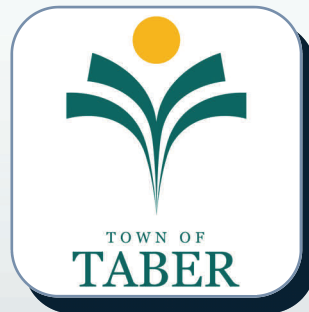


ANNUAL REPORT



Celebrating the Past



Focusing on the Future

For the Year Ended December 31, 2011



Town of Taber Annual Report
for the Year Ended December 31, 2011

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Introduction



VISION STATEMENT

The Town of Taber vision statement as presented in the Integrated Community Sustainability Plan titled “Simple as Dirt”.

The vision statement defines what we are and the direction we want to go as a town.

Taber is a welcoming, vibrant, attractive community celebrating its past and future, while demonstrating leadership in the environment, wellness and sustainable design, creating an exceptional sense of place; a complete and caring community.



OUR VALUES

Based on the input from the community, Administration, and Council, the following values were identified:

- Small town feel and sense of community
- The wellness and vitality of our people
- Creativity and respect
- Strong work ethic
- Commitment to a sustainable community and environmental practices
- Leadership and innovation





MAYOR'S MESSAGE

Looking back at 2011, Old Man Winter exerted his influence for the first few months with cold weather as well as our fair share of snow. However, Mother Nature used her persuasion to return us to normal-like conditions throughout the remainder of the year.

After unanticipated delays, the Northwest Storm Water Project was completed in early spring. Construction of Linden View (Designated Assisted Living) Facility was completed at the end of June, as promised. Residents were transitioned during the summer months with the official ribbon cutting in November. As well, many of the 2011 Bi-Annual Surface Work projects were completed by the end of the year.

Both the operational and capital budgets for 2011 were finalized with a 4.5% increase to municipal taxes as well as a 7.0% increase to utilities. As elected officials, we are currently overseeing an Operating Budget of \$19,437,451 and a Capital Budget of \$10,390,687.

Taber and area continue to be very giving. Support remains strong for the Relay-For-Life, Charity Auction and the Taber & District Health Foundation Telethon. The Community held a "Taber Cares – Japan Fundraiser" Event to show support to the March 2011 disaster in Japan as a result of the earthquake, tsunami and nuclear plant meltdown.

Other accomplishments and events worth mentioning are:

- Chamber of Commerce Annual Dinner and Awards in January;
- Apex Youth Awards in April;
- Higashiomi City (Taber's Twinned Municipality) Delegation Visit in August
- Cornfest in August, which in my opinion was the best Cornfest ever!; and
- Taber Pheasant Festival in October.

Taber continues to be a great place to grow, to live, to work and to visit.

Ray Bryant
Mayor
Town of Taber



**COUNCIL
2010 – 2013**



Back row (left to right): Councillor Randy Sparks, Councillor John Papp, Councillor Murray Rochelle, Councillor Louie Tams

Front row (left to right): Councillor Rick Popadynetz, Mayor Ray Bryant, Councillor Garth Bekkering





CAO REPORT Town of Taber 2011

On behalf of the employees of the Town of Taber, I am very proud to present our 2011 annual report. I am very fortunate to lead a team of professionals who share the Town's vision of a welcoming, vibrant, attractive community celebrating its past and future. The Town is a complete and caring community that demonstrates leadership in the categories of environment, wellness and sustainable design by creating an exceptional sense of place.

The Municipality continues to maintain services and make capital improvements, while at the same time functioning within reasonable increases to property taxes. The Town will continue to fund projects using federal and provincial grant funding initiatives. Residents can continue to expect the high quality of life that the Town of Taber offers; with well-maintained cultural and recreational facilities, parks, and recognized service standards in their neighborhoods.

Like most municipalities the Town has seen a change in their downtown commercial sector. In the fall of 2011, the Town, with the assistance of SouthGrow Regional Economic Initiative, went through an exercise to formulate a Strategic Economic Development Plan while partnering with the Municipal District of Taber and the Taber Chamber of Commerce to form an Economic Development Committee. Development continues to be steady in the residential area with 31 new dwellings being built with a construction value of over \$7.6 million. The commercial and industrial sector was also very strong with well over \$5.3 million in construction or renovation initiatives; an increase of over \$4 million from 2010. The Town was also successful in selling two (2) lots in the Eureka Industrial subdivision after adjusting the lot prices to be aligned with the current market value.

The Town of Taber presently provides contracted ambulance services to the community and Alberta Health Services. Towards the end of 2011, the Town was successful in negotiating with the provincial government for coverage of our ambulatory operating deficit for the last two years. CUPE Local 2038 Emergency Medical Services Union and the Town entered into a one year Collective Agreement that saw a 7.0% increase in wages along with a new eight 8 step wage increment scale. The Collective Agreement also provided a change to the shift schedule, going from a 24/7 manned station to a core/flex model.

Looking ahead, we will continue to strengthen our partnerships with our stakeholders, with residents, developers and government, and we will focus on key strategic priorities that will shape our Town for years to come. The success of any community lies with the residents and the opportunities that present themselves. Taber is a "Great Place to Grow". We will continue to work hard to maintain and enhance the quality of life and productivity of the community.

Gordon Frank, CLGM
Chief Administrative Officer
Town of Taber





PUBLIC SERVICES REPORT

North West Storm System Improvements

The NW storm water construction project was completed in the spring of 2011. The project included construction of a new storm water collection underground pipeline improving storm water collection service to existing parts of Taber and sized to accommodate growth in the NW area. The overall project was completed at a cost of approximately \$7.5 million, and was funded 1/3 by each of the local, provincial and federal governments under the Infrastructure Stimulus Program.



2011 Bi-Annual Roads Project

The Town typically rehabilitates roads, sidewalks and underground utility lines every odd-numbered year, and rehabilitates road surfaces and sidewalks every even-numbered year. The larger road/utility/sidewalks projects scheduled on the odd-numbered years are funded in part by the Town and with additional funding provided by the provincial government's Basic Municipal Transportation Grant (BCTG) program. The Town uses follows its Ten Year Roads Plan in selecting sites for upgrades and construction following a comprehensive review of existing road surface condition, underground utility line condition, and with consideration of feedback and input from operations staff and the public. Ultimately, the Town's objective is to make most effective use of program funding.

The 2011 project included upgrades on 3 major sites including 48th Avenue (50-51 St), 48th Avenue (48-50 St) and 51st Street (41 Ave-Hwy #3).



Water Treatment Plant Upgrades – SCADA & Analyzers

The Town of Taber has been planning upgrades at the Water Treatment Plant in recent years. In 2010, the first of two upgrades was undertaken that involved replacement of existing analyzers, controls and operating software/hardware. The cost of this first phase of upgrades completed was approximately \$300 thousand.





The second phase of Water Treatment Plant upgrades is underway in 2012 with costs forecasted at approximately \$7 million. The Town's capital budget reflects project funding from the Town's infrastructure reserves, as well as from provincial and federal grants. The project will result in the Water Treatment Plant continuing to meet or exceed the requirements established by Alberta Environment.

Specific upgrades to our Water Treatment Plant in 2012 include:

- Chin Reservoir Pump Station – electrical, PLC, telemetry/communication link
- Raw Water canal intake – screen, taste & odor control, telemetry/communication
- Raw water reservoirs – aeration system upgrade
- Filtration expansion – addition of 2 new multi-media filters to meet peak water demand periods
- Chemical dosing & storage upgrades
- Electrical & controls system upgrades

In addition, the Public Services department was involved in the following projects/activities in 2011:

- Road surface asphalt patching and sidewalk repairs
- Enhanced effort to divert recyclable material from our waste stream
- Facilities/equipment maintenance & repairs in all municipally-owned buildings
- Underground utility system maintenance and repairs – water, sanitary sewer & storm systems
- Planning for the 2012 Roads/Surface Works upgrades
- Planning for 2012 construction of trail system
- Assessment of the blockage of 1 of our 4 storm water outfall channels
- Recreation facilities/programs users survey
- Implementation of Phase 1 of a recreation sponsorship program
- Introduction of the new Red Cross learn to swim program
- Replacement of the ice arena condenser and one ice resurfacer (Zamboni)
- Hosted the first of three years of a Summer Ice Hockey camp
- Developed an off leash dog park

Rob Cressman
Director of Public Services
Town of Taber



CORPORATE SERVICES REPORT

Town of Taber 2011



The entire corporate services team is pleased to present the Town of Taber 2011 Annual Report. Each of the corporate services staff is to be commended on their professionalism and their willingness to learn and work together in order to provide exceptional customer service to the residents of the Town of Taber.

The consolidated financial statements for the year ended December 31, 2011 were prepared by the finance staff in accordance with Public Sector Accounting Standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements have been audited by KPMG LLP Chartered Accountants in accordance with Canadian generally accepted auditing standards. The role of the auditor is to examine the Town's financial records and their opinion is expressed in the Auditor's Report on page 30.

The online face of the Town of Taber changed in 2011, with the introduction of a new website. The public response to the new website has been very positive, with many people saying information is much easier to find and is more comprehensive. The new website offers many new features, such as the online request feature for citizens, and the ability to subscribe to our news flashes and calendar events.

Corporate services completed work on a number of new policies this year, including revisions to the Employee Computer Purchase Plan Policy, and Employee Code of Conduct Policy as well as new policies for the Write-down of Assets Policy, Write-off and Disposal of Assets Policy and Request Processing Policy. The Request Processing Policy was approved by Council in early January 2012 and was developed to provide guidance for staff for processing and filing all types of requests to strive to improve quality of services and relationships with the residents of the Town of Taber. The policy and procedure outlines the proper steps to follow the request through to a satisfactory conclusion for the resident, and it lays out options if the resident feels their request has not been handled to their satisfaction. Requests are entered into the request tracker software to ensure that they are processed in a timely, consistent and efficient manner. The request tracker module can be accessed by any resident through the Town of Taber website to make it convenient to enter requests into the system. Requests entered through the website are monitored by customer services staff on a daily basis.

As part of corporate services commitment to continually improve processes, we implemented a new payroll and time sheet entry modules that fully integrates with our financial accounting system. This fully integrated system will ultimately provide efficiencies, improve accuracy, and reduce the time required to process payroll. I commend the entire human resources, payroll, information technology and finance staffs that were involved in the successful implementation of this major project.



