**	**$ 2,095,743**	**$ 1,899,514**	**$ 1,848,802**	**$ 1,728,958**	**$ 1,631,088**	**$ 1,496,620**	**$ 1,358,899**
BUDGET BALANCE	**$ 132,410**	**$ 64,061**	**$ 65,568**	**$ 103,846**	**$ 57,935**	**$ 69,061**	**$ 318,912**	**$ 47,321**	**$ 40,415**
Less: Retained Earnings	$ (75,812)	$ (79,671)	$ (66,954)	$ (101,802)	$ (118,065)	$ (131,648)	$ (219,634)	$ (14,643)	$ (10,539)
EFFECTIVE BALANCE	**$ 56,598**	**$ (15,610)**	**$ (1,386)**	**$ 2,044**	**$ (60,130)**	**$ (62,587)**	**$ 99,278**	**$ 32,678**	**$ 29,876**
Net Tax-Supported Debt	$ 510,537	$ 526,134	$ 571,781	$ 614,119	$ 616,028	$ 496,470	$ 461,111	$ 485,830	$ 492,826
Net Self-Supported Debt	$ 1,186,419	$ 903,846	$ 751,351	$ 650,528	$ 647,589	$ 612,676	$ 576,854	$ 542,349	$ 551,858
Other Net Debt (Contingent)	$ 406,968	$ 339,700	$ 219,472	$ 252,275	$ 160,570	$ 183,759	$ 207,085	$ 229,407	$ 143,245
Total Net Debt	**$ 2,103,924**	**$ 1,769,680**	**$ 1,542,604**	**$ 1,516,922**	**$ 1,424,187**	**$ 1,292,905**	**$ 1,245,050**	**$ 1,257,586**	**$ 1,187,929**
Population	**1,019,942**	**991,759**	**956,078**	**933,495**	**922,315**	**904,897**	**876,519**	**860,749**	**842,388**
CPI (2007=100)	**100.0**	**95.2**	**91.0**	**89.2**	**87.7**	**84.7**	**81.7**	**79.8**	**76.9**

CALGARY: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 370,669	$ 349,216	$ 338,741	$ 336,007	$ 334,340	$ 325,851	$ 311,902	$ 309,571	$ 286,124
Business Occupancy Tax	$ 127,074	$ 122,664	$ 116,731	$ 116,995	$ 116,431	$ 111,635	$ 109,490	$ 105,752	$ 98,309
Local Improvement Levies	$ 6,298	$ 5,754	$ 5,764	$ 6,320	$ 6,454	$ 6,512	$ 6,661	$ 6,189	$ 5,988
Total Tax Revenue	**$ 504,041**	**$ 477,634**	**$ 461,236**	**$ 459,322**	**$ 457,225**	**$ 443,998**	**$ 428,053**	**$ 421,512**	**$ 390,421**
Provincial Grants	$ 37,046	$ 35,400	$ 55,356	$ 52,002	$ 66,239	$ 78,429	$ 106,406	$ 107,270	$ 107,089
Federal Grants	$ 3,988	$ 8,229	$ 6,358	$ 5,379	$ 5,386	$ 5,330	$ 5,916	$ 5,352	$ 5,586
Total Operating Grants	**$ 41,034**	**$ 43,629**	**$ 61,714**	**$ 57,381**	**$ 71,625**	**$ 83,759**	**$ 112,322**	**$ 112,622**	**$ 112,675**
Revenue-in-Lieu	$ 7,033	$ 9,318	$ 8,925	$ 8,645	$ 11,086	$ 12,390	$ 13,637	$ 9,732	$ 12,150
Franchise Fees & Taxes	$ 24,713	$ 24,517	$ 24,326	$ 18,354	$ 22,396	$ 19,095	$ 14,549	$ 10,448	$ 7,765
Total Contributions	**$ 31,746**	**$ 33,835**	**$ 33,251**	**$ 26,999**	**$ 33,482**	**$ 31,485**	**$ 28,186**	**$ 20,180**	**$ 19,915**
Sales of Service User Fees	$ 410,988	$ 373,978	$ 334,182	$ 319,512	$ 304,560	$ 287,748	$ 278,927	$ 270,834	$ 249,517
Regulatory User Fees	$ 32,534	$ 27,346	$ 18,205	$ 17,089	$ 17,319	$ 16,330	$ 17,858	$ 14,971	$ 18,568
Total User Fees	**$ 443,522**	**$ 401,324**	**$ 352,387**	**$ 336,601**	**$ 321,879**	**$ 304,078**	**$ 296,785**	**$ 285,805**	**$ 268,085**
Investment Income	$ 32,625	$ 21,781	$ 25,376	$ 34,185	$ 31,566	$ 40,032	$ 42,094	$ 49,721	$ 49,727
Fines & Penalties	$ 32,814	$ 30,651	$ 28,536	$ 25,814	$ 26,026	$ 25,541	$ 22,418	$ 18,841	$ 19,390
ENMAX Contributions	$ 110,904	$ 118,137	$ 70,669	$ 77,340	$ 72,762	$ 69,342	$ 61,252	$ 65,744	$ 65,067
All Other Income	$ 12,506	$ 11,546	$ 9,255	$ 9,129	$ 9,514	$ 8,784	$ 6,011	$ 4,183	$ 4,971
Total Other Revenue	**$ 188,849**	**$ 182,115**	**$ 133,836**	**$ 146,468**	**$ 139,868**	**$ 143,699**	**$ 131,775**	**$ 138,489**	**$ 139,155**
Provincial Capital Grants	$ 42,082	$ 29,872	$ 41,510	$ 45,424	$ 24,329	$ 13,304	$ 30,492	$ 45,218	$ 44,276
Federal Capital Grants	$ 9,435	$ 11,470	$ 11,892	$ 17,505	$ 1,964	$ 0	$ 0	$ 0	$ 0
Developer Contributions	$ 41,125	$ 36,891	$ 33,551	$ 36,283	$ 24,235	$ 24,494	$ 14,235	$ 18,086	$ 42,065
Donated Assets and Other	$ 46,764	$ 38,706	$ 14,822	$ 17,339	$ 21,904	$ 18,399	$ 16,614	$ 16,966	$ 18,031
Total Capital Revenue	**$ 139,406**	**$ 116,939**	**$ 101,775**	**$ 116,551**	**$ 72,432**	**$ 56,197**	**$ 61,341**	**$ 80,270**	**$ 104,372**
TOTAL REVENUE	**$ 1,348,598**	**$ 1,255,476**	**$ 1,144,199**	**$ 1,143,322**	**$ 1,096,511**	**$ 1,063,216**	**$ 1,058,462**	**$ 1,058,878**	**$ 1,034,623**
Police	$ 125,328	$ 118,145	$ 114,813	$ 112,602	$ 114,974	$ 114,278	$ 114,298	$ 116,445	$ 107,435
Fire and EMS	$ 102,205	$ 97,958	$ 95,101	$ 95,448	$ 93,362	$ 95,427	$ 91,116	$ 84,901	$ 77,974
Total Protection	**$ 227,533**	**$ 216,103**	**$ 209,914**	**$ 208,050**	**$ 208,336**	**$ 209,705**	**$ 205,414**	**$ 201,346**	**$ 185,409**
Roads and Related	$ 78,488	$ 71,353	$ 70,143	$ 64,398	$ 57,962	$ 60,942	$ 61,111	$ 57,804	$ 54,607
Transit	$ 113,763	$ 108,212	$ 102,211	$ 98,934	$ 98,873	$ 102,574	$ 102,779	$ 97,038	$ 88,216
Total Transportation	**$ 192,251**	**$ 179,565**	**$ 172,354**	**$ 163,332**	**$ 156,835**	**$ 163,516**	**$ 163,890**	**$ 154,842**	**$ 142,823**
Parks and Recreation	$ 71,854	$ 67,782	$ 66,441	$ 65,698	$ 62,620	$ 62,978	$ 61,185	$ 59,933	$ 55,018
Social, Culture, Community	$ 86,399	$ 81,766	$ 77,478	$ 79,498	$ 79,001	$ 77,756	$ 74,879	$ 71,791	$ 62,870
Total PRSCC	**$ 158,253**	**$ 149,548**	**$ 143,919**	**$ 145,196**	**$ 141,621**	**$ 140,734**	**$ 136,064**	**$ 131,724**	**$ 117,888**
Water	$ 27,138	$ 26,892	$ 26,660	$ 25,420	$ 25,686	$ 28,286	$ 27,144	$ 24,808	$ 23,044
Wastewater	$ 31,526	$ 30,662	$ 29,490	$ 29,688	$ 30,812	$ 31,237	$ 31,319	$ 28,576	$ 26,546
Solid Waste	$ 27,084	$ 19,992	$ 19,272	$ 18,164	$ 17,519	$ 17,794	$ 17,056	$ 18,029	$ 17,136
Environment & Utility	**$ 85,748**	**$ 77,546**	**$ 75,422**	**$ 73,272**	**$ 74,017**	**$ 77,317**	**$ 75,519**	**$ 71,413**	**$ 66,726**
Total General & Other	**$ 145,434**	**$ 122,667**	**$ 106,196**	**$ 111,599**	**$ 97,247**	**$ 97,420**	**$ 98,421**	**$ 96,752**	**$ 87,679**
Interest on Debt	**$ 119,449**	**$ 128,354**	**$ 137,333**	**$ 144,153**	**$ 152,071**	**$ 164,421**	**$ 173,715**	**$ 178,021**	**$ 180,630**
Capital Expenditure	**$ 287,091**	**$ 228,674**	**$ 219,844**	**$ 239,840**	**$ 183,311**	**$ 230,615**	**$ 201,920**	**$ 193,210**	**$ 191,176**
TOTAL EXPENDITURE	**$ 1,215,759**	**$ 1,102,457**	**$ 1,064,982**	**$ 1,085,442**	**$ 1,013,438**	**$ 1,083,728**	**$ 1,054,943**	**$ 1,027,308**	**$ 972,331**
BUDGET BALANCE	**$ 132,839**	**$ 153,019**	**$ 79,217**	**$ 57,880**	**$ 83,073**	**$ (20,512)**	**$ 3,519**	**$ 31,570**	**$ 62,292**
Less: Retained Earnings	$ (37,176)	$ (48,809)	$ (1,994)	$ (11,035)	$ (8,382)	$ (7,000)	$ (1,169)	$ (7,095)	$ (12,314)
EFFECTIVE BALANCE	**$ 95,663**	**$ 104,210**	**$ 77,223**	**$ 46,845**	**$ 74,691**	**$ (27,512)**	**$ 2,350**	**$ 24,475**	**$ 49,978**
Net Tax-Supported Debt	$ 523,057	$ 572,697	$ 633,162	$ 684,526	$ 735,857	$ 803,671	$ 844,431	$ 886,080	$ 925,048
Net Self-Supported Debt	$ 570,888	$ 578,526	$ 583,211	$ 551,353	$ 581,794	$ 551,491	$ 576,845	$ 558,070	$ 545,459
Other Net Debt (Contingent)	$ 157,832	$ 171,563	$ 141,850	$ 134,735	$ 142,529	$ 127,812	$ 139,675	$ 116,833	$ 116,360
Total Net Debt	**$ 1,251,777**	**$ 1,322,786**	**$ 1,358,223**	**$ 1,370,614**	**$ 1,460,180**	**$ 1,482,974**	**$ 1,560,951**	**$ 1,560,983**	**$ 1,586,867**
Population	**819,334**	**790,498**	**767,059**	**749,073**	**738,184**	**727,719**	**717,133**	**708,593**	**692,885**
CPI (2007=100)	**75.0**	**73.9**	**72.4**	**70.8**	**69.3**	**68.2**	**67.4**	**66.5**	**62.7**

