

**TOWN OF STONY PLAIN  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**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, 2013 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, 2013 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 28, 2014

Hawkings Epp Dumont LLP  
Chartered Accountants

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**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

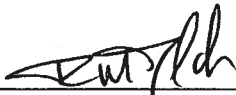
To His Worship the Mayor and Members of Council of the Town of Stony Plain  
Stony Plain, Alberta

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



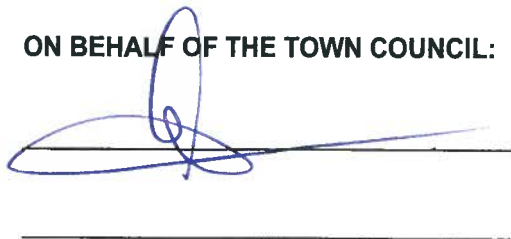
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Louise Frostad, CMA, CLGM  
Director of Corporate Services

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 16,561,766	\$ 22,054,260
Receivables (Note 3)	3,325,122	2,857,730
Land held for resale	117,990	117,990
Investments (Note 4)	<u>9,648,618</u>	<u>-</u>
	<u>29,653,496</u>	<u>25,029,980</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	3,717,264	2,957,677
Deposit liabilities	851,571	861,064
Deferred revenue (Note 6)	5,040,673	3,383,748
Long-term debt (Note 7)	<u>10,806,481</u>	<u>9,228,368</u>
	<u>20,415,989</u>	<u>16,430,857</u>
<b>NET FINANCIAL ASSETS</b>	<u>9,237,507</u>	<u>8,599,123</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	155,664,632	150,102,864
Prepaid expenses	108,306	120,193
Inventories for consumption	<u>96,084</u>	<u>87,363</u>
	<u>155,869,022</u>	<u>150,310,420</u>
<b>ACCUMULATED SURPLUS (NOTE 9)</b>	<u>\$165,106,529</u>	<u>\$158,909,543</u>
Contingencies (Note 10)		

**ON BEHALF OF THE TOWN COUNCIL:**



**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 2)	\$ 11,357,307	\$ 11,392,647	\$ 10,546,454
Sales and user charges (Schedule 4)	12,404,383	10,968,518	10,128,884
Fines	1,178,200	1,827,324	2,091,934
Franchise and concession contracts	1,813,100	1,819,035	1,019,801
Developer contributions	-	1,611,543	1,506,442
Government transfers for operating (Schedule 3)	1,680,713	1,611,184	1,626,641
Licenses and permits	579,552	604,081	670,299
Interest income	244,090	358,622	249,284
Rentals	230,224	291,802	261,346
Other	128,520	204,643	223,008
Penalties and costs on taxes	<u>228,000</u>	<u>210,502</u>	<u>211,799</u>
	<u>29,844,089</u>	<u>30,899,901</u>	<u>28,535,892</u>
<b>EXPENSES</b>			
Recreation and culture	7,063,979	8,361,337	7,734,542
Utilities	6,306,678	6,397,082	5,836,388
Protective services	4,631,303	5,058,717	4,530,515
Transportation	3,844,351	4,566,185	3,589,722
General government	4,047,960	3,848,942	3,455,902
Development	1,317,223	1,247,174	1,485,929
Community services	<u>572,813</u>	<u>563,224</u>	<u>536,637</u>
	<u>27,784,307</u>	<u>30,042,661</u>	<u>27,169,635</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<u>2,059,782</u>	<u>857,240</u>	<u>1,366,257</u>
<b>OTHER INCOME</b>			
Contributed tangible capital assets (Note 11)	-	1,621,496	19,776,762
Government transfers for capital (Schedule 3)	7,716,071	3,719,901	4,728,746
Other	15,000	-	241,287
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(1,651)</u>	<u>32,648</u>
	<u>7,731,071</u>	<u>5,339,746</u>	<u>24,779,443</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	9,790,853	6,196,986	26,145,700
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>158,909,543</u>	<u>158,909,543</u>	<u>132,763,843</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)</b>	<u>\$168,700,396</u>	<u>\$165,106,529</u>	<u>\$158,909,543</u>

See accompanying notes to consolidated financial statements.

