

**TOWN OF STONY PLAIN  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

## INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of the Town of Stony Plain

We have audited the accompanying consolidated financial statements of the Town of Stony Plain, which comprise the statement of consolidated financial position as at December 31, 2014 and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Managements' Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Stony Plain as at December 31, 2014 and the results of its consolidated operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Stony Plain, Alberta  
April 27, 2015



Hawkings Epp Dumont LLP  
Chartered Accountants

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**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

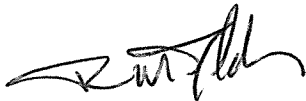
To His Worship the Mayor and Members of Council of the Town of Stony Plain  
Stony Plain, Alberta

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

The consolidated financial statements are prepared by management, in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgements of management.

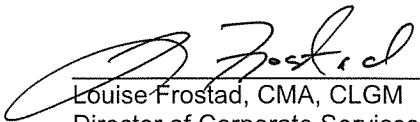
To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Hawkings Epp Dumont LLP, Chartered Accountants, have been appointed by Town Council to express an opinion on the Town's consolidated financial statements.



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Thomas Goulden  
Town Manager



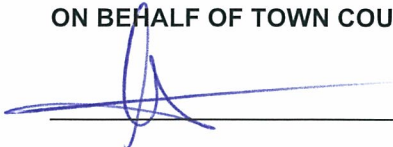
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Louise Frostad, CMA, CLGM  
Director of Corporate Services

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 22,645,570	\$ 16,561,766
Receivables (Note 3)	3,905,413	3,325,122
Land held for resale	117,990	117,990
Investments (Note 4)	<u>9,881,936</u>	<u>9,648,618</u>
	<u>36,550,909</u>	<u>29,653,496</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	4,322,986	3,717,264
Deposit liabilities	959,571	851,571
Deferred revenue (Note 6)	7,082,133	5,040,673
Long-term debt (Note 7)	<u>9,792,180</u>	<u>10,806,481</u>
	<u>22,156,870</u>	<u>20,415,989</u>
 <b>NET FINANCIAL ASSETS</b>	 <u>14,394,039</u>	 <u>9,237,507</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	157,345,619	155,664,632
Prepaid expenses	230,631	108,306
Inventories for consumption	<u>72,991</u>	<u>96,084</u>
	<u>157,649,241</u>	<u>155,869,022</u>
 <b>ACCUMULATED SURPLUS (NOTE 9)</b>	 <u>\$172,043,280</u>	 <u>\$165,106,529</u>
 Contingencies (Note 10)		

ON BEHALF OF TOWN COUNCIL:

  
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**TOWN OF STONY PLAIN**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 2)	\$ 13,424,403	\$ 13,444,910	\$ 11,392,647
Sales and user charges (Schedule 4)	9,761,790	11,111,542	10,968,518
Fines	1,239,200	3,152,939	1,827,324
Franchise and concession contracts (Note 11)	1,823,100	2,110,917	1,819,035
Government transfers for operating (Schedule 3)	1,825,470	1,457,480	1,611,184
Developer contributions	230,000	1,208,898	1,611,543
Licenses and permits	588,340	951,402	604,081
Investment income	338,905	537,272	358,622
Rentals	355,398	412,051	291,802
Other	128,860	252,115	204,643
Penalties and costs on taxes	<u>230,000</u>	<u>213,137</u>	<u>210,502</u>
	<u>29,945,466</u>	<u>34,852,663</u>	<u>30,899,901</u>
<b>EXPENSES</b>			
Recreation and culture	7,475,654	8,645,674	8,361,337
Utilities	6,691,714	7,203,057	6,397,082
Protective services	5,471,520	6,039,981	5,058,717
Transportation	4,373,120	4,922,308	4,566,185
General government	4,962,173	4,248,441	3,848,942
Development	1,669,398	1,484,286	1,247,174
Community services	<u>628,419</u>	<u>611,452</u>	<u>563,224</u>
	<u>31,271,998</u>	<u>33,155,199</u>	<u>30,042,661</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>(1,326,532)</u>	<u>1,697,464</u>	<u>857,240</u>
<b>OTHER REVENUE (EXPENSE)</b>			
Contributed tangible capital assets (Note 11)	635,000	861,051	1,621,496
Government transfers for capital (Schedule 3)	8,140,410	3,120,822	3,719,901
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>1,257,414</u>	<u>(1,651)</u>
	<u>8,775,410</u>	<u>5,239,287</u>	<u>5,339,746</u>
<b>ANNUAL SURPLUS</b>	7,448,878	6,936,751	6,196,986
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>165,106,529</u>	<u>165,106,529</u>	<u>158,909,543</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)</b>	<u>\$172,555,407</u>	<u>\$172,043,280</u>	<u>\$165,106,529</u>

