

**TOWN OF STONY PLAIN
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015 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, 2015 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 25, 2016


Hawkings Epp Dumont LLP
Chartered Accountants

EDMONTON
Mayfield Square 1
10476 – Mayfield Road
Edmonton, AB T5P 4P4
T: 780.489.9606
F: 780.484.9689

STONY PLAIN
#101, 5300 – 50 Street
PO Box 3188, Station Main
Stony Plain, AB T7Z 1T8
T: 780.963.2727
F: 780.963.1294

LLOYDMINSTER
5102 – 48 Street
PO Box 10099
Lloydminster, AB T9V 3A2
T: 780.875.7433
F: 780.875.5304

HAWKINGS.COM



**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.



Thomas Goulden
Town Manager

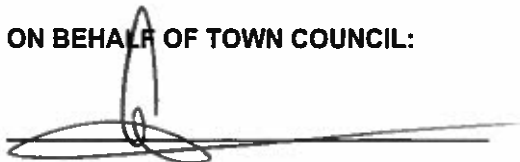


Louise Frostad, CPA, CMA, CLGM
General Manager of Corporate Services

TOWN OF STONY PLAIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u> <i>(Restated)</i> <i>(Note 24)</i>
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 21,927,644	\$ 22,645,570
Receivables <i>(Note 3)</i>	3,388,597	3,905,413
Land held for resale	117,990	117,990
Investments <i>(Note 4)</i>	<u>14,680,668</u>	<u>9,881,936</u>
	<u>40,114,899</u>	<u>36,550,909</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 5)</i>	3,938,391	4,246,443
Deposit liabilities	1,039,279	1,036,114
Deferred revenue <i>(Note 6)</i>	8,066,093	7,082,133
Long-term debt <i>(Note 7)</i>	<u>8,741,927</u>	<u>9,792,180</u>
	<u>21,785,690</u>	<u>22,156,870</u>
NET FINANCIAL ASSETS	<u>18,329,209</u>	<u>14,394,039</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 8)</i>	171,029,261	164,261,849
Prepaid expenses	102,810	230,631
Inventories for consumption	<u>90,785</u>	<u>72,991</u>
	<u>171,222,856</u>	<u>164,565,471</u>
ACCUMULATED SURPLUS (NOTE 9)	<u>\$189,552,065</u>	<u>\$178,959,510</u>
Contingencies <i>(Note 10)</i>		

ON BEHALF OF TOWN COUNCIL:



TOWN OF STONY PLAIN
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual) (Restated) (Note 24)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 14,457,133	\$ 14,411,134	\$ 13,444,910
Sales and user charges (Schedule 4)	10,495,946	12,046,373	11,111,542
Franchise and concession contracts (Note 11)	2,175,000	2,263,559	2,110,917
Government transfers for operating (Schedule 3)	1,691,700	1,589,589	1,457,480
Developer contributions	-	1,553,588	1,208,898
Fines	1,212,000	1,175,335	3,152,939
Licenses and permits	690,179	821,264	951,402
Investment income	126,000	482,271	537,272
Rentals	435,602	416,897	412,051
Other	146,450	255,772	252,115
Penalties and costs on taxes	<u>237,000</u>	<u>206,093</u>	<u>213,137</u>
	<u>31,667,010</u>	<u>35,221,875</u>	<u>34,852,663</u>
EXPENSES			
Recreation and culture	8,325,438	9,408,763	8,645,674
Utilities	7,837,976	7,713,311	7,203,057
Protective services	6,132,796	5,474,001	6,039,981
General government	5,580,842	5,008,446	4,248,441
Transportation	5,121,353	4,671,911	4,922,308
Development	2,093,491	1,958,649	1,484,286
Family and Community Support Services	<u>694,678</u>	<u>638,262</u>	<u>611,452</u>
	<u>35,786,574</u>	<u>34,873,343</u>	<u>33,155,199</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>(4,119,564)</u>	<u>348,532</u>	<u>1,697,464</u>
OTHER REVENUE (EXPENSE)			
Contributed tangible capital assets (Note 12)	635,000	6,477,439	3,029,721
Government transfers for capital (Schedule 3)	12,499,285	3,866,149	3,120,822
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(99,565)</u>	<u>1,257,414</u>
	<u>13,134,285</u>	<u>10,244,023</u>	<u>7,407,957</u>
ANNUAL SURPLUS	<u>9,014,721</u>	<u>10,592,555</u>	<u>9,105,421</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR AS PREVIOUSLY STATED	178,779,540	172,043,280	165,106,529
Restatement (Note 24)	<u>-</u>	<u>6,916,230</u>	<u>4,747,560</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR AS RESTATED	<u>178,959,510</u>	<u>178,959,510</u>	<u>169,854,089</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)	<u>\$187,974,231</u>	<u>\$189,552,065</u>	<u>\$178,959,510</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, 2015

