

**TOWN OF STONY PLAIN  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

## **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, 2016 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, 2016 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.

Edmonton, Alberta  
April 24, 2017

  
Hawkins Epp Dumont LLP  
Chartered Accountants

**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

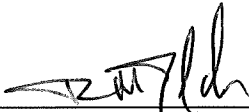
To His Worship the Mayor and Members of Council of the Town of Stony Plain  
Stony Plain, Alberta

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 judgments of management.

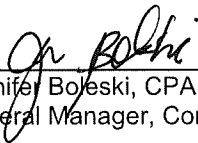
To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

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



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Thomas Goulden  
Town Manager



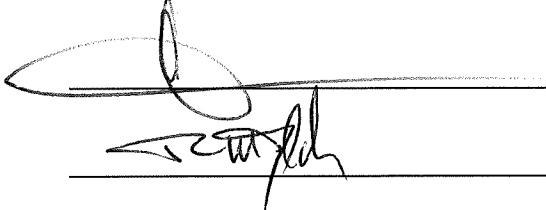
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Jennifer Boleski, CPA, CA  
General Manager, Corporate Services

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**

	<b><u>2016</u></b>	<b>2015 (Restated) (Note 24)</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 24,938,030	\$ 21,927,644
Receivables (Note 3)	5,892,662	3,388,597
Land held for resale	117,990	117,990
Investments (Note 4)	<u>17,182,504</u>	<u>14,680,668</u>
	<u>48,131,186</u>	<u>40,114,899</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	4,563,753	4,118,387
Deposit liabilities	3,842,538	1,039,279
Deferred revenue (Note 6)	23,056,724	20,230,586
Long-term debt (Note 7)	<u>10,653,999</u>	<u>8,741,927</u>
	<u>42,117,014</u>	<u>34,130,179</u>
 <b>NET FINANCIAL ASSETS</b>	<u>6,014,172</u>	<u>5,984,720</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	194,117,518	175,531,053
Prepaid expenses	172,287	102,810
Inventories for consumption	<u>84,943</u>	<u>90,785</u>
	<u>194,374,748</u>	<u>175,724,648</u>
 <b>ACCUMULATED SURPLUS (NOTE 9)</b>	<b><u>\$200,388,920</u></b>	<b><u>\$181,709,368</u></b>
 Contingencies (Note 10)		

**ON BEHALF OF TOWN COUNCIL:**



**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 (Budget) (Note 21)	2016 (Actual)	2015 (Actual) (Restated) (Note 24)
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 2)	\$ 15,533,908	\$ 15,504,224	\$ 14,411,134
Sales and user charges (Schedule 4)	11,549,496	12,683,193	12,046,373
Franchise and concession contracts (Note 11)	2,518,905	2,484,028	2,263,559
Government transfers for operating (Schedule 3)	2,190,060	1,742,720	1,589,589
Fines	1,392,500	1,607,271	1,175,335
Licenses and permits	728,800	584,118	821,264
Other	171,219	498,712	255,772
Rentals	416,818	423,301	416,897
Investment income	500,500	362,129	269,511
Penalties and costs on taxes	217,000	229,345	206,093
Developer contributions	<u>1,105,000</u>	<u>-</u>	<u>290,214</u>
	<u>36,324,206</u>	<u>36,119,041</u>	<u>33,745,741</u>
<b>EXPENSES</b>			
Recreation and culture	8,883,589	10,122,349	9,408,763
Utilities	8,506,173	7,814,335	7,713,311
Protective services	7,063,019	6,738,716	5,474,001
General government	6,129,352	5,280,306	5,029,096
Transportation	5,597,445	4,604,390	4,671,911
Development	2,244,615	1,877,807	1,958,649
Family and Community Support Services	<u>852,570</u>	<u>771,774</u>	<u>638,262</u>
	<u>39,276,763</u>	<u>37,209,677</u>	<u>34,893,993</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>(2,952,557)</u>	<u>(1,090,636)</u>	<u>(1,148,252)</u>
<b>OTHER REVENUE (EXPENSE)</b>			
Contributed tangible capital assets (Note 12)	1,130,789	13,775,421	7,001,389
Government transfers for capital (Schedule 3)	14,272,289	6,083,388	3,866,149
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(88,621)</u>	<u>(99,565)</u>
	<u>15,403,078</u>	<u>19,770,188</u>	<u>10,767,973</u>
<b>ANNUAL SURPLUS</b>	<u>12,450,521</u>	<u>18,679,552</u>	<u>9,619,721</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	-	189,552,065	178,959,510
Restatements (Note 24)	<u>-</u>	<u>(7,842,697)</u>	<u>(6,869,863)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED</b>	<u>181,709,368</u>	<u>181,709,368</u>	<u>172,089,647</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)</b>	<u>\$194,159,889</u>	<u>\$200,388,920</u>	<u>\$181,709,368</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, 2016**