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 9,790,853	\$ 6,196,986	\$ 26,145,700
Acquisition of tangible capital assets	(23,428,666)	(9,835,644)	(29,663,894)
Proceeds on disposal of tangible capital assets	-	2,500	86,832
Amortization of tangible capital assets	3,697,093	4,269,725	3,777,235
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>1,651</u>	<u>(32,648)</u>
	<u>(19,731,573)</u>	<u>(5,561,768)</u>	<u>(25,832,475)</u>
Use (acquisition) of inventory for consumption	-	(8,721)	10,676
Use (acquisition) of prepaid expenses	<u>-</u>	<u>11,887</u>	<u>60,368</u>
	<u>-</u>	<u>3,166</u>	<u>71,044</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(9,940,720)	638,384	384,269
<b>NET FINANCIAL ASSETS, BEGINNING OF THE YEAR</b>	<u>8,599,123</u>	<u>8,599,123</u>	<u>8,214,854</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ <u>(1,341,597)</u>	\$ <u>9,237,507</u>	\$ <u>8,599,123</u>

See accompanying notes to consolidated financial statements.

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Excess of revenue over expenses	\$ 6,196,986	\$ 26,145,700
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	4,269,725	3,777,235
Amortization of investment premium/discounts	134,301	-
Loss (gain) on disposal of tangible capital assets	1,651	(32,648)
Tangible capital assets received as contributions	(1,621,496)	(19,776,762)
 Change in non-cash working capital balances related to operations:		
Receivables	(467,392)	408,481
Prepaid expenses	11,887	60,368
Inventories for consumption	(8,721)	10,676
Accounts payable and accrued liabilities	759,587	(583,799)
Deposit liabilities	(9,493)	130,849
Deferred revenue	1,656,925	(445,450)
	<u>10,923,960</u>	<u>9,694,650</u>
 <b>FINANCING ACTIVITIES</b>		
Proceeds on long-term debt	2,475,000	3,588,246
Repayment of long-term debt	(896,887)	(368,981)
	<u>1,578,113</u>	<u>3,219,265</u>
 <b>INVESTING ACTIVITIES</b>		
Purchases of investments	(9,782,919)	-
	<u>(9,782,919)</u>	<u>-</u>
 <b>CAPITAL ACTIVITIES</b>		
Proceeds from sale of tangible capital assets	2,500	86,832
Purchase of tangible capital assets	(8,214,148)	(9,887,132)
	<u>(8,211,648)</u>	<u>(9,800,300)</u>
 <b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR</b>		
	(5,492,494)	3,113,615
 <b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>		
	<u>22,054,260</u>	<u>18,940,645</u>
 <b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>		
	<u>\$ 16,561,766</u>	<u>\$ 22,054,260</u>

TOWN OF STONY PLAIN

Schedule 1

CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$140,874,496</b>	<b>\$118,261,286</b>
Acquisition of tangible capital assets	9,835,644	29,663,894
Amortization of tangible capital assets	(4,269,725)	(3,777,235)
Net book value of tangible capital assets disposed of	(4,151)	(54,184)
Repayment of capital long-term debt	896,887	368,981
Proceeds on long-term debt	<u>(2,475,000)</u>	<u>(3,588,246)</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$144,858,151</u></b>	<b><u>\$140,874,496</u></b>

Equity in Tangible Capital Assets is Comprised of the Following:

Tangible capital assets net book value (Note 8)	<b>\$155,664,632</b>	<b>\$150,102,864</b>
Long-term capital debt (Note 7)	<u>(10,806,481)</u>	<u>(9,228,368)</u>
	<b><u>\$144,858,151</u></b>	<b><u>\$140,874,496</u></b>



