

TOWN OF STONY PLAIN
Consolidated Financial Statements
For the Year Ended December 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Stony Plain

Opinion

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, 2020 and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2020 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Council) are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 26, 2021

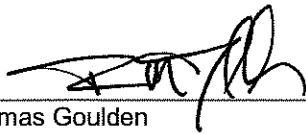
**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

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

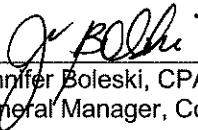
The consolidated financial statements are prepared by management, in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. They necessarily include some amounts that are based on the best estimates and judgments of management.

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.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by Town Council to express an opinion on the Town's consolidated financial statements.



Thomas Goulden
Town Manager



Jennifer Boleski, CPA, CA
General Manager, Corporate Services

TOWN OF STONY PLAIN
Consolidated Statement of Financial Position
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	12,979,789	16,351,615
Receivables (Note 3)	10,497,848	7,275,885
Land held for resale	117,990	117,990
Investments (Note 4)	15,693,754	16,163,664
	39,289,381	39,909,154
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	7,645,572	9,502,929
Deposit liabilities	2,709,453	2,685,991
Deferred revenue (Note 6)	13,533,464	15,294,125
Long-term debt (Note 7)	21,321,648	22,755,003
	45,210,137	50,238,048
NET DEBT	(5,920,756)	(10,328,894)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	238,448,000	232,194,703
Prepaid expenses	150,010	120,087
Inventories for consumption	101,757	118,563
	238,699,767	232,433,353
ACCUMULATED SURPLUS (NOTE 9)	\$ 232,779,011	\$ 222,104,459

Contingencies (Note 11)

ON BEHALF OF TOWN COUNCIL:



TOWN OF STONY PLAIN
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2020

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 17,447,440	\$ 17,445,227	\$ 17,233,945
Sales and user charges (Schedule 4)	12,206,257	14,449,856	13,762,828
Government transfers for operating (Schedule 3)	2,515,675	4,582,952	2,723,783
Franchise and concession contracts (Note 13)	2,850,697	3,068,481	3,035,957
Rentals	441,004	1,052,679	594,974
Fines	881,500	720,284	410,483
Licenses and permits	461,800	523,615	555,955
Investment income	277,000	461,654	481,444
Penalties and costs on taxes	194,000	215,593	273,115
Other	186,529	189,901	512,231
	37,461,902	42,710,242	39,584,715
EXPENSES			
Recreation and culture	7,973,313	9,958,923	13,236,884
Utilities	9,510,201	9,085,943	9,002,431
Protective services	6,929,085	7,032,675	6,973,405
Transportation	6,655,228	6,660,037	6,149,097
General government	6,305,408	5,697,910	5,998,452
Development	3,170,110	2,797,784	2,798,993
Family and Community Support Services	963,133	874,883	1,153,672
	41,506,478	42,108,155	45,312,934
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSE)	(4,044,576)	602,087	(5,728,219)
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	1,657,500	6,792,027	6,613,952
Contributed tangible capital assets (Note 14)	-	2,731,962	370,864
Developer contributions for capital	1,843,835	292,013	221,368
Other revenue of capital	225,000	225,000	-
Gain (loss) on disposal of tangible capital assets	-	31,463	(413,397)
	3,726,335	10,072,465	6,792,787
ANNUAL SURPLUS (DEFICIT)	(318,241)	10,674,552	1,064,568
ACCUMULATED SURPLUS, BEGINNING OF YEAR	222,104,459	222,104,459	221,039,891
ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)	\$ 221,786,218	\$ 232,779,011	\$ 222,104,459

TOWN OF STONY PLAIN
Consolidated Statement of Changes in Net Debt
For the Year Ended December 31, 2020