	<u>2016</u> (Budget) (Note 21)	<u>2016</u> (Actual)	<u>2015</u> (Actual) (Restated) (Note 24)
<b>ANNUAL SURPLUS</b>	\$ 12,450,521	\$ <b>18,679,552</b>	\$ 9,619,721
Acquisition of tangible capital assets	(32,565,468)	<b>(24,019,042)</b>	(12,434,242)
Proceeds on disposal of tangible capital assets	-	<b>23,111</b>	9,702
Amortization of tangible capital assets	5,424,757	<b>5,320,845</b>	5,033,631
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u><b>88,621</b></u>	<u>99,565</u>
	<u>(27,140,711)</u>	<u><b>(18,586,465)</b></u>	<u>(7,291,344)</u>
Use (acquisition) of inventory for consumption	-	<b>5,842</b>	(17,794)
Use (acquisition) of prepaid expenses	<u>-</u>	<u><b>(69,477)</b></u>	<u>127,821</u>
	<u>-</u>	<u><b>(63,635)</b></u>	<u>110,027</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(14,690,190)	<b>29,452</b>	2,438,404
<b>NET FINANCIAL ASSETS, BEGINNING OF THE YEAR</b>	<u>5,984,720</u>	<u><b>5,984,720</b></u>	<u>3,546,316</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ <u><u>(8,705,470)</u></u>	\$ <u><u><b>6,014,172</b></u></u>	\$ <u><u>5,984,720</u></u>

**TOWN OF STONY PLAIN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Annual surplus	\$ 18,679,552	\$ 9,619,721
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,320,845	5,033,631
Amortization of investment premium/discounts	196,527	398,779
Loss (gain) on sale of investments	(110,247)	(931)
Loss (gain) on disposal of tangible capital assets	88,621	99,565
Tangible capital assets received as contributions	(13,775,421)	(7,001,389)
Change in non-cash working capital		
balances related to operations:		
Receivables	(2,504,065)	516,816
Prepaid expenses	(69,477)	127,821
Inventories for consumption	5,842	(17,794)
Accounts payable and accrued liabilities	445,366	(287,403)
Deposit liabilities	2,803,259	3,165
Deferred revenue	<u>2,826,138</u>	<u>2,460,077</u>
	<u>13,906,940</u>	<u>10,952,058</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt issued	3,000,000	-
Repayment of long-term debt	<u>(1,087,928)</u>	<u>(1,050,253)</u>
	<u>1,912,072</u>	<u>(1,050,253)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(5,610,173)	(7,733,571)
Proceeds on sale of investments	<u>3,022,057</u>	<u>2,536,991</u>
	<u>(2,588,116)</u>	<u>(5,196,580)</u>
<b>CAPITAL ACTIVITIES</b>		
Proceeds from sale of tangible capital assets	23,111	9,702
Purchase of tangible capital assets	<u>(10,243,621)</u>	<u>(5,432,853)</u>
	<u>(10,220,510)</u>	<u>(5,423,151)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS, DURING YEAR</b>	3,010,386	(717,926)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>21,927,644</u>	<u>22,645,570</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 24,938,030</u>	<u>\$ 21,927,644</u>

**TOWN OF STONY PLAIN**

*Schedule 1*

**CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u> <i>(Restated)</i> <i>(Note 24)</i>
<b>BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	<b>\$162,287,334</b>	<b>\$154,469,669</b>
Restatements (Note 24)	<u>4,501,792</u>	<u>3,977,860</u>
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<b>166,789,126</b>	<b>158,447,529</b>
Acquisition of tangible capital assets	24,019,042	12,434,242
Amortization of tangible capital assets	(5,320,845)	(5,033,631)
Net book value of tangible capital assets disposed of	(111,732)	(109,267)
Repayment of capital long-term debt	1,087,928	1,050,253
Long-term debt issued	<u>(3,000,000)</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$183,463,519</u></b>	<b><u>\$166,789,126</u></b>
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value (Note 8)	<b>\$194,117,518</b>	<b>\$175,531,053</b>
Long-term capital debt (Note 7)	<u>(10,653,999)</u>	<u>(8,741,927)</u>
	<b><u>\$183,463,519</u></b>	<b><u>\$166,789,126</u></b>