TOWN OF STONY PLAIN

Schedule 2

CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 17,194,948	\$ 17,256,910	\$ 16,056,503
Linear property taxes	227,002	227,717	200,222
Government grants in lieu of property taxes	99,889	100,749	97,084
Local improvement taxes	<u>4,955</u>	<u>4,955</u>	<u>4,955</u>
	<u>17,526,794</u>	<u>17,590,331</u>	<u>16,358,764</u>
<b>REQUISITIONS</b>			
Alberta School Foundation fund	5,183,511	5,207,322	4,873,998
School boards	892,810	897,196	842,468
Seniors Foundation	<u>93,166</u>	<u>93,166</u>	<u>95,844</u>
	<u>6,169,487</u>	<u>6,197,684</u>	<u>5,812,310</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 11,357,307</u>	<u>\$ 11,392,647</u>	<u>\$ 10,546,454</u>

TOWN OF STONY PLAIN

Schedule 3

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,324,031	\$ 1,242,640	\$ 1,261,614
Local governments	<u>356,682</u>	<u>368,544</u>	<u>365,027</u>
	<u>1,680,713</u>	<u>1,611,184</u>	<u>1,626,641</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	5,113,361	2,726,630	4,728,746
Local government	968,710	925,890	-
Federal government	<u>1,634,000</u>	<u>67,381</u>	<u>-</u>
	<u>7,716,071</u>	<u>3,719,901</u>	<u>4,728,746</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 9,396,784</u>	<u>\$ 5,331,085</u>	<u>\$ 6,355,387</u>

**TOWN OF STONY PLAIN**  
**CONSOLIDATED SCHEDULE OF SALES AND USER CHARGES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

*Schedule 4*

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
Sales and User Charges			
Water supply and distribution	\$ 3,088,556	\$ <b>3,202,409</b>	\$ 2,773,073
Wastewater treatment and disposal	2,749,363	<b>2,815,842</b>	2,587,325
Golf course (Schedule 5)	1,726,681	<b>1,541,124</b>	1,563,728
Waste management	1,273,583	<b>1,265,452</b>	1,321,198
Parks and recreation	432,900	<b>1,811,323</b>	1,718,070
Land sales	3,000,000	<b>213,960</b>	46,713
Planning and development	86,750	<b>67,338</b>	71,863
Administrative	24,550	<b>29,288</b>	27,614
Other transportation (Handibus)	<u>22,000</u>	<u><b>21,782</b></u>	<u>19,300</u>
	<u>\$ 12,404,383</u>	<u>\$ <b>10,968,518</b></u>	<u>\$ 10,128,884</u>

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN

Schedule 5

SCHEDULE OF GOLF COURSE REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> (Budget) (Note 20)	<u>2013</u> (Actual)	<u>2012</u> (Actual)
<b>REVENUE</b>			
Green fees	\$ 1,125,200	\$ 995,379	\$ 987,975
Proshop	506,994	470,349	485,450
Food service	62,000	47,736	59,624
Administration fee	19,000	19,000	18,500
Hole signage	8,487	2,913	6,547
Other	<u>5,000</u>	<u>5,747</u>	<u>5,632</u>
	<u>1,726,681</u>	<u>1,541,124</u>	<u>1,563,728</u>
<b>EXPENSES</b>			
Grounds maintenance	680,200	751,102	679,155
Proshop	467,732	476,260	451,343
Administration	368,357	370,219	297,102
Food service	<u>44,125</u>	<u>43,732</u>	<u>44,600</u>
	<u>1,560,414</u>	<u>1,641,313</u>	<u>1,472,200</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 166,267</u>	<u>\$ (100,189)</u>	<u>\$ 91,528</u>

TOWN OF STONY PLAIN

Schedule 6

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>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ -	\$ (188,812)	\$ (113,700)	\$ (455,425)	\$ 1,620,132	\$ -	\$ -	\$ 857,240