SASKATOON: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 118,534	$ 111,992	$ 108,303	$ 102,110	$ 96,758	$ 93,678	$ 88,103	$ 83,779	$ 81,518
Business Occupancy Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Local Improvement Levies	$ 40	$ 63	$ 146	$ 218	$ 259	$ 334	$ 460	$ 636	$ 868
Amusement Tax	$ 415	$ 532	$ 504	$ 550	$ 500	$ 508	$ 469	$ 403	$ 435
Other Taxes	$ 182	$ 188	$ 180	$ 177	$ 167	$ 158	$ 152	$ 117	$ 118
Total Tax Revenue	**$ 119,171**	**$ 112,775**	**$ 109,133**	**$ 103,055**	**$ 97,684**	**$ 94,678**	**$ 89,184**	**$ 84,935**	**$ 82,939**
Provincial Grants	$ 22,814	$ 18,164	$ 15,047	$ 14,014	$ 11,598	$ 10,009	$ 8,446	$ 8,905	$ 7,922
Federal Grants	$ 625	$ 796	$ 665	$ 678	$ 607	$ 819	$ 339	$ 345	$ 360
Total Operating Grants	**$ 23,439**	**$ 18,960**	**$ 15,712**	**$ 14,692**	**$ 12,205**	**$ 10,828**	**$ 8,785**	**$ 9,250**	**$ 8,282**
Revenue-in-Lieu	$ 4,147	$ 4,181	$ 4,154	$ 3,753	$ 3,705	$ 3,664	$ 3,687	$ 3,685	$ 3,390
Franchise Fees & Taxes	$ 16,044	$ 15,229	$ 14,562	$ 13,750	$ 13,117	$ 12,454	$ 11,162	$ 9,572	$ 8,768
Total Contributions	**$ 20,191**	**$ 19,410**	**$ 18,716**	**$ 17,503**	**$ 16,822**	**$ 16,118**	**$ 14,849**	**$ 13,257**	**$ 12,158**
Sales of Service User Fees	$ 220,008	$ 205,392	$ 186,602	$ 181,696	$ 172,755	$ 165,737	$ 155,057	$ 149,373	$ 154,339
Regulatory User Fees	$ 4,377	$ 3,112	$ 2,729	$ 2,539	$ 2,329	$ 2,307	$ 1,991	$ 1,400	$ 1,222
Total User Fees	**$ 224,385**	**$ 208,504**	**$ 189,331**	**$ 184,235**	**$ 175,084**	**$ 168,044**	**$ 157,048**	**$ 150,773**	**$ 155,561**
Investment Income	$ 10,757	$ 10,007	$ 10,804	$ 9,030	$ 9,836	$ 9,243	$ 10,022	$ 9,853	$ 9,327
Fines & Penalties	$ 6,814	$ 6,402	$ 6,387	$ 6,137	$ 5,732	$ 5,613	$ 6,127	$ 6,119	$ 5,458
All Other Income	$ 26,445	$ 22,545	$ 23,094	$ 22,818	$ 21,663	$ 20,522	$ 20,200	$ 19,551	$ 5,195
Total Other Revenue	**$ 44,016**	**$ 38,954**	**$ 40,285**	**$ 37,985**	**$ 37,231**	**$ 35,378**	**$ 36,349**	**$ 35,523**	**$ 19,980**
Provincial Capital Grants	$ 10,046	$ 8,169	$ 2,970	$ 2,250	$ 1,808	$ 1,114	$ 2,522	$ 1,204	$ 748
Federal Capital Grants	$ 12,791	$ 4,168	$ 4,252	$ 1,947	$ 1,748	$ 969	$ 2,519	$ 1,874	$ 749
Developers and Other	$ 106,165	$ 55,867	$ 36,611	$ 29,980	$ 26,829	$ 27,319	$ 23,064	$ 24,270	$ 18,077
Total Capital Revenue	**$ 129,002**	**$ 68,204**	**$ 43,833**	**$ 34,177**	**$ 30,385**	**$ 29,402**	**$ 28,105**	**$ 27,348**	**$ 19,574**
TOTAL REVENUE	**$ 560,204**	**$ 466,807**	**$ 417,010**	**$ 391,647**	**$ 369,411**	**$ 354,448**	**$ 334,320**	**$ 321,086**	**$ 298,494**
Police	$ 58,903	$ 52,897	$ 50,080	$ 49,316	$ 40,078	$ 33,558	$ 37,817	$ 33,994	$ 32,541
Fire and EMS	$ 32,704	$ 28,483	$ 27,564	$ 28,103	$ 24,046	$ 20,568	$ 23,276	$ 20,924	$ 20,286
Total Protection	**$ 91,607**	**$ 81,380**	**$ 77,644**	**$ 77,419**	**$ 64,124**	**$ 54,126**	**$ 61,093**	**$ 54,918**	**$ 52,827**
Roads and Related	$ 20,766	$ 29,731	$ 21,120	$ 18,075	$ 17,017	$ 11,023	$ 12,016	$ 14,756	$ 13,869
Transit	$ 26,168	$ 23,776	$ 21,629	$ 20,760	$ 20,195	$ 19,389	$ 18,792	$ 17,862	$ 17,518
Total Transportation	**$ 46,934**	**$ 53,507**	**$ 42,749**	**$ 38,835**	**$ 37,212**	**$ 30,412**	**$ 30,808**	**$ 32,618**	**$ 31,387**
Recreation and Community	$ 64,641	$ 65,893	$ 60,311	$ 55,341	$ 45,669	$ 39,458	$ 39,539	$ 37,309	$ 36,068
Family and Social Services	$ 1,855	$ 1,403	$ 3,774	$ 3,800	$ 3,980	$ 3,440	$ 2,843	$ 2,729	$ 2,487
Total PRSCC	**$ 66,496**	**$ 67,296**	**$ 64,085**	**$ 59,141**	**$ 49,649**	**$ 42,898**	**$ 42,382**	**$ 40,038**	**$ 38,555**
General Environment	$ 37,131	$ 40,433	$ 36,883	$ 32,454	$ 30,475	$ 26,182	$ 33,293	$ 12,898	$ 12,732
Utility Operations	$ 73,239	$ 74,884	$ 68,387	$ 62,728	$ 64,004	$ 59,368	$ 48,558	$ 66,293	$ 63,758
Environment & Utility	**$ 110,370**	**$ 115,317**	**$ 105,270**	**$ 95,182**	**$ 94,479**	**$ 85,550**	**$ 81,851**	**$ 79,191**	**$ 76,490**
Total General & Other	**$ 30,394**	**$ 42,232**	**$ 33,170**	**$ 35,306**	**$ 26,060**	**$ 26,561**	**$ 28,514**	**$ 27,713**	**$ 27,868**
Interest on Debt	**$ 6,728**	**$ 4,082**	**$ 3,896**	**$ 4,259**	**$ 2,650**	**$ 3,653**	**$ 4,038**	**$ 3,452**	**$ 3,510**
Capital Expenditure	**$ 202,553**	**$ 151,782**	**$ 111,682**	**$ 73,983**	**$ 72,541**	**$ 64,750**	**$ 79,188**	**$ 69,755**	**$ 53,700**
TOTAL EXPENDITURE	**$ 555,082**	**$ 515,596**	**$ 438,496**	**$ 384,125**	**$ 346,715**	**$ 307,950**	**$ 327,874**	**$ 307,685**	**$ 284,337**
EFFECTIVE BALANCE	**$ 5,122**	**$ (48,789)**	**$ (21,486)**	**$ 7,522**	**$ 22,696**	**$ 46,498**	**$ 6,446**	**$ 13,401**	**$ 14,157**
Net Tax-Supported Debt	$ 30,189	$ 22,867	$ 25,193	$ 14,447	$ 16,061	$ 17,663	$ 1,302	$ 2,348	$ 4,459
Net Self-Supported Debt	$ 16,557	$ 18,393	$ 20,243	$ 5,681	$ 10,725	$ 15,426	$ 19,785	$ 24,380	$ 28,844
Total Net Debt	**$ 46,746**	**$ 41,260**	**$ 45,436**	**$ 20,128**	**$ 26,786**	**$ 33,089**	**$ 21,087**	**$ 26,728**	**$ 33,303**
Population	**206,340**	**202,340**	**200,584**	**199,988**	**198,635**	**197,793**	**196,861**	**196,706**	**196,768**
CPI (2007=100)	**100.0**	**96.7**	**94.7**	**92.5**	**90.7**	**88.7**	**86.3**	**83.8**	**81.7**