2011 Operating Results

Revenues

Revenues from operations totalled \$19.6 million. The primary sources of revenue for the Town are made up of the four line items representing \$17.6 million or 90% of revenue as follows:

- Sales and user fees; \$7.9 million, 41%. Primarily made up of utility fees for water, wastewater, storm water, recycling and solid waste collection.
- Net taxes available for municipal purposes; \$7.1 million, 36%. The Town collected \$9.3 million in municipal taxes, school and seniors requisitions. The Town remitted \$2.2 million back to the Alberta School Foundation, Holy Spirit School Division, and Taber & District Housing Authority for requisitions leaving \$7.1 million for municipal purposes.
- Government transfers for operating; \$1.4 million, 7%. The Town received grant funding in the form of government transfers from the Provincial government, Federal government and other local governments for operating in the amount of \$1.4 million. In addition to the transfers for operating the Town also received \$2.7 million in grants for capital purposes. The majority of these grant funds supported the Northwest Storm Water project and the Bi-annual Surface Works program.
- Franchise fees; \$1.2 million, 6%. The Town receives franchise fees from both Fortis and Atco for the exclusive right of franchise for utility services for both electricity and gas on the Town's municipal right-of-ways.

Operating revenues increased compared to the prior year by \$1.6 million as follows:

- Sales and user fee revenue increased by \$636 thousand with approximately 81% of this change coming from utility fee increases of between 3% to 20% as follows:
 - Water fees increased by \$324 thousand, with \$233 thousand of this increase coming from residential, commercial and industrial consumers, and the remaining \$91 thousand coming from increases in bulk water sales.
 - Waste water fees increased by \$38 thousand.
 - Storm water fees increased by \$50 thousand.
 - Solid waste collection and recycling fees increasing by \$103 thousand.

These increases are the result of Councils desire to have the Environmental Services function be cost neutral and were necessary to offset continuing pressures to maintain the significant investment in infrastructure.

- Tax revenue increased by \$448 thousand over the prior year with approximately \$165 thousand coming from new growth and the remaining \$283 thousand coming from a 4.5% increase to taxes.
- The balance of increases in revenue over the prior year came from:
 - Government transfers for operating; \$151 thousand.
 - Fines; \$180 thousand.
 - Franchise and concession contracts; \$118 thousand.



- Licenses and permits; \$92 thousand.
- Rentals; \$47 thousand.

The decrease in donations over the prior year primarily came from a reduction in donation proceeds from Taber Charity Auctions which were recorded in fiscal year 2010 to support Fire and EMS departments so they could purchase additional lifesaving equipment or replace older existing equipment. Investment income was also down \$15 thousand due to lower interest rates.

Statement of Operations – Adjusted for Budget Comparison (Appendix 1)

The Statement of Operations – Adjusted for Budget Comparison (see Appendix 1) is the total of operations after adjustments have been made to the operating results for certain transactions to make a more direct comparison to the budget. The schedule makes adjustments to eliminate the non-cash gains and losses on disposal of tangible capital assets, and items budgeted as capital but recorded as maintenance because they did not meet the capitalization criteria established in our Tangible Capital Asset Policy. All subsequent analytical comparisons are based on the above mentioned items being eliminated per Appendix 1.

Operating expenditures totalled \$20.2 million. The primary expenses for the town are as follows:

- Salaries, wages and benefits; \$7.8 million, 38.5%.
- Contracted and general services; \$5.1 million, 25.4%.
- Amortization; \$3.7 million, 18.3%.
- Materials, goods and supplies; \$2.6 million, 12.9%.

Overall expenses increased over the prior year by \$1.464 million as follows:

- Salaries, wages and benefits; \$381 thousand, 5.1%.
- Contracted and general services; \$702 thousand, 15.8%.
- Materials, goods and supplies; \$149 thousand, 6.0%.
- Provision for allowances (write offs); \$16 thousand, 108.5%.
- Bank charges and short-term interest; \$1 thousand, 21.9%
- Amortization; \$106 thousand, 1.4%.
- Other; \$152 thousand, 4,619.8%, which \$143 thousand came from development levies that were collected during the year.

These increases were partially offset by reductions in the following:

- Transfers to local boards and agencies; \$9 thousand, 4.2%.
- Interest on long-term debt; \$34 thousand, 5.4%.



General Government

Overall the net tax and general revenue impact for General Government was a surplus of \$176 thousand compared to budget. Results of this function are as follows:

- Council and other legislative had a surplus of \$193 thousand due to:
 - Salaries, wages and benefits surplus; \$4 thousand due to benefits coming in less than budgeted.
 - Travel, supplies and census surplus; \$13 thousand.
 - Contingency surplus; \$176 thousand due to a budgeted general contingency to other legislative that was utilized throughout various departments.
- General administration had a deficit of \$17 thousand due to:
 - Government transfers, rental and other deficit revenue; \$5 thousand.
 - Salaries, wages and benefits deficit; \$32 thousand.
 - Training, professional services, materials and supplies surplus; \$37 thousand.
 - Provision for allowances (write-offs) deficit; \$17 thousand.

Protective Services

Overall the net tax and general revenue impact for Protective Services was a deficit of \$81 thousand compared to budget. Results of this function are as follows:

- Police had a surplus of \$78 thousand due to:
 - Net fine surplus revenue; \$100 thousand primarily due to automated traffic enforcement.
 - Salaries, wages and benefits deficit; \$48 thousand due primarily to filling in part-time dispatch communications operators for vacancies in the full-time positions created by leaves of absences and the vacation payout for an employee that resigned.
 - Training, repair, maintenance, materials and supplies surplus; \$26 thousand
- Fire and Disaster had a surplus of \$37 thousand due to:
 - Net sales and user fees surplus revenue; \$18 thousand due to responding to a number of large fires located in the MD of Taber.
 - Salaries, wages and benefits surplus; \$26 thousand due to the employment contracts for on-call fire fighters coming in lower than budgeted.
 - Repairs, maintenance and supplies deficit; \$7 thousand due primarily to the increase of contracted services for water trucks to attend a number of large fires located in the MD of Taber.
- Ambulance is budgeted as a cost neutral function but had a deficit of \$201 thousand due to:
 - Sales and user fees surplus revenue; \$67 thousand due to larger than expected call and transfer volumes.
 - Salaries, wages and benefits deficit; \$276 thousand. Alberta Health Services (AHS) performed an operation review and proposed that efficiencies could be achieved by changing to a core flex model that they use in their operations which reduces the



number of hours that the station is manned from the Town's current 24/7 manned model. The 2011 budget was created with the expectation that the saving required to zero balance the ambulance budget would come from AHS's proposed core flex model. Negotiations with the Union were required to implement the required changes, which were not ultimately ratified by the Town, AHS and the Union until 2012. Administration entered into discussions with AHS to recover a portion of the deficits incurred in the ambulance department and at the time of publishing received acknowledgement that a portion of the deficits will be reimbursed in 2012 providing certain conditions are met.

- Repair, maintenance and supplies surplus; \$8 thousand.
- Bylaw had a surplus of \$5 thousand due to:
 - Salaries, contracted wages and benefits surplus; \$1 thousand.
 - Repair, maintenance and supplies surplus; \$4 thousand.

Transportation Services

Overall the net tax and general revenue impact for Transportation Services was a deficit of \$61 thousand compared to budget. Results of this function are as follow:

- Roads, walks and street lighting had a deficit of \$86 thousand due to:
 - Sales and user fee surplus revenue; \$20 thousand from additional soil sales from the storm retention pond located south of 64th avenue.
 - Salaries, wages and benefits surplus; \$61 thousand due to vacant positions, reduced overtime and lower benefit cost.
 - Repairs, maintenance and supplies deficit; \$125 thousand due primarily to road maintenance including snow removal, skin patching and asphalt milling and overlay.
 - Gas and oil deficit; \$19 thousand due to the relocation of soil stock piles and increases in fuel costs.
 - Natural gas and electricity deficit; \$23 thousand.
- Public transit is a cost neutral function. In prior years the Town owned the bus operated by the Taber and District Handi-bus association, performed bookkeeping services and would also help fund deficits in the association's operations. The Handi-bus association now owns the bus and the Town only contributes a yearly grant.
- Storm water had a surplus of \$25 thousand due to :
 - Sales and user fee surplus revenue; \$5 thousand.
 - Government transfers surplus revenue; \$32 thousand for MSI operating grant funding.
 - Salaries, wages and benefits surplus; \$2 thousand.
 - Repairs, maintenance and supplies deficit; \$14 thousand.



Environmental Services

Overall the net tax and general revenue impact for Environmental Services was a surplus of \$356 thousand compared to budget. Results of this function are as follows:

- Water had a surplus of \$32 thousand due to:
 - Sales and user fee surplus revenue; \$122 thousand primarily due to bulk water sales coming in \$105 thousand higher than expected.
 - Government transfers surplus revenue; \$49 thousand for MSI operating grant funding.
 - Penalties surplus revenue; \$18 thousand.
 - Repairs, maintenance and supplies deficit; \$132 thousand which were partially funded by transfers from the repair and rehab operating fund that the Town is required to contribute to under the terms of our agreement with EPCOR.
 - Natural gas and electricity deficit; \$25 thousand.
- Wastewater had a surplus of \$201 thousand due to:
 - Sales and user fee surplus revenue; \$93 thousand.
 - Government transfers surplus revenue; \$69 thousand for MSI operating grant funding.
 - Repairs, maintenance and supplies surplus; \$30 thousand which were partially funded by transfers from the repair and rehab operating fund. There were also repairs and maintenance expenses that were recorded from the Northwest Storm Water project that did not meet the Town's capitalization criteria for TCA. These expenses are funded from capital reserve transfers.
 - Natural gas and electricity surplus; \$9 thousand.
- Waste management had a surplus of \$123 thousand due to:
 - Sales and user fee deficit revenue; \$71 thousand due to reduced volume of waste at the landfill.
 - Landfill operating contingency transfer surplus; \$48 thousand. The Taber landfill is operated by the Town but is part of a regional waste management commission. Even though the landfill is a separate entity from the Town, their records are consolidated with the Town's financial statements. The operating contingency line records the surpluses and deficits for the landfill function for the year. It is important to note that at year end the Landfill department has an overall accumulated deficit of \$48 thousand that will need to be recovered overtime through landfill tipping rate increases and/or operational efficiencies.
 - Salaries, wages and benefits surplus; \$7 thousand.
 - Contracted trucking, repairs, maintenance and supplies surplus; \$139 thousand due to reduced volumes.



Public Health Services

Overall the net tax and general revenue impact for Public Health Services was a surplus of \$15 thousand compared to budget due primarily to the reduction of one casual employee that was budgeted in cemetery but because of operational requirements was needed in the Parks and Recreation department.