**TOWN OF STONY PLAIN**  
**CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Schedule 2**

	<u>2016</u> (Budget) (Note 21)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 21,975,223	\$ <b>21,963,022</b>	\$ 20,552,146
Linear property taxes	262,370	<b>262,373</b>	261,759
Government grants in lieu of property taxes	77,980	<b>78,349</b>	77,116
Local improvement taxes	<u>4,955</u>	<u><b>4,955</b></u>	<u>4,955</u>
	<u>22,320,528</u>	<u><b>22,308,699</b></u>	<u>20,895,976</u>
<b>REQUISITIONS</b>			
Alberta School Foundation fund	5,678,307	<b>5,702,937</b>	5,429,350
School boards	999,133	<b>992,358</b>	953,078
Seniors Foundation	<u>109,180</u>	<u><b>109,180</b></u>	<u>102,414</u>
	<u>6,786,620</u>	<u><b>6,804,475</b></u>	<u>6,484,842</u>
<b>NET MUNICIPAL TAXES</b>	\$ <u>15,533,908</u>	\$ <u><b>15,504,224</b></u>	\$ <u>14,411,134</u>

## TOWN OF STONY PLAIN

Schedule 3

## CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> (Budget) (Note 21)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,826,660	\$ 1,360,512	\$ 1,192,472
Local governments	<u>363,400</u>	<u>382,208</u>	<u>397,117</u>
	<u>2,190,060</u>	<u>1,742,720</u>	<u>1,589,589</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	11,772,289	6,083,388	3,641,898
Local government	<u>2,500,000</u>	<u>-</u>	<u>224,251</u>
	<u>14,272,289</u>	<u>6,083,388</u>	<u>3,866,149</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 16,462,349</u>	<u>\$ 7,826,108</u>	<u>\$ 5,455,738</u>

**TOWN OF STONY PLAIN**  
**CONSOLIDATED SCHEDULE OF SALES AND USER CHARGES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Schedule 4**

	<u>2016</u> (Budget) (Note 21)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
Sales and User Charges			
Water supply and distribution	\$ 4,399,873	\$ 4,259,444	\$ 3,942,145
Wastewater treatment and disposal	3,169,732	3,082,982	2,940,385
Parks and recreation	470,500	2,039,353	1,976,623
Waste management	1,718,941	1,695,751	1,317,860
Golf course (Schedule 5)	1,661,300	1,495,277	1,749,621
Planning and development	76,650	66,725	71,281
Administrative	30,500	25,803	29,626
Other transportation (Handi-Bus)	22,000	13,858	16,822
Land sales	<u>-</u>	<u>4,000</u>	<u>2,010</u>
	<u>\$ 11,549,496</u>	<u>\$ 12,683,193</u>	<u>\$ 12,046,373</u>

## TOWN OF STONY PLAIN

Schedule 5

## SCHEDULE OF GOLF COURSE ANNUAL SURPLUS (DEFICIT)

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> (Budget) (Note 21)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
<b>REVENUE</b>			
Green fees	\$ 1,139,000	\$ 1,059,173	\$ 1,194,766
Proshop	442,800	381,675	469,640
Food service	60,000	51,047	59,237
Hole signage	14,500	3,164	7,062
Other	<u>5,000</u>	<u>218</u>	<u>18,916</u>
	<u>1,661,300</u>	<u>1,495,277</u>	<u>1,749,621</u>
<b>EXPENSES</b>			
Grounds maintenance	736,983	760,649	751,426
Administration	602,753	568,576	377,810
Proshop	391,600	334,266	479,852
Amortization	135,676	142,426	143,255
Food service	<u>36,200</u>	<u>29,185</u>	<u>31,451</u>
	<u>1,903,212</u>	<u>1,835,102</u>	<u>1,783,794</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>(241,912)</u>	\$ <u>(339,825)</u>	\$ <u>(34,173)</u>