SASKATOON: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 78,545	$ 73,794	$ 68,288	$ 67,627	$ 66,927	$ 65,857	$ 64,431	$ 63,128	$ 60,395
Business Occupancy Tax	$ 0	$ 0	$ 3,665	$ 3,524	$ 3,601	$ 3,593	$ 3,488	$ 3,501	$ 3,464
Local Improvement Levies	$ 920	$ 1,083	$ 1,124	$ 1,218	$ 1,260	$ 1,333	$ 1,426	$ 1,387	$ 1,306
Amusement Tax	$ 442	$ 387	$ 360	$ 365	$ 305	$ 297	$ 290	$ 308	$ 359
Other Taxes	$ 118	$ 124	$ 103	$ 98	$ 81	$ 70	$ 66	$ 67	$ 60
Total Tax Revenue	**$ 80,025**	**$ 75,388**	**$ 73,540**	**$ 72,832**	**$ 72,174**	**$ 71,150**	**$ 69,701**	**$ 68,391**	**$ 65,584**
Provincial Grants	$ 7,292	$ 7,058	$ 8,580	$ 8,663	$ 8,422	$ 9,591	$ 10,244	$ 11,378	$ 12,275
Federal Grants	$ 250	$ 140	$ 145	$ 137	$ 246	$ 326	$ 244	$ 223	$ 17
Total Operating Grants	**$ 7,542**	**$ 7,198**	**$ 8,725**	**$ 8,800**	**$ 8,668**	**$ 9,917**	**$ 10,488**	**$ 11,601**	**$ 12,292**
Revenue-in-Lieu	$ 3,176	$ 3,054	$ 2,925	$ 3,030	$ 2,803	$ 2,825	$ 2,760	$ 2,721	$ 2,663
Franchise Fees & Taxes	$ 8,256	$ 8,293	$ 8,345	$ 7,835	$ 7,755	$ 7,257	$ 6,500	$ 6,657	$ 6,632
Total Contributions	**$ 11,432**	**$ 11,347**	**$ 11,270**	**$ 10,865**	**$ 10,558**	**$ 10,082**	**$ 9,260**	**$ 9,378**	**$ 9,295**
Sales of Service User Fees	$ 153,937	$ 147,255	$ 143,136	$ 135,231	$ 126,892	$ 128,456	$ 120,275	$ 114,695	$ 110,061
Regulatory User Fees	$ 1,184	$ 1,341	$ 1,343	$ 1,091	$ 966	$ 856	$ 861	$ 790	$ 1,126
Total User Fees	**$ 155,121**	**$ 148,596**	**$ 144,479**	**$ 136,322**	**$ 127,858**	**$ 129,312**	**$ 121,136**	**$ 115,485**	**$ 111,187**
Investment Income	$ 9,409	$ 8,368	$ 9,286	$ 11,114	$ 7,927	$ 8,644	$ 9,423	$ 9,599	$ 11,812
Fines & Penalties	$ 5,254	$ 4,968	$ 4,838	$ 5,080	$ 4,934	$ 4,566	$ 4,921	$ 5,179	$ 4,872
All Other Income	$ 3,972	$ 4,085	$ 4,749	$ 4,484	$ 4,075	$ 4,287	$ 4,901	$ 4,328	$ 4,599
Total Other Revenue	**$ 18,635**	**$ 17,421**	**$ 18,873**	**$ 20,678**	**$ 16,936**	**$ 17,497**	**$ 19,245**	**$ 19,106**	**$ 21,283**
Provincial Capital Grants	$ 686	$ 1,821	$ 506	$ 2,240	$ 570	$ 0	$ 1,988	$ 2,620	$ 1,894
Federal Capital Grants	$ 674	$ 1,813	$ 495	$ 2,240	$ 571	$ 0	$ 0	$ 0	$ 0
Developers and Other	$ 16,682	$ 13,442	$ 15,467	$ 8,996	$ 12,156	$ 6,182	$ 5,946	$ 2,143	$ 4,238
Total Capital Revenue	**$ 18,042**	**$ 17,076**	**$ 16,468**	**$ 13,476**	**$ 13,297**	**$ 6,182**	**$ 7,934**	**$ 4,763**	**$ 6,132**
TOTAL REVENUE	**$ 290,797**	**$ 277,026**	**$ 273,355**	**$ 262,973**	**$ 249,491**	**$ 244,140**	**$ 237,764**	**$ 228,724**	**$ 225,773**
Police	$ 30,639	$ 29,235	$ 29,398	$ 28,956	$ 26,798	$ 26,405	$ 26,129	$ 25,738	$ 25,298
Fire and EMS	$ 19,672	$ 19,008	$ 18,171	$ 15,592	$ 14,685	$ 14,660	$ 14,826	$ 15,443	$ 15,505
Total Protection	**$ 50,311**	**$ 48,243**	**$ 47,569**	**$ 44,548**	**$ 41,483**	**$ 41,065**	**$ 40,955**	**$ 41,181**	**$ 40,803**
Roads and Related	$ 12,760	$ 13,882	$ 16,025	$ 14,154	$ 12,480	$ 12,786	$ 13,147	$ 13,831	$ 13,416
Transit	$ 17,193	$ 16,591	$ 16,333	$ 15,447	$ 12,346	$ 14,372	$ 14,245	$ 14,550	$ 13,964
Total Transportation	**$ 29,953**	**$ 30,473**	**$ 32,358**	**$ 29,601**	**$ 24,826**	**$ 27,158**	**$ 27,392**	**$ 28,381**	**$ 27,380**
Recreation and Community	$ 32,485	$ 31,639	$ 29,686	$ 28,460	$ 25,480	$ 28,935	$ 28,401	$ 29,453	$ 25,578
Family and Social Services	$ 2,292	$ 1,843	$ 1,947	$ 1,719	$ 1,621	$ 1,577	$ 1,215	$ 1,528	$ 1,486
Total PRSCC	**$ 34,777**	**$ 33,482**	**$ 31,633**	**$ 30,179**	**$ 27,101**	**$ 30,512**	**$ 29,616**	**$ 30,981**	**$ 27,064**
General Environment	$ 12,364	$ 11,367	$ 21,261	$ 2,911	$ 3,140	$ 2,986	$ 3,558	$ 3,171	$ 3,269
Utility Operations	$ 63,458	$ 61,359	$ 50,052	$ 66,633	$ 62,813	$ 62,339	$ 58,607	$ 59,266	$ 61,231
Environment & Utility	**$ 75,822**	**$ 72,726**	**$ 71,313**	**$ 69,544**	**$ 65,953**	**$ 65,325**	**$ 62,165**	**$ 62,437**	**$ 64,500**
Total General & Other	**$ 27,065**	**$ 27,522**	**$ 23,999**	**$ 28,114**	**$ 27,818**	**$ 26,831**	**$ 26,153**	**$ 24,722**	**$ 24,167**
Interest on Debt	**$ 4,918**	**$ 5,068**	**$ 4,588**	**$ 5,555**	**$ 4,733**	**$ 4,138**	**$ 4,620**	**$ 5,666**	**$ 6,353**
Capital Expenditure	**$ 63,691**	**$ 58,631**	**$ 45,972**	**$ 80,460**	**$ 38,855**	**$ 29,845**	**$ 39,839**	**$ 31,719**	**$ 47,127**
TOTAL EXPENDITURE	**$ 286,537**	**$ 276,145**	**$ 257,432**	**$ 288,001**	**$ 230,769**	**$ 224,874**	**$ 230,740**	**$ 225,087**	**$ 237,394**
EFFECTIVE BALANCE	**$ 4,260**	**$ 881**	**$ 15,923**	**$ (25,028)**	**$ 18,722**	**$ 19,266**	**$ 7,024**	**$ 3,637**	**$ (11,621)**
Net Tax-Supported Debt	$ 7,932	$ 11,146	$ 14,129	$ 17,464	$ 21,308	$ 24,728	$ 27,900	$ 25,837	$ 28,542
Net Self-Supported Debt	$ 33,034	$ 36,942	$ 40,665	$ 44,472	$ 7,666	$ 8,779	$ 9,806	$ 10,756	$ 11,650
Total Net Debt	**$ 40,966**	**$ 48,088**	**$ 54,794**	**$ 61,936**	**$ 28,974**	**$ 33,507**	**$ 37,706**	**$ 36,593**	**$ 40,192**
Population	**196,049**	**194,677**	**193,653**	**192,122**	**189,867**	**188,658**	**187,569**	**186,067**	**184,534**
CPI (2007=100)	**80.2**	**79.1**	**78.2**	**76.8**	**75.3**	**74.1**	**72.1**	**71.5**	**68.0**

REGINA: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 127,936	$ 118,102	$ 113,248	$ 105,598	$ 104,854	$ 103,530	$ 101,024	$ 94,944	$ 98,596
Supplemental Municipal Tax	$ 881	$ 840	$ 874	$ 1,067	$ 1,115	$ 1,657	$ 553	$ 772	$ 1,313
Supplemental Business Tax	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6	$ 392
Other Taxes	$ 2,229	$ 2,134	$ 1,896	$ 1,613	$ 1,663	$ 1,590	$ 2,025	$ 1,932	$ 1,944
Total Tax Revenue	**$ 131,046**	**$ 121,076**	**$ 116,018**	**$ 108,278**	**$ 107,632**	**$ 106,777**	**$ 103,602**	**$ 97,654**	**$ 102,245**
Provincial Grants	$ 22,347	$ 19,553	$ 14,818	$ 14,775	$ 12,443	$ 10,248	$ 8,748	$ 6,397	$ 6,420
Federal Grants	$ 1,035	$ 895	$ 833	$ 757	$ 679	$ 456	$ 427	$ 210	$ 155
Total Operating Grants	**$ 23,382**	**$ 20,448**	**$ 15,651**	**$ 15,532**	**$ 13,122**	**$ 10,704**	**$ 9,175**	**$ 6,607**	**$ 6,575**
Revenue-in-Lieu	$ 7,895	$ 7,550	$ 7,805	$ 7,574	$ 8,051	$ 7,863	$ 7,990	$ 6,574	$ 6,417
Franchise Fees & Taxes	$ 33,827	$ 32,614	$ 31,554	$ 29,598	$ 30,359	$ 27,861	$ 27,383	$ 24,734	$ 22,404
Total Contributions	**$ 41,722**	**$ 40,164**	**$ 39,359**	**$ 37,172**	**$ 38,410**	**$ 35,724**	**$ 35,373**	**$ 31,308**	**$ 28,821**
Sales of Service User Fees	$ 88,598	$ 85,598	$ 77,159	$ 75,358	$ 75,277	$ 68,890	$ 69,413	$ 67,255	$ 64,963
Regulatory User Fees	$ 8,246	$ 8,244	$ 8,293	$ 7,911	$ 6,177	$ 6,546	$ 6,519	$ 6,197	$ 5,531
Total User Fees	**$ 96,844**	**$ 93,842**	**$ 85,452**	**$ 83,269**	**$ 81,454**	**$ 75,436**	**$ 75,932**	**$ 73,452**	**$ 70,494**
Investments & Penalties	$ 6,463	$ 6,053	$ 6,194	$ 5,931	$ 7,594	$ 7,533	$ 6,444	$ 6,312	$ 7,163
All Other Income	$ 4,567	$ 4,860	$ 2,775	$ 4,020	$ 3,605	$ 2,432	$ 1,557	$ 1,033	$ 1,684
Total Other Revenue	**$ 11,030**	**$ 10,913**	**$ 8,969**	**$ 9,951**	**$ 11,199**	**$ 9,965**	**$ 8,001**	**$ 7,345**	**$ 8,847**
Capital Grants	$ 12,317	$ 12,290	$ 4,033	$ 3,006	$ 10,749	$ 2,988	$ 5,408	$ 1,750	$ 130
Development Charges	$ 5,670	$ 3,970	$ 5,403	$ 4,688	$ 2,921	$ 2,468	$ 2,089	$ 2,703	$ 2,100
All Other Capital Revenue	$ 2,062	$ 1,276	$ 3,900	$ 2,057	$ 405	$ 3,571	$ 1,875	$ 6,442	$ 8,374
Total Capital Revenue	**$ 20,049**	**$ 17,536**	**$ 13,336**	**$ 9,751**	**$ 14,075**	**$ 9,027**	**$ 9,372**	**$ 10,895**	**$ 10,604**
TOTAL REVENUE	**$ 324,073**	**$ 303,979**	**$ 278,785**	**$ 263,953**	**$ 265,892**	**$ 247,633**	**$ 241,455**	**$ 227,261**	**$ 227,586**
Police	$ 47,435	$ 45,998	$ 44,412	$ 43,947	$ 42,500	$ 39,035	$ 30,487	$ 35,559	$ 33,610
Fire and EMS	$ 26,585	$ 25,614	$ 25,367	$ 23,352	$ 22,659	$ 22,190	$ 20,155	$ 19,898	$ 18,855
Total Protection	**$ 74,020**	**$ 71,612**	**$ 69,779**	**$ 67,299**	**$ 65,159**	**$ 61,225**	**$ 50,642**	**$ 55,457**	**$ 52,465**
Roads and Related	$ 24,233	$ 19,203	$ 20,809	$ 20,962	$ 19,053	$ 17,230	$ 12,307	$ 16,850	$ 18,081
Transit	$ 20,204	$ 19,941	$ 18,047	$ 18,082	$ 17,734	$ 17,281	$ 16,235	$ 15,576	$ 14,318
Total Transportation	**$ 44,437**	**$ 39,144**	**$ 38,856**	**$ 39,044**	**$ 36,787**	**$ 34,511**	**$ 28,542**	**$ 32,426**	**$ 32,399**
Total PRSCC	**$ 49,125**	**$ 46,875**	**$ 43,763**	**$ 42,377**	**$ 43,176**	**$ 40,780**	**$ 42,028**	**$ 39,645**	**$ 38,645**
Water, Sewer, Storm	$ 30,572	$ 28,106	$ 26,859	$ 25,325	$ 27,110	$ 23,830	$ 24,973	$ 21,388	$ 29,288
Solid Waste	$ 10,154	$ 9,362	$ 8,087	$ 6,103	$ 4,170	$ 4,551	$ 5,597	$ 4,088	$ 4,393
Environment & Utility	**$ 40,726**	**$ 37,468**	**$ 34,946**	**$ 31,428**	**$ 31,280**	**$ 28,381**	**$ 30,570**	**$ 25,476**	**$ 33,681**
Total General & Other	**$ 39,364**	**$ 34,978**	**$ 31,635**	**$ 36,568**	**$ 32,853**	**$ 31,359**	**$ 30,244**	**$ 27,158**	**$ 22,034**
Interest on Debt	**$ 2,120**	**$ 2,518**	**$ 3,049**	**$ 3,458**	**$ 3,289**	**$ 2,384**	**$ 2,595**	**$ 4,018**	**$ 6,016**
Capital Expenditure	**$ 47,411**	**$ 52,288**	**$ 44,074**	**$ 64,817**	**$ 69,576**	**$ 41,023**	**$ 38,741**	**$ 37,649**	**$ 31,573**
TOTAL EXPENDITURE	**$ 297,203**	**$ 284,883**	**$ 266,102**	**$ 284,991**	**$ 282,120**	**$ 239,663**	**$ 223,362**	**$ 221,829**	**$ 216,813**
EFFECTIVE BALANCE	**$ 26,870**	**$ 19,096**	**$ 12,683**	**$ (21,038)**	**$ (16,228)**	**$ 7,970**	**$ 18,093**	**$ 5,432**	**$ 10,773**
Net Tax-Supported Debt	$ 9,800	$ 11,200	$ 12,600	$ 14,000	$ 0	$ 0	$ 0	$ 364	$ 905
Net Self-Supported Debt	$ 25,500	$ 34,400	$ 43,300	$ 53,500	$ 57,100	$ 66,700	$ 32,300	$ 39,908	$ 47,160
Total Net Debt	**$ 35,300**	**$ 45,600**	**$ 55,900**	**$ 67,500**	**$ 57,100**	**$ 66,700**	**$ 32,300**	**$ 40,272**	**$ 48,065**
Population	**181,713**	**179,246**	**178,854**	**178,895**	**178,433**	**177,814**	**178,225**	**179,280**	**179,884**
CPI (2007=100)	**100.0**	**97.5**	**95.6**	**93.6**	**91.6**	**89.5**	**87.2**	**84.6**	**82.4**