Planning and Development

Overall the net tax and general revenue impact for Planning and Development was a surplus of \$141 thousand compared to budget. Results of this function are as follows:

- Land use planning, zoning and development had a surplus of \$137 thousand due to:
 - Licenses and permit surplus revenue; \$108 thousand due to a higher number of building permits than expected.
 - Other & transfer from Canadian Badlands surplus revenue; \$81 thousand for support of the Downtown Revitalization project pre design work.
 - Salaries, wages and benefits surplus; \$68 thousand due to both the Director of Planning and the Development Officer positions being vacant for a significant portion of the year.
 - Professional services and supplies deficit; \$120 thousand primarily due to the pre design work for the Downtown Revitalization project which was fully funded by Canadian Badlands. Also a consultant was hired to fill in the gap left by the vacant planning positions.
- Subdivision land and development is budgeted as a cost neutral function that is mandated to sell land that the Town has developed for resale. Any surpluses or deficits are transferred to or from capital reserves.
 - Land sales were budgeted with the expectation that land would be sold in the Eureka industrial subdivision. The Town was able to sell one lot after council made the decision to reduce land from \$160 thousand per acre to \$120 thousand per acre to better reflect current market conditions. In addition to the property sold in Eureka, a piece of land was sold from land assets. No revenue is recorded on sales of land from capital assets; only a gain or loss on disposal of capital assets is recorded for the difference in sales proceeds less cost.
- Land, housing and building rentals had a surplus of \$4 thousand due primarily to savings in wages for full-time outside workers which were partially offset by an increase in repairs, maintenance and supplies.



Parks and Recreation

Overall the net tax and general revenue impact for Parks and Recreation was a deficit of \$83 thousand compared to budget. Surplus revenues exceeded budget by \$22 thousand primarily in sales and user fees, and rentals and admissions. Expenses within this Function had a deficit of \$105 thousand compared to budget as follows:

- Arena expenses had a deficit of \$24 thousand due to:
 - Salaries, wages and benefits surplus; \$7 thousand.
 - Repairs and maintenance deficit; \$5 thousand.
 - Natural gas and electricity deficit; \$26 thousand.
- Curling and golf expenses had a deficit of \$16 thousand due to:
 - Repairs and maintenance deficit; \$6 thousand.
 - Natural gas and electricity deficit; \$10 thousand.
- Park expenses had a deficit of \$4 thousand due to:
 - Salaries, wages and benefits deficit; \$24 thousand due primarily to the operational needs of moving a casual position from cemetery to parks position.
 - Repairs and maintenance surplus; \$23 thousand due primarily to a final payment for the tractor lease that resulted in the Town purchasing the tractor for \$14 thousand, and it being recorded as a capital asset.
 - Natural gas and electricity deficit; \$3 thousand.
- Programs and special event expenses had a deficit of \$24 thousand due primarily to Council's decision to contract services to determine the value of the Town's assets for sponsorship opportunities.
- Aquatics expenses had a deficit of \$37 thousand due to:
 - Salaries, wages and benefits deficit; \$54 thousand due higher than budgeted casual life guard hours required to operate the Auqafun Centre.
 - Repairs and maintenance surplus; \$34 thousand.
 - Natural gas and electricity deficit; \$17 thousand.
- Sports field expenses had no overall significant variance from the budget.

Culture and Libraries

Overall the net tax and general revenue impact for Culture and Libraries was a surplus of \$17 thousand compared to budget. Results of this consolidated function are as follows:

- Government transfers and sales deficit revenue; \$7 thousand primarily at the auditorium.
- Salaries, wages and benefits surplus; \$25 thousand split equally between the auditorium and Taber Public Library.
- Repairs, maintenance and supplies deficit; \$1 thousand primarily at the auditorium.



Other Financial Results

Tangible Capital Assets

On an annual basis, corporate services has engaged the assistance of our engineering contractor to identify and record new infrastructure assets such as roads, sidewalks, and deep utilities for water, wastewater and storm water. The list of assets has been recorded in a database register which includes unique identifiers and attributes for each specific segment of the asset. During the year the Town entered into an agreement with the engineering contractor to integrate these specific asset segments into a GIS system which overlays the assets onto an orthographic photo of the Town to provide a spatial image of the assets. While developing the GIS system it became evident that the Town's asset register created in 2009 for Public Sector Accounting Board PS 3150 (TCA) compliance was inaccurate. Some of the assets originally provided by the Town's engineering contractor for the 2009 asset register came from the infrastructure master plan which contained information on future development which did not yet exist. Corporate services then assigned a historical cost for these assets which overstated their value. While these assets need to be removed, other assets were identified which were missing from the registers and needed to be added. Once these errors were identified, corporate services involved the Town's auditor in discussions on the required restatement of the 2010 comparative figures. The retrospective restatement impact on the 2010 comparative figures is a \$10.5 million reduction or about 5.5% of total assets (see note 2 to the consolidated financial statements). This error correction does not involve any cash transactions, nor had any impact on Council's decision on taxation or utility rates. There was also no negative impact on the Town's debt limit or credit facility. The error correction simply closes to the equity in fixed assets component of accumulated surplus.

During 2011 the Town acquired capital assets in the amount of \$4,661,504. The Town purchased assets in the amount of \$3,814,585, which \$1,084,830 were internally funded from reserves. The remaining \$2,729,755 was funded from government transfers or other external sources. The Town received government transfers from a number of grant programs including funds through the Basic Municipal Transportation Grant (BMTG), Municipal Sustainability Initiative (MSI), Infrastructure Stimulus Fund (ISF), and the Federal Gas Tax Fund (FGTF). The largest capital projects were the completion of the North West Storm Water project and the Bi-annual Surface Works program.

In addition to purchased assets the Town recorded \$846,919 of contributed assets from subdivisions that were developed by outside parties where the Town has now taken over control of the roads, walks and deep utilities (water, wastewater, and storm lines and retention ponds).

During the year the Town disposed of assets with a net book value of \$459,568 from its books. These assets consisted primarily of the replacement and abandonment of infrastructure assets relating to the North West Storm and Bi-annual Surface works projects. Amortization expense was \$3,699,323. Overall the result of these transactions is an increase to the net book value of tangible capital assets of \$502,613 from a restated value of \$113,053,128 in 2010 (previously \$123,530,804) to \$113,555,741 in 2011.



Reserves

The Town began the year with \$5,691,783 in reserves and transferred \$2,832,203 into the reserves from operations. Included in this transfer was \$515,872 from Municipal Sustainability Initiative (MSI) funding that was to reimburse reserves for transfers that the Town needed to pay in advance of receiving the MSI funding for the North West Storm Water project in 2010. The Town also transferred \$707,822 out of the reserves for operating purposes and an additional amount of \$1,084,830 for capital purposes resulting in an overall increase in reserves of \$1,039,551 resulting in an ending reserve balance of \$6,731,334. Of the \$707,822 transferred out of reserves for operating purposes, \$367,263 (see Appendix 1) was transferred for amounts that were budgeted as capital projects that did not meet the capitalization criteria as established in our tangible capital asset policy. The remaining \$340,559 consisted primarily of amounts transferred to the Environmental Services functions for the final year of the utility rate stabilization and to pay for repairs to the water, waste water and storm water infrastructure.

Conclusion

Overall the Town's net tax and general revenue impact came in under budget in a number of functional departments which were sufficient to cover the overages in other departments. See Appendix I and accompanying charts for a summary of the Statement of Operations – Adjusted for Budget Comparisons which adjusts operations for the disposals of capital assets and unbudgeted maintenance transfers from the capital budgets.