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN

Schedule 7

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2012

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Community Services	Total
<b>REVENUE</b>								
Taxation	\$ 2,062,092	\$ 3,695,173	\$ 1,646,835	\$ 2,476,801	\$ 4,955	\$ 580,790	\$ 79,808	\$ 10,546,454
Sales and user charges	27,615	3,277,851	-	19,300	6,681,596	118,576	3,946	10,128,884
All other	1,039,478	253,940	40,543	27,135	242,016	783,141	-	2,386,253
Fines	-	-	2,091,934	-	-	-	-	2,091,934
Government transfers	247,903	189,435	736,420	-	-	-	452,883	1,626,641
Developer levies	-	294,322	-	1,004,691	207,429	-	-	1,506,442
Interest	105,549	23,821	14,783	61,795	39,914	3,422	-	249,284
	<u>3,482,637</u>	<u>7,734,542</u>	<u>4,530,515</u>	<u>3,589,722</u>	<u>7,175,910</u>	<u>1,485,929</u>	<u>536,637</u>	<u>28,535,892</u>
<b>EXPENSES</b>								
Materials, goods, and contracted and general services	1,212,483	2,665,120	3,079,855	404,815	3,896,207	712,356	87,519	12,058,355
Salaries, wages, and benefits	1,868,372	2,554,331	1,091,959	635,497	812,964	770,487	439,245	8,172,855
Utilities	58,866	432,289	30,990	593,099	79,920	-	-	1,195,164
Repairs and maintenance	526	334,277	61,588	269,052	136,971	106	-	802,520
Transfers to local boards and organizations	-	506,199	21,500	-	-	-	7,485	535,184
Interest on long term debt	60,890	168,734	70,946	11,416	17,605	-	-	329,591
Insurance	115,849	76,784	18,380	43,346	41,984	-	2,388	298,731
Amortization	138,916	996,808	155,297	1,632,497	850,737	2,980	-	3,777,235
	<u>3,455,902</u>	<u>7,734,542</u>	<u>4,530,515</u>	<u>3,589,722</u>	<u>5,836,388</u>	<u>1,485,929</u>	<u>536,637</u>	<u>27,169,635</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ <u>26,735</u>	\$ -	\$ -	\$ -	\$ <u>1,339,522</u>	\$ -	\$ -	\$ <u>1,366,257</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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, revenues, expenditures and changes in fund balances and financial position 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 15.

(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, 2013**

**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, 2013**

**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>2013</u>	<u>2012</u>
Cash on hand	\$ 3,600	\$ 3,600
Bank accounts	7,500,874	3,625,492
Temporary investments	<u>9,057,292</u>	<u>18,425,168</u>
	<u>\$ 16,561,766</u>	<u>\$ 22,054,260</u>

Temporary investments are readily convertible to cash, consist of term deposits bearing interest at rates ranging from 1.25% to 1.97%, and maturing during 2014.

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, 2013.

**3. RECEIVABLES**

	<u>2013</u>	<u>2012</u>
Trade and other accounts receivable	\$ 1,851,158	\$ 1,192,444
Taxes and grants in lieu of taxes	719,079	771,172
Utilities	614,715	525,178
Goods and Services Tax rebate	<u>140,170</u>	<u>368,936</u>
	<u>\$ 3,325,122</u>	<u>\$ 2,857,730</u>

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**4. INVESTMENTS**

	<b>2013</b>		<b>2012</b>	
	<b><u>Carrying Value</u></b>	<b><u>Market Value</u></b>	<b><u>Carrying Value</u></b>	<b><u>Market Value</u></b>
Corporate bonds	<b><u>\$ 9,648,618</u></b>	<b><u>\$ 9,456,732</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Corporate bonds have effective interest rates between 1.94% to 2.60% with maturity dates from November 2015 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**

	<b><u>2013</u></b>	<b><u>2012</u></b>
Trade and other accounts payable	<b>\$ 3,392,845</b>	<b>\$ 2,627,618</b>
Earned vacation liability	<b>228,345</b>	<b>227,607</b>
Accrued interest on long-term debt	<b><u>96,074</u></b>	<b><u>102,452</u></b>
	<b><u>\$ 3,717,264</u></b>	<b><u>\$ 2,957,677</u></b>