# TOWN OF STONY PLAIN

Schedule 6

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Family and Community Support Services	Total
<b>REVENUE</b>								
Taxation	\$ 2,339,445	\$ 4,367,347	\$ 4,162,353	\$ 3,387,737	\$ 4,955	\$ 1,064,759	\$ 177,628	\$ 15,504,224
Sales and user charges	25,805	3,534,628	-	13,858	9,038,177	70,725	-	12,683,193
All other	2,794,092	529,237	181,564	12,537	52,832	628,152	21,090	4,219,504
Fines	-	-	1,607,271	-	-	-	-	1,607,271
Government transfers	124,161	180,752	776,517	20,000	-	108,234	533,056	1,742,720
Interest	142,882	73,865	47,431	-	97,951	-	-	362,129
	<u>5,426,385</u>	<u>8,685,829</u>	<u>6,775,136</u>	<u>3,434,132</u>	<u>9,193,915</u>	<u>1,871,870</u>	<u>731,774</u>	<u>36,119,041</u>
<b>EXPENSES</b>								
Materials, goods, and contracted and general services	1,681,661	3,235,340	3,806,638	344,351	5,471,915	784,561	161,271	15,485,737
Salaries, wages, and benefits	2,992,915	3,721,786	1,953,590	752,190	954,594	1,085,567	602,399	12,063,041
Utilities	74,768	349,311	28,851	683,849	86,378	-	-	1,223,157
Repairs and maintenance	22,515	447,567	57,466	340,978	265,574	1,742	-	1,135,842
Transfers to local boards and organizations	-	705,943	21,500	-	-	-	8,104	735,547
Interest on long term debt	93,176	164,419	89,178	11,939	5,036	-	-	363,748
Insurance	174,245	62,036	10,133	30,825	46,741	-	-	323,980
Amortization	241,026	1,435,947	213,580	2,440,259	984,096	5,937	-	5,320,845
Transfers to other governments	-	-	557,780	-	-	-	-	557,780
	<u>5,280,306</u>	<u>10,122,349</u>	<u>6,738,716</u>	<u>4,604,391</u>	<u>7,814,334</u>	<u>1,877,807</u>	<u>771,774</u>	<u>37,209,677</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ 146,079</u>	<u>\$ (1,436,520)</u>	<u>\$ 36,420</u>	<u>\$ (1,170,259)</u>	<u>\$ 1,379,581</u>	<u>\$ (5,937)</u>	<u>\$ (40,000)</u>	<u>\$ (1,090,636)</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, 2015

	General Government	Recreation and Culture	Protective Services	Transportation	Utilities	Development	Family and Community Support Services	Total (Restated) (Note 24)
<b>REVENUE</b>								
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	-	231,786	-	58,428	-	-	-	290,214
Interest	156,027	29,361	38,308	-	45,811	4	-	269,511
	<u>4,992,335</u>	<u>8,733,330</u>	<u>5,732,345</u>	<u>3,399,303</u>	<u>8,297,465</u>	<u>1,952,701</u>	<u>638,262</u>	<u>33,745,741</u>
<b>EXPENSES</b>								
Materials, goods, and contracted and general services	1,624,349	3,249,117	3,376,330	546,136	5,227,137	901,236	100,069	15,024,374
Salaries, wages, and benefits	2,818,076	3,251,852	1,680,986	722,790	1,022,283	1,050,731	535,550	11,082,268
Utilities	67,785	320,174	25,937	734,635	79,659	-	-	1,228,190
Repairs and maintenance	25,423	396,676	40,988	349,016	334,831	745	-	1,147,679
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>5,029,096</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>34,893,993</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (36,761)</u>	<u>\$ (675,433)</u>	<u>\$ 258,344</u>	<u>\$ (1,272,608)</u>	<u>\$ 584,154</u>	<u>\$ (5,948)</u>	<u>\$ -</u>	<u>\$ (1,148,252)</u>

See accompanying notes to consolidated financial statements.

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**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 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 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 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**  
**DECEMBER 31, 2016**

**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.

(h) 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.

(CONT'D)



**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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

(i) 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.

(j) 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.