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>ANNUAL SURPLUS</b>	\$ 7,448,878	\$ 6,936,751	\$ 6,196,986
Acquisition of tangible capital assets	(21,509,763)	(7,160,625)	(9,835,644)
Proceeds on disposal of tangible capital assets	-	2,115,949	2,500
Amortization of tangible capital assets	3,735,103	4,621,102	4,269,725
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(1,257,414)</u>	<u>1,651</u>
	<u>(17,774,660)</u>	<u>(1,680,988)</u>	<u>(5,561,768)</u>
Use (acquisition) of inventory for consumption	-	23,094	(8,721)
Use (acquisition) of prepaid expenses	<u>-</u>	<u>(122,325)</u>	<u>11,887</u>
	<u>-</u>	<u>(99,231)</u>	<u>3,166</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(10,325,782)	5,156,532	638,384
<b>NET FINANCIAL ASSETS, BEGINNING OF THE YEAR</b>	<u>9,237,507</u>	<u>9,237,507</u>	<u>8,599,123</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ <u>(1,088,275)</u>	\$ <u>14,394,039</u>	\$ <u>9,237,507</u>

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Annual surplus	\$ 6,936,751	\$ 6,196,986
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	4,621,102	4,269,725
Amortization of investment premium/discounts	264,944	134,301
Gain on sale of investments	(45,063)	-
Loss (gain) on disposal of tangible capital assets	(1,257,414)	1,651
Tangible capital assets received as contributions	(861,051)	(1,621,496)
 Change in non-cash working capital balances related to operations:		
Receivables	(580,291)	(467,392)
Prepaid expenses	(122,325)	11,887
Inventories for consumption	23,093	(8,721)
Accounts payable and accrued liabilities	605,722	759,587
Deposit liabilities	108,000	(9,493)
Deferred revenue	<u>2,041,460</u>	<u>1,656,925</u>
	<u>11,734,928</u>	<u>10,923,960</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds on long-term debt	-	2,475,000
Repayment of long-term debt	<u>(1,014,301)</u>	<u>(896,887)</u>
	<u>(1,014,301)</u>	<u>1,578,113</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(7,416,652)	(9,782,919)
Proceeds on sale of investments	<u>6,963,454</u>	<u>-</u>
	<u>(453,198)</u>	<u>(9,782,919)</u>
<b>CAPITAL ACTIVITIES</b>		
Proceeds from sale of tangible capital assets	2,115,949	2,500
Purchase of tangible capital assets	<u>(6,299,574)</u>	<u>(8,214,148)</u>
	<u>(4,183,625)</u>	<u>(8,211,648)</u>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR</b>	<b>6,083,804</b>	<b>(5,492,494)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>16,561,766</u>	<u>22,054,260</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 22,645,570</u></b>	<b><u>\$ 16,561,766</u></b>

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN

Schedule 1

CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$144,858,151</b>	<b>\$140,874,496</b>
Acquisition of tangible capital assets	7,160,625	9,835,644
Amortization of tangible capital assets	(4,621,102)	(4,269,725)
Net book value of tangible capital assets disposed of	(858,536)	(4,151)
Repayment of capital long-term debt	1,014,301	896,887
Proceeds on long-term debt	<u>-</u>	<u>(2,475,000)</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$147,553,439</u></b>	<b><u>\$144,858,151</u></b>

Equity in Tangible Capital Assets is Comprised of the Following:

Tangible capital assets net book value (Note 8)	\$157,345,619	\$155,664,632
Long-term capital debt (Note 7)	<u>(9,792,180)</u>	<u>(10,806,481)</u>
	<b><u>\$147,553,439</u></b>	<b><u>\$144,858,151</u></b>



TOWN OF STONY PLAIN

Schedule 2

CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 19,196,362	\$ 19,245,121	\$ 17,256,910
Linear property taxes	264,517	261,932	227,717
Government grants in lieu of property taxes	112,322	113,286	100,749
Local improvement taxes	<u>4,955</u>	<u>4,955</u>	<u>4,955</u>
	<u>19,578,156</u>	<u>19,625,294</u>	<u>17,590,331</u>
<b>REQUISITIONS</b>			
Alberta School Foundation fund	5,169,991	5,159,540	5,207,322
School boards	890,408	927,490	897,196
Seniors Foundation	<u>93,354</u>	<u>93,354</u>	<u>93,166</u>
	<u>6,153,753</u>	<u>6,180,384</u>	<u>6,197,684</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 13,424,403</u>	<u>\$ 13,444,910</u>	<u>\$ 11,392,647</u>