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
ANNUAL SURPLUS	\$ 9,014,721	\$ 10,592,555	\$ 9,105,421
Acquisition of tangible capital assets	(19,474,830)	(11,910,310)	(9,329,295)
Proceeds on disposal of tangible capital assets	-	9,702	2,115,949
Amortization of tangible capital assets	4,967,427	5,033,631	4,621,102
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>99,565</u>	<u>(1,257,414)</u>
	<u>(14,507,403)</u>	<u>(6,767,412)</u>	<u>(3,849,658)</u>
Use (acquisition) of inventory for consumption	-	(17,794)	23,094
Use (acquisition) of prepaid expenses	<u>-</u>	<u>127,821</u>	<u>(122,325)</u>
	<u>-</u>	<u>110,027</u>	<u>(99,231)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(5,492,682)	3,935,170	5,156,532
NET FINANCIAL ASSETS, BEGINNING OF THE YEAR	<u>14,394,039</u>	<u>14,394,039</u>	<u>9,237,507</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 8,901,357</u>	<u>\$ 18,329,209</u>	<u>\$ 14,394,039</u>

TOWN OF STONY PLAIN
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus	\$ 10,592,555	\$ 9,105,421
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,033,631	4,621,102
Amortization of investment premium/discounts	398,779	264,944
Loss (gain) on sale of investments	(931)	(45,063)
Loss (gain) on disposal of tangible capital assets	99,565	(1,257,414)
Tangible capital assets received as contributions	(6,477,439)	(3,029,721)
Change in non-cash working capital balances related to operations:		
Receivables	516,816	(580,291)
Prepaid expenses	127,821	(122,325)
Inventories for consumption	(17,794)	23,093
Accounts payable and accrued liabilities	(308,052)	529,182
Deposit liabilities	3,165	184,543
Deferred revenue	<u>983,960</u>	<u>2,041,460</u>
	<u>10,952,076</u>	<u>11,734,931</u>
 FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(1,050,253)</u>	<u>(1,014,301)</u>
	<u>(1,050,253)</u>	<u>(1,014,301)</u>
 INVESTING ACTIVITIES		
Purchases of investments	(7,733,571)	(7,416,652)
Proceeds on sale of investments	<u>2,536,991</u>	<u>6,963,454</u>
	<u>(5,196,580)</u>	<u>(453,198)</u>
 CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	9,702	2,115,949
Purchase of tangible capital assets	<u>(5,432,871)</u>	<u>(6,299,574)</u>
	<u>(5,423,169)</u>	<u>(4,183,625)</u>
 CHANGE IN CASH AND TEMPORARY INVESTMENTS, DURING YEAR		
	(717,926)	6,083,807
 CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR		
	<u>22,645,570</u>	<u>16,561,763</u>
 CASH AND TEMPORARY INVESTMENTS, END OF YEAR		
	<u>\$ 21,927,644</u>	<u>\$ 22,645,570</u>

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN
CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 1

	<u>2015</u>	<u>2014</u> <i>(Restated)</i> <i>(Note 24)</i>
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	\$147,553,439	\$144,858,151
Restatement (Note 24)	<u>6,916,230</u>	<u>4,747,560</u>
BALANCE, BEGINNING OF YEAR AS RESTATED	154,469,669	149,605,711
Acquisition of tangible capital assets	11,910,310	9,329,295
Amortization of tangible capital assets	(5,033,631)	(4,621,102)
Net book value of tangible capital assets disposed of	(109,267)	(858,536)
Repayment of capital long-term debt	<u>1,050,253</u>	<u>1,014,301</u>
BALANCE, END OF YEAR	<u>\$162,287,334</u>	<u>\$154,469,669</u>

Equity in Tangible Capital Assets is Comprised of the Following:

Tangible capital assets net book value (Note 8)	\$171,029,261	\$164,261,849
Long-term capital debt (Note 7)	<u>(8,741,927)</u>	<u>(9,792,180)</u>
	<u>\$162,287,334</u>	<u>\$154,469,669</u>

TOWN OF STONY PLAIN
CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 2

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
TAXATION			
Real property taxes	\$ 20,518,495	\$ 20,552,146	\$ 19,245,121
Linear property taxes	261,764	261,759	261,932
Government grants in lieu of property taxes	128,894	77,116	113,286
Local improvement taxes	<u>4,955</u>	<u>4,955</u>	<u>4,955</u>
	<u>20,914,108</u>	<u>20,895,976</u>	<u>19,625,294</u>
REQUISITIONS			
Alberta School Foundation fund	5,404,871	5,429,350	5,159,540
School boards	949,690	953,078	927,490
Seniors Foundation	<u>102,414</u>	<u>102,414</u>	<u>93,354</u>
	<u>6,456,975</u>	<u>6,484,842</u>	<u>6,180,384</u>
NET MUNICIPAL TAXES	<u>\$ 14,457,133</u>	<u>\$ 14,411,134</u>	<u>\$ 13,444,910</u>

TOWN OF STONY PLAIN
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 3

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,317,458	\$ 1,192,472	\$ 1,089,470
Local governments	<u>374,242</u>	<u>397,117</u>	<u>368,010</u>
	<u>1,691,700</u>	<u>1,589,589</u>	<u>1,457,480</u>
TRANSFERS FOR CAPITAL			
Provincial government	12,091,185	3,641,898	2,933,163
Local government	408,100	224,251	-
Federal government	<u>-</u>	<u>-</u>	<u>187,659</u>
	<u>12,499,285</u>	<u>3,866,149</u>	<u>3,120,822</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 14,190,985</u>	<u>\$ 5,455,738</u>	<u>\$ 4,578,302</u>

TOWN OF STONY PLAIN

Schedule 4

CONSOLIDATED SCHEDULE OF SALES AND USER CHARGES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
Sales and User Charges			
Water supply and distribution	\$ 3,942,636	\$ 3,942,145	\$ 3,512,403
Wastewater treatment and disposal	2,939,074	2,940,385	2,874,738
Parks and recreation	465,500	1,976,623	1,899,475
Golf course (Schedule 5)	1,709,771	1,749,621	1,575,565
Waste management	1,321,057	1,317,860	1,114,388
Planning and development	69,708	71,281	83,263
Administrative	26,200	29,626	32,680
Other transportation (Handi-Bus)	22,000	16,822	19,030
Land sales	<u>-</u>	<u>2,010</u>	<u>-</u>
	<u>\$ 10,495,946</u>	<u>\$ 12,046,373</u>	<u>\$ 11,111,542</u>

TOWN OF STONY PLAIN
SCHEDULE OF GOLF COURSE ANNUAL SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 5

	<u>2015</u> (Budget) (Note 23)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
REVENUE			
Green fees	\$ 1,160,091	\$ 1,194,766	\$ 1,042,221
Proshop	476,180	469,640	445,060
Food service	60,000	59,237	48,696
Other	5,000	18,916	7,388
Hole signage	8,500	7,062	13,200
Administration fee	<u>-</u>	<u>-</u>	<u>19,000</u>
	<u>1,709,771</u>	<u>1,749,621</u>	<u>1,575,565</u>
EXPENSES			
Grounds maintenance	739,853	751,426	822,947
Proshop	456,825	479,852	487,072
Administration	408,455	377,810	408,387
Amortization	145,098	143,255	108,430
Food service	<u>45,000</u>	<u>31,451</u>	<u>32,491</u>
	<u>1,795,231</u>	<u>1,783,794</u>	<u>1,859,327</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(85,460)</u>	\$ <u>(34,173)</u>	\$ <u>(283,762)</u>