(k) 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 CASH EQUIVALENTS**

	<u>2016</u>	<u>2015</u>
Cash on hand	\$ 4,024	\$ 3,700
Bank accounts	13,824,524	9,826,819
Temporary investments	<u>11,109,482</u>	<u>12,097,125</u>
	<u>\$ 24,938,030</u>	<u>\$ 21,927,644</u>

Temporary investments are readily convertible to cash, consist of term deposits bearing interest at rates ranging from 1.23% to 2.1%, and maturing during 2017.

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, 2016.

**3. RECEIVABLES**

	<u>2016</u>	<u>2015</u>
Trade and other accounts receivable	\$ 3,970,391	\$ 1,899,766
Utilities	787,336	674,907
Taxes and grants in place of taxes	898,724	634,716
Goods and Services Tax rebate	<u>236,211</u>	<u>179,208</u>
	<u>\$ 5,892,662</u>	<u>\$ 3,388,597</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**4. INVESTMENTS**

	<u>2016</u>		<u>2015</u>	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Corporate bonds	\$ 13,648,535	\$ 13,745,632	\$ 11,574,168	\$ 10,597,627
Principal protected notes	<u>3,533,969</u>	<u>3,574,288</u>	<u>3,106,500</u>	<u>3,036,874</u>
	<u>\$ 17,182,504</u>	<u>\$ 17,319,920</u>	<u>\$ 14,680,668</u>	<u>\$ 13,634,501</u>

Corporate bonds have effective interest rates ranging from 2.17% to 6.45% with maturity dates from June of 2018 to March 2031.

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>2016</u>	<u>2015</u>
Trade and other accounts payable	\$ 3,992,419	\$ 3,579,914
Earned vacation	<u>305,162</u>	<u>277,238</u>
Accrued sick pay	<u>174,182</u>	<u>179,996</u>
Accrued interest on long-term debt	<u>91,990</u>	<u>81,239</u>
	<u>\$ 4,563,753</u>	<u>\$ 4,118,387</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>2015</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2016</u>
Municipal Sustainability Initiative	\$ 6,801,751	\$ 3,793,220	\$ (6,033,404)	\$ 4,561,567
Affordable Housing	537,069	5,977	(32,000)	511,046
Other	455,659	2,209,653	(272,528)	2,392,784
Federal Gas Tax Fund	271,614	872,067	-	1,143,681
Developer contributions	<u>12,164,493</u>	<u>2,283,153</u>	<u>-</u>	<u>14,447,646</u>
	<u>\$ 20,230,586</u>	<u>\$ 9,164,070</u>	<u>\$ (6,337,932)</u>	<u>\$ 23,056,724</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**7. LONG-TERM DEBT**

	<u>2016</u>	<u>2015</u>
Supported by general tax levies	\$ <b>10,633,266</b>	\$ 8,717,750
Supported by special levies	<u>20,733</u>	<u>24,177</u>
	<u><b>\$ 10,653,999</b></u>	<u><b>\$ 8,741,927</b></u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,204,487	\$ 385,469	\$ 1,589,956
2018	742,743	347,293	1,090,036
2019	776,333	313,703	1,090,036
2020	811,582	278,454	1,090,036
2021	848,575	241,462	1,090,037
Thereafter	<u>6,270,279</u>	<u>1,203,511</u>	<u>7,473,790</u>
	<u><b>\$ 10,653,999</b></u>	<u><b>\$ 2,769,892</b></u>	<u><b>\$ 13,423,891</b></u>

Debenture debt is repayable to Alberta Capital Financing Authority and bears interest at rates ranging from 1.661% to 6.250% per annum, before provincial subsidy, and matures in years 2017 through 2036.

Interest on long-term debt amounted to \$363,748 (2015 - \$383,814).

The Town's cash payments for interest in 2016 were \$352,305 (2015 - \$389,982).

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**8. TANGIBLE CAPITAL ASSETS**

	<u>2016</u>		<u>2015</u>	
	Net Book Value		Net Book Value	
Engineered structures				
Roadways	\$	36,211,764	\$	33,882,135
Wastewater systems		26,492,603		25,299,271
Storm systems		20,396,233		17,975,905
Water systems		18,926,950		17,816,979
Work in progress*		12,101,733		3,183,947
Other		80,812		97,164
		<u>114,210,095</u>		<u>98,255,401</u>
Land		36,384,695		35,547,827
Buildings		25,618,491		24,809,352
Land improvements		12,225,426		11,202,280
Machinery, equipment, and furnishings		3,180,192		3,285,273
Vehicles		2,498,619		2,430,920
	\$	<u>194,117,518</u>	\$	<u>175,531,053</u>