Dale Culler, MPAcc, CA
Director of Corporate Services
Town of Taber



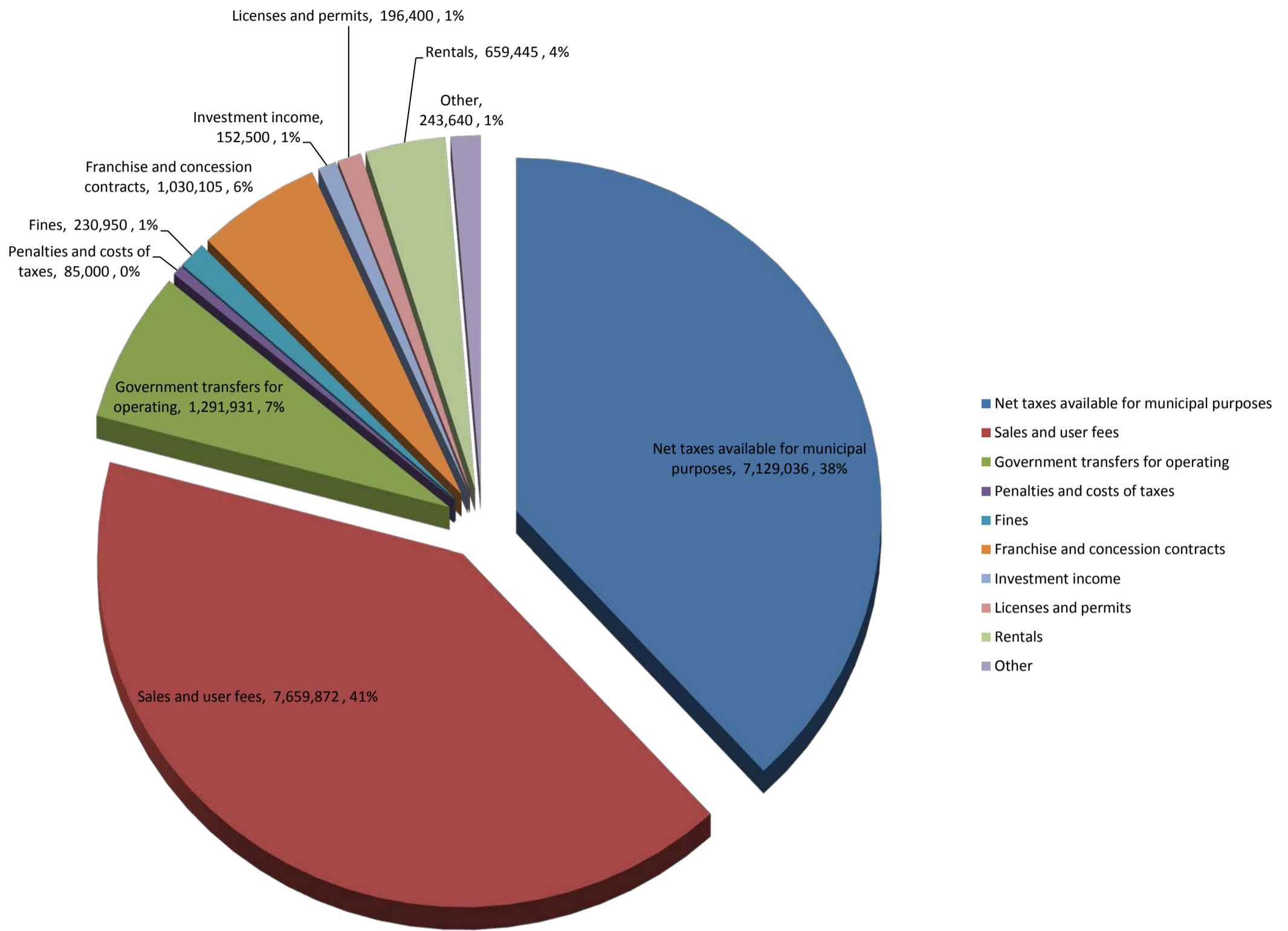
APPENDIX I

TOWN OF TABER

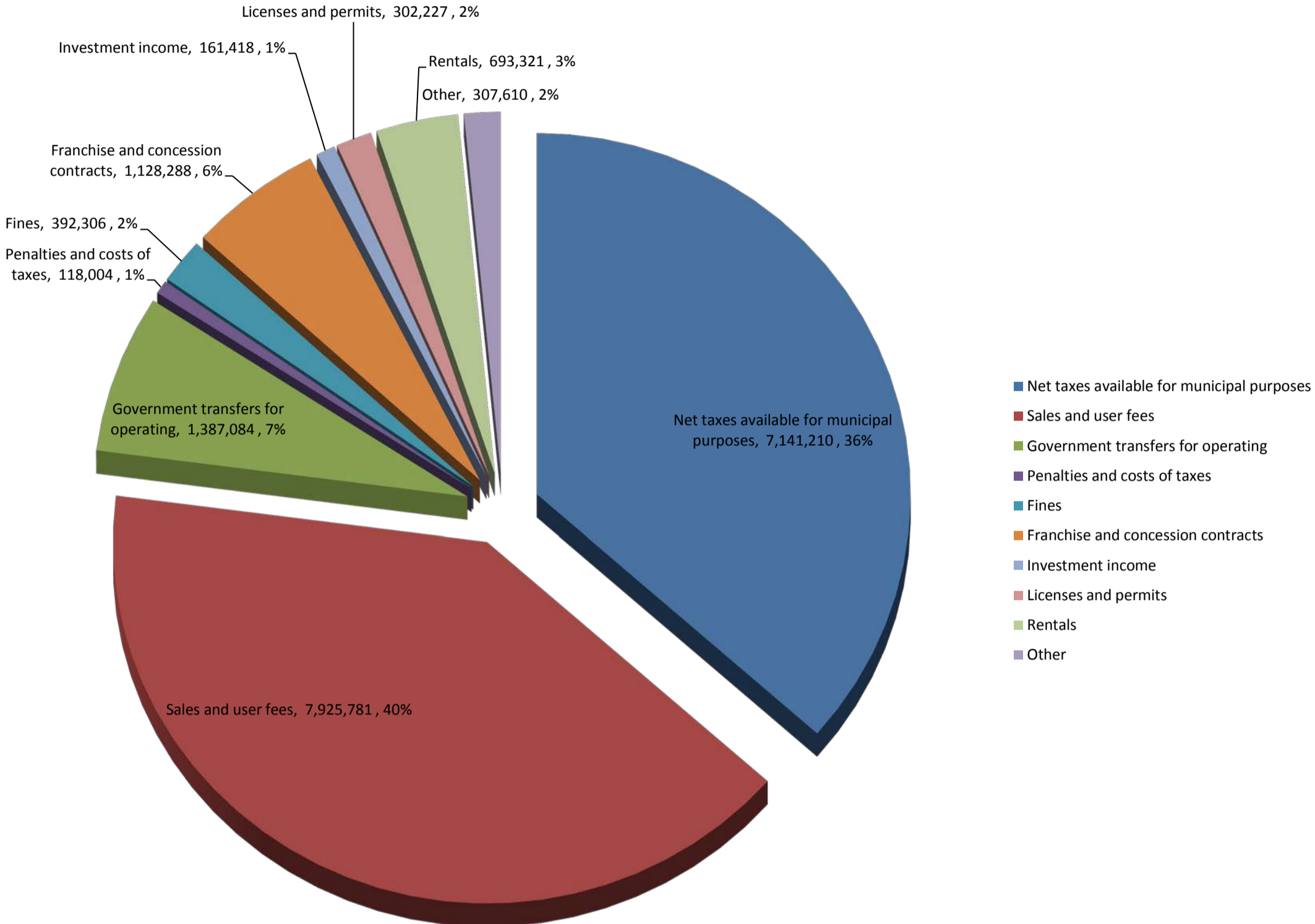
**Statement of Operations - Adjusted for Budget Comparison
For the year ended December 31, 2011
(Unaudited)**

	Budget	2011	Adjustments for non-cash items (loss on disposal of capital assets)	Adjustments for unbudgeted transfers from the capital budget	Adjusted 2011 Total	Restated Adjusted 2010 Total
Revenues						
Net taxes available for municipal purposes	\$ 7,129,036	\$ 7,141,210	\$ -	\$ -	\$ 7,141,210	\$ 6,692,953
Sales and user fees	7,659,872	7,925,781	-	-	7,925,781	7,289,428
Government transfers for operating	1,291,931	1,387,084	-	(23,570)	1,363,514	1,235,740
Penalties and costs of taxes	85,000	118,004	-	-	118,004	109,201
Fines	230,950	392,306	-	-	392,306	212,350
Franchise and concession contracts	1,030,105	1,128,288	-	-	1,128,288	1,010,609
Investment income	152,500	161,418	-	-	161,418	176,008
Licenses and permits	196,400	302,227	-	-	302,227	209,821
Rentals	659,445	693,321	-	-	693,321	646,795
Other	243,640	307,610	-	-	307,610	385,261
	18,678,879	19,557,249	-	(23,570)	19,533,679	17,968,166
Expenditures						
Council and other legislative	448,731	255,922	-	-	255,922	258,166
General government	1,561,658	1,561,955	-	(23,550)	1,538,405	1,350,217
Police	2,567,028	2,648,813	576	-	2,649,389	2,369,698
Fire	611,554	613,730	(619)	-	613,111	445,134
Disaster	6,500	-	-	-	-	547
Ambulance	1,107,909	1,376,260	-	-	1,376,260	1,217,453
Bylaw	149,048	141,714	-	-	141,714	150,348
Roads, walks and street lighting	3,110,296	3,912,783	(370,354)	(193,667)	3,348,762	2,918,493
Public transit	36,000	36,000	-	-	36,000	53,095
Stormwater	411,126	481,658	(26,615)	(23,570)	431,473	405,174
Water supply and distribution	1,636,254	1,767,219	(5,716)	(147,499)	1,614,004	1,614,712
Wastewater treatment and disposal	3,303,542	3,257,561	-	-	3,257,561	3,262,968
Waste management	1,249,978	1,102,042	-	-	1,102,042	946,160
Family and community support	52,720	51,697	-	-	51,697	50,211
Cemeteries	107,518	89,287	-	-	89,287	104,603
Land use planning, zoning and development	311,718	363,245	-	-	363,245	344,828
Subdivision land and development	86,722	47,940	24,999	-	72,939	25,538
Public housing	8,672	8,662	-	-	8,662	10,294
Land, housing and building rentals	334,864	337,241	-	-	337,241	321,615
Parks and recreation	2,196,565	2,311,898	(19,989)	(2,547)	2,289,362	2,273,793
Culture	682,782	656,899	-	-	656,899	646,678
	19,981,185	21,022,526	(397,718)	(390,833)	20,233,975	18,769,725
Excess (deficiency) of revenue over expenditures before other	(1,302,306)	(1,465,277)	397,718	367,263	(700,296)	(801,559)
Other						
Contributed assets	-	846,919	-	-	846,919	7,835,182
Government transfers for capital	6,003,336	2,672,135	-	-	2,672,135	5,510,209
Excess of revenue over expenditures	4,701,030	2,053,777	397,718	367,263	2,818,758	12,543,832

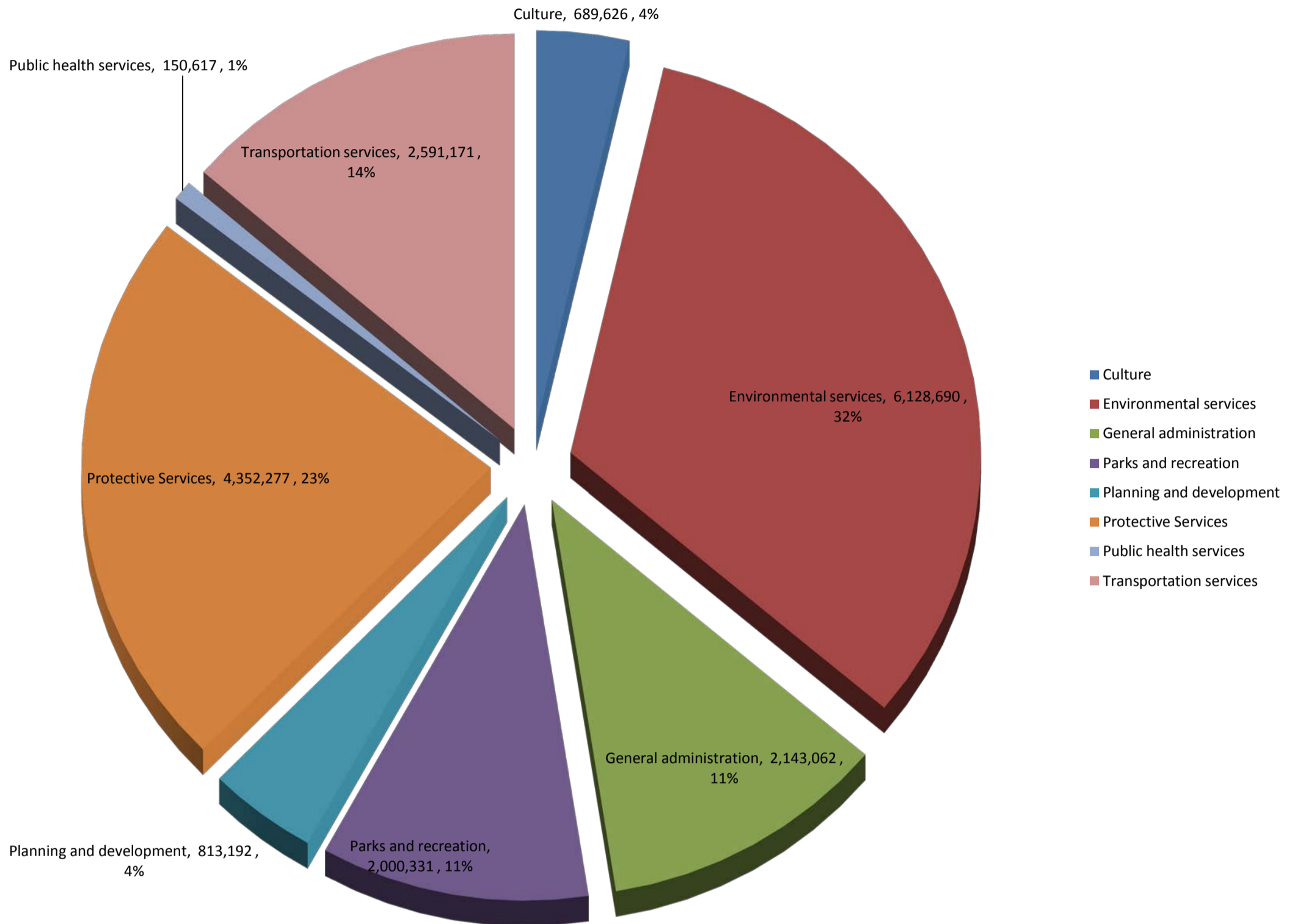
Budgeted Revenues (unaudited)