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ (318,241)	\$ 10,674,552	\$ 1,064,568
Acquisition of tangible capital assets	(5,529,500)	(14,581,986)	(11,256,851)
Proceeds on disposal of tangible capital assets	-	1,464,504	404,800
Amortization of tangible capital assets	6,783,206	6,895,648	6,909,454
Loss (gain) on disposal of tangible capital assets	-	(31,463)	413,397
	1,253,706	(6,253,297)	(3,529,200)
Use (acquisition) of inventory for consumption	-	16,806	30,280
Use (acquisition) of prepaid expenses	-	(29,923)	109,682
	-	(13,117)	139,962
DECREASE (INCREASE) IN NET DEBT	935,465	4,408,138	(2,324,670)
NET DEBT, BEGINNING OF YEAR	(10,328,894)	(10,328,894)	(8,004,224)
NET DEBT, END OF YEAR	\$ (9,393,429)	\$ (5,920,756)	\$ (10,328,894)

TOWN OF STONY PLAIN
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus	\$ 10,674,552	\$ 1,064,568
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	6,895,648	6,909,454
Amortization of investment premium/discounts	(20,076)	(19,838)
Loss (gain) on sale of investments	(20,750)	74,357
Loss (gain) on disposal of tangible capital assets	(31,463)	413,397
Tangible capital assets received as contributions	(2,731,962)	(370,864)
 Change in non-cash working capital balances related to operations:		
Receivables	(3,221,963)	745,286
Prepaid expenses	(29,923)	109,682
Inventories for consumption	16,806	30,280
Accounts payable and accrued liabilities	(1,857,357)	(1,650,585)
Deposit liabilities	23,462	792,198
Deferred revenue	(1,760,661)	(1,678,367)
	7,936,313	6,419,568
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,433,355)	(1,379,574)
	(1,433,355)	(1,379,574)
INVESTING ACTIVITIES		
Purchases of investments	(9,233,400)	(7,729,551)
Proceeds on sale of investments	9,744,136	16,274,083
	510,736	8,544,532
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	1,464,504	404,800
Purchase of tangible capital assets	(11,850,024)	(10,885,987)
	(10,385,520)	(10,481,187)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(3,371,826)	3,103,339
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,351,615	13,248,276
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 12,979,789	\$ 16,351,615

TOWN OF STONY PLAIN
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2020

Schedule 1

	2020	2019
BALANCE, BEGINNING OF YEAR	\$209,670,457	\$206,551,580
Acquisition of tangible capital assets	14,581,986	11,256,851
Amortization of tangible capital assets	(6,895,648)	(6,909,454)
Net book value of tangible capital assets disposed of	(1,433,041)	(818,197)
Repayment of capital long-term debt	2,849,858	1,379,574
Debt proceeds used during the year	(73,904)	(1,789,897)
BALANCE, END OF YEAR	\$218,699,708	\$209,670,457
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value <i>(Note 8)</i>	\$238,448,000	\$232,194,703
Debt used for tangible capital assets	(19,748,292)	(22,524,246)
	\$218,699,708	\$209,670,457

TOWN OF STONY PLAIN
Schedule of Property Taxes Levied
For the Year Ended December 31, 2020

Schedule 2

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
TAXATION			
Real property taxes	\$ 24,641,209	\$ 24,640,802	\$ 24,400,952
Linear property taxes	305,850	306,394	313,931
Government grants in lieu of property taxes	119,851	130,547	98,851
Local improvement taxes	4,955	4,955	4,955
	25,071,865	25,082,698	24,818,689
REQUISITIONS			
Alberta School Foundation Fund	6,380,588	6,393,558	6,355,877
Catholic School boards	1,100,809	1,100,809	1,088,436
Seniors Foundation	140,894	140,970	138,240
Designated industrial property	2,134	2,134	2,191
	7,624,425	7,637,471	7,584,744
NET MUNICIPAL TAXES	\$ 17,447,440	\$ 17,445,227	\$ 17,233,945

TOWN OF STONY PLAIN
Schedule of Government Transfers
For the Year Ended December 31, 2020

Schedule 3

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,656,156	\$ 3,623,972	\$ 1,876,495
Local governments	859,519	958,980	847,288
	<u>2,515,675</u>	<u>4,582,952</u>	<u>2,723,783</u>
TRANSFERS FOR CAPITAL			
Provincial government	1,640,000	6,792,027	6,598,713
Local government	17,500	-	15,239
	<u>1,657,500</u>	<u>6,792,027</u>	<u>6,613,952</u>
TOTAL GOVERNMENT TRANSFERS	\$ 4,173,175	\$ 11,374,979	\$ 9,337,735