**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.

	<b><u>2012</u></b>	<b><u>Additions</u></b>	<b><u>Revenue Recognized</u></b>	<b><u>2013</u></b>
Municipal Sustainability Initiative	\$ 208,208	\$ 2,974,797	\$ (440,717)	<b>\$ 2,742,288</b>
Major Community Facilities Program	1,390,092	17,087	(5,040)	<b>1,402,139</b>
Affordable Housing	514,827	8,289	-	<b>523,116</b>
Other	291,514	9,445	(20,162)	<b>280,797</b>
Basic Municipal Transportation	832,968	912,174	(1,692,891)	<b>52,251</b>
Federal Gas Tax Fund	146,112	692,747	(798,777)	<b>40,082</b>
Alberta Municipal Infrastructure Program	<u>27</u>	<u>-</u>	<u>(27)</u>	<u>-</u>
	<b><u>\$ 3,383,748</u></b>	<b><u>\$ 4,614,539</u></b>	<b><u>\$(2,957,614)</u></b>	<b><u>\$ 5,040,673</u></b>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**7. LONG-TERM DEBT**

	<u>2013</u>	<u>2012</u>
Supported by general tax levies	<b>\$10,776,011</b>	\$ 9,195,026
Supported by special levies	<u>30,470</u>	<u>33,342</u>
	<b><u>\$10,806,481</u></b>	<b><u>\$ 9,228,368</u></b>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,014,301	\$ 425,934	\$ 1,440,235
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
Thereafter	<u>5,945,478</u>	<u>1,368,214</u>	<u>7,313,692</u>
	<b><u>\$10,806,481</u></b>	<b><u>\$ 3,126,773</u></b>	<b><u>\$13,933,254</u></b>

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 \$361,947 (2012 - \$329,592).

The Town's cash payments for interest in 2013 were \$368,324 (2012 - \$316,547).

TOWN OF STONY PLAIN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

8. TANGIBLE CAPITAL ASSETS

	<u>2013</u> <u>Net Book</u> <u>Value</u>	<u>2012</u> <u>Net Book</u> <u>Value</u>
Engineered structures		
Roadways	\$ 28,032,408	\$ 28,208,217
Water systems	17,401,643	17,683,672
Wastewater systems	23,911,542	24,164,311
Storm systems	14,350,468	13,903,859
Work in progress*	12,819,440	9,429,094
Other	<u>129,868</u>	<u>146,220</u>
	<b>96,645,369</b>	<b>93,535,373</b>
Land	23,359,130	23,359,130
Buildings	22,252,022	21,033,715
Machinery, equipment, and furnishings	3,320,264	3,216,660
Land improvements	7,851,168	7,961,925
Vehicles	<u>2,236,679</u>	<u>996,061</u>
	<b>\$ 155,664,632</b>	<b>\$ 150,102,864</b>

	Cost Beginning of <u>Year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Cost End of <u>Year</u>
Engineered structures					
Roadways	\$ 53,878,340	\$ 1,373,260	\$ (34,756)	-	\$ 55,216,844
Water systems	25,274,710	109,505	-	-	25,384,215
Wastewater systems	28,588,777	96,040	-	-	28,684,817
Storm systems	15,694,674	662,375	(2,458)	-	16,354,591
Other	327,038	-	-	-	327,038
Work in progress	<u>9,429,094</u>	<u>4,765,481</u>	<u>-</u>	<u>(1,375,135)</u>	<u>12,819,440</u>
	133,192,633	7,006,661	(37,214)	(1,375,135)	138,786,945
Land	23,359,130	-	-	-	23,359,130
Buildings	28,081,043	1,818,190	-	-	29,899,233
Machinery, equipment, and furnishings	6,258,836	594,102	(25,065)	-	6,827,873
Land improvements	10,251,940	373,926	-	19,403	10,645,269
Vehicles	<u>2,423,944</u>	<u>42,765</u>	<u>(40,597)</u>	<u>1,355,732</u>	<u>3,781,844</u>
	<b>\$ 203,567,526</b>	<b>\$ 9,835,644</b>	<b>\$ (102,876)</b>	<b>\$ -</b>	<b>\$ 213,300,294</b>