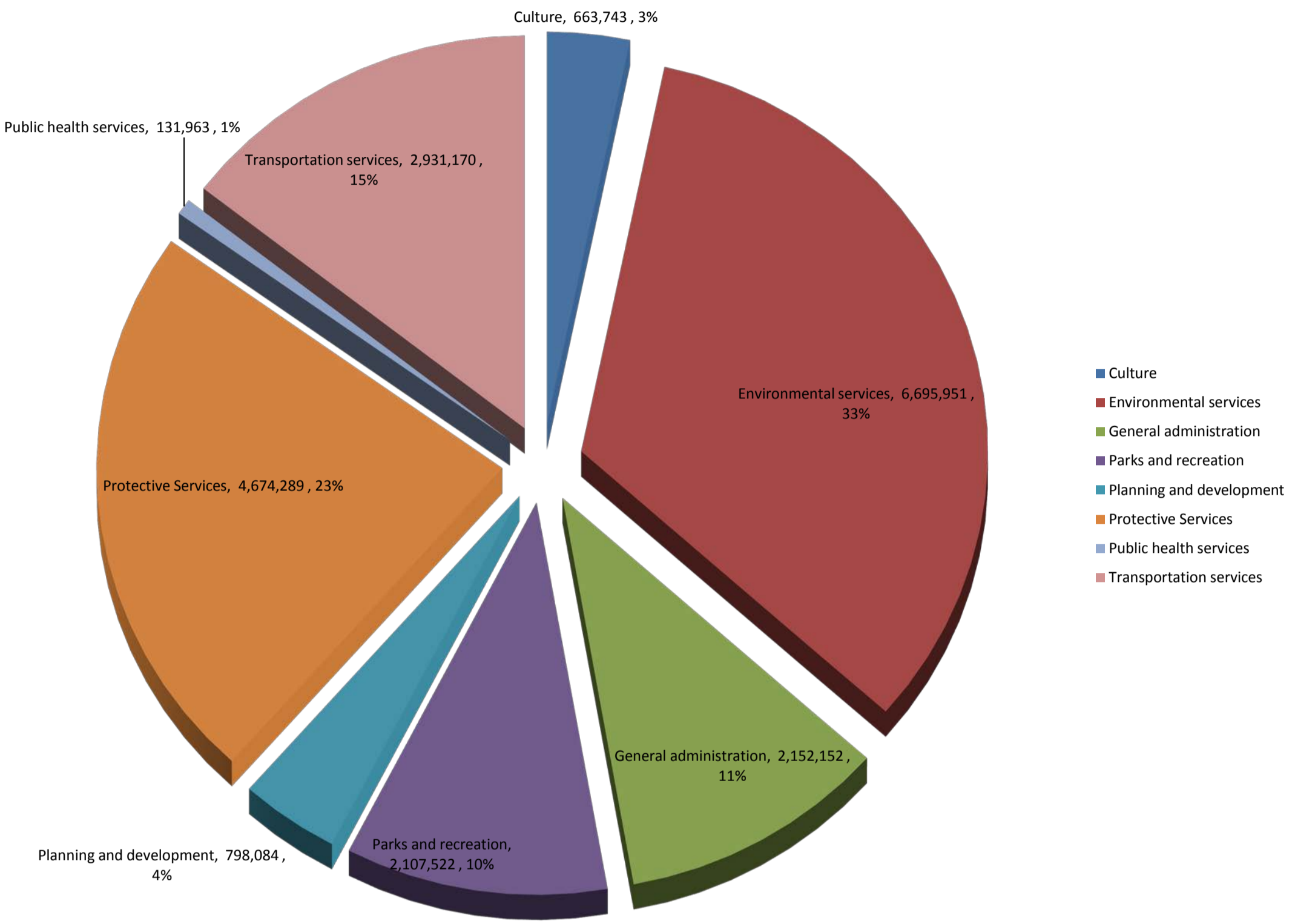
Actual Revenues (unaudited)



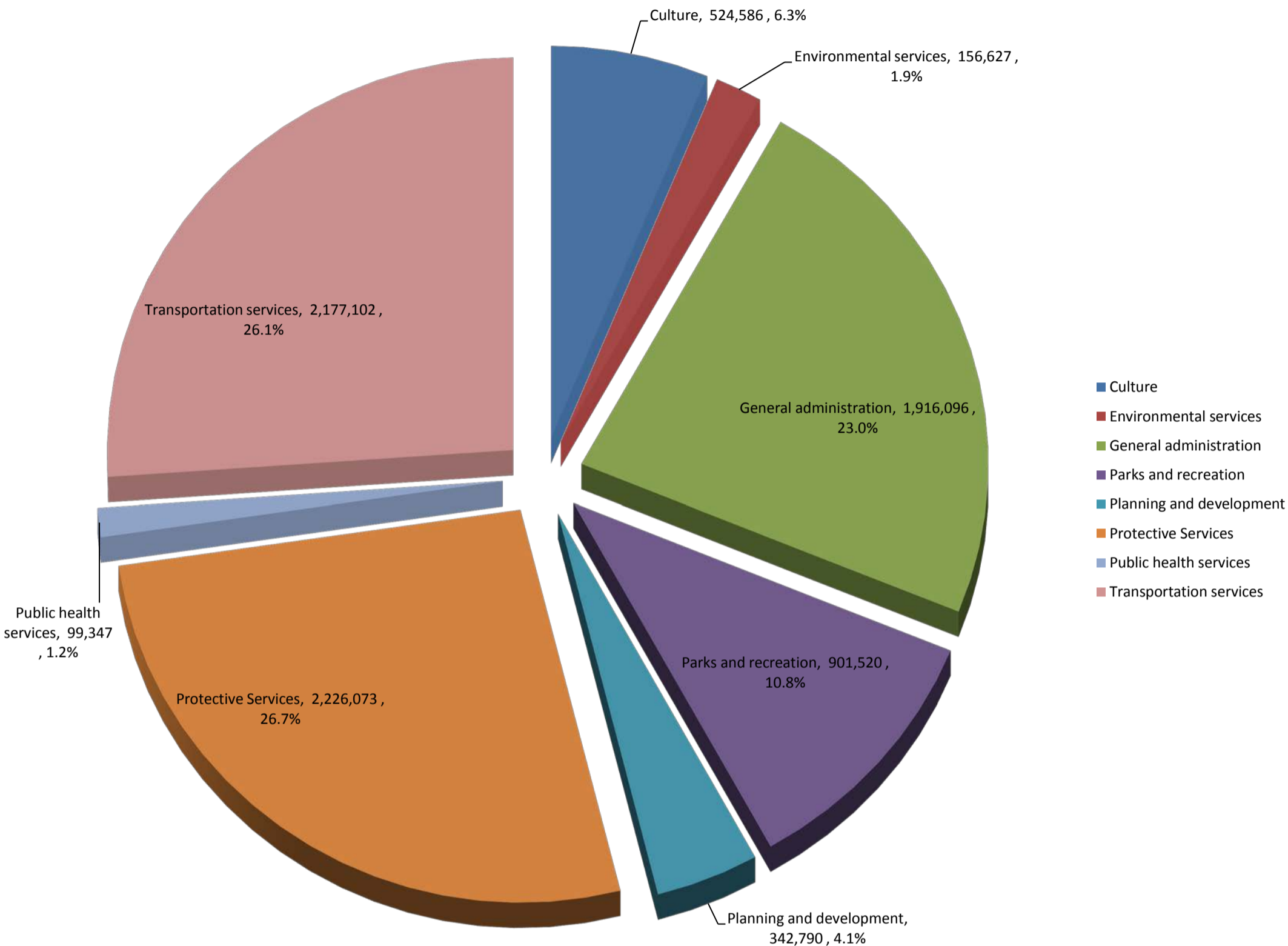
**Budgeted Expenditures (including reserve transfers, debt payments,
less amortization)**
(unaudited)