TOWN OF STONY PLAIN

Schedule 3

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,465,315	\$ 1,089,470	\$ 1,242,640
Local governments	<u>360,155</u>	<u>368,010</u>	<u>368,544</u>
	<u>1,825,470</u>	<u>1,457,480</u>	<u>1,611,184</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	7,470,046	2,933,163	2,726,630
Local government	482,705	-	925,890
Federal government	<u>187,659</u>	<u>187,659</u>	<u>67,381</u>
	<u>8,140,410</u>	<u>3,120,822</u>	<u>3,719,901</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 9,965,880</u>	<u>\$ 4,578,302</u>	<u>\$ 5,331,085</u>

TOWN OF STONY PLAIN

Schedule 4

CONSOLIDATED SCHEDULE OF SALES AND USER CHARGES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
Sales and User Charges			
Water supply and distribution	\$ 3,491,638	\$ 3,512,403	\$ 3,202,409
Wastewater treatment and disposal	2,809,060	2,874,738	2,815,842
Parks and recreation	457,200	1,899,475	1,811,323
Golf course (Schedule 5)	1,770,102	1,575,565	1,541,124
Waste management	1,113,545	1,114,388	1,265,452
Planning and development	70,670	83,263	67,338
Administrative	27,075	32,680	29,288
Other transportation (Handibus)	22,500	19,030	21,782
Land sales	<u>-</u>	<u>-</u>	<u>213,960</u>
	<u>\$ 9,761,790</u>	<u>\$ 11,111,542</u>	<u>\$ 10,968,518</u>

TOWN OF STONY PLAIN

Schedule 5

SCHEDULE OF GOLF COURSE REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 22)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>REVENUE</b>			
Green fees	\$ 1,157,481	\$ 1,042,221	\$ 995,379
Proshop	517,871	445,060	470,349
Food service	62,000	48,696	47,736
Administration fee	19,000	19,000	19,000
Hole signage	8,750	13,200	2,913
Other	<u>5,000</u>	<u>7,388</u>	<u>5,747</u>
	<u>1,770,102</u>	<u>1,575,565</u>	<u>1,541,124</u>
<b>EXPENSES</b>			
Grounds maintenance	787,252	822,947	751,102
Proshop	474,435	487,072	476,260
Administration	381,611	408,387	370,219
Food service	<u>44,625</u>	<u>32,491</u>	<u>43,732</u>
	<u>1,687,923</u>	<u>1,750,897</u>	<u>1,641,313</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 82,179</u>	<u>\$ (175,332)</u>	<u>\$ (100,189)</u>

TOWN OF STONY PLAIN

Schedule 6

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Community Services	Total
<b>REVENUE</b>								
Taxation	\$ 1,926,371	\$ 4,250,010	\$ 2,503,461	\$ 3,688,231	\$ 137,223	\$ 755,025	\$ 184,589	\$ 13,444,910
Sales and user charges	32,681	3,475,040	-	19,030	7,501,529	83,262	-	11,111,542
All other	2,191,313	450,431	47,581	61,385	224,686	953,172	11,054	3,939,622
Fines	-	-	3,152,939	-	-	-	-	3,152,939
Government transfers	123,490	178,983	733,101	-	-	-	421,906	1,457,480
Developer levies	-	231,525	-	815,732	161,641	-	-	1,208,898
Interest	95,280	23,211	58,621	199,634	154,650	5,876	-	537,272
	<u>4,369,135</u>	<u>8,609,200</u>	<u>6,495,703</u>	<u>4,784,012</u>	<u>8,179,729</u>	<u>1,797,335</u>	<u>617,549</u>	<u>34,852,663</u>
<b>EXPENSES</b>								
Materials, goods, and contracted and general services	1,359,560	3,095,511	4,112,687	884,519	4,780,337	607,806	89,046	14,929,466
Salaries, wages, and benefits	2,386,422	2,917,359	1,461,173	694,328	998,322	873,116	515,829	9,846,549
Utilities	57,794	331,835	26,639	716,740	73,384	-	-	1,206,392
Repairs and maintenance	7,204	340,517	33,767	509,708	343,109	383	-	1,234,688
Transfers to local boards and organizations	-	574,873	21,500	-	-	-	6,004	602,377
Interest on long term debt	104,596	173,227	99,720	27,819	11,905	-	-	417,267
Insurance	128,727	75,587	15,699	38,999	37,772	-	573	297,357
Amortization	204,138	1,136,765	268,796	2,050,195	958,228	2,981	-	4,621,103
	<u>4,248,441</u>	<u>8,645,674</u>	<u>6,039,981</u>	<u>4,922,308</u>	<u>7,203,057</u>	<u>1,484,286</u>	<u>611,452</u>	<u>33,155,199</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ 120,694</u>	<u>\$ (36,474)</u>	<u>\$ 455,722</u>	<u>\$ (138,296)</u>	<u>\$ 976,672</u>	<u>\$ 313,049</u>	<u>\$ 6,097</u>	<u>\$ 1,697,464</u>