REGINA: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 97,644	$ 96,736	$ 92,165	$ 89,906	$ 89,417	$ 87,229	$ 84,323	$ 82,190	$ 79,146
Supplemental Municipal Tax	$ 351	$ 449	$ 275	$ 297	$ 259	$ 604	$ 556	$ 386	$ 405
Supplemental Business Tax	$ 435	$ 269	$ 1,326	$ 1,651	$ 1,702	$ 1,497	$ 714	$ 882	$ 1,139
Other Taxes	$ 2,009	$ 1,968	$ 2,161	$ 2,149	$ 2,075	$ 2,003	$ 1,933	$ 1,869	$ 1,747
Total Tax Revenue	**$ 100,439**	**$ 99,422**	**$ 95,927**	**$ 94,003**	**$ 93,453**	**$ 91,333**	**$ 87,526**	**$ 85,327**	**$ 82,437**
Provincial Grants	$ 6,281	$ 6,221	$ 11,725	$ 11,811	$ 11,595	$ 12,591	$ 15,013	$ 17,085	$ 17,890
Federal Grants	$ 29	$ 31	$ 431	$ 442	$ 255	$ 176	$ 210	$ 74	$ 90
Total Operating Grants	**$ 6,310**	**$ 6,252**	**$ 12,156**	**$ 12,253**	**$ 11,850**	**$ 12,767**	**$ 15,223**	**$ 17,159**	**$ 17,980**
Revenue-in-Lieu	$ 5,821	$ 5,061	$ 4,773	$ 4,551	$ 4,612	$ 4,597	$ 4,324	$ 4,519	$ 4,368
Franchise Fees & Taxes	$ 21,693	$ 20,842	$ 21,042	$ 20,353	$ 20,194	$ 19,062	$ 17,551	$ 17,417	$ 17,400
Total Contributions	**$ 27,514**	**$ 25,903**	**$ 25,815**	**$ 24,904**	**$ 24,806**	**$ 23,659**	**$ 21,875**	**$ 21,936**	**$ 21,768**
Sales of Service User Fees	$ 63,329	$ 59,383	$ 57,213	$ 55,028	$ 51,509	$ 49,387	$ 48,202	$ 45,257	$ 44,846
Regulatory User Fees	$ 6,000	$ 5,370	$ 5,902	$ 5,615	$ 4,969	$ 5,009	$ 5,453	$ 5,383	$ 5,984
Total User Fees	**$ 69,329**	**$ 64,753**	**$ 63,115**	**$ 60,643**	**$ 56,478**	**$ 54,396**	**$ 53,655**	**$ 50,640**	**$ 50,830**
Investments & Penalties	$ 6,607	$ 6,732	$ 6,556	$ 8,414	$ 7,167	$ 7,773	$ 10,408	$ 9,140	$ 10,135
All Other Income	$ 2,142	$ 7,295	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Other Revenue	**$ 8,749**	**$ 14,027**	**$ 6,556**	**$ 8,414**	**$ 7,167**	**$ 7,773**	**$ 10,408**	**$ 9,140**	**$ 10,135**
Capital Grants	$ 3,917	$ 400	$ 2,766	$ 1,923	$ 2,119	$ 0	$ 1,620	$ 2,890	$ 7,450
Development Charges	$ 1,205	$ 1,627	$ 854	$ 1,412	$ 1,904	$ 2,131	$ 1,616	$ 491	$ 2,138
All Other Capital Revenue	$ 2,893	$ 3,890	$ 994	$ 1,873	$ 2,639	$ 1,939	$ 1,950	$ 2,262	$ 2,854
Total Capital Revenue	**$ 8,015**	**$ 5,917**	**$ 4,614**	**$ 5,208**	**$ 6,662**	**$ 4,070**	**$ 5,186**	**$ 5,643**	**$ 12,442**
TOTAL REVENUE	**$ 220,356**	**$ 216,274**	**$ 208,183**	**$ 205,425**	**$ 200,416**	**$ 193,998**	**$ 193,873**	**$ 189,845**	**$ 195,592**
Police	$ 31,882	$ 31,155	$ 30,510	$ 30,530	$ 29,536	$ 30,463	$ 29,542	$ 29,646	$ 28,168
Fire and EMS	$ 18,198	$ 18,548	$ 17,680	$ 17,237	$ 16,772	$ 17,655	$ 17,461	$ 17,353	$ 16,678
Total Protection	**$ 50,080**	**$ 49,703**	**$ 48,190**	**$ 47,767**	**$ 46,308**	**$ 48,118**	**$ 47,003**	**$ 46,999**	**$ 44,846**
Roads and Related	$ 17,063	$ 17,323	$ 18,440	$ 15,648	$ 16,042	$ 14,552	$ 15,590	$ 14,559	$ 13,848
Transit	$ 13,855	$ 13,524	$ 13,771	$ 13,827	$ 13,181	$ 13,077	$ 13,170	$ 12,810	$ 12,933
Total Transportation	**$ 30,918**	**$ 30,847**	**$ 32,211**	**$ 29,475**	**$ 29,223**	**$ 27,629**	**$ 28,760**	**$ 27,369**	**$ 26,781**
Total PRSCC	**$ 38,055**	**$ 37,537**	**$ 38,077**	**$ 37,463**	**$ 36,263**	**$ 35,477**	**$ 33,233**	**$ 33,103**	**$ 32,397**
Water, Sewer, Storm	$ 28,042	$ 21,603	$ 20,616	$ 16,742	$ 16,780	$ 16,741	$ 16,847	$ 17,258	$ 15,665
Solid Waste	$ 4,215	$ 4,034	$ 3,779	$ 3,563	$ 3,622	$ 3,799	$ 3,640	$ 3,643	$ 3,459
Environment & Utility	**$ 32,257**	**$ 25,637**	**$ 24,395**	**$ 20,305**	**$ 20,402**	**$ 20,540**	**$ 20,487**	**$ 20,901**	**$ 19,124**
Total General & Other	**$ 22,822**	**$ 26,294**	**$ 27,758**	**$ 27,404**	**$ 28,877**	**$ 31,650**	**$ 35,995**	**$ 29,784**	**$ 29,328**
Interest on Debt	**$ 6,580**	**$ 8,997**	**$ 7,738**	**$ 8,663**	**$ 7,824**	**$ 8,293**	**$ 8,789**	**$ 7,995**	**$ 8,266**
Capital Expenditure	**$ 38,381**	**$ 36,883**	**$ 29,292**	**$ 33,386**	**$ 37,330**	**$ 26,006**	**$ 25,888**	**$ 26,591**	**$ 35,451**
TOTAL EXPENDITURE	**$ 219,093**	**$ 215,898**	**$ 207,661**	**$ 204,463**	**$ 206,227**	**$ 197,713**	**$ 200,155**	**$ 192,742**	**$ 196,193**
EFFECTIVE BALANCE	**$ 1,263**	**$ 376**	**$ 522**	**$ 962**	**$ (5,811)**	**$ (3,715)**	**$ (6,282)**	**$ (2,897)**	**$ (601)**
Net Tax-Supported Debt	$ 3,316	$ 3,518	$ 4,740	$ 6,918	$ 9,964	$ 12,261	$ 15,524	$ 19,645	$ 23,156
Net Self-Supported Debt	$ 54,665	$ 51,371	$ 27,928	$ 33,661	$ 24,516	$ 28,886	$ 33,190	$ 36,395	$ 23,828
Total Net Debt	**$ 57,981**	**$ 54,889**	**$ 32,668**	**$ 40,579**	**$ 34,480**	**$ 41,147**	**$ 48,714**	**$ 56,040**	**$ 46,984**
Population	**179,606**	**179,722**	**180,404**	**180,021**	**179,906**	**179,984**	**179,431**	**179,183**	**178,504**
CPI (2007=100)	**81.0**	**79.6**	**78.5**	**77.1**	**75.6**	**74.1**	**71.9**	**70.9**	**67.3**

