

**THE CORPORATION OF THE CITY OF THUNDER BAY  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**

<b>As at December 31</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
		[restated - note 2]
<b>Annual surplus</b>	<b>19,413,878</b>	<b>35,855,216</b>
Acquisition of tangible capital assets	(73,239,834)	(94,620,770)
Amortization of tangible capital assets	65,087,344	62,957,881
Contributed tangible capital assets	(3,882,328)	(1,359,823)
Proceeds on disposal of tangible capital assets	1,599,851	652,704
Loss on disposal of tangible capital assets	3,318,112	1,881,999
Write-down of tangible capital assets	1,127,823	-
	<b>(5,989,032)</b>	<b>(30,488,009)</b>
Net increase in prepaid expenses	(238,448)	(2,101,615)
Net decrease in inventories	(261,777)	(33,065)
	<b>(500,225)</b>	<b>(2,134,680)</b>
Change in net debt	12,924,621	3,232,527
Net debt, beginning of year	(93,529,837)	(96,762,364)
<b>Net debt, end of year</b>	<b>(80,605,216)</b>	<b>(93,529,837)</b>

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