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN

Schedule 7

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2013

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Community Services	Total
<b>REVENUE</b>								
Taxation	\$ 1,632,030	\$ 4,139,535	\$ 2,306,799	\$ 2,855,002	\$ 4,955	\$ 336,397	\$ 117,929	\$ 11,387,692
Sales and user charges	29,289	3,352,447	-	21,782	7,283,703	281,297	-	10,968,518
All other	1,835,079	340,040	65,070	16,090	237,078	625,249	16,412	3,135,018
Fines	-	-	1,827,324	-	-	-	-	1,827,324
Government transfers	266,895	199,550	715,856	-	-	-	428,883	1,611,184
Developer levies	-	114,395	-	1,094,208	402,940	-	-	1,611,543
Interest	85,649	26,558	29,968	123,678	88,538	4,231	-	358,622
	<u>3,848,942</u>	<u>8,172,525</u>	<u>4,945,017</u>	<u>4,110,760</u>	<u>8,017,214</u>	<u>1,247,174</u>	<u>563,224</u>	<u>30,899,901</u>
<b>EXPENSES</b>								
Materials, goods, and contracted and general services	1,249,282	2,912,880	3,494,276	734,537	4,218,627	471,069	84,179	13,164,850
Salaries, wages, and benefits	2,204,301	2,695,205	1,249,968	701,997	797,803	771,933	470,731	8,891,938
Utilities	72,229	405,393	31,665	716,162	91,653	-	-	1,317,102
Repairs and maintenance	359	398,002	37,459	327,362	302,465	1,191	-	1,066,838
Transfers to local boards and organizations	-	614,919	21,500	-	-	-	8,112	644,531
Interest on long term debt	58,519	185,893	67,083	35,564	14,887	-	-	361,946
Insurance	126,450	85,936	22,338	47,323	43,482	-	202	325,731
Amortization	137,802	1,063,109	134,428	2,003,240	928,165	2,981	-	4,269,725
	<u>3,848,942</u>	<u>8,361,337</u>	<u>5,058,717</u>	<u>4,566,185</u>	<u>6,397,082</u>	<u>1,247,174</u>	<u>563,224</u>	<u>30,042,661</u>
<b>NET REVENUE (DEFICIT)</b>	\$ -	\$ (188,812)	\$ (113,700)	\$ (455,425)	\$ 1,620,132	\$ -	\$ -	\$ 857,240

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements of the Town of Stony Plain (the "Town") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of these accounting policies are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and financial position of the reporting entity which comprises all the organizations accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. These include the following:

The Stony Plain Golf Course; and  
Town of Stony Plain, Family and Community Support Services

The Town accounts for government partnerships using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, non-financial assets, revenues, expenses and accumulated surplus are included in the consolidated financial statements. The consolidated financial statements include the Town's share of the TransAlta Tri Leisure Centre. Condensed financial information is provided in Note 16.

(b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenue.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Inventories

Inventories are valued at the lower of cost and net realizable value with cost determined by the average cost method.

Land held for resale is recorded at the lower of cost or net realizable value on a specific item basis. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as property and equipment under their respective function.

(d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(CONT'D)

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 - 50 years
Engineered structures:	
Roadways	10 - 40 years
Water systems	45 - 75 years
Wastewater systems	45 - 75 years
Storm systems	75 years
Other	20 years
Machinery, equipment, and furnishings	5 - 45 years
Land improvements	15 - 45 years
Vehicles	10 - 25 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

No annual amortization is charged in the year of acquisition. A full year of amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

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

(f) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Town are recognized as revenue in the year they are levied.

(g) Requisition Over-Levies and Under-Levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property taxes.

Requisitions for tax rate in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(CONT'D)



**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) Use of Estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The Town has used estimates to determine accrued liabilities and the useful lives of tangible capital assets.

(i) Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 3,800	\$ 3,600
Bank accounts	8,067,366	7,500,874
Temporary investments	<u>14,574,404</u>	<u>9,057,292</u>
	<u>\$ 22,645,570</u>	<u>\$ 16,561,766</u>

Temporary investments are readily convertible to cash, consist of term deposits bearing interest at rates ranging from 1.62% to 2.04%, and maturing during 2015.