TOWN OF STONY PLAIN

Schedule 6

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2015

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Family and Community Support Services	Total
REVENUE								
Taxation	\$ 2,193,417	\$ 3,865,887	\$ 3,703,051	\$ 3,298,037	\$ 4,955	\$ 913,800	\$ 431,987	\$ 14,411,134
Sales and user charges	29,627	3,726,242	-	16,822	8,200,391	73,291	-	12,046,373
All other	2,495,501	477,173	52,036	26,016	46,308	864,964	1,587	3,963,585
Fines	-	-	1,175,335	-	-	-	-	1,175,335
Government transfers	117,763	402,881	763,615	-	-	100,642	204,688	1,589,589
Developer levies	-	228,375	-	1,081,145	244,068	-	-	1,553,588
Interest	156,027	43,197	38,308	136,654	108,081	4	-	482,271
	<u>4,992,335</u>	<u>8,743,755</u>	<u>5,732,345</u>	<u>4,558,674</u>	<u>8,603,803</u>	<u>1,952,701</u>	<u>638,262</u>	<u>35,221,875</u>
EXPENSES								
Materials, goods, and contracted and general services	1,624,349	3,273,977	3,376,330	546,136	5,227,137	901,236	344,968	15,294,133
Salaries, wages, and benefits	2,797,426	3,251,852	1,680,986	722,790	1,022,283	1,050,731	290,651	10,816,719
Utilities	67,785	320,174	25,937	734,635	79,659	-	-	1,228,190
Repairs and maintenance	25,423	371,816	40,988	349,016	334,831	745	-	1,122,819
Transfers to local boards and organizations	-	650,891	21,500	-	-	-	2,643	675,034
Interest on long term debt	98,936	162,783	93,519	19,945	8,631	-	-	383,814
Insurance	154,409	67,153	19,322	31,724	46,396	-	-	319,004
Amortization	240,118	1,310,117	215,419	2,267,665	994,374	5,937	-	5,033,630
	<u>5,008,446</u>	<u>9,408,763</u>	<u>5,474,001</u>	<u>4,671,911</u>	<u>7,713,311</u>	<u>1,958,649</u>	<u>638,262</u>	<u>34,873,343</u>
NET REVENUE (DEFICIT)	<u>\$ (16,111)</u>	<u>\$ (665,008)</u>	<u>\$ 258,344</u>	<u>\$ (113,237)</u>	<u>\$ 890,492</u>	<u>\$ (5,948)</u>	<u>\$ -</u>	<u>\$ 348,532</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, 2014

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Family and Community Support Services	Total
REVENUE								
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>
EXPENSES								
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>
NET REVENUE (DEFICIT)	\$ <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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

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) Cash and Temporary Investments

Cash and temporary investments include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of one year or less at acquisition.

(d) 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.

(CONT'D)

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) 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. Gains on principal protected notes are recognized as income when sold.

(f) 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.

(g) 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.

(CONT'D)

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(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>2015</u>	<u>2014</u>
Cash on hand	\$ 3,700	\$ 3,800
Bank accounts	9,826,819	8,067,366
Temporary investments	<u>12,097,125</u>	<u>14,574,404</u>
	<u>\$ 21,927,644</u>	<u>\$ 22,645,570</u>

Temporary investments are readily convertible to cash, consist of term deposits bearing interest at rates ranging from 1.18% to 1.21%, and maturing during 2016.

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, 2015.

3. RECEIVABLES

	<u>2015</u>	<u>2014</u>
Trade and other accounts receivable	\$ 1,899,766	\$ 2,413,699
Utilities	674,907	641,254
Taxes and grants in lieu of taxes	634,716	637,089
Goods and Services Tax rebate	<u>179,208</u>	<u>213,371</u>
	<u>\$ 3,388,597</u>	<u>\$ 3,905,413</u>

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

4. INVESTMENTS

	<u>2015</u>		<u>2014</u>	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Corporate bonds	\$ 11,574,168	\$ 10,597,627	\$ 9,881,936	\$ 9,900,193
Principal protected notes	<u>3,106,500</u>	<u>3,036,874</u>	-	-
	<u>\$ 14,680,668</u>	<u>\$ 13,634,501</u>	<u>\$ 9,881,936</u>	<u>\$ 9,900,193</u>

Corporate bonds have effective interest rates ranging from 0.55% to 6.45% with maturity dates from June of 2018 to March 2027.