WINNIPEG: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Property Tax	$ 390,489	$ 388,869	$ 373,388	$ 366,182	$ 360,830	$ 362,957	$ 355,485	$ 363,529	$ 363,372
Business Occupancy Tax	$ 56,057	$ 61,029	$ 61,243	$ 60,891	$ 60,853	$ 62,564	$ 56,095	$ 55,974	$ 55,730
Local Improvement Levies	$ 28,695	$ 28,439	$ 28,042	$ 27,479	$ 28,365	$ 27,947	$ 28,108	$ 27,504	$ 26,154
Amusement & Other	$ 6,246	$ 6,128	$ 6,010	$ 3,194	$ 2,803	$ 3,060	$ 2,651	$ 2,216	$ 2,056
Total Tax Revenue	**$ 481,487**	**$ 484,465**	**$ 468,683**	**$ 457,746**	**$ 452,851**	**$ 456,528**	**$ 442,339**	**$ 449,223**	**$ 447,312**
Provincial Grants	$ 140,816	$ 132,769	$ 122,601	$ 117,477	$ 120,512	$ 117,298	$ 116,974	$ 115,769	$ 110,163
Federal Grants	$ 29	$ 117	$ 89	$ 273	$ 220	$ 228	$ 267	$ 261	$ 459
Total Operating Grants	**$ 140,845**	**$ 132,886**	**$ 122,690**	**$ 117,750**	**$ 120,732**	**$ 117,526**	**$ 117,241**	**$ 116,030**	**$ 110,622**
Revenue-in-Lieu	$ 16,585	$ 17,255	$ 18,085	$ 18,550	$ 21,905	$ 22,435	$ 23,583	$ 25,386	$ 25,420
Franchise Fees & Taxes	$ 17,125	$ 16,941	$ 16,826	$ 15,402	$ 15,240	$ 15,257	$ 15,052	$ 13,725	$ 13,054
Total Contributions	**$ 33,710**	**$ 34,196**	**$ 34,911**	**$ 33,952**	**$ 37,145**	**$ 37,692**	**$ 38,635**	**$ 39,111**	**$ 38,474**
Sales of Service User Fees	$ 335,519	$ 315,056	$ 301,680	$ 291,605	$ 283,242	$ 271,550	$ 269,803	$ 263,159	$ 257,999
Regulatory User Fees	$ 45,754	$ 41,705	$ 37,859	$ 36,601	$ 35,363	$ 24,343	$ 24,363	$ 25,135	$ 24,642
Total User Fees	**$ 381,273**	**$ 356,761**	**$ 339,539**	**$ 328,206**	**$ 318,605**	**$ 295,893**	**$ 294,166**	**$ 288,294**	**$ 282,641**
Investment Income	$ 50,118	$ 47,123	$ 41,694	$ 44,638	$ 45,504	$ 48,058	$ 35,708	$ 34,671	$ 29,010
Net Proceeds From Hydro	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 21,678	$ 16,202	$ 6,917
All Other Income	$ 85,663	$ 30,688	$ 33,572	$ 10,241	$ 10,242	$ 8,711	$ 7,698	$ 44,838	$ 20,105
Total Other Revenue	**$ 135,781**	**$ 77,811**	**$ 75,266**	**$ 54,879**	**$ 55,746**	**$ 56,769**	**$ 65,084**	**$ 95,711**	**$ 56,032**
Provincial Capital Grants	$ 40,052	$ 14,581	$ 14,972	$ 35,974	$ 27,352	$ 19,682	$ 21,055	$ 19,971	$ 27,790
Federal Capital Grants	$ 31,316	$ 28,483	$ 6,713	$ 6,089	$ 5,435	$ 9,427	$ 1,343	$ 303	$ 1,189
Total Capital Revenue	**$ 71,368**	**$ 43,064**	**$ 21,685**	**$ 42,063**	**$ 32,787**	**$ 29,109**	**$ 22,398**	**$ 20,274**	**$ 28,979**
TOTAL REVENUE	**$ 1,244,464**	**$ 1,129,183**	**$ 1,062,774**	**$ 1,034,596**	**$ 1,017,866**	**$ 993,517**	**$ 979,863**	**$ 1,008,643**	**$ 964,060**
Police	$ 159,119	$ 156,492	$ 144,894	$ 145,632	$ 136,695	$ 123,892	$ 114,722	$ 111,782	$ 107,487
Fire and EMS	$ 124,163	$ 111,567	$ 105,496	$ 102,450	$ 99,404	$ 94,981	$ 88,970	$ 85,293	$ 83,904
Total Protection	**$ 283,282**	**$ 268,059**	**$ 250,390**	**$ 248,082**	**$ 236,099**	**$ 218,873**	**$ 203,692**	**$ 197,075**	**$ 191,391**
Roads & Public Works	$ 171,868	$ 149,288	$ 154,652	$ 144,307	$ 130,400	$ 129,551	$ 130,556	$ 130,626	$ 132,239
Transit	$ 105,740	$ 104,383	$ 102,100	$ 95,772	$ 90,401	$ 88,225	$ 86,203	$ 84,355	$ 79,212
Transportation & Works	**$ 277,608**	**$ 253,671**	**$ 256,752**	**$ 240,079**	**$ 220,801**	**$ 217,776**	**$ 216,759**	**$ 214,981**	**$ 211,451**
Total PRSCC	**$ 95,054**	**$ 92,803**	**$ 89,219**	**$ 89,832**	**$ 87,585**	**$ 84,339**	**$ 80,786**	**$ 77,407**	**$ 76,954**
Water Utility	$ 39,198	$ 37,498	$ 35,334	$ 34,966	$ 34,922	$ 30,823	$ 30,472	$ 30,774	$ 31,758
Wastewater Utility	$ 47,073	$ 43,125	$ 40,283	$ 37,770	$ 32,007	$ 32,088	$ 31,759	$ 30,076	$ 29,514
Solid Waste Utility	$ 15,367	$ 14,397	$ 14,514	$ 14,778	$ 14,597	$ 10,957	$ 9,649	$ 8,416	$ 8,212
Environment & Utility	**$ 101,638**	**$ 95,020**	**$ 90,131**	**$ 87,514**	**$ 81,526**	**$ 73,868**	**$ 71,880**	**$ 69,266**	**$ 69,484**
Total General & Other	**$ 119,012**	**$ 127,984**	**$ 127,556**	**$ 151,647**	**$ 165,833**	**$ 174,972**	**$ 159,473**	**$ 126,864**	**$ 160,757**
Interest on Debt	**$ 46,950**	**$ 45,665**	**$ 50,283**	**$ 60,200**	**$ 65,353**	**$ 66,891**	**$ 76,300**	**$ 95,795**	**$ 94,410**
Capital Expenditure	**$ 352,149**	**$ 263,066**	**$ 199,313**	**$ 143,286**	**$ 164,384**	**$ 157,511**	**$ 135,693**	**$ 108,255**	**$ 156,323**
TOTAL EXPENDITURE	**$ 1,275,693**	**$ 1,146,268**	**$ 1,063,644**	**$ 1,020,640**	**$ 1,021,581**	**$ 994,230**	**$ 944,583**	**$ 889,643**	**$ 960,770**
EFFECTIVE BALANCE	**$ (31,229)**	**$ (17,085)**	**$ (870)**	**$ 13,956**	**$ (3,715)**	**$ (713)**	**$ 35,280**	**$ 119,000**	**$ 3,290**
Net Tax-Supported Debt	$ 276,525	$ 316,812	$ 332,688	$ 368,640	$ 359,399	$ 352,031	$ 420,112	$ 455,997	$ 566,331
Net Self-Supported Debt	$ 120,937	$ 130,795	$ 82,014	$ 94,204	$ 102,194	$ 111,237	$ 135,999	$ 149,580	$ 172,500
Total Net Debt	**$ 397,462**	**$ 447,607**	**$ 414,702**	**$ 462,844**	**$ 461,593**	**$ 463,268**	**$ 556,111**	**$ 605,577**	**$ 738,831**
Population	**653,400**	**649,300**	**647,400**	**646,700**	**642,700**	**639,700**	**637,000**	**634,100**	**630,700**
CPI (2007=100)	**100.0**	**97.9**	**96.1**	**93.6**	**91.9**	**90.3**	**88.9**	**86.4**	**84.4**

WINNIPEG: Fiscal Dataset

(1990-2007 Actual Results in 000s of Nominal Dollars)