The Town has access to a revolving demand credit facility with a maximum of \$1,000,000 bearing interest at prime rate less 0.75%. No amounts were outstanding on the revolving loan at December 31, 2014.

**3. RECEIVABLES**

	<u>2014</u>	<u>2013</u>
Trade and other accounts receivable	\$ 2,413,699	\$ 1,851,158
Taxes and grants in lieu of taxes	637,089	719,079
Utilities	641,254	614,715
Goods and Services Tax rebate	<u>213,371</u>	<u>140,170</u>
	<u>\$ 3,905,413</u>	<u>\$ 3,325,122</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**4. INVESTMENTS**

	2014		2013	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Corporate bonds	<u>\$ 9,881,936</u>	<u>\$ 9,900,193</u>	<u>\$ 9,648,618</u>	<u>\$ 9,456,732</u>

Corporate bonds have effective interest rates ranging from 0.55% to 3.37% with maturity dates from September of 2017 to June 2019.

The market value of the bonds is based on quoted market values. The market value of the bonds fluctuates with changes in market interest rates. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2014</u>	<u>2013</u>
Trade and other accounts payable	\$ 3,982,491	\$ 3,392,845
Earned vacation liability	253,087	228,345
Accrued interest on long-term debt	<u>87,408</u>	<u>96,074</u>
	<u>\$ 4,322,986</u>	<u>\$ 3,717,264</u>

**6. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	<u>2013</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2014</u>
Municipal Sustainability Initiative	\$ 2,742,288	\$ 3,823,601	\$(2,751,019)	\$ 3,814,870
Major Community Facilities Program	1,402,139	16,787	(10,067)	1,408,859
Affordable Housing	523,116	7,847	-	530,963
Other	280,797	667,559	(439,742)	508,614
Basic Municipal Transportation	52,251	674	(52,925)	-
Federal Gas Tax Fund	<u>40,082</u>	<u>818,827</u>	<u>(40,082)</u>	<u>818,827</u>
	<u>\$ 5,040,673</u>	<u>\$ 5,335,295</u>	<u>\$(3,293,835)</u>	<u>\$ 7,082,133</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**7. LONG-TERM DEBT**

	<u>2014</u>	<u>2013</u>
Supported by general tax levies	\$ 9,764,761	\$ 10,776,011
Supported by special levies	<u>27,419</u>	<u>30,470</u>
	<u>\$ 9,792,180</u>	<u>\$ 10,806,481</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,050,253	\$ 389,982	\$ 1,440,235
2016	1,087,929	352,306	1,440,235
2017	1,086,583	312,805	1,399,388
2018	621,937	277,532	899,469
2019	652,555	246,914	899,469
Thereafter	<u>5,292,923</u>	<u>1,121,299</u>	<u>6,414,222</u>
	<u>\$ 9,792,180</u>	<u>\$ 2,700,838</u>	<u>\$12,493,018</u>

Debenture debt is repayable to Alberta Capital Financing Authority and bears interest at rates ranging from 1.661% to 10.000% per annum, before provincial subsidy, and matures in years 2016 through 2032.

Interest on long-term debt amounted to \$417,267 (2013 - \$361,947).

The Town's cash payments for interest in 2014 were \$425,934 (2013 - \$368,324).

TOWN OF STONY PLAIN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. TANGIBLE CAPITAL ASSETS

	<u>2014</u> <u>Net Book</u> <u>Value</u>	<u>2013</u> <u>Net Book</u> <u>Value</u>
Engineered structures		
Roadways	\$ 30,086,762	\$ 28,032,408
Water systems	17,674,232	17,401,643
Wastewater systems	24,982,926	23,911,542
Storm systems	17,026,530	14,350,468
Work in progress*	3,723,028	12,819,440
Other	<u>113,516</u>	<u>129,868</u>
	<b>93,606,994</b>	<b>96,645,369</b>
Land	<b>22,575,767</b>	<b>23,359,130</b>
Buildings	<b>25,025,052</b>	<b>22,252,022</b>
Machinery, equipment, and furnishings	<b>3,118,060</b>	<b>3,320,264</b>
Land improvements	<b>10,604,775</b>	<b>7,851,168</b>
Vehicles	<u>2,414,971</u>	<u>2,236,679</u>
	<b><u>\$ 157,345,619</u></b>	<b><u>\$ 155,664,632</u></b>