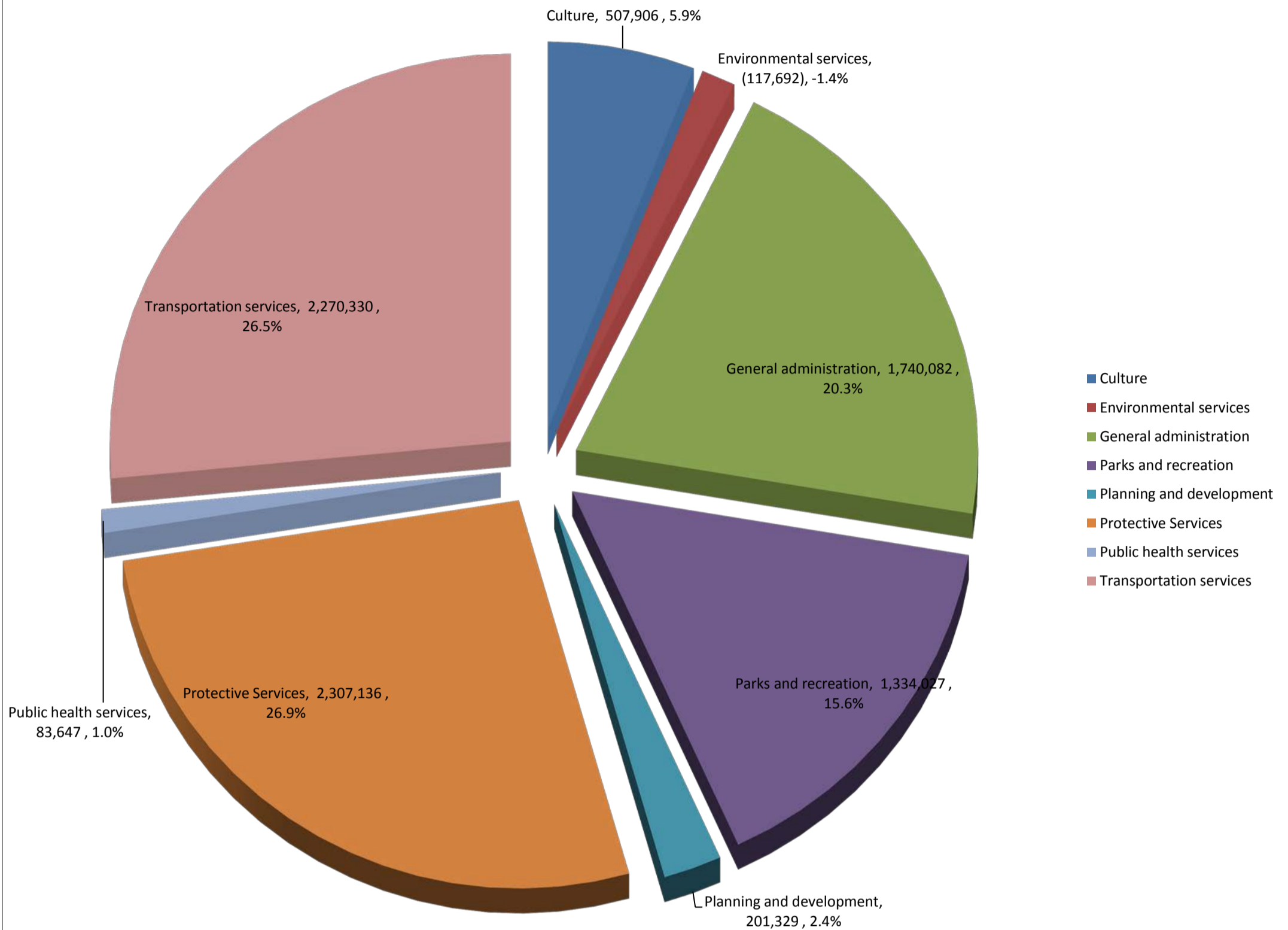
**Actual Expenditures (including reserve transfers, debt payment,
less amortization)**
(unaudited)



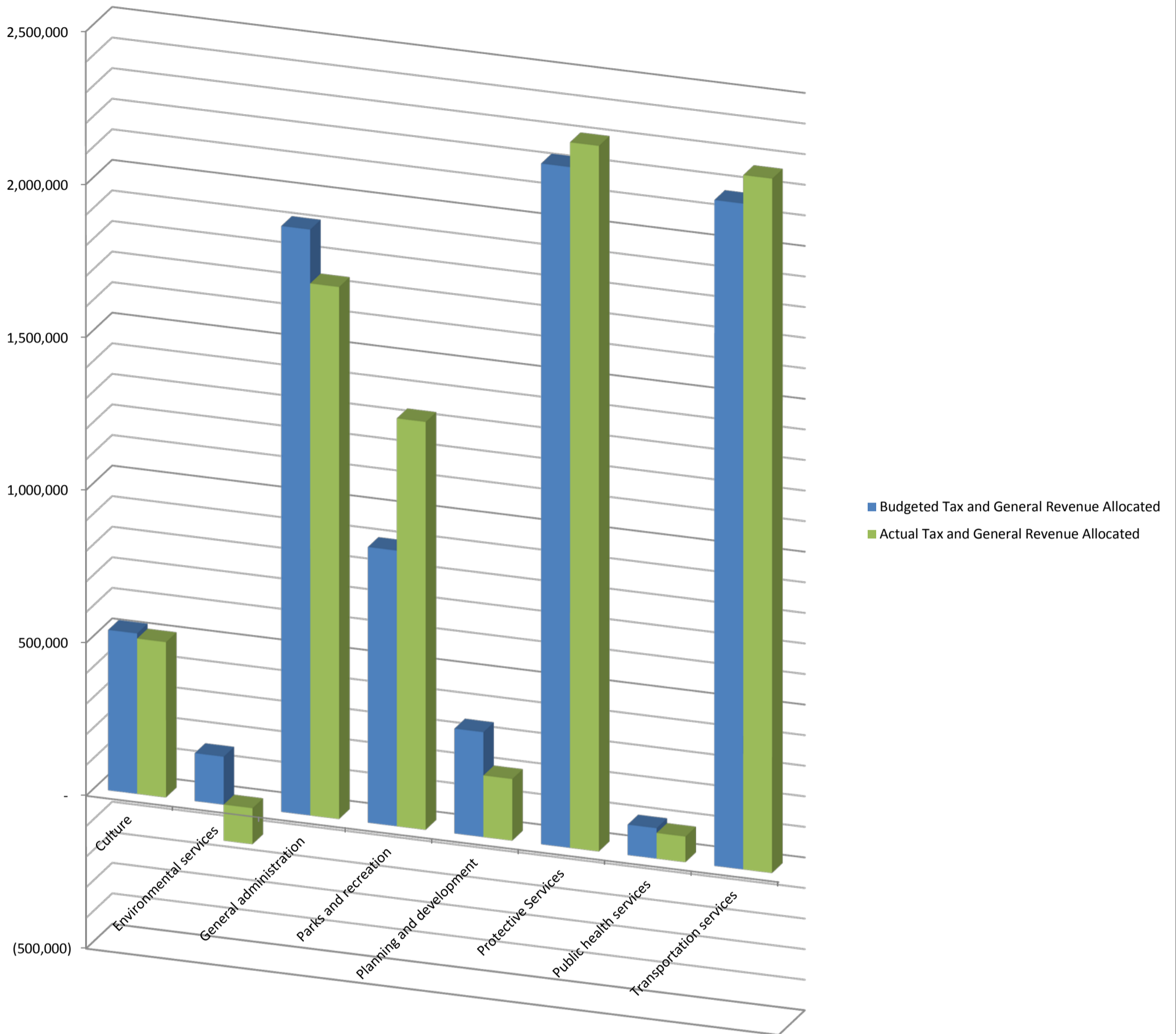
Budgeted Tax and General Revenue Allocated (unaudited)



Actual Tax and General Revenue Allocated (unaudited)



Budgeted VS Actual Tax and General Revenue Allocated (unaudited)



Financial Report



TOWN OF TABER
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2011

TOWN OF TABER
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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Taber (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Public Sector Accounting Standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Chief Administrative Officer



Director of Corporate Services



KPMG LLP
Chartered Accountants
500 Lethbridge Centre Tower
400 - 4th Avenue South
Lethbridge AB T1J 4E1
Canada

Telephone (403) 380-5700
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Internet www.kpmg.ca

Independent Auditors' Report

To the Mayor and Members of Council of the Town of Taber

We have audited the accompanying consolidated financial statements of Town of Taber (the "Entity") which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of operations and net accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's 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 consolidated 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 consolidated 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 our 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, we consider 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 financial position of Town of Taber as at December 31, 2011, and results of its operations, its changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

April 23, 2012
Lethbridge, Canada

TOWN OF TABER

Consolidated Statement of Financial Position

As at December 31, 2011, with comparative figures for 2010

	2011	2010 (Restated - Note 2)
Financial assets		
Cash and temporary investments (note 3)	\$ 8,038,020	\$ 5,281,155
Taxes and grants in lieu receivable (note 4)	365,346	371,745
Trade and other receivables	2,098,647	2,523,970
Long-term investments (note 5)	2,043,608	2,348,139
Debt charges recoverable	308,751	354,813
Other financial assets	995	936
	<hr/> 12,855,367	<hr/> 10,880,758
Liabilities		
Accounts payable and accrued liabilities	1,148,436	1,478,006
Employee benefit obligations (note 6)	586,967	571,437
Deposit liabilities	497,033	488,684
Deferred revenue (note 7)	2,189,491	848,018
Provision for landfill post-closure costs (note 8)	286,610	304,540
Long-term debt (note 9)	9,480,500	10,042,974
	<hr/> 14,189,037	<hr/> 13,733,659
Net financial debt	<hr/> (1,333,670)	<hr/> (2,852,901)
Non-financial assets		
Tangible capital assets (schedule 2)	113,555,741	113,053,128
Land held for resale	989,372	1,024,086
Inventory held for consumption	66,503	56,547
Prepaid expenses	414,520	357,829
	<hr/> 115,026,136	<hr/> 114,491,590
Accumulated surplus (schedule 1, note 11)	<hr/> 113,692,466	<hr/> 111,638,689
Contingent liabilities (note 15)		
Commitments (note 16)		

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Consolidated Statement of Operations and Accumulated Surplus For the year ended December 31, 2011, with comparative figures for 2010

	Budget (Unaudited)	2011	2010 (Restated - Note 2)
Revenue			
Net taxes available for municipal purposes (schedule 3)	\$ 7,129,036	\$ 7,141,210	\$ 6,692,953
Sales and user fees	7,659,872	7,925,781	7,289,428
Government transfers for operating (schedule 4)	1,291,931	1,387,084	1,235,740
Penalties and costs of taxes	85,000	118,004	109,201
Fines	230,950	392,306	212,350
Franchise and concession contracts	1,030,105	1,128,288	1,010,609
Investment income	152,500	161,418	176,008
Licenses and permits	196,400	302,227	209,821
Rentals	659,445	693,321	646,795
Other	243,640	307,610	385,261
	18,678,879	19,557,249	17,968,166
Expenses (schedule 5)			
Council and other legislative	448,731	255,922	258,166
General government	1,561,658	1,561,955	1,358,653
Police	2,567,028	2,648,813	2,367,868
Fire	611,554	613,730	449,263
Disaster	6,500	-	547
Ambulance	1,107,909	1,376,260	1,209,665
Bylaw	149,048	141,714	150,348
Roads, walks and street lighting	3,110,296	3,912,783	3,364,565
Public transit	36,000	36,000	116,138
Stormwater	411,126	481,658	1,375,774
Water supply and distribution	1,636,254	1,767,219	1,614,712
Wastewater treatment and disposal	3,303,542	3,257,561	3,750,640
Waste management	1,249,978	1,102,042	946,160
Family and community support	52,720	51,697	50,211
Cemeteries	107,518	89,287	104,603
Land use planning, zoning and development	311,718	363,245	344,828
Subdivision land and development	86,722	47,940	(24,461)
Public housing	8,672	8,662	10,294
Land, housing and building rentals	334,864	337,241	331,298
Parks and recreation	2,196,565	2,311,898	2,306,250
Culture	682,782	656,899	646,678
	19,981,185	21,022,526	20,732,200
Deficiency of revenue over expenses before other	(1,302,306)	(1,465,277)	(2,764,034)
Other			
Contributed assets	-	846,919	7,835,182
Government transfers for capital (schedule 4)	6,003,336	2,672,135	5,510,209
Excess of revenue over expenses	4,701,030	2,053,777	10,581,357
Accumulated surplus, beginning of year	111,638,689	111,638,689	101,057,332
Accumulated surplus, end of year	\$ 116,339,719	\$ 113,692,466	\$ 111,638,689