	Accumulated Amortization Beginning of <u>Year</u>	Current <u>Amortization</u>	<u>Disposals</u>	<u>Transfers</u>	Accumulated Amortization End of <u>Year</u>
Engineered structures					
Roadways	\$ 25,670,123	\$ 1,545,852	\$ (31,539)	-	\$ 27,184,436
Water systems	7,591,038	391,534	-	-	7,982,572
Wastewater systems	4,424,466	348,809	-	-	4,773,275
Storm systems	1,790,815	214,832	(1,524)	-	2,004,123
Other	<u>180,818</u>	<u>16,352</u>	<u>-</u>	<u>-</u>	<u>197,170</u>
	39,657,260	2,517,379	(33,063)	-	42,141,576
Buildings	7,047,328	599,883	-	-	7,647,211
Machinery, equipment, and furnishings	3,042,176	490,498	(25,065)	-	3,507,609
Land improvements	2,290,015	504,086	-	-	2,794,101
Vehicles	<u>1,427,883</u>	<u>157,879</u>	<u>(40,597)</u>	<u>-</u>	<u>1,545,165</u>
	<b>\$ 53,464,662</b>	<b>\$ 4,269,725</b>	<b>\$ (98,725)</b>	<b>\$ -</b>	<b>\$ 57,635,662</b>

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

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**9. ACCUMULATED SURPLUS**

	<u>2013</u>	<u>2012</u>
Unrestricted surplus	\$ 2,527,066	\$ 2,206,369
Restricted surplus		
Operating reserves (Note 12)	3,411,644	3,371,521
Capital reserves (Note 12)	14,309,668	12,457,157
Equity in tangible capital assets (Schedule 1)	<u>144,858,151</u>	<u>140,874,496</u>
	<u>\$165,106,529</u>	<u>\$158,909,543</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, 2013, the potential outstanding balance was \$733,333.

(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. CONTRIBUTED TANGIBLE CAPITAL ASSETS**

	<u>2013</u>	<u>2012</u>
Roadways	\$ 990,522	\$ 6,971,798
Land improvements	288,967	516,866
Storm systems	136,462	6,513,521
Water systems	109,505	2,804,876
Wastewater systems	96,040	1,759,678
Land	<u>-</u>	<u>1,210,023</u>
	<u>\$ 1,621,496</u>	<u>\$ 19,776,762</u>

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**12. RESERVES**

	<u>2013</u>	<u>2012</u>
<b>OPERATING</b>		
Police and Public Safety	\$ 1,510,739	\$ 1,303,701
Utility rate stabilization	829,944	765,061
Legacy	564,787	513,389
Tax levy stabilization	370,189	622,710
Safety rebate	62,827	66,146
Mural preservation	45,099	34,730
Public arts	21,722	21,539
Japanese twinning	5,055	4,952
Family Fest	1,282	1,274
Snow removal	<u>-</u>	<u>38,019</u>
	<b><u>\$ 3,411,644</u></b>	<b><u>\$ 3,371,521</u></b>
<b>CAPITAL</b>		
Offsite roads	\$ 5,512,650	\$ 4,439,214
Offsite sewer	1,651,256	1,312,527
Offsite water	875,192	761,743
Developer contributions - recreation	800,112	674,724
General purpose	686,116	1,019,824
Offsite storm sewer	674,633	533,931
Sewer capital	527,394	468,111
Water capital	428,562	237,497
Life cycle - administration building	308,428	265,882
Life cycle - arena	268,820	248,520
Fire truck replacement	239,676	390,176
Capital equipment replacement	220,020	256,025
Public	194,356	203,610
Life cycle - community centre	174,102	173,058
Life cycle - pool	171,815	141,460
TransAlta Tri Leisure Centre (Note 1 (a))	166,292	136,730
Roads capital	147,284	143,060
Trails	134,170	123,642
Life cycle - fire hall	133,556	108,734
General government capital	128,428	96,987
Life cycle - library	116,653	71,137
Life cycle - parkland building	89,738	92,131
Golf course capital	87,550	121,066
Handibus replacement	83,420	67,735
Fire equipment	83,141	53,966
Arena ice slab	82,722	82,028
Life cycle - common services building	63,936	18,445
Technology capital	55,098	30,498
Waste management capital	53,119	85,626
Highway 16A Safecrossing	43,176	42,813
Life cycle - youth centre	40,409	20,507
Life cycle - heritage park	37,621	35,750
Life cycle - outdoor recreation	<u>30,223</u>	<u>-</u>
	<b><u>\$14,309,668</u></b>	<b><u>\$12,457,157</u></b>