	<u>Cost</u> <u>Beginning of</u> <u>Year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Cost</u> <u>End of</u> <u>Year</u>
Engineered structures					
Roadways	\$ 55,216,844	\$ 551,788	\$ -	\$ 3,070,394	\$ 58,839,026
Water systems	25,384,215	347,964	(24,272)	332,020	26,039,927
Wastewater systems	28,684,817	-	(43,673)	1,487,584	30,128,728
Storm systems	16,354,591	76,671	(1,555)	2,823,882	19,253,589
Other	327,038	-	-	-	327,038
Work in progress	<u>12,819,440</u>	<u>2,618,458</u>	<u>(18,787)</u>	<u>(11,696,083)</u>	<u>3,723,028</u>
	138,786,945	3,594,881	(88,287)	(3,982,203)	138,311,336
Land	23,359,130	-	(783,363)	-	22,575,767
Buildings	29,899,233	1,775,434	-	1,679,774	33,354,441
Machinery, equipment, and furnishings	6,827,873	332,785	(131,238)	29,131	7,058,551
Land improvements	10,645,269	1,000,425	-	2,273,298	13,918,992
Vehicles	<u>3,781,844</u>	<u>457,100</u>	<u>(25,388)</u>	<u>-</u>	<u>4,213,556</u>
	<b><u>\$ 213,300,294</u></b>	<b><u>\$ 7,160,625</u></b>	<b><u>\$ (1,028,276)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 219,432,643</u></b>

	<u>Accumulated</u> <u>Amortization</u> <u>Beginning of</u> <u>Year</u>	<u>Current</u> <u>Amortization</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Accumulated</u> <u>Amortization</u> <u>End of</u> <u>Year</u>
Engineered structures					
Roadways	\$ 27,184,436	\$ 1,567,828	\$ -	\$ -	\$ 28,752,264
Water systems	7,982,572	392,994	(9,871)	-	8,365,695
Wastewater systems	4,773,275	392,034	(19,507)	-	5,145,802
Storm systems	2,004,123	223,631	(695)	-	2,227,059
Other	<u>197,170</u>	<u>16,352</u>	<u>-</u>	<u>-</u>	<u>213,522</u>
	42,141,576	2,592,839	(30,073)	-	44,704,342
Buildings	7,647,211	682,178	-	-	8,329,389
Machinery, equipment, and furnishings	3,507,609	547,161	(114,279)	-	3,940,491
Land improvements	2,794,101	520,116	-	-	3,314,217
Vehicles	<u>1,545,165</u>	<u>278,808</u>	<u>(25,388)</u>	<u>-</u>	<u>1,798,585</u>
	<b><u>\$ 57,635,662</u></b>	<b><u>\$ 4,621,102</u></b>	<b><u>\$ (169,740)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 62,087,024</u></b>

\*No amortization has been taken for assets recorded under work in progress.

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**9. ACCUMULATED SURPLUS**

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	\$ 1,984,419	\$ 2,527,066
Restricted surplus		
Operating reserves (Note 13)	5,160,677	3,411,644
Capital reserves (Note 13)	17,344,745	14,309,668
Equity in tangible capital assets (Schedule 1)	<u>147,553,439</u>	<u>144,858,151</u>
	<u>\$172,043,280</u>	<u>\$165,106,529</u>

**10. CONTINGENCIES**

(a) Fire Services Agreement

During 2006, under the terms of an agreement with Parkland County, the Town received \$1,000,000 from the County based on the County's use of 40% of the Town's new fire hall for a period of 30 years. In the event the agreement is terminated by the Town or the County and the Town no longer provides services to the County described in the agreement, the Town will be required to pay the County an amount calculated as 30 years from the date of the agreement minus the termination date of the agreement multiplied by \$33,333. At December 31, 2014, the potential outstanding balance was \$700,000.

(b) Alberta Municipal Insurance Exchange

The Town is a member of the Alberta Municipal Insurance Exchange. Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**11. FRANCHISE AND CONCESSION CONTRACTS**

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	<u>2014</u>	<u>2013</u>
Fortis Alberta Inc.	\$ 1,424,969	\$ 1,163,547
Atco Gas	677,801	646,974
West Parkland Gas Co-op	<u>8,147</u>	<u>8,514</u>
	<u>\$ 2,110,917</u>	<u>\$ 1,819,035</u>

**12. CONTRIBUTED TANGIBLE CAPITAL ASSETS**

	<u>2014</u>	<u>2013</u>
Land improvements	\$ 811,387	\$ 288,967
Roadways	49,664	990,522
Water systems	-	109,505
Wastewater systems	-	96,040
Storm systems	<u>-</u>	<u>136,462</u>
	<u>\$ 861,051</u>	<u>\$ 1,621,496</u>