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Consolidated Statement of Change in Net Financial Assets (Debt) For the year ended December 31, 2011, with comparative figures for 2010

	Budget (Unaudited)	2011	2010 (Restated - Note 2)
Excess of revenue over expenses	\$ 4,701,030	\$ 2,053,777	\$ 10,581,357
Acquisition of tangible capital assets	(10,390,687)	(3,814,585)	(6,729,614)
Contributed tangible capital assets	-	(846,919)	(7,835,182)
Amortization of tangible capital assets	3,743,620	3,699,323	3,593,231
Loss on disposal of tangible capital assets	-	397,718	968,241
Proceeds on disposal of tangible capital assets	-	61,849	81,542
	(1,946,037)	1,551,163	659,575
Acquisition of inventories of supplies	-	(66,503)	(56,547)
Acquisition of prepaid expenses	-	(414,520)	(357,829)
Disposal of land held for resale	-	34,714	-
Consumption of inventories of supplies	-	56,548	101,392
Use of prepaid expenses	-	357,829	407,261
	-	(31,932)	94,277
Decrease (increase) in net financial debt	(1,946,037)	1,519,231	753,852
Net financial debt, beginning of year	(2,852,901)	(2,852,901)	(3,606,753)
Net financial debt, end of year	\$ (4,798,938)	\$ (1,333,670)	\$ (2,852,901)

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Consolidated Statement of Cash Flows

For the year ended December 31, 2011, with comparative figures for 2010

	2011	2010 (Restated - Note 2)
Cash flows provided by (used in) the following activities:		
Operating		
Excess of revenue over expenses	\$ 2,053,777	\$ 10,581,357
Items not involving cash:		
Amortization of tangible capital assets	3,699,323	3,593,231
Contributed tangible capital assets	(846,919)	(7,835,182)
Loss on disposal of tangible capital assets	397,718	968,241
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	6,399	(61,667)
Trade and other receivables	425,323	(1,115,941)
Debt charges recoverable	46,062	43,815
Other financial assets	(59)	4,357
Accounts payable and accrued liabilities	(329,569)	940,002
Employee benefit obligations	15,530	34,129
Deposit liabilities	8,349	22,611
Deferred revenue	1,341,473	(278,180)
Provision for landfill post-closure costs	(17,930)	(6,030)
Land held for resale	34,714	-
Inventory held for consumption	(9,956)	44,846
Prepaid expenses	(56,691)	49,432
	6,767,544	6,985,021
Capital		
Proceeds on disposal of tangible capital assets	61,849	81,542
Purchase of tangible capital assets	(3,814,585)	(6,729,614)
	(3,752,736)	(6,648,072)
Investing		
Purchase (disposal) of long-term investments	304,531	(908,453)
	304,531	(908,453)
Financing		
Proceeds of debt charges recoverable issued	-	-
Repayment of debt charges recoverable	(46,063)	(43,815)
Proceeds of long-term debt	-	-
Repayment of long-term debt	(516,411)	(513,826)
	(562,474)	(557,641)
Net increase (decrease) in cash and cash equivalents	2,756,865	(1,129,145)
Cash and cash equivalents, beginning of year	5,281,155	6,410,300
Cash and cash equivalents, end of year	\$ 8,038,020	\$ 5,281,155

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Consolidated Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2011, with comparative figures for 2010
Schedule 1

	Unrestricted Net Assets	Reserves	Equity in tangible capital assets	2011	2010 (Restated - Note 2)
Beginning balance	\$ 2,581,939	\$ 5,691,783	\$ 103,364,967	\$ 111,638,689	\$ 101,057,332
Excess of revenue over expenses	2,053,777	-	-	2,053,777	10,581,357
Operating reserves					
Transfers to reserves	(190,877)	190,877	-	-	-
Transfers from reserves	340,559	(340,559)	-	-	-
Capital reserves					
Transfers to reserves	(2,641,326)	2,641,326	-	-	-
Transfers from reserves for operating purposes	367,263	(367,263)	-	-	-
Transfers from reserves for capital purposes	-	(1,084,830)	1,084,830	-	-
Capital investing					
Capital assets internally funded	(2,729,755)	-	2,729,755	-	-
Contributed assets	(846,919)	-	846,919	-	-
Proceeds on disposal of tangible capital assets	61,849	-	(61,849)	-	-
Loss on disposal of tangible capital assets	397,718	-	(397,718)	-	-
Amortization of tangible capital assets	3,699,323	-	(3,699,323)	-	-
Capital financing					
Principal payment of capital debt	(516,411)	-	516,411	-	-
Total	\$ 2,577,140	\$ 6,731,334	\$ 104,383,992	\$ 113,692,466	\$ 111,638,689

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Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2011

Schedule 2

Cost	2010 (Restated - Note 2)	Additions	Disposals	Transfers of assets under construction	2011
Land	\$ 973,449	\$ -	\$ 1	\$ -	\$ 973,448
Land improvements	3,189,718	-	-	-	3,189,718
Buildings	14,678,452	-	-	-	14,678,452
Engineering structures	139,644,377	2,926,643	775,135	347,922	142,143,807
Machinery and equipment	4,586,291	817,229	269,736	47,546	5,181,330
Vehicles	2,752,892	170,156	48,540	-	2,874,508
Assets under construction	603,440	747,476	15,000	(395,468)	940,448
Total	\$ 166,428,619	\$ 4,661,504	\$ 1,108,412	\$ -	\$ 169,981,711

Accumulated amortization	2010 (Restated - Note 2)	Amortization expense	Disposals	2011
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	987,698	115,513	-	1,103,211
Buildings	4,418,052	327,929	-	4,745,981
Engineering structures	43,932,480	2,731,139	345,901	46,317,718
Machinery and equipment	2,525,632	369,117	254,403	2,640,346
Vehicles	1,511,629	155,625	48,540	1,618,714
Assets under construction	-	-	-	-
Total	\$ 53,375,491	\$ 3,699,323	\$ 648,844	\$ 56,425,970

Net book value	2010 (Restated - Note 2)	2011
Land	\$ 973,449	\$ 973,448
Land improvements	2,202,020	2,086,507
Buildings	10,260,400	9,932,471
Engineering structures	95,711,897	95,826,089
Machinery and equipment	2,060,659	2,540,984
Vehicles	1,241,263	1,255,794
Assets under construction	603,440	940,448
Total	\$ 113,053,128	\$ 113,555,741

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Consolidated Schedule of Taxes Levied and Net Taxes Available for Municipal Purposes

For the year ended December 31, 2011

Schedule 3

	Budget (Unaudited)	2011	2010
Taxation:			
Real property taxes	\$ 8,964,666	\$ 8,980,722	\$ 8,438,171
Linear property taxes	214,888	214,902	216,162
Government grants in place of property taxes	84,344	84,344	79,654
Local improvement taxes	14,598	15,204	23,745
	9,278,496	9,295,172	8,757,732
Requisition:			
Alberta School Foundation Fund	1,800,233	1,804,089	1,726,053
Holy Spirit School Division	290,461	290,992	281,647
Taber & District Housing Authority	58,766	58,881	57,079
	2,149,460	2,153,962	2,064,779
Net taxes available for municipal purposes	\$ 7,129,036	\$ 7,141,210	\$ 6,692,953

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Consolidated Schedule of Government Transfers

For the year ended December 31, 2011, with comparative figures for 2010

Schedule 4

	Budget (Unaudited)	2011	2010
Transfers for operating:			
Provincial government	\$ 542,052	\$ 1,013,793	\$ 874,860
Federal government	23,456	18,163	33,973
Other local governments	726,423	355,128	326,907
	1,291,931	1,387,084	1,235,740
Transfers for capital:			
Provincial government	4,341,713	1,618,881	1,067,361
Federal government	1,619,623	1,010,833	4,442,848
Other local governments	42,000	42,421	-
	6,003,336	2,672,135	5,510,209
Total government transfers	\$ 7,295,267	\$ 4,059,219	\$ 6,745,949

Consolidated Schedule of Expenses by Object

For the year ended December 31, 2011, with comparative figures for 2010

Schedule 5

	Budget (Unaudited)	2011	2010 (Restated - Note 2)
Salaries, wages and benefits	\$ 7,606,585	\$ 7,790,165	\$ 7,409,630
Contracted and general services	4,870,638	5,532,045	5,382,194
Materials, goods and supplies	2,554,238	2,613,557	2,475,984
Provision for allowances	13,000	31,052	14,890
Transfers to local boards and agencies	206,954	210,501	259,741
Bank charges and short-term interest	8,825	6,096	5,000
Interest on long-term debt	586,353	586,316	619,989
Amortization of tangible capital assets	3,743,620	3,699,323	3,593,231
Loss on disposal of tangible capital assets	-	397,718	968,241
Other	390,972	155,753	3,300
	\$ 19,981,185	\$ 21,022,526	\$ 20,732,200

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Consolidated Schedule of Segmented Disclosure