Budget Item	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Property Tax	$ 358,566	$ 356,503	$ 347,815	$ 350,798	$ 347,637	$ 333,881	$ 329,370	$ 317,708	$ 299,599
Business Occupancy Tax	$ 56,553	$ 52,825	$ 52,115	$ 49,136	$ 50,664	$ 46,497	$ 47,911	$ 44,579	$ 36,590
Local Improvement Levies	$ 24,990	$ 24,163	$ 23,047	$ 23,706	$ 20,846	$ 22,064	$ 17,768	$ 17,756	$ 21,937
Amusement & Other	$ 1,607	$ 1,366	$ 1,167	$ 2,619	$ 4,988	$ 2,928	$ 2,692	$ 2,593	$ 2,141
Total Tax Revenue	**$ 441,716**	**$ 434,857**	**$ 424,144**	**$ 426,259**	**$ 424,135**	**$ 405,370**	**$ 397,741**	**$ 382,636**	**$ 360,267**
Provincial Grants	$ 100,481	$ 102,612	$ 96,013	$ 94,494	$ 87,575	$ 81,119	$ 79,613	$ 75,567	$ 78,346
Federal Grants	$ 637	$ 794	$ 1,193	$ 1,629	$ 1,263	$ 1,318	$ 2,797	$ 2,101	$ 794
Total Operating Grants	**$ 101,118**	**$ 103,406**	**$ 97,206**	**$ 96,123**	**$ 88,838**	**$ 82,437**	**$ 82,410**	**$ 77,668**	**$ 79,140**
Revenue-in-Lieu	$ 25,186	$ 29,801	$ 29,281	$ 30,792	$ 30,951	$ 30,153	$ 28,719	$ 28,795	$ 26,185
Franchise Fees & Taxes	$ 12,750	$ 12,372	$ 11,924	$ 11,939	$ 11,766	$ 11,245	$ 10,965	$ 11,115	$ 10,727
Total Contributions	**$ 37,936**	**$ 42,173**	**$ 41,205**	**$ 42,731**	**$ 42,717**	**$ 41,398**	**$ 39,684**	**$ 39,910**	**$ 36,912**
Sales of Service User Fees	$ 249,251	$ 239,254	$ 222,701	$ 223,176	$ 192,770	$ 179,520	$ 183,201	$ 178,364	$ 173,347
Regulatory User Fees	$ 23,118	$ 20,958	$ 21,321	$ 21,797	$ 22,696	$ 21,772	$ 18,185	$ 14,604	$ 14,186
Total User Fees	**$ 272,369**	**$ 260,212**	**$ 244,022**	**$ 244,973**	**$ 215,466**	**$ 201,292**	**$ 201,386**	**$ 192,968**	**$ 187,533**
Investment Income	$ 21,291	$ 19,061	$ 17,654	$ 24,773	$ 17,878	$ 17,583	$ 18,042	$ 20,250	$ 30,541
Net Proceeds From Hydro	$ 10,014	$ 10,133	$ 7,524	$ 13,572	$ 11,384	$ 8,873	$ 10,090	$ 7,500	$ 10,414
All Other Income	$ 11,585	$ 8,887	$ 17,608	$ 6,181	$ 8,352	$ 9,598	$ 6,628	$ 5,286	$ 8,358
Total Other Revenue	**$ 42,890**	**$ 38,081**	**$ 42,786**	**$ 44,526**	**$ 37,614**	**$ 36,054**	**$ 34,760**	**$ 33,036**	**$ 49,313**
Provincial Capital Grants	$ 42,054	$ 28,940	$ 14,988	$ 29,492	$ 28,185	$ 12,775	$ 15,755	$ 13,830	$ 18,414
Federal Capital Grants	$ 885	$ 7,126	$ 2,156	$ 9,496	$ 6,397	$ 427	$ 1,630	$ 1,438	$ 3,441
Total Capital Revenue	**$ 42,939**	**$ 36,066**	**$ 17,144**	**$ 38,988**	**$ 34,582**	**$ 13,202**	**$ 17,385**	**$ 15,268**	**$ 21,855**
TOTAL REVENUE	**$ 938,968**	**$ 914,795**	**$ 866,507**	**$ 893,600**	**$ 843,352**	**$ 779,753**	**$ 773,366**	**$ 741,486**	**$ 735,020**
Police	$ 103,084	$ 101,520	$ 95,624	$ 93,243	$ 88,739	$ 87,036	$ 88,482	$ 82,389	$ 77,706
Fire and EMS	$ 77,528	$ 75,425	$ 75,487	$ 74,258	$ 71,702	$ 69,569	$ 69,637	$ 67,251	$ 64,430
Total Protection	**$ 180,612**	**$ 176,945**	**$ 171,111**	**$ 167,501**	**$ 160,441**	**$ 156,605**	**$ 158,119**	**$ 149,640**	**$ 142,136**
Roads & Public Works	$ 128,644	$ 124,697	$ 119,945	$ 113,590	$ 106,792	$ 106,474	$ 111,982	$ 112,633	$ 109,145
Transit	$ 77,792	$ 77,510	$ 76,892	$ 75,981	$ 73,311	$ 75,324	$ 76,100	$ 73,873	$ 72,697
Transportation & Works	**$ 206,436**	**$ 202,207**	**$ 196,837**	**$ 189,571**	**$ 180,103**	**$ 181,798**	**$ 188,082**	**$ 186,506**	**$ 181,842**
Total PRSCC	**$ 82,632**	**$ 80,673**	**$ 84,604**	**$ 88,564**	**$ 83,084**	**$ 76,324**	**$ 77,655**	**$ 75,749**	**$ 77,272**
Water Utility	$ 31,010	$ 30,264	$ 30,988	$ 33,278	$ 34,000	$ 32,257	$ 31,478	$ 33,402	$ 31,179
Wastewater Utility	$ 29,011	$ 27,455	$ 28,859	$ 27,977	$ 28,318	$ 26,538	$ 25,919	$ 24,052	$ 21,846
Solid Waste Utility	$ 8,924	$ 10,151	$ 11,573	$ 6,640	$ 6,340	$ 5,040	$ 5,189	$ 0	$ 0
Environment & Utility	**$ 68,945**	**$ 67,870**	**$ 71,420**	**$ 67,895**	**$ 68,658**	**$ 63,835**	**$ 62,586**	**$ 57,454**	**$ 53,025**
Total General & Other	**$ 137,923**	**$ 132,585**	**$ 159,594**	**$ 162,651**	**$ 122,716**	**$ 155,747**	**$ 140,838**	**$ 99,903**	**$ 106,441**
Interest on Debt	**$ 93,832**	**$ 93,509**	**$ 96,657**	**$ 97,963**	**$ 93,571**	**$ 91,505**	**$ 82,323**	**$ 84,662**	**$ 89,853**
Capital Expenditure	**$ 129,857**	**$ 92,223**	**$ 100,314**	**$ 179,033**	**$ 116,759**	**$ 105,350**	**$ 144,099**	**$ 148,078**	**$ 167,873**
TOTAL EXPENDITURE	**$ 900,237**	**$ 846,012**	**$ 880,537**	**$ 953,178**	**$ 825,332**	**$ 831,164**	**$ 853,702**	**$ 801,992**	**$ 818,442**
EFFECTIVE BALANCE	**$ 38,731**	**$ 68,783**	**$ (14,030)**	**$ (59,578)**	**$ 18,020**	**$ (51,411)**	**$ (80,336)**	**$ (60,506)**	**$ (83,422)**
Net Tax-Supported Debt	$ 552,940	$ 592,887	$ 565,820	$ 607,285	$ 563,159	$ 561,209	$ 526,675	$ 530,210	$ 558,249
Net Self-Supported Debt	$ 185,457	$ 198,151	$ 220,333	$ 225,189	$ 212,939	$ 176,294	$ 137,810	$ 132,858	$ 141,047
Total Net Debt	**$ 738,397**	**$ 791,038**	**$ 786,153**	**$ 832,474**	**$ 776,098**	**$ 737,503**	**$ 664,485**	**$ 663,068**	**$ 699,296**
Population	**628,400**	**628,300**	**629,400**	**630,600**	**630,600**	**630,100**	**627,700**	**625,200**	**624,200**
CPI (2007=100)	**82.7**	**81.6**	**79.9**	**78.3**	**76.2**	**75.2**	**73.2**	**72.1**	**68.6**

APPENDIX B: Methodological Issues

GENERAL METHODOLOGY

The basic municipal fiscal equation highlighted in *Figure 1* is complicated by a number of factors. Concerning the financial statements produced by the six western cities over the 1990-2007 period, four general concerns need to be addressed.

1. Interfund and Reserve Transfers

Every city maintains a set of different funds and reserves. During the course of a fiscal year, amounts flow between these funds and reserves. Amounts flow from the operating fund to the capital fund. Amounts also flow both to and from reserve funds to both the operating and capital funds. While most cities today eliminate the majority of these interfund transfers when preparing their consolidated statements, this was not always the case in years past. Failing to eliminate all interfund transfers can be highly problematic because they obscure current revenues and expenditures – often to the point where the terms surplus and deficit lose all meaning.

To the extent possible, all interfund transfers were eliminated from the Canada West Foundation fiscal database. Contributions from the operating fund to the capital fund and amounts entering reserves were not treated as expenditures. Likewise, amounts from reserves were not treated as revenue. There are three important reasons for this approach. First, if contributions from the operating fund to the capital fund are counted, both the operating surplus and the capital deficit will be reduced. While this does not affect the size of the consolidated budget balance, it prevents an accurate reading of the size of the capital shortfall and the "cushion" within the operating budget. Second, any amounts entering a reserve fund are essentially being placed in a "savings account" to be spent in the future. The amount is extra income, and should form part of any potential surplus at the end of the year. Similarly, drawing from reserves is akin to dipping into a "savings account" to fund a budget shortfall. Rather than recording that amount as income, it should contribute to a potential deficit. Third, if interfund transfers are not removed, revenues and expenditures are essentially double-counted from one year to the next. Yesterday's expenditure (money going into reserve) becomes tomorrow's revenue (money from reserve).

Conceptually, some might take issue with such a treatment of reserves. After all, these funds are specifically set aside by city councils to be spent on municipal services and capital projects. Expenditure should not have to be kept low simply to avoid drawing from reserves and therefore avoiding a budget deficit. While this complaint is valid, our primary objective is to arrive at a budget deficit or surplus amount that considers only current revenue and expenditure. To be sure, a city can fund its own budget deficit by drawing from reserve funds rather than issuing debt. However, the essential point is that a consistent string of budget deficits will result in either long-term debt growing or reserves being depleted faster than they are being built. Both represent a measurable deterioration in the fiscal health of a city by decreasing its financial equity defined as financial assets less financial liabilities.

2. Capital Revenue and Expenditure

How a city records its capital revenues and expenditures can have a monumental effect on whether a city's budget is in a deficit or a surplus position, not to mention the size of any final budget balance that emerges at the end of the fiscal year. In the early 1990s, none of the six western Canadian cities under consideration included capital on the consolidated income and expenditure statement. In other words, the capital side of the fiscal equation was somewhat obscured. Instead, capital expenditures were depreciated over time and a smaller amount than the actual expenditure was charged out as an annual expenditure within the operating fund. While this reflects the approach taken by business when accounting for capital expenditures, it muddies a city's final budget balance, often resulting in larger reported surpluses and smaller reported deficits.

The Canada West Foundation fiscal database includes the full value of capital revenues and expenditures in arriving at a final budget deficit or surplus. To avoid double-counting, capital depreciation and amortization charges were removed from operating expenditures and the full value of external capital revenue and capital expenditure were added. There are numerous reasons to follow this approach. First, five of the cities under consideration now fully expense their capital expenditures. Second, this approach provides a much better fit between the final budget deficit or surplus emerging from the cities and those recorded by the federal and provincial governments, most of which make little to no distinction between operating and capital expenses. Third, and most important, full expensing of capital expenditures provides more visibility in terms of actual dollars being spent in the current fiscal year.

An argument against this approach, and the final deficit or surplus that it yields, could also be raised. Canadian cities are legally instituted corporations – Calgary's 1990 annual financial report carries the title of *Annual Report: The Corporation of the City of Calgary*. As such, the traditional business practice for capital asset acquisition does not seem unreasonable. At the same time, government is not business. When a company purchases a capital asset – a factory, for example – the asset is expected to generate revenue over the course of its useful life. Recording the full cost of acquiring the asset in one year ignores the fact that the factory is a long-term investment that will generate ongoing streams of revenue across its useful life. But what about a new $50 million city park? While it surely has value to residents, the degree to which it will result in any increased revenue to the city is highly questionable. The park may be less of an investment and more of an expenditure to be fully recorded in the year it is made.