The market value of the bonds and principal protected notes are based on quoted market values. The market value of the bonds and principal protected notes fluctuate with changes in market interest rates and indices. 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>2015</u>	<u>2014</u>
Trade and other accounts payable	\$ 3,579,914	\$ 3,905,948
Earned vacation liability	277,238	253,087
Accrued interest on long-term debt	<u>81,239</u>	<u>87,408</u>
	<u>\$ 3,938,391</u>	<u>\$ 4,246,443</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>2014</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2015</u>
Municipal Sustainability Initiative	\$ 3,814,870	\$ 3,829,917	\$ (843,036)	\$ 6,801,751
Affordable Housing	530,963	6,106	-	537,069
Other	508,614	176,157	(229,112)	455,659
Federal Gas Tax Fund	818,827	796,747	(1,343,960)	271,614
Major Community Facilities Program	<u>1,408,859</u>	<u>11,595</u>	<u>(1,420,454)</u>	-
	<u>\$ 7,082,133</u>	<u>\$ 4,820,522</u>	<u>\$(3,836,562)</u>	<u>\$ 8,066,093</u>

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

7. LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
Supported by general tax levies	\$ 8,717,750	\$ 9,764,761
Supported by special levies	<u>24,177</u>	<u>27,419</u>
	<u>\$ 8,741,927</u>	<u>\$ 9,792,180</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2020	684,757	214,712	899,469
Thereafter	<u>4,608,166</u>	<u>906,588</u>	<u>5,514,754</u>
	<u>\$ 8,741,927</u>	<u>\$ 2,310,857</u>	<u>\$11,052,784</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 \$383,814 (2014 - \$417,268).

The Town's cash payments for interest in 2015 were \$389,982 (2014 - \$425,934).

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

8. TANGIBLE CAPITAL ASSETS

	<u>2015</u> <u>Net Book</u> <u>Value</u>	<u>2014</u> <u>Net Book</u> <u>Value</u>
Engineered structures		
Roadways	\$ 33,882,153	\$ 30,086,762
Wastewater systems	25,299,271	24,982,926
Storm systems	17,975,905	17,026,530
Water systems	17,816,979	17,674,232
Work in progress*	3,183,947	3,723,028
Other	<u>97,164</u>	<u>113,516</u>
	98,255,419	93,606,994
Land	31,046,017	29,491,997
Buildings	24,809,352	25,025,052
Land improvements	11,202,280	10,604,775
Machinery, equipment, and furnishings	3,285,273	3,118,060
Vehicles	<u>2,430,920</u>	<u>2,414,971</u>
	<u>\$ 171,029,261</u>	<u>\$ 164,261,849</u>

	<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	\$ 58,839,026	\$ 2,440,796	\$ (772,780)	\$ 3,143,638	\$ 63,650,680
Wastewater systems	30,128,728	732,135	-	-	30,860,863
Water systems	26,039,927	549,371	-	-	26,589,298
Storm systems	19,253,589	917,042	(10,064)	302,467	20,463,034
Work in progress*	3,723,028	3,109,003	-	(3,648,084)	3,183,947
Other	<u>327,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,038</u>
	138,311,336	7,748,347	(782,844)	(201,979)	145,074,860
Land	29,491,997	1,554,020	-	-	31,046,017
Buildings	33,354,441	626,769	(210,596)	-	33,770,614
Machinery, equipment, and furnishings	7,058,551	712,404	(56,032)	-	7,714,923
Land improvements	13,918,992	1,026,338	-	201,979	15,147,309
Vehicles	<u>4,213,556</u>	<u>242,432</u>	<u>(51,364)</u>	<u>-</u>	<u>4,404,624</u>
	<u>\$ 226,348,873</u>	<u>\$ 11,910,310</u>	<u>\$ (1,100,836)</u>	<u>\$ -</u>	<u>\$ 237,158,347</u>

	<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	\$ 28,752,264	\$ 1,723,558	\$ (707,295)	\$ -	\$ 29,768,527
Water systems	8,365,695	406,624	-	-	8,772,319
Wastewater systems	5,145,802	415,790	-	-	5,561,592
Storm systems	2,227,059	262,284	(2,214)	-	2,487,129
Other	<u>213,522</u>	<u>16,352</u>	<u>-</u>	<u>-</u>	<u>229,874</u>
	44,704,342	2,824,608	(709,509)	-	46,819,441
Buildings	8,329,389	809,764	(177,891)	-	8,961,262
Machinery, equipment, and furnishings	3,940,491	541,964	(52,805)	-	4,429,650
Land improvements	3,314,217	630,812	-	-	3,945,029
Vehicles	<u>1,798,585</u>	<u>226,483</u>	<u>(51,364)</u>	<u>-</u>	<u>1,973,704</u>
	<u>\$ 62,087,024</u>	<u>\$ 5,033,631</u>	<u>\$ (991,569)</u>	<u>\$ -</u>	<u>\$ 66,129,086</u>