TOWN OF STONY PLAIN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

13. RESERVES

	<u>2014</u>	<u>2013</u>
<b>OPERATING</b>		
Police and Public Safety	\$ 2,350,366	\$ 1,510,739
Tax levy stabilization	1,098,228	370,189
Utility rate stabilization	666,840	829,944
Legacy	617,650	564,787
Snow removal	136,460	-
Safety rebate	104,582	62,827
Mural preservation	74,955	45,099
Technology	69,229	-
Public arts	21,722	21,722
Corporate services	15,500	-
Japanese twinning	5,145	5,055
Family Fest	-	1,282
	<u>\$ 5,160,677</u>	<u>\$ 3,411,644</u>
<b>CAPITAL</b>		
Offsite roads	\$ 6,362,192	\$ 5,512,650
Offsite sewer	1,784,112	1,651,256
General purpose	1,612,135	686,116
Water capital	1,073,529	428,562
Offsite water	950,293	875,192
Developer contributions - recreation	856,816	800,112
Offsite storm sewer	767,077	674,633
Sewer capital	619,584	527,394
Roads capital	345,404	147,284
Town - administration building	333,940	308,428
Life cycle - arena	313,247	268,820
Capital equipment replacement	290,626	220,020
Public	199,201	194,356
Life cycle - community centre	174,102	174,102
General government capital	168,428	128,428
Life cycle - fire hall	158,556	133,556
TransAlta Tri Leisure Centre (Note 1 (a))	147,726	166,292
Life cycle - pool	141,801	171,815
Trails	129,863	134,170
Life cycle - library	110,093	116,653
Life cycle - parkland building	99,738	89,738
Handibus replacement	98,420	83,420
Fire equipment	96,189	83,141
Golf course capital	87,550	87,550
Arena ice slab	82,722	82,722
Life cycle - outdoor recreation	70,223	30,223
Life cycle - heritage park	62,621	37,621
Waste management capital	54,350	53,119
Life cycle - youth centre	50,409	40,409
Highway 16A Safecrossing	43,176	43,176
Life cycle - common services building	31,531	63,936
Fire truck replacement	29,091	239,676
Technology capital	-	55,098
	<u>\$ 17,344,745</u>	<u>\$ 14,309,668</u>

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**14. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, the Town Manager and designated officers as required by Alberta Regulation 313/2000 is as follows:

	<u>Salary</u>	Benefits and <u>Allowances</u>	<u>2014</u> <u>Total</u>	<u>2013</u> <u>Total</u>
Choy (Mayor)	\$ 47,194	\$ 7,573	\$ <b>54,767</b>	\$ 52,813
Hansard	26,397	6,420	<b>32,817</b>	35,003
Twerdoelib	25,830	6,481	<b>32,311</b>	30,750
Ganske	26,414	5,526	<b>31,940</b>	30,174
Graff	24,430	6,405	<b>30,835</b>	5,159
Lloy	24,114	6,350	<b>30,464</b>	27,055
Bennett	21,897	2,858	<b>24,755</b>	28,506
Badry	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,628</u>
	<u>\$ 196,276</u>	<u>\$ 41,613</u>	<u>\$ <b>237,889</b></u>	<u>\$ <b>233,088</b></u>
Town Manager	<u>\$ 161,917</u>	<u>\$ 39,793</u>	<u>\$ <b>201,710</b></u>	<u>\$ <b>179,249</b></u>

Salary includes regular base pay, bonuses, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

**15. LOCAL AUTHORITIES PENSION PLAN (LAPP)**

The Town is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 10.39% of pensionable earnings up to the year's maximum pensionable earnings and 14.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2014 were \$729,385 (2013 - \$592,267). Total current service contributions by the employees of the Town to the LAPP in 2014 were \$668,907 (2013 - \$539,953).

At December 31, 2013, the Plan disclosed an actuarial deficit of \$4,861.5 million (2012 - \$4,977.3 million).

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**16. GOVERNMENT PARTNERSHIPS**

The Town's financial statements include its share of operations 2014 - 26.1% (2013 - 24.5%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 1,719,693	\$ 427,513
Receivables	<u>150,096</u>	<u>1,314,213</u>
	<u>1,869,789</u>	<u>1,741,726</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	523,215	530,887
Deferred revenue	<u>524,058</u>	<u>580,048</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,047,273</u>	<u>1,110,935</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses and inventory for consumption	57,863	88,699
Tangible capital assets	<u>1,231,758</u>	<u>1,151,980</u>
	<u>1,289,621</u>	<u>1,240,679</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 2,112,137</u>	<u>\$ 1,871,470</u>
<b>REVENUE</b>		
Pass and program fees and rental	\$ 4,769,813	\$ 4,670,370
Partnership contributions	1,909,905	1,795,553
Corporate sponsors and donations	377,231	332,666
All other	<u>496,919</u>	<u>530,760</u>
	<u>7,553,868</u>	<u>7,329,349</u>
<b>EXPENSES</b>		
Salaries and benefits	4,386,994	4,157,485
Utilities	794,742	1,126,171
All other	<u>2,131,465</u>	<u>1,610,776</u>
	<u>7,313,201</u>	<u>6,894,432</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 240,667</u>	<u>\$ 434,917</u>