More important, a business can always sell its newly acquired factory before it is fully depreciated and recoup part of its investment. But not all government capital assets can be realistically sold. A city can depreciate and expense the cost of its park over a 25 year period, but where can it find a purchaser five years after it is built? What about roads, sidewalks, street lights, sewer lines, water pipes, police stations, fire halls, or public library buildings? To be sure, some government assets can be sold (e.g., equipment and even a municipal utility) but most cannot, at least pending radical shifts in government policy. Recording the full value of current external capital revenue and expensing all capital expenditures in the year they are made provides for a higher level of visibility into what has actually transpired. As such, it removes a lot of the fog from city financial statements.

3. Debt Repayment and Debt Issuance

Throughout the 1990s, many cities considered the repayment of principal on outstanding long-term debt as an operating expenditure. Some cities also recorded the issuance of debt as a source of capital revenue. The Canada West Foundation fiscal database does not treat the repayment of principal as an expenditure, nor does it consider the proceeds of debt to be revenue. If taking on debt is a source of revenue, it is conceivable that no city would ever incur a deficit or secure a surplus! In the municipal context, there is only one reason to take on debt, and that is to finance the capital deficit. Debt is a source of financing, not a source of funding.

With respect to the repayment of debt, the essential point to consider is that any real reduction in net debt (defined as total financial liabilities that exceed total financial assets) can only occur when the overall budget is in surplus. If a city is running a budget deficit, an amount for principal will still be paid out of the operating budget since municipal debt is amortized over a specific time period and regular payments of both principal and interest must be made. However, the stock of outstanding net debt cannot decrease. In this case, the debt will likely be "rolled" over – some debt will be repaid out of the operating side of the budget while more debt will be assumed to help finance the capital side.

At this point, some would point out that it is conceivable for a city to reduce its outstanding debt even in a deficit situation by drawing on its reserves or reducing the accumulated surpluses in its other funds. But whether debt is issued or reserves are drawn upon, both amount to the same thing – a reduction in financial equity. Ultimately, it is this reduction that defines a government deficit. It is academic to debate whether the deficit is being financed by debt that increases the financial liabilities or by reserves and accumulated surpluses that reduce the financial assets. An approach that is more clear, and one that reflects provincial and federal budgets, is for all principal repayments to be pulled from expenditures, leaving any net reduction in debt to come from a potential surplus at the end of the fiscal year.

4. One-Time Revenue and Retained Earnings of Municipal Corporations

Since the original *Dollars and Sense* study was published in 2001, another complicating wrinkle has arisen. This wrinkle affects the cities of Edmonton and Calgary, both of which own very large utility corporations (EPCOR in Edmonton and ENMAX in Calgary). The item of particular concern here is the significant net income generated by these two multi-billion dollar corporations.

Current accounting standards require that the net income of these corporations be recorded as revenue on the *Consolidated Schedule of Revenue and Expenditure*. As such, the net income forms part of the final budget balance. This is as it should be considering that both cities are the sole share owners of the two corporations. The wrinkle unfolds when one realizes that Edmonton and Calgary receive only a portion of this net income in the form of an annual dividend. The difference between the net income and the dividend received is retained in EPCOR and ENMAX. In other words, the total amount of net income earned does not really exist for usage by Edmonton or Calgary to fund municipal services and infrastructure, even though it certainly increases the financial position of the two cities by increasing their equity stake in the two corporations.

This is no small matter, especially considering that both corporations have realized some significant one-time revenue across the 1990-2007 period. In 2006, for example, Edmonton recorded a whopping $478.9 million surplus on operating revenues of $1.918 billion. However, the majority of that surplus was one-time revenue that resulted from the sale of an interest held by EPCOR. At the end of the day, $487.6 million was actually retained in EPCOR, leaving an $8.7 million deficit when considering only municipal services and infrastructure investment.

The Canada West Foundation database therefore shows two surplus and deficit figures for Edmonton and Calgary. The first is the actual "consolidated" balance and includes the net income generated by EPCOR and ENMAX. The second is an "effective" budget balance that removes the portion of net income retained in the two corporations. In other words, the "effective" balance considers only the dividends received from EPCOR and ENMAX.

While this solution is perhaps far from ideal, it does better approximate the year-to-year revenue available to fund municipal services and infrastructure. Until such time that either city decides to draw upon the equity within EPCOR or ENMAX — whether by selling them or drawing upon the retained earnings — the only amount of net income readily available for funding municipal activities are the dividends received. By showing both budget balances, we hope we have provided increased clarity on the matter.

The ultimate goal of the Canada West Foundation database is to arrive at a reasonably consistent set of numbers that gives clear indication of ongoing trends in deficits, debt, and current revenues and expenditures, including both operating and capital. Ignoring transfers to and from reserves, eliminating debt repayment, fully expensing capital purchases, and controlling for one-time revenues that accrue from large municipally-owned corporations that are somewhat divorced from the day-to-day requirements of providing municipal services and infrastructure is arguably the best way to proceed.

CITY-SPECIFIC ISSUES

1. Vancouver

From 1990 to 1999, Vancouver made several adjustments to its consolidated presentation, and then a wholesale shift by adopting PSAB standards in 2000. Both disallowed the use of consolidated statements due to comparability issues. All revenue and expenditure data come from the general revenue fund and the capital fund, which were more consistent over time. A budget balance for these two funds was calculated. If the combined balance was smaller than the consolidated balance, operating revenues were increased by the amount of the difference. The additional revenue was deemed as miscellaneous, and represents the net revenue generated from the City's other funds. If the balance that emerged was larger than the consolidated balance, an amount was added to operating expenditure, representing the net loss generated by the City's other funds.

The City also used to net certain expenditures from conditional grants, user fees, and other miscellaneous income. This approach was abandoned in 2000, creating significant comparability problems. For prior years, these grants, user fees, and other external recoveries were added to revenues, and expenditures were increased by the same amount. This ensures a closer fit with the newer presentation. Conditional health grants, user fees and other income totalling some $35 million by 1996 were not added, however. These revenues, and the expenditures associated with them, were transferred to the province in 1996. Hotel tax collections and expenditures from 1990-2004 were also removed. The City of Vancouver is no longer involved with administering this tax. All transfers to and from reserve funds in the earlier financial statements were also eliminated.

Vancouver citizens also pay property taxes for a wide range of traditional municipal services provided by the Greater Vancouver Regional District (GVRD), the BC Assessment Authority, the Municipal Finance Authority, and the Greater Vancouver Transportation Authority (formerly Translink). The City of Vancouver does not include these amounts because they simply "flow-through." However, the amounts do reflect the costs of providing municipal services, and citizens are taxed for these services. As such, the Foundation has included them as both revenues and expenditures. This does not affect the City's overall deficit or surplus position, but it does increase the overall level of revenues and expenditures.

In the early 1990s, the City used to collect taxes and forward them to the Regional Hospital District. These taxes were discontinued, and the City began to collect taxes and forward them to the Greater Vancouver Transportation Authority. For the earlier years, the taxes collected for the Regional Hospital District were assumed to be an amount that the City would have contributed to regional transit. All contributions to the Joint Sewerage Board (which includes an amount for interest on debt) were treated as a program expenditure. Pulling out the amount of interest each year was not possible. Thus, Vancouver's program spending is somewhat overstated and its actual interest costs are somewhat understated.

Problems also emerged in determining the level of long-term debt carried by the City, particularly the level of debt remaining after considering sinking fund assets. The value of Vancouver's sinking funds could not be measured with consistency over the 1990-2007 period. Our measure of net direct debt is the gross debt owed by the City less amounts held internally. While this method yields debt figures that match the balance sheet and are consistent over time, the amounts are not always comparable with other cities whose debt was reduced by the value of their sinking fund assets. The Foundation also assigned to Vancouver a portion of GVRD debt. This debt is also presented on the credit reports issued by the DBRS, but again, problems of comparability emerged. To solve the problem, the Foundation reviewed GVRD financial statements from 2002-2007 and determined the outstanding GVRD debt for general purposes and the water, sewer, drainage, and transit functions. Vancouver's population relative to the population of the GVRD was determined, and this population share was then used to assign to Vancouver a proportionate share of these four debt components. This approach was used for 2002-2007. It yields amounts that match closely with the data stream published by the DBRS over the 1990-2001 period.

2. Edmonton

All data were secured from the consolidated financial statements and supporting schedules in the annual reports published from 1990-2007. However, significant adjustments were made to the published information to control for a significantly changed municipal operation. In the mid-1990s, Edmonton divested itself of $900 million in annual expenditures representing 60% of its total budget. Edmonton Telephones (EdTel) was sold, the electrical and water utilities were corporatized into EPCOR (a wholly-owned subsidiary of the City of Edmonton), and the Municipal Airport (renamed the Edmonton City Centre Airport) was no longer consolidated into the City's budget. Controlling for these changes is no small matter and requires a detailed explanation.

In 1995, Edmonton Telephones was sold and the proceeds placed in the EdTel Endowment Fund. The operations of the former utility were thus replaced by an annual stream of investment income provided by the EdTel Endowment. From 1990-1994, all of EdTel's revenue and expenditure (both operating and capital) were removed, as was the amount of its outstanding debt. An amount reflecting the cash provided by the utility was then added to the City's revenue. This cash amount is equivalent to the utility's operating revenue and capital revenue less operating expenditure (excluding depreciation), interest on debt, and the full value of its capital expenditure. This cash amount is intended to mimic the investment proceeds now provided by the EdTel Endowment Fund. Similar treatment was extended to the Municipal Airport from 1990-1994.

The creation of EPCOR is more complex because the operation continues, albeit in a different form. The operating revenue and expenditure, interest, and capital revenue and expenditure of the electrical and water utilities used to appear on the City's consolidated statements. Today, these activities are conducted through EPCOR, which is reported on a modified equity basis – only the net income generated is added to the City's revenue. Net income is defined as operating revenue less operating expenditure and interest paid on long-term debt. The full value of capital revenue and capital expenditure are not included in net income. Capital expenditure is depreciated over time and an amount is charged to operating expenditure. From 1990 to 1995, all operating and capital revenue and expenditure of the electrical and water utilities were removed from the City's total revenue and expenditure, as were the electrical and water debt amounts. A net income amount was then calculated based on the current practice used for EPCOR. This net income amount was then added to operating revenue. In the Canada West Foundation database, the total contributions from EPCOR include net income (formerly the electrical and water utilities) the franchise fees paid by EPCOR (formerly the revenue tax on the electrical and water utilities), and property taxes currently paid by EPCOR. The total outstanding debt of EPCOR and the electrical and water utilities is provided on a separate line item for information purposes.

Between 1990-1995, Edmonton did not record the full value of its capital expenditures, but charged depreciation to the operating budget. The income and expenditure statements also included transfers both to and from reserve funds. Expenditures also included an amount for the repayment of debt. Depreciation, debt repayment, and all transfers were removed from expenditure. Transfers were also removed from revenue. The full value of capital revenue and expenditure was added. Finally, interest costs are typically lumped together with general government program expenditure. The database isolates interest on its own line item and lowers general operating expenditures accordingly.