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

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

9. ACCUMULATED SURPLUS

	<u>2015</u>	<u>2014</u>
Unrestricted surplus	\$ 1,790,068	\$ 1,984,419
Restricted surplus		
Operating reserves (Note 13)	5,452,343	5,160,677
Capital reserves (Note 13)	20,022,320	17,344,745
Equity in tangible capital assets (Schedule 1)	<u>162,287,334</u>	<u>154,469,669</u>
	<u>\$189,552,065</u>	<u>\$178,959,510</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, 2015, the potential outstanding balance was \$666,667 (2014 - \$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>2015</u>	<u>2014</u>
Fortis Alberta Inc.	\$ 1,548,064	\$ 1,424,969
Atco Gas	705,225	677,801
West Parkland Gas Co-op	<u>10,270</u>	<u>8,147</u>
	<u>\$ 2,263,559</u>	<u>\$ 2,110,917</u>

12. CONTRIBUTED TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Roadways	\$ 1,914,820	\$ 49,664
Land	1,554,020	2,168,670
Storm systems	917,042	-
Land improvements	810,050	811,387
Wastewater systems	732,136	-
Water systems	<u>549,371</u>	<u>-</u>
	<u>\$ 6,477,439</u>	<u>\$ 3,029,721</u>

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

13. RESERVES

	<u>2015</u>	<u>2014</u>
OPERATING		
Police and Public Safety	\$ 2,609,037	\$ 2,350,366
Tax levy stabilization	1,298,648	1,098,228
Legacy	678,878	617,650
Utility rate stabilization	320,536	666,840
Snow removal	250,461	136,460
Safety rebate	108,592	104,582
Technology	77,431	69,229
Mural preservation	45,455	74,955
Corporate services	41,583	15,500
Public arts	21,722	21,722
Japanese twinning	-	5,145
	<u>\$ 5,452,343</u>	<u>\$ 5,160,677</u>
CAPITAL		
Offsite roads	\$ 7,430,443	\$ 6,362,192
Offsite sewer	1,943,345	1,784,112
Water capital	1,678,962	1,073,529
General purpose	1,431,157	1,612,136
Offsite water	1,065,265	950,293
Sewer capital	1,015,253	619,587
Developer contributions - recreation	867,242	856,816
Offsite storm sewer	858,198	767,077
Roads capital	520,404	345,404
Town - administration building	358,940	333,940
Life cycle - arena	340,342	313,247
Public	202,471	199,201
Life cycle - fire hall	178,556	158,556
TransAlta Tri Leisure Centre (Note 1 (a))	177,287	147,725
Life cycle - community centre	174,102	174,102
Fire truck replacement	167,724	29,091
Life cycle - pool	158,259	141,801
Trails	154,863	129,863
Life cycle - library	150,093	110,093
Handi-Bus replacement	113,420	98,420
Life cycle - parkland building	104,738	99,738
General government capital	100,580	168,428
Golf course capital	97,550	87,550
Golf course overborrow reserve	90,852	-
Capital equipment replacement	86,822	290,626
Fire equipment	85,642	96,189
Arena ice slab	82,722	82,722
Life cycle - outdoor recreation	71,583	70,223
Life cycle - youth centre	60,409	50,409
Life cycle - common services building	56,528	31,528
Waste management capital	55,244	54,350
Life cycle - heritage park	48,015	62,621
Highway 16A Safecrossing	43,176	43,176
Offsite water reservoir	32,133	-
Life cycle - golf course maintenance	10,000	-
Life cycle - golf course clubhouse	5,000	-
Life cycle - Forest Green Plaza	5,000	-
	<u>\$ 20,022,320</u>	<u>\$ 17,344,745</u>

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

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>	<u>Benefits and Allowances</u>	<u>2015</u> <u>Total</u>	<u>2014</u> <u>Total</u>
Choy (Mayor)	\$ 65,330	\$ 8,003	\$ 73,333	\$ 54,767
Hansard	35,430	6,415	41,845	32,817
Twerdoelib	34,430	6,517	40,947	32,311
Graff	34,430	6,517	40,947	30,835
Lloy	34,430	6,361	40,791	30,464
Ganske	34,230	5,209	39,439	31,940
Bennett	<u>34,730</u>	<u>3,326</u>	<u>38,056</u>	<u>24,755</u>
	<u>\$ 273,010</u>	<u>\$ 42,348</u>	<u>\$ 315,358</u>	<u>\$ 237,889</u>
Town Manager	<u>\$ 177,983</u>	<u>\$ 39,838</u>	<u>\$ 217,821</u>	<u>\$ 201,710</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 2015 were \$822,020 (2014 - \$729,385). Total current service contributions by the employees of the Town to the LAPP in 2015 were \$756,092 (2014 - \$668,907).