TOWN OF STONY PLAIN
Schedule of Sales and User Charges
For the Year Ended December 31, 2020

Schedule 4

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
Water supply and distribution	\$ 5,071,438	\$ 4,719,311	\$ 4,506,734
Wastewater treatment and disposal	3,694,140	3,465,885	3,274,947
Waste management	1,946,154	1,932,729	1,900,019
Golf course (Schedule 5)	(20,461)	1,774,343	1,553,266
Parks and recreation	195,600	1,221,836	2,126,305
Storm water	875,246	909,809	-
Administrative	356,940	360,509	338,616
Planning and development	44,200	35,085	39,215
Other transportation (Handi-Bus)	43,000	30,349	23,716
Land sales	-	-	10
	\$ 12,206,257	\$ 14,449,856	\$ 13,762,828

TOWN OF STONY PLAIN
Schedule of Golf Course Annual Surplus (Deficit)
For the Year Ended December 31, 2020

Schedule 5

	2020 (Budget) (Note 20)	2020 (Actual)	2019 (Actual)
REVENUE			
Green fees	\$ (57,005)	\$ 1,188,136	\$ 693,596
Proshop	18,544	531,211	447,392
Food service	18,000	54,710	409,472
Other	-	286	2,806
	(20,461)	1,774,343	1,553,266
EXPENSES			
Administration	394,233	569,192	582,904
Grounds maintenance	283,681	527,255	856,241
Proshop	88,539	318,825	391,269
Amortization	140,961	138,678	139,261
Food service	41,767	88,127	559,961
	949,181	1,642,077	2,529,636
ANNUAL SURPLUS (DEFICIT)	\$ (969,642)	\$ 132,266	\$ (976,370)

TOWN OF STONY PLAIN
Schedule of Segmented Information
For the Year Ended December 31, 2020

Schedule 6

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Family & Community Support Services	Total 2020 Actual	2020 Budget
REVENUE									
Taxation	\$ 2,154,485	\$ 5,269,603	\$ 4,970,145	\$ 3,062,714	\$ 4,955	\$ 1,852,683	\$ 130,642	\$ 17,445,227	17,447,440
Sales and user charges	360,510	2,996,179	-	30,349	11,027,733	35,085	-	14,449,856	12,206,257
All other	3,242,516	374,271	732,851	2,643	45,591	523,975	128,422	5,050,269	4,134,030
Government transfers	1,942,115	623,083	1,096,662	285,253	-	20,020	615,819	4,582,952	2,515,675
Fines	-	-	720,284	-	-	-	-	720,284	881,500
Interest	364,805	-	5,470	1,464	89,915	-	-	461,654	277,000
	8,064,431	9,263,136	7,525,412	3,382,423	11,168,194	2,431,763	874,883	42,710,242	37,461,902
EXPENSES									
Materials, goods, contracted and general services	1,790,366	3,247,693	3,792,443	682,467	6,572,022	1,327,713	145,119	17,557,823	16,389,867
Salaries, wages, and benefits	3,230,576	3,499,517	2,297,460	1,188,986	980,009	1,467,017	713,935	13,377,500	13,260,549
Repairs and maintenance	23,676	340,645	90,535	601,101	442,398	98	-	1,498,453	1,319,096
Utilities	87,875	347,147	26,776	816,517	92,627	-	5,306	1,376,248	1,332,175
Interest on long term debt	61,467	144,320	358,859	148,281	521	-	-	713,448	725,969
Transfers to local boards and organizations	-	319,440	26,000	-	-	-	10,523	355,963	1,371,343
Insurance	183,182	63,667	14,573	31,060	40,590	-	-	333,072	324,273
Amortization	320,768	1,996,494	426,029	3,191,625	957,776	2,956	-	6,895,648	6,783,206
	5,697,910	9,958,923	7,032,675	6,660,037	9,085,943	2,797,784	874,883	42,108,155	41,506,478
NET REVENUE (DEFICIT)	\$ 2,366,521	\$ (695,787)	\$ 492,737	\$ (3,277,614)	\$ 2,082,251	\$ (366,021)	\$ -	\$ 602,087	\$ (4,044,576)