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Roadways	\$ 63,650,662	\$ 4,202,308	\$ -	\$ -	\$ 67,852,970
Wastewater systems	30,860,863	1,618,883	-	-	32,479,746
Water systems	26,589,298	1,523,920	-	-	28,113,218
Storm systems	20,463,034	2,698,738	-	-	23,161,772
Work in progress*	3,183,947	9,244,928	-	(327,142)	12,101,733
Other	<u>327,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,038</u>
	145,074,842	19,288,777	-	(327,142)	164,036,477
Land	35,547,827	934,525	(97,657)	-	36,384,695
Buildings	33,770,614	1,316,467	-	327,142	35,414,223
Machinery, equipment, and furnishings	7,714,923	474,329	(313,985)	-	7,875,267
Land improvements	15,147,309	1,701,634	-	-	16,848,943
Vehicles	<u>4,404,624</u>	<u>303,310</u>	<u>(340,077)</u>	<u>-</u>	<u>4,367,857</u>
	<u>\$ 241,660,139</u>	<u>\$ 24,019,042</u>	<u>\$ (751,719)</u>	<u>\$ -</u>	<u>\$ 264,927,462</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 29,768,527	\$ 1,872,679	\$ -	\$ -	\$ 31,641,206
Water systems	8,772,319	413,949	-	-	9,186,268
Wastewater systems	5,561,592	425,551	-	-	5,987,143
Storm systems	2,487,129	278,410	-	-	2,765,539
Other	<u>229,874</u>	<u>16,352</u>	<u>-</u>	<u>-</u>	<u>246,226</u>
	46,819,441	3,006,941	-	-	49,826,382
Buildings	8,961,262	834,470	-	-	9,795,732
Machinery, equipment, and furnishings	4,429,650	567,510	(302,085)	-	4,695,075
Land improvements	3,945,029	678,488	-	-	4,623,517
Vehicles	<u>1,973,704</u>	<u>233,436</u>	<u>(337,902)</u>	<u>-</u>	<u>1,869,238</u>
	<u>\$ 66,129,086</u>	<u>\$ 5,320,845</u>	<u>\$ (639,987)</u>	<u>\$ -</u>	<u>\$ 70,809,944</u>

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

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**9. ACCUMULATED SURPLUS**

	<u>2016</u>	<u>2015</u>
Unrestricted surplus	\$ 1,626,319	\$ 1,642,205
Restricted surplus		
Operating reserves (Note 13)	6,300,797	5,452,343
Capital reserves (Note 13)	8,998,285	7,825,694
Equity in tangible capital assets (Schedule 1)	<u>183,463,519</u>	<u>166,789,126</u>
	<u>\$200,388,920</u>	<u>\$181,709,368</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, 2016, the potential outstanding balance was \$633,333 (2015 - \$666,667).

(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>2016</u>	<u>2015</u>
Fortis Alberta Inc.	\$ 1,590,701	\$ 1,548,064
Atco Gas	877,361	705,225
West Parkland Gas Co-op	<u>15,966</u>	<u>10,270</u>
	<u>\$ 2,484,028</u>	<u>\$ 2,263,559</u>

**12. CONTRIBUTED TANGIBLE CAPITAL ASSETS**

	<u>2016</u>	<u>2015</u>
Roadways	\$ 4,181,488	\$ 1,914,820
Storm systems	3,878,738	917,042
Land improvements	1,715,493	810,050
Wastewater systems	1,618,882	732,136
Water systems	1,523,920	549,371
Land	<u>856,900</u>	<u>2,077,970</u>
	<u>\$ 13,775,421</u>	<u>\$ 7,001,389</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**13. RESERVES**