At December 31, 2014, the Plan disclosed an actuarial deficit of \$2,454.6 million (2013 - \$4,861.5 million).

TOWN OF STONY PLAIN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

16. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations 2015 - 26.1% (2014 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ 2,099,294	\$ 1,719,693
Receivables	<u>169,436</u>	<u>150,096</u>
	<u>2,268,730</u>	<u>1,869,789</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	910,267	523,215
Deferred revenue	<u>565,057</u>	<u>524,058</u>
	<u>1,475,324</u>	<u>1,047,273</u>
NET FINANCIAL ASSETS	<u>793,406</u>	<u>822,516</u>
NON-FINANCIAL ASSETS		
Prepaid expenses and inventory for consumption	68,975	57,863
Tangible capital assets	<u>1,513,497</u>	<u>1,231,758</u>
	<u>1,582,472</u>	<u>1,289,621</u>
ACCUMULATED SURPLUS	<u>\$ 3,057,796</u>	<u>\$ 2,336,894</u>
REVENUE		
Pass and program fees and rental	\$ 5,042,476	\$ 4,769,813
Partnership contributions	2,123,481	1,909,905
Corporate sponsors and donations	321,109	377,231
All other	<u>525,563</u>	<u>496,919</u>
	<u>8,012,629</u>	<u>7,553,868</u>
EXPENSES		
Salaries and benefits	4,605,138	4,386,994
Utilities	784,248	794,742
All other	<u>2,359,503</u>	<u>2,131,465</u>
	<u>7,748,889</u>	<u>7,313,201</u>
ANNUAL SURPLUS	<u>\$ 263,740</u>	<u>\$ 240,667</u>

TOWN OF STONY PLAIN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

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>2015</u>	<u>2014</u>
Total debt limit	\$ 52,832,813	\$ 52,278,995
Total debt	<u>(8,741,927)</u>	<u>(9,792,180)</u>
Total debt limits available	<u>\$ 44,090,886</u>	<u>\$ 42,486,815</u>
Service on debt limit	\$ 8,805,469	\$ 8,713,166
Service on debt	<u>(1,440,235)</u>	<u>(1,440,235)</u>
Service on debt limit available	<u>\$ 7,365,234</u>	<u>\$ 7,272,931</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 2016 is approximately \$1,498,025.

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.

(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 provide bylaw enforcement that ranges from public service to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta.

(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, 2015

19. 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) Family and Community Support Services

The Family and Community Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the Town of Stony Plain.

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, 2015

22. COMPARATIVE FIGURES

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

23. BUDGET FIGURES

The budget figures presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Council.

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

REVENUE AND TRANSFERS	
Approved operating budget	\$ 35,447,838
Approved capital budget	19,372,176
Debenture proceeds	(2,750,000)
Transfers from reserves	<u>(7,268,719)</u>
	<u>44,801,295</u>
EXPENSES AND TRANSFERS	
Approved operating budget	41,228,477
Approved capital budget	19,474,830
Long-term debt repayment	(1,100,266)
Capital expenditures	(19,474,830)
Transfers to reserves	<u>(4,341,637)</u>
	<u>35,786,574</u>
ANNUAL SURPLUS	\$ <u>9,014,721</u>

24. RESTATEMENT

During 2015 the Town became aware that land previously received from developers, upon completion of various sub-divisions, had not been included with other contributed tangible capital assets that were recorded. This has been corrected retroactively in 2015 and prior periods have been restated.

The effect on the 2014 comparative figures has been to increase tangible capital assets by \$6,736,260, increase revenue (contributed tangible capital assets) by \$2,168,670, and opening accumulated surplus by \$4,567,590.

25. ACCOUNTING POLICY ADOPTION

In June 2010, the Public Sector Accounting Board issued *PS - 3260 Liability for Contaminated Sites* for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Town adopted this accounting standard retroactively as of January 1, 2015. There was no impact to the Town's financial statements due to this adoption.