**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**17. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

	<u>2014</u>	<u>2013</u>
Total debt limit	\$ 52,278,995	\$ 46,349,852
Total debt	<u>(9,792,180)</u>	<u>(10,806,481)</u>
 Total debt limits available	 <u>\$ 42,486,815</u>	 <u>\$ 35,543,371</u>
 Service on debt limit	 \$ 8,713,166	 \$ 7,724,975
Service on debt	<u>(1,440,235)</u>	<u>(1,440,235)</u>
 Service on debt limit available	 <u>\$ 7,272,931</u>	 <u>\$ 6,284,740</u>

**18. CONTRACTUAL OBLIGATIONS**

The Town has agreed to enter into an agreement for the collection and hauling of garbage, compost and recyclable materials, having a term of five years commencing April 1, 2011 and expiring March 31, 2016. The estimated cost of these services for 2015 is approximately \$800,530.

**19. SEGMENTED INFORMATION**

Segmented information has been identified based upon lines of service provided by the Town. Town services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

General Government is comprised of Council, the Office of the CAO, Communications, and Corporate Services. Corporate Services is comprised of Financial Services, Legislative Services, Human Resources, and Information Technology Services. Council makes decisions regarding service delivery and service levels on behalf of the municipality in order to balance the needs and wants of Town residents in a financially responsible manner. Administration is responsible for the administration of the municipality as a whole.

(b) Protective Services

Protective Services is comprised of RCMP, Fire, Disaster, and Municipal Enforcement Services. The RCMP division in Stony Plain includes Federal, Provincial and Municipal employees and contracted members that serve Stony Plain and the surrounding area; it is an integrated force with Spruce Grove. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The mandate of Disaster Services is Emergency Management to help maintain safe communities. The Municipal Enforcement Services provides bylaw enforcement that ranges from public service, to animal control.

(c) Transportation

Transportation is comprised of Common Services and the Public Works areas. They are responsible for the maintenance of the roadway and storm systems. The Handi-Bus service for the Town.

(CONT'D)

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**18. SEGMENTED INFORMATION (CONT'D)**

(d) Recreation and Culture

Recreation and Culture is comprised of Parks and Recreation, Culture and Cultural Facilities. Parks and Recreation and Culture provide recreational and cultural services and activities which promote the well-being of its citizens. These areas are responsible for the parks, playgrounds, facilities, and green spaces of the Town. This area also and acts as a liaison between community groups and the Transalta Tri-Leisure Centre.

(e) Utilities

Utilities are comprised of water, waste water, waste management collection and recycling. The Town is responsible for environmental programs such as the introduction of organic carts, bi-weekly garbage pick-up and promoting recycling and other related initiatives.

(f) Development

Development is comprised of Planning and Infrastructure, Engineering and Economic Development. These areas are responsible for the planning and development of the Town's infrastructure system and work with developers in planning the growth of the Town in a sustainable manner. Engineering is responsible for major capital infrastructure projects. Economic Development works with businesses in the Town to encourage economic sustainability.

(g) Community Services

The Community Services area is represented by Family and Community Support Services which provides support to the Town and surrounding areas.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments in lieu of taxes are allocated to the segments based on the segments' budgeted net expenditures. User charges and other revenue have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and levies are allocated to the segment for which the charge was made.

**20. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, receivables, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

The Town is subject to credit risk with respect to receivables. Credit risk arises from the possibility that the Town's customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Town's credit risk.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**21. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**22. BUDGET FIGURES**

The budget figures presented in these consolidated financial statements is based upon the 2014 operating and capital budgets approved by Council.

The table below reconciles the approved budget figures reported in these consolidated financial statements.

<b>REVENUE AND TRANSFERS</b>	
Approved operating budget	\$ 31,995,157
Approved capital budget	13,461,770
Transfers from reserves	<u>(6,736,051)</u>
	<u>38,720,876</u>
<b>EXPENSES AND TRANSFERS</b>	
Approved operating budget	36,899,251
Approved capital budget	21,509,763
Long-term debt repayment	(1,014,301)
Capital expenditures	(21,509,763)
Transfers to reserves	<u>(4,612,952)</u>
	<u>31,271,998</u>
<b>ANNUAL SURPLUS</b>	<b><u>\$ 7,448,878</u></b>