	<u>2016</u>	<u>2015</u>
<b>OPERATING</b>		
Police and Public Safety	\$ 2,527,439	\$ 2,609,037
Tax levy stabilization	1,678,620	1,298,648
Legacy	732,893	678,878
Utility rate stabilization	714,020	320,536
Snow removal	300,461	250,461
Safety rebate	111,263	108,592
Technology	57,431	77,431
Mural preservation	55,455	45,455
Public arts	68,024	21,722
Corporate services	45,566	41,583
Council technology	<u>9,625</u>	<u>-</u>
	<u>\$ 6,300,797</u>	<u>\$ 5,452,343</u>
<b>CAPITAL</b>		
Water capital	\$ 2,422,438	\$ 1,678,962
Sewer capital	1,374,485	1,015,253
General purpose	1,203,897	1,431,157
Roads capital	697,337	520,404
Town - administration building	383,940	358,940
Life cycle - arena	378,172	340,342
Public	206,939	202,471
Life cycle - fire hall	195,719	178,556
Life cycle - library	190,093	150,093
TransAlta Tri Leisure Centre (Note 1 (a))	188,683	177,287
Life cycle - pool	183,259	158,259
Trails	179,863	154,863
Life cycle - community centre	174,102	174,102
General government capital	140,580	100,580
Life cycle - parkland building	109,738	104,738
Fire truck replacement	100,653	167,724
Golf course capital	93,958	97,550
Fire equipment	88,029	85,642
Arena ice slab	82,722	82,722
Capital equipment replacement	81,988	86,822
Life cycle - outdoor recreation	80,569	71,583
Life cycle - heritage park	80,015	48,015
Life cycle - common services building	76,201	56,528
Life cycle - youth centre	70,409	60,409
Handi-Bus replacement	69,747	113,420
Waste management capital	61,573	55,244
Highway 16A Safecrossing	43,176	43,176
Life cycle - golf course maintenance	20,000	10,000
Life cycle - golf course clubhouse	10,000	5,000
Life cycle - Forest Green Plaza	10,000	5,000
Golf course overborrow reserve	<u>-</u>	<u>90,852</u>
	<u>\$ 8,998,285</u>	<u>\$ 7,825,694</u>

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**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>2016</u>	<u>2015</u>
	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>Total</u>	<u>Total</u>
Choy (Mayor)	\$ 60,780	\$ 9,717	\$ 70,497	\$ 73,333
Twerdoclib	30,396	7,901	38,297	40,947
Graff	30,396	7,901	38,297	40,947
Lloy	30,396	7,733	38,129	40,791
Hansard	30,396	7,566	37,962	41,845
Ganske	30,396	6,681	37,077	39,439
Bennett	<u>30,396</u>	<u>4,722</u>	<u>35,118</u>	<u>38,056</u>
	<u>\$ 243,156</u>	<u>\$ 52,221</u>	<u>\$ 295,377</u>	<u>\$ 315,358</u>
Town Manager	<u>\$ 180,514</u>	<u>\$ 41,025</u>	<u>\$ 221,539</u>	<u>\$ 217,821</u>

Salary includes regular base pay, bonuses, 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.

**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 2016 were \$905,987 (2015 - \$822,020). Total current service contributions by the employees of the Town to the LAPP in 2016 were \$833,395 (2015 - \$756,092).

At December 31, 2015, the Plan disclosed an actuarial deficit of \$923.4 million (2014 - \$2,454.6 million).

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**16. GOVERNMENT PARTNERSHIPS**

The Town's financial statements include its share of operations 2016 - 26.1% (2015 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and investments	\$ 1,906,410	\$ 2,099,294
Receivables	<u>139,795</u>	<u>169,436</u>
	<u>2,046,205</u>	<u>2,268,730</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	650,411	910,267
Deferred revenue	<u>494,179</u>	<u>565,057</u>
	<u>1,144,590</u>	<u>1,475,324</u>
<b>NET FINANCIAL ASSETS</b>	<u>901,615</u>	<u>793,406</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses and inventory for consumption	101,794	68,975
Tangible capital assets	<u>1,484,724</u>	<u>1,513,497</u>
	<u>1,586,518</u>	<u>1,582,472</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>2,488,133</u>	\$ <u>2,375,878</u>
<b>REVENUE</b>		
Pass and program fees and rental	\$ 5,284,672	\$ 5,042,476
Partnership contributions	2,621,033	2,123,481
Corporate sponsors and donations	309,164	321,109
All other	<u>554,495</u>	<u>525,563</u>
	<u>8,769,364</u>	<u>8,012,629</u>
<b>EXPENSES</b>		
Salaries and benefits	4,510,958	4,605,138
Utilities	918,277	784,248
All other	<u>3,227,874</u>	<u>2,359,503</u>
	<u>8,657,109</u>	<u>7,748,889</u>
<b>ANNUAL SURPLUS</b>	\$ <u>112,255</u>	\$ <u>263,740</u>