TOWN OF STONY PLAIN
Schedule of Segmented Information
For The Year Ended December 31, 2019

Schedule 7

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Family & Community Support Services	Total 2019 Actual	2019 Budget
REVENUE									
Taxation	2,128,392	5,216,715	4,909,951	2,857,821	4,955	1,830,245	285,866	17,233,945	17,278,408
Sales and user charges	338,617	3,679,570	-	23,716	9,681,700	39,225	-	13,762,828	13,104,462
All other	3,344,644	650,193	14,684	12,802	55,624	602,665	291,620	4,972,232	4,744,929
Government transfers	205,141	643,479	1,150,782	36,506	-	111,689	576,186	2,723,783	2,099,202
Interest	379,376	-	17,264	1,659	83,145	-	-	481,444	247,900
Fines	-	-	410,483	-	-	-	-	410,483	971,500
	6,396,170	10,189,957	6,503,164	2,932,504	9,825,424	2,583,824	1,153,672	39,584,715	38,446,401
EXPENSES									
Materials, goods, contracted and general services	1,921,574	4,721,731	3,703,720	407,088	6,234,596	1,185,349	180,604	18,354,662	16,946,976
Salaries, wages, and benefits	3,415,895	4,612,238	2,437,299	930,131	1,129,151	1,610,198	937,227	15,072,139	14,672,643
Repairs and maintenance	17,569	648,873	161,395	440,065	514,322	490	-	1,782,714	1,134,100
Utilities	94,484	431,877	28,234	802,432	90,770	-	6,628	1,454,425	1,409,257
Interest on long term debt	69,716	158,474	377,644	154,731	782	-	-	761,347	779,748
Transfers to local boards and organizations	-	620,213	25,000	-	-	-	29,041	674,254	1,647,938
Insurance	169,399	61,152	16,143	25,687	31,386	-	172	303,939	349,850
Amortization	309,815	1,982,326	223,970	3,388,963	1,001,424	2,956	-	6,909,454	5,946,078
	5,998,452	13,236,884	6,973,405	6,149,097	9,002,431	2,798,993	1,153,672	45,312,934	42,886,590
NET REVENUE (DEFICIT)	\$ 397,718	\$ (3,046,927)	\$ (470,241)	\$ (3,216,593)	\$ 822,993	\$ (215,169)	\$ -	\$ (5,728,219)	(4,440,189)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

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 expenses, and changes in accumulated surplus 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. This includes the following:

Stony Plain Public Library
TransAlta Tri Leisure Centre

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 17.

(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 Cash Equivalents

Cash and cash equivalents 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 90 days 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 leveling 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
For the Year Ended December 31, 2020

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) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(h) 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
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Developer Contributions

Developer contributions are recorded as deferred revenue upon signing of a development agreement and are recognized as revenue in the period the amounts have been used for the purpose specified.

(j) 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.

(k) 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.

(l) Pension Expenses

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

(j) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

2. CASH AND CASH EQUIVALENTS

	2020	2019
Cash on hand	\$ 2,974	\$ 3,224
Operating accounts	9,775,675	11,211,177
Savings account	3,201,140	5,137,214
	\$ 12,979,789	\$ 16,351,615

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

3. RECEIVABLES

	2020	2019
Trade and other accounts receivable	\$ 7,386,561	\$ 4,949,354
Taxes and grants in place of taxes	1,724,396	1,002,206
Utilities	883,215	863,662
Goods and Services Tax	503,676	460,663
	\$10,497,848	\$ 7,275,885

4. INVESTMENTS

	2020		2019	
	Carrying Value	Market Value	Carrying Value	Market Value
Corporate bonds	\$ 12,174,454	\$ 12,426,658	\$ 10,942,030	\$ 10,819,941
Principal protected notes	3,519,300	3,498,426	5,221,634	5,224,964
	\$ 15,693,754	\$ 15,925,084	\$ 16,163,664	\$ 16,044,905

Corporate bonds bear interest at rates ranging from 0.95% - 4.86% (2019 - 2.40% to 4.86%) with maturity dates from March 2021 to September 2030.