All of these adjustments involved significant changes to user fee revenue, grants received, operating expenditure, interest costs, capital revenue, capital expenditure, general government program spending, overall debt levels, and the final budget balance at the end of the year. However, the information contained in Edmonton's financial reports were of sufficient quantity and quality to make the necessary adjustments. The Foundation is confident that the database provides a reasonably comparable estimate of current and past financial trends in Edmonton.

3. Calgary

All data were secured from the consolidated financial statements and supporting schedules in the annual reports published from 1990-2007. In 1998, Calgary corporatized its electrical utility by forming ENMAX, a wholly-owned subsidiary of the City of Calgary. As a result, $330 million in annual expenditure fell off the budget. To control for this change, Calgary's revenue, expenditure, interest costs, and debt levels prior to 1998 were modified in a similar manner as Edmonton's. A net income amount for the electrical utility was calculated to mimic the practice now in place for ENMAX. Electrical related franchise fees (sometimes labeled revenue-in-lieu) were also isolated and separated from other franchise fees to ensure consistency over the 1990-2007 period. In our database, total ENMAX contributions include franchise fees collected and the net income of the corporation. Prior to 1998, ENMAX contributions are the net income and franchise fees produced by the electrical utility.

Like Edmonton, Calgary used to charge a depreciation amount to operating expenditure and failed to fully expense its capital. All depreciation costs for sewer, water, and general tax-supported expenditures (e.g., police, fire, EMS, transit) were removed from operating expenditures for years 1990-1994 to ensure compatibility with the figures for 1995-2007. Unlike the water and sewer utilities, the amount of depreciation attached to specific general functions was not highlighted in the annual reports. As such, the amount of depreciation attached to these functions had to be estimated and then removed. If this was not done, the amounts spent on every function from 1990-1994 would be artificially inflated relative to the amounts spent from 1995-2007.

The estimated depreciation removed from each function was developed by focusing on the 1994 fiscal year. For that year, Canada West Foundation had two sets of figures – one set that had depreciation costs attached to each function, and one set that had depreciation removed. The differences between the two sets of figures for all expenditure functions were calculated and then totalled. This amount represents the depreciation costs for these functions for the 1994 year. The degree to which each function contributed to the overall difference could then be determined for the 1994 year, and then expressed as a percentage. For years 1990-1993, the total depreciation was determined, and then amounts were removed from each function according to the percentage of total depreciation that function carried in 1994. Roads and related spending carried the bulk of these depreciation costs.

In the early 1990s, principal repayment of debt was included as an operating expenditure and the City did not fully consolidate the operations of its public library. The repayment of debt was removed from expenditure and total revenue and expenditure were increased by the tax revenue requisitioned by the Public Library Board as well as user fees and other revenue collected by the Calgary Public Library. Data here were secured from the financial statements of the City of Calgary and separate statements published by the library itself.

Like the City of Edmonton, the City of Calgary's past financial statements included sufficient information to make most of the adjustments and build a relatively consistent database of financial information.

4. Saskatoon

Total revenue and expenditure data were secured from the consolidated statements and schedules in the annual reports published from 1990-2007. While this data was reasonably consistent over time, significant adjustments were made to the revenue and expenditure data for 1990-1993. Transfers to and from reserves and principal repayment and debt issuance were removed from revenue and expenditure. An amount for the Public Library was also added to the revenue and expenditure totals for 1990. Starting in 1991, Saskatoon began to fully expense its capital expenditure on the *Consolidated Statement of Revenue and Expenditure.* This approach was employed to adjust the 1990 figures.

The biggest problem in Saskatoon relates to detailed revenue items and expenditure functions. It was difficult to draw details out of the consolidated statements. Examples here include franchise fees, license and permit revenue, fines and penalties, and expenditure on police, fire, roads, and transit. In the Canada West Foundation database, the revenue items above were drawn from the general revenue fund and given their own line items. The amount of consolidated other revenue was then reduced accordingly.

With respect to protection and transportation expenditure, details for police and fire protection and roads and transit were estimated (total protection and transportation expenditures were the consolidated amount). For police and fire, the percentage of each as a proportion of the total general revenue fund protection amount was first determined for each year. This percentage was then applied to the total protection amount in the consolidated statements to estimate how much could reasonably be assumed to be police and how much could be assumed to be fire. To separate transit and roads, the transit amount in the utility statements was subtracted from the total transportation amount in the consolidated statements. The remainder was assumed to be operating expenditure on roads.

Consistency in tax collections was particularly problematic, as the presentation changed several times over the 1990-2007 period. Adjustments were made to ensure consistent treatment of tax discount expenditure, amusement tax collections, and the separate infrastructure levy. The infrastructure levy was removed from taxes for all years and recorded as other revenue, which was the method followed after 1992. In addition, all development cost charges (DCCs) were treated as capital revenue.

Annual population figures for Saskatoon were estimated based upon Statistics Canada data. The estimates were derived by taking Statistics Canada's annual population total for the Saskatoon CMA, and reducing the CMA figure based upon the City of Saskatoon's share of the total CMA given actual census data.

With these adjustments, the database appears to be reasonably comparable over time. Only one issue remains. Saskatoon is the only city in the database that consolidates an electrical utility. Removing this utility from the database for all years would have increased the comparability of Saskatoon to other cities. However, this was not possible as amounts for the utility were often not separated sufficiently in the consolidated presentation to allow removal.

5. Regina

Between 1990-2007, Regina made several changes to its consolidated financial presentation. This required more than a few adjustments to keep the data consistent. For 1999-2007, revenue and expenditure amounts reflect those contained in Schedule 1 (Financial Activities by Organization). Revenue and expenditure include amounts for general operating, utility operating, general capital, and utility capital. The remaining expenditure items on the schedule were then subtracted from all other revenue remaining on the schedule. This approach produced a net revenue amount for all other activities. This revenue was treated as miscellaneous and recorded as other operating revenue. For 1990-1998, capital revenue (less contributions from the operating budget and debt financing) and capital expenditure were first determined. These were then added to information contained in the Non-Consolidated Statements (1997-2000) and the Combined Statements (1990-1996). The end result is a fairly consistent set of financial data.

Several particulars are of note. The transit subsidy was removed from transit expenditures for 1990-1997 since this expenditure was discontinued. The repayment of principal on debt, transfers to capital, and transfers to and from reserves were also removed for 1990-1997 to increase comparability with the 1998-2007 figures. An amount for the public libraries was added to revenue and expenditure for 1990-1997. The amount added was the tax revenue collected on behalf of the Library Board. An amount for interest on debt was removed from general government operating expenditure for all years in which it was included in this function. Several of the specific revenue and expenditure groupings were also adjusted to ensure better consistency over time. Population estimates were derived for Regina in the same fashion as Saskatoon.

Readers should note that the database for Regina is based upon the 2006 consolidated presentation rather than the 2007 presentation. In 2007, Regina changed how it accounts for the Regina Pioneer Village (RPV), which provides a variety of special care and housing services. In previous years, RPV was reported on a net basis, but in 2007, all revenues and expenditures were integrated within the consolidated statements. This change adds literally millions of dollars in new revenue and expenditure between 2006 and 2007. In fact, revenue grew by almost $26.5 million (10% of 2006 operating revenue) in one year. Because the 2007 presentation could not be worked back to 1990, the 2007 information was modified to reflect the 2006 presentation.

6. Winnipeg

Total revenue and expenditure amounts were gathered from the Consolidated Statements for 1990-2007. However, significant adjustments were made to ensure reasonable consistency over time and comparability with other cities. First, Winnipeg does not fully expense its capital expenditures. Depreciation charged to operating expenditure was removed, and all capital expenditure and external capital revenue was then added to better compare with other cities and produce a consolidated budget balance.

Second, alterations were made to control for a reduction in grants that took place in 1999 after certain social service responsibilities were transferred to the province. The grant was added back into revenues for each year during the 1999-2007 period, and expenditures were increased by a corresponding amount. This approach keeps total revenue and expenditure consistent over time, and has no net impact on the overall budget balance.

Third, while the revenue and expenditure totals, and the detailed revenue items reflect amounts in the consolidated financial statements, specific expenditure details do not. The detailed break-outs in the consolidated statements were not consistent over time. As such, the detailed expenditure by function reflects spending in the GRF and the various utility funds, along with the capital expenditure amounts. After these amounts were totalled, other operating expenditure was increased by an amount to bring it up to the consolidated expenditure total.

Fourth, detailed operating expenditure break-outs for certain functions (e.g., police, fire) had to be estimated for the years 1998-2007 because these functions now have interest and principal repayment costs on debt attached to them, whereas interest and principal used to be presented separately (1990-1997). The estimated interest and principal attached to each function was developed by focusing on the 1997 fiscal year. For that year, the Canada West Foundation had two sets of figures – one set that included interest and principal costs attached to each function, and one set that did not. The differences between the two sets for the 1997 year for all the functions were calculated, and then totalled. This amount represents the interest and principal costs attached to these functions in 1997. The degree to which each function contributed to the overall difference was then determined for the 1997 year, and then expressed as a percentage. For years 1998-2007, the total interest and principal was determined, and then amounts were removed from each function according to the percentage of the interest and principal that function carried in 1997.

Fifth, Winnipeg Hydro was sold by the City in 2001. As a result, the Canada West Foundation database removes all Hydro revenue, expenditure, depreciation, interest, and debt from the database. The cash proceeds provided by Hydro (calculated in a similar manner as EdTel) were determined and then added to other revenue for 1990-2001. This had the effect of increasing total operating revenue slightly.

The data for Winnipeg are perhaps the most problematic of all of the cities. The most important concern revolves around the level of capital expenditure and the capital revenue that offsets this expenditure. The amounts were not always consistent year-over-year, and this clearly affects the final budget balance that emerges. The Foundation sought to apply the same rigorous standard to Winnipeg as the other cities, but it is not entirely clear whether we have succeeded or not. However, it is certainly not for lack of effort.

APPENDIX C: Bibliography and Further Reading

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About the Canada West Foundation

Our Vision
A dynamic and prosperous West in a strong Canada.

Our Mission
A leading source of strategic insight, conducting and communicating non-partisan economic and public policy research of importance to the four western provinces and all Canadians.

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In 1970, the One Prairie Province Conference was held in Lethbridge, Alberta. Sponsored by the University of Lethbridge and the Lethbridge Herald, the conference received considerable attention from concerned citizens and community leaders. The consensus at the time was that research on the West (including BC and the Canadian North) should be expanded by a new organization. To fill this need, the Canada West Foundation was created under letters patent on December 31, 1970. Since that time, the Canada West Foundation has established itself as one of Canada's premier research institutes. Non-partisan, accessible research and active citizen engagement are hallmarks of the Foundation's past, present and future endeavours. These efforts are rooted in the belief that a strong West makes for a strong Canada.

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