**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**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>2016</u>	<u>2015</u>
Total debt limit	\$ <b>54,178,562</b>	\$ 52,832,813
Total debt	<u>(10,653,999)</u>	<u>(8,741,927)</u>
Total debt limits available	\$ <u><b>43,524,563</b></u>	\$ <u>44,090,886</u>
Service on debt limit	\$ <b>9,029,760</b>	\$ 8,805,469
Service on debt	<u>(1,589,956)</u>	<u>(1,440,235)</u>
Service on debt limit available	\$ <u><b>7,439,804</b></u>	\$ <u>7,365,234</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 \$1,517,425.

**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**  
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**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 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.

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**21. BUDGET FIGURES**

The budget figures presented in these consolidated financial statements are based upon the 2016 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	\$ 45,240,098
Approved capital budget	35,536,098
Debenture proceeds	(7,914,292)
Requisitions	(6,786,620)
Transfers from reserves	<u>(14,348,000)</u>

51,727,284

**EXPENSES AND TRANSFERS**

Approved operating budget	50,664,855
Approved capital budget	33,958,968
Long-term debt repayment	(1,292,502)
Requisitions	(6,786,620)
Capital expenditures	(32,592,968)
Transfers to reserves	<u>(4,674,970)</u>

39,276,763

**ANNUAL SURPLUS**

**\$ 12,450,521**

**22. COMPARATIVE FIGURES**

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

**23. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.

**TOWN OF STONY PLAIN**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**24. RESTATEMENTS**

Prior to 2016 the Town recorded developer contributions as revenue in the year the levies were due with unspent amounts being reported as reserves. During 2016 the Town changed the manner in which it accounts for developer contributions as it believes this results in a more appropriate presentation of the transactions. The Town now recognizes developer contributions as revenue in the period in which the developer contributions are used for the purpose specified in the development agreement. Any amounts received or receivable prior to costs being incurred for the specified purposes are now reported as deferred revenue.

During 2016 the Town became aware that land received from developers in periods prior to 2015, upon completion of various sub-divisions, had not been recorded as contributed tangible capital assets.

During 2016 the Town commenced recording an estimated accrued liability for the utilization of unvested sick days as it believes this results in more appropriate presentation.

The above changes have been applied retroactively and the 2015 comparative figures have been restated as follows.

	As Previously Stated	Restatements	As Restated
<b>FINANCIAL ASSETS</b>	\$ 40,114,899	-	<b>40,114,899</b>
Accounts payable and accrued liabilities	3,938,391	179,996	<b>4,118,387</b>
Deposit liabilities	1,039,279	-	<b>1,039,279</b>
Deferred revenue	8,066,093	12,164,493	<b>20,230,586</b>
Long-term debt	<u>8,741,927</u>	<u>-</u>	<u><b>8,741,927</b></u>
	<u>21,785,690</u>	<u>12,344,489</u>	<u><b>34,130,179</b></u>
<b>NET FINANCIAL ASSETS</b>	<u>18,329,209</u>	<u>(12,344,489)</u>	<u><b>5,984,720</b></u>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	171,029,261	4,501,792	<b>175,531,053</b>
Other non-financial assets	<u>193,595</u>	<u>-</u>	<u><b>193,595</b></u>
	<u>171,222,856</u>	<u>4,501,792</u>	<u><b>175,724,648</b></u>
<b>ACCUMULATED SURPLUS</b>	<u>\$189,552,065</u>	<u>\$ (7,842,697)</u>	<u><b>\$181,709,368</b></u>
<b>REVENUE</b>			
Developer contributions	\$ 1,553,588	(1,263,374)	<b>290,214</b>
Investment income	482,271	(212,760)	<b>269,511</b>
Contributed tangible capital assets	6,477,439	523,950	<b>7,001,389</b>
All other revenue	<u>36,952,600</u>	<u>-</u>	<u><b>36,952,600</b></u>
	45,465,898	(952,184)	<b>44,513,714</b>
<b>EXPENSES</b>	<u>34,873,343</u>	<u>20,650</u>	<u><b>34,893,993</b></u>
<b>ANNUAL SURPLUS</b>	<u>\$ 10,592,555</u>	<u>\$ (972,834)</u>	<u><b>\$ 9,619,721</b></u>