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

	2020	2019
Trade and other accounts payable	\$ 6,967,192	\$ 8,801,613
Earned vacation	282,002	292,418
Accrued sick pay	287,673	287,673
Accrued interest on long-term debt	108,705	121,225
	\$ 7,645,572	\$ 9,502,929

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

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.

	2019	Additions	Revenue Recognized	2020
Developer contributions	\$ 7,268,014	\$ 142,883	\$ (531,355)	\$ 6,879,542
Municipal Sustainability Initiative	6,423,637	3,809,480	(5,725,275)	4,507,842
Federal Gas Tax Fund	188,453	1,026,193	(408,409)	806,237
Municipal Stimulus Program	-	1,000,000	(280,522)	719,478
Other	884,048	511,450	(883,904)	511,594
Affordable Housing	529,973	3,798	(425,000)	108,771
	\$ 15,294,125	\$ 6,493,804	\$ (8,254,465)	\$13,533,464

7. LONG-TERM DEBT

	2020	2019
Supported by general tax levies	\$ 21,316,984	\$ 22,745,950
Supported by special levies	4,664	9,053
	\$ 21,321,648	\$ 22,755,003

Principal and interest payments are due as follows:

	Principal	Interest	Total
2021	\$ 1,489,449	\$ 669,873	\$ 2,159,322
2022	1,325,126	611,355	1,936,481
2023	1,337,319	563,578	1,900,897
2024	1,255,286	516,158	1,771,444
2025	1,296,909	474,534	1,771,443
Thereafter	14,617,559	2,757,431	17,374,990
	\$ 21,321,648	\$ 5,592,929	\$ 26,914,577

Debenture debt is repayable to the Government of Alberta and bears interest at rates ranging from 2.446% to 6.250% per annum maturing in years 2021 through 2038.

Interest on long-term debt amounted to \$713,448 (2019 - \$761,345).

The Town's cash payments for interest in 2020 were \$725,968 (2019 - \$779,749).

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

8. TANGIBLE CAPITAL ASSETS

	2020	2019
	Net Book Value	
Engineered structures		
Roadways	\$ 53,787,774	\$ 52,614,356
Wastewater systems	28,037,009	28,052,340
Storm systems	25,676,203	25,333,066
Water systems	19,178,172	18,841,008
Work in progress*	3,964,074	1,136,957
Other	15,405	31,757
	130,658,637	126,009,484
Land	39,053,149	39,594,753
Buildings	42,263,380	43,225,721
Land improvements	18,168,006	16,848,472
Machinery, equipment, and furnishings	4,706,095	4,163,028
Vehicles	3,598,733	2,353,245
	\$ 238,448,000	\$ 232,194,703

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Roadways	\$ 88,527,889	\$ 3,586,274	\$ (90,081)	-	\$ 92,024,082
Wastewater systems	35,449,061	474,710	(13,869)	-	35,909,902
Water systems	29,061,773	740,678	-	-	29,802,451
Storm systems	29,128,776	734,600	-	-	29,863,376
Work in progress*	1,136,957	3,319,342	-	(492,225)	3,964,074
Other	327,038	-	-	-	327,038
	183,631,494	8,855,604	(103,950)	(492,225)	191,890,923
Land	39,594,753	874,900	(1,416,504)	-	39,053,149
Buildings	56,060,520	106,809	-	292,651	56,459,980
Machinery, equipment, and furnishings	10,347,904	1,111,819	(196,739)	35,646	11,298,630
Land improvements	24,227,028	2,116,843	-	163,928	26,507,799
Vehicles	4,904,050	1,516,011	-	-	6,420,061
	\$ 318,765,749	\$ 14,581,986	\$ (1,717,193)	\$ -	\$ 331,630,542