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**13. 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>2013</u>	<u>2012</u>
	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>Total</u>	<u>Total</u>
Choy (Mayor)	\$ 45,119	\$ 7,694	\$ 52,813	\$ 42,001
Hansard	28,277	6,726	35,003	32,430
Twerdoclib	24,186	6,564	30,750	31,086
Ganske	24,469	5,705	30,174	35,466
Bennett	25,360	3,146	28,506	28,891
Lloy	20,660	6,395	27,055	17,636
Badry	18,417	5,211	23,628	28,016
Graff	4,043	1,116	5,159	-
Lemke	-	-	-	8,327
	<u>\$ 190,531</u>	<u>\$ 42,557</u>	<u>\$ 233,088</u>	<u>\$ 223,853</u>
Town Manager	<u>\$ 143,446</u>	<u>\$ 35,803</u>	<u>\$ 179,249</u>	<u>\$ 168,999</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.

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

The Town is required to make current service contributions to the LAPP of 10.43% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.47% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 9.43% of pensionable earnings up to the year's maximum pensionable earnings and 13.47% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2013 were \$592,267 (2012 - \$536,162). Total current service contributions by the employees of the Town to the LAPP in 2013 were \$539,953 (2012 - \$486,592).

At December 31, 2012, the Plan disclosed an actuarial deficit of \$4,977.3 million (2011 - \$4.639.4 million).

**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**15. GOVERNMENT PARTNERSHIPS**

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

	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 427,513	\$ 942,775
Receivables	<u>1,314,213</u>	<u>243,983</u>
	<u>1,741,726</u>	<u>1,186,758</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	530,887	456,859
Deferred revenue	580,048	555,137
<b>NET FINANCIAL ASSETS</b>	<u>1,110,935</u>	<u>1,011,996</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses and inventory for consumption	88,699	141,123
Tangible capital assets	<u>1,151,980</u>	<u>1,120,668</u>
	<u>1,240,679</u>	<u>1,261,791</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,871,470</u>	<u>\$ 1,436,553</u>
<b>REVENUE</b>		
Pass and program fees and rental	\$ 4,670,370	\$ 4,625,680
Partnership contributions	1,795,553	1,300,033
Corporate sponsors and donations	332,666	225,274
All other	<u>530,760</u>	<u>415,645</u>
	<u>7,329,349</u>	<u>6,566,632</u>
<b>EXPENSES</b>		
Salaries and benefits	4,157,485	4,290,419
Utilities	1,126,171	1,113,034
All other	<u>1,610,776</u>	<u>1,501,314</u>
	<u>6,894,432</u>	<u>6,904,767</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 434,917</u>	<u>\$ (338,135)</u>



**TOWN OF STONY PLAIN**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**16. 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>2013</u>	<u>2012</u>
Total debt limit	\$ <b>46,349,852</b>	\$ 42,803,838
Total debt	<u>(10,806,481)</u>	<u>(9,228,368)</u>
 Total debt limits available	 <u>\$ 35,543,371</u>	 <u>\$ 33,575,470</u>
 Service on debt limit	 \$ <b>7,724,975</b>	 \$ 7,133,973
Service on debt	<u>(1,440,235)</u>	<u>(1,265,212)</u>
 Service on debt limit available	 <u>\$ 6,284,740</u>	 <u>\$ 5,868,761</u>

**17. 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 which commenced April 1, 2011 and expires March 31, 2016. The estimated cost of these services for 2014 is approximately \$897,203.

**18. 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, 2013

#### 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.

#### 19. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, receivables, 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.

#### 20. BUDGET FIGURES

Budgeted figures are presented for information purposes only and are unaudited.

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**21. COMPARATIVE FIGURES**

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

**22. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.