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 35,913,533	\$ 2,407,810	\$ (85,035)	-	\$ 38,236,308
Water systems	10,220,765	403,514	-	-	10,624,279
Wastewater systems	7,396,721	488,654	(12,482)	-	7,872,893
Storm systems	3,795,710	391,463	-	-	4,187,173
Other	295,281	16,352	-	-	311,633
	57,622,010	3,707,793	(97,517)	-	61,232,286
Buildings	12,834,799	1,361,801	-	-	14,196,600
Machinery, equipment, and furnishings	6,184,876	594,294	(186,635)	-	6,592,535
Land improvements	7,378,556	961,237	-	-	8,339,793
Vehicles	2,550,805	270,523	-	-	2,821,328
	\$ 86,571,046	\$ 6,895,648	\$ (284,152)	\$ -	\$ 93,182,542

*No amortization has been provided for assets included in work in progress.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

9. ACCUMULATED SURPLUS

	2020	2019
Unrestricted surplus (deficit)	\$ 387,036	\$ 827,867
Restricted surplus		
Operating reserves (Note 10)	5,964,825	2,843,831
Capital reserves (Note 10)	7,727,442	8,762,304
Equity in tangible capital assets (Schedule 1)	218,699,708	209,670,457
	\$ 232,779,011	\$ 222,104,459

10. RESERVES

	2020	2019
OPERATING		
Tax levy stabilization	\$ 4,450,881	\$ 982,813
Utility rate stabilization	391,501	581,998
Snow removal	300,461	300,461
Public arts	235,447	218,979
Police and Public Safety	220,677	493,121
Legacy	147,238	52,287
Technology	85,660	85,045
Mural preservation	75,455	65,455
Safety rebate	57,505	63,672
	\$ 5,964,825	\$ 2,843,831
CAPITAL		
Water capital	\$ 1,595,945	\$ 1,331,100
Life cycle - heritage park	875,786	886,746
Trails	641,119	136,119
Sewer capital	584,541	1,822,616
Life cycle - arena	398,974	363,324
Capital equipment replacement	390,407	463,161
Recreation and culture	341,396	341,396
General purpose	315,597	454,657
Life cycle - library	313,760	273,760
TransAlta Tri Leisure Centre (Note 1 (a))	237,076	237,029
Life cycle - pool	215,078	228,259
Life cycle - community centre	194,102	189,102
Public	188,169	183,367
Storm capital	182,965	3,800
Town - administration building	181,950	269,065
Life cycle - fire hall	153,115	143,115
Stony Plain central land	119,000	-
Roads capital	115,827	379,779
Life cycle - parkland building	107,664	107,664
Waste management capital	102,702	91,028
Life cycle - common services building	87,954	132,701
Life cycle - youth centre	80,409	80,409
Fire equipment	75,927	487,488
Life cycle - outdoor recreation	72,937	46,577
Life cycle - Forest Green Plaza	60,000	45,000
Economic development and regional reserve	50,000	50,000
Golf course capital	20,042	42
Life cycle - Old Firehall	20,000	15,000
Life cycle - RCMP	5,000	-
	\$ 7,727,442	\$ 8,762,304

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

11. CONTINGENCIES

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.

The Town has been named as a defendant in various lawsuits. Where the outcome of a claim against the Town is considered likely to result in a loss and the amount of the loss can be reasonably estimated, accrued liabilities have been recorded. Where the resulting potential losses, if any, cannot be determined or the occurrence of future events is unknown, accrued liabilities have not been established.

12. CREDIT FACILITY

The Town has access to a revolving demand credit facility with a maximum of \$5,000,000 bearing interest at prime rate less 0.75%. No amounts were outstanding on the revolving loan at December 31, 2020 or December 31, 2019.

13. FRANCHISE AND CONCESSION CONTRACTS

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

	2020	2019
Fortis Alberta Inc.	\$ 1,903,044	\$ 1,863,754
Atco Gas	1,127,786	1,137,368
West Parkland Gas Co-op Ltd.	37,651	34,835
	\$ 3,068,481	\$ 3,035,957

14. CONTRIBUTED TANGIBLE CAPITAL ASSETS

	2020	2019
Land	\$ 874,900	\$ -
Roadway systems	791,142	-
Machinery and equipment	465,000	-
Wastewater systems	195,956	200,107
Water systems	180,218	105,950
Storm systems	169,398	31,524
Land improvements	55,348	33,283
	\$ 2,731,962	\$ 370,864

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

15. 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:

	2020	2019
Total debt limit	\$ 64,065,363	\$ 59,377,073
Total debt	(21,321,648)	(22,755,003)
Total debt limits available	\$ 42,743,715	\$ 36,622,070
Service on debt limit	\$ 10,677,561	\$ 9,896,179
Service on debt	(2,159,322)	(2,159,322)
Service on debt limit available	\$ 8,518,239	\$ 7,736,857

16. 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:

			2020	2019
	Salary	Benefits and Allowances	Total	Total
Choy (Mayor)	73,909	10,300	84,209	82,095
Laurie	36,487	8,575	45,062	44,040
Matties	36,487	8,338	44,825	43,740
Lloy	36,487	7,182	43,669	42,448
Meyer	36,487	7,180	43,667	42,677
Pawlechko	36,487	7,180	43,667	42,677
Bennett	36,487	4,859	41,346	40,296
	\$ 292,831	\$ 53,614	\$ 346,445	\$ 337,973
Town Manager	\$ 203,009	\$ 36,260	\$ 239,269	\$ 243,169

Salary includes regular base pay, lump sum payments, gross honorarium 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.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

17. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations 2020 - 26.1% (2019 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	2020	2019
FINANCIAL ASSETS		
Cash and investments	\$ 1,685,687	\$ 200,294
Receivables	139,705	294,961
Investments	-	2,300,000
	1,825,392	2,795,255
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	234,508	441,528
Deferred revenue	722,687	956,860
	957,195	1,398,388
NET FINANCIAL ASSETS	868,197	1,396,867
NON-FINANCIAL ASSETS		
Tangible capital assets	2,077,029	2,331,387
Prepaid expenses and inventory for consumption	137,916	112,281
	2,214,945	2,443,668
ACCUMULATED SURPLUS	\$ 3,083,142	\$ 3,840,535
REVENUE		
Pass and program fees and rental	\$ 2,387,705	\$ 5,358,553
Partnership contributions	2,357,282	2,442,309
Corporate sponsors and donations	285,437	324,530
All other	435,355	692,727
	5,465,779	8,818,119
EXPENSES		
Salaries and benefits	3,163,361	4,298,434
Utilities	779,955	957,118
All other	2,279,856	3,333,636
	6,223,172	8,589,188
ANNUAL SURPLUS (DEFICIT)	\$ (757,393)	\$ 228,931

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, Strategic Services, and Corporate Services. Strategic Services includes Communication 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 is included under Transportation.

(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 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.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

18. SEGMENTED INFORMATION (CONT'D)

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 cash equivalents, 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 fulfil 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

The budget figures presented in these consolidated financial statements are based upon the 2020 operating and capital budgets approved by Council on November 25, 2019.

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

ANNUAL SURPLUS (DEFICIT)	\$ (318,241)
Deduct:	
Purchase of tangible capital assets	(5,529,500)
Transfers to reserves	(3,631,272)
Long-term debt repayment	(1,433,353)
Add back:	
Amortization	6,783,206
Transfers from reserves	<u>4,129,160</u>
	<u>\$ -</u>

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

21. LOCAL AUTHORITIES PENSION PLAN (LAPP)

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2020 were \$1,105,158 (2019 - \$1,064,586). Total current service contributions by the employees of the Town to the LAPP in 2020 were \$1,001,768 (2019 - \$964,955).

At December 31, 2019, the Plan disclosed an actuarial surplus of \$7.913 billion (2018 - \$3.469 billion).

22. UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused significant disruptions to businesses, governments, and other organizations resulting in an economic slow-down and increased volatility. Governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

While COVID-19 has not significantly impacted the Town's operations or financial condition to date, the rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may have a financial impact on the Town's activities, operations and financial condition in the future.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.