For the year ended December 31, 2011

Schedule 6

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health Services	Planning and Development	Parks and Recreation	Culture and Libraries	Total
Revenue									
Net taxes available for municipal purposes	\$ 7,126,006	\$ -	\$ 15,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,141,210
Sales and user fees	121,670	1,406,515	316,140	5,816,358	45,092	96,414	111,197	12,395	7,925,781
Government transfers for operating	-	567,821	31,999	549,144	2,464	-	152,214	83,442	1,387,084
Penalties and costs of taxes	89,845	-	-	28,159	-	-	-	-	118,004
Fines	-	385,312	-	-	-	-	-	6,994	392,306
Franchise and concession contracts	1,128,288	-	-	-	-	-	-	-	1,128,288
Investment income	148,141	-	7,477	5,441	-	-	-	359	161,418
Licenses and permits	-	3,501	-	-	760	297,966	-	-	302,227
Rentals	52,647	-	-	47,740	-	83,885	441,882	67,167	693,321
Other	176,823	4,004	-	3,219	-	92,260	20,551	10,753	307,610
	8,843,420	2,367,153	370,820	6,450,061	48,316	570,525	725,844	181,110	19,557,249
Expenses									
Salaries, wages and benefits	1,073,233	3,777,038	879,837	301,511	56,595	371,279	1,071,847	258,825	7,790,165
Contracted and general services	485,674	482,717	1,051,735	2,793,049	15,422	310,627	327,796	65,025	5,532,045
Materials, goods and supplies	104,027	275,858	512,040	976,360	4,449	20,560	554,658	165,605	2,613,557
Provision for allowances	16,569	13,439	-	1,044	-	-	-	-	31,052
Transfers to local boards and agencies	30,320	-	36,000	43,446	51,697	-	-	49,038	210,501
Bank charges and short-term interest	5,585	38	-	-	-	-	-	473	6,096
Interest on long-term debt	-	-	24,785	486,615	-	8,662	6,805	59,449	586,316
Amortization of tangible capital assets	102,469	231,385	1,529,075	1,398,511	12,821	36,244	330,802	58,016	3,699,323
Loss (gain) on disposal of tangible capital assets	-	43	396,969	5,716	-	(24,999)	19,989	-	397,718
Other	-	-	-	120,570	-	34,714	-	469	155,753
	1,817,877	4,780,518	4,430,441	6,126,822	140,984	757,087	2,311,897	656,900	21,022,526
Excess (deficiency) of revenue over expenses before other	7,025,543	(2,413,365)	(4,059,621)	323,239	(92,668)	(186,562)	(1,586,053)	(475,790)	(1,465,277)
Other									
Contributed assets	-	-	480,175	354,005	-	-	12,739	-	846,919
Government transfers for capital	-	42,421	892,144	1,731,525	-	-	6,045	-	2,672,135
Excess (deficiency) of revenue over expenses	\$ 7,025,543	\$ (2,370,944)	\$ (2,687,302)	\$ 2,408,769	\$ (92,668)	\$ (186,562)	\$ (1,567,269)	\$ (475,790)	\$ 2,053,777

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

1. Significant accounting policies

The consolidated financial statements of the Town of Taber (the "Town") are the representations of management prepared in accordance with Public Sector Accounting Standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the Town are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets (debt) of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Included with the town are the following:

Taber Public Library
Taber Police Commission

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the Town.

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. Revenue is recorded when it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the obligation to pay.

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, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) Pension expenses:

The Municipality participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan whereby contributions are expensed as incurred.

(d) Investments:

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis 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.

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2011

(e) Requisition over-levy and under-levy:

Over-levies and under-levies arise from the difference between the actual property tax 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 that actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

(f) Government transfers:

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

(i) 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 the estimated useful life as follows:

	Years
Land improvements	25-45
Buildings	25-75
Engineered structures	25-75
Machinery and equipment	4-40
Vehicles	4-25

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

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

(iii) Inventories:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(iv) Land held for resale:

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

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

(h) Debt charges recoverable:

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

(i) Deferred revenue and prepaid local improvement charges:

Deferred revenue includes amounts received for services yet to be performed and prepaid local improvement charges.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessment during the period of related borrowings. These levies are collectable from property owners for work performed by the Town.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

(j) Landfill closure and post-closure liability:

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The landfill site has been closed.

(k) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

The Town's implementation of the Public Sector Accounting Standard PS 3150 in 2009 has required management to make estimates of historical cost, where information was not available, and useful lives of tangible capital assets.

Contributions of tangible capital assets are recorded at fair value at the date of receipt.

Actual results could differ from those estimates.

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2011

(I) Future accounting changes:

(i) Government transfers:

PSAB approved a new Public Sector Accounting Standard PS 3410 regarding Government Transfers. This section provides guidance on recognition of government transfers. Although this section becomes effective for fiscal periods beginning on or after April 1, 2012, the Town's accounting treatment is already aligned with this standard therefore the Town has elected to early adopt this standard with no impact to the consolidated financial statements.

(ii) Liability for contaminated sites:

PSAB approved PS 3260 which comes into effect for fiscal years beginning on or after April 1, 2014. This section establishes standards for reporting a liability associated with the remediation of certain contaminated sites. The Town has not yet adopted this standard or determined the effect on the consolidated financial statements.

(iii) Financial instruments, foreign currency translation and financial statement presentation:

PSAB PS 3450 come into effect for fiscal years beginning on or after April 1, 2015. This includes adoption of PS 3450; financial instruments, PS 2601; foreign currency translation, and PS 1201; financial statement presentation. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601 provides guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. PS 1201 includes the adoption of a new statement outlining re-measurement gains and losses. The Town has not yet adopted these standards or determined the effect on the consolidated financial statements.

(iv) Tax revenue:

PSAB PS 3510 comes into effect for fiscal years beginning on or after April 1, 2012. This section establishes standards on how to account for and report tax revenue in government financial statements. The details within this standard could impact the Town's reporting of tax revenues, including but not limited to, how transfers made through a tax system might be recorded and disclosed, how costs related to tax transactions are recorded, and taxes levied for specific purposes (local improvement taxes).

2. Correction of error

Subsequent to issuing its 2010 consolidated financial statements, the Town has determined that certain tangible capital assets and employee benefit obligations had been omitted from its consolidated financial statements. Further, it was determined that certain tangible capital assets in 2010 and prior years were overstated.

These accounting adjustments have changed the net book value of tangible capital assets, employee benefit obligations, accumulated surplus, and the annual surplus amounts reported in the prior period. These changes have been applied with retrospective effect as follows:

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Notes to Consolidated Financial Statements

For the year ended December 31, 2011

2. Correction of error (continued)

	2010
Accumulated surplus for 2010	
Accumulated surplus, as previously reported	\$ 122,203,196
Adjustment to employee benefit obligation	(86,830)
Adjustment to net book value of tangible capital assets	(10,477,677)
	<hr/> \$ 111,638,689 <hr/>
Annual surplus for 2010	
Excess of revenue over expenses, as previously reported	\$ 10,506,298
Adjustment to employee benefit obligation expenses	(5,418)
Adjustment to amortization expense	80,477
	<hr/> \$ 10,581,357 <hr/>

3. Cash and temporary investments

	2011	2010
Cash	\$ 1,132,540	\$ 1,126,765
Temporary investments (market value 2011 - \$6,989,878; 2010 - \$4,188,471)	6,905,480	4,154,390
	<hr/> \$ 8,038,020	<hr/> \$ 5,281,155 <hr/>

The temporary investments are comprised of short-term deposits issued by either a Canadian province or Canadian financial institution. These investments mature between April 12, 2012 to November 14, 2012, but are redeemable at managements discretion.

Included in temporary investments are restricted amounts of \$1,244,806, and \$435,895 received from Municipal Sustainability Initiative, and Federal Gas Tax Fund respectively and held exclusively for capital projects (note 7).

4. Taxes and grants in lieu receivable

	2011	2010
Current taxes and grants in place of taxes	\$ 271,265	\$ 294,291
Tax arrears	94,081	77,454
	<hr/> \$ 365,346	<hr/> \$ 371,745 <hr/>

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2011

5. Long-term investments

	2011		2010	
	Cost	Market Value	Cost	Market Value
Guaranteed Investment Certificates	\$ 1,527,946	\$ 1,586,603	\$ 1,848,429	\$ 1,931,280
Corporate bonds	511,655	521,109	495,561	501,649
Patronage reserves - United Farmers of Alberta	3,225	3,225	3,225	3,225
Equity in Association of Alberta Municipal Districts and Counties	691	691	833	833
Shares in Alberta Capital Finance Authority	40	40	40	40
Shares in 1st Choice Savings & Credit Union Ltd.	51	51	51	51
	\$ 2,043,608	\$ 2,111,719	\$ 2,348,139	\$ 2,437,078

Guaranteed Investment Certificates have effective interest rates of 3.35% to 4.99% (2010 - 2.15% to 4.99%) with maturity dates from June 17, 2013 to June 20, 2016.

Corporate bonds have effective interest rates of 3.25% (2010 - 3.25%) with maturity dates from June 3, 2013 to November 4, 2013.

6. Employee benefit obligations

	2011	2010
Vacation and other entitlements	\$ 586,967	\$ 571,437

The vacation, overtime and sick leave liability is comprised of the vacation, overtime and sick leave that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

7. Deferred revenue

	2011	2010
Prepaid property taxes	\$ 22,792	\$ 17,801
Prepaid local improvement charges	1,043	1,649
Provincial conditional grants	1,778,279	525,379
Revenues from services not yet provided	387,377	303,189
	\$ 2,189,491	\$ 848,018

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

7. Deferred revenue (continued)

Deferred provincial conditional grants include:

- (a) Municipal Sustainability Initiative advanced funding in the amount of \$1,356,951. The Town earned \$6,659 of restricted interest on these funds. These funds are restricted to be used on eligible approved capital projects, as approved under the funding agreement, which are scheduled for completion in 2012. During the year, the Town spent \$118,804 of these restricted funds. The remaining balance of \$1,244,806 has been deferred. The balance is supported by temporary investments held exclusively for these projects (Note 3).
- (b) Federal Gas Tax Fund advanced funding in the amount of \$435,865. The Town earned \$30 of restricted interest on these funds. These funds are restricted to be used on eligible approved capital projects, as approved under the funding agreement, which are scheduled for completion in 2012.
- (b) The remaining balance is made up of various restricted provincial funding received for specific projects, which had not yet been completed at year-end.

8. Provision for landfill post-closure costs

Alberta Environmental law requires closure and post-closure of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and on-going environmental monitoring, site inspections and maintenance.

The estimated total liability of \$286,610 for 2011 (2010 - \$304,540) is based on the sum of discounted future cash flows for post-closure activities for 18 years (2010 - 19 years) using a discount rate of 2.1% (2010 - 2.1%) and assuming annual inflation of 2.4% (2010 - 2.5%).

The Town has not designated assets for settling post-closure liabilities.

9. Long-term debt

	2011	2010
Tax supported:		
Debenture issued for the construction of library building	\$ 1,318,912	\$ 1,380,087
Self supported:		
Debenture from debt charges recoverable (Taber & District Housing Authority)	122,741	148,970
Debenture from debt charges recoverable (Taber Golf Club)	186,010	205,843
Amortization fund bearing interest at 6.5% (note 16)	7,852,837	8,308,074
	9,480,500	10,042,974
Current portion	567,545	562,474
	\$ 8,912,955	\$ 9,480,500

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

9. Long-term debt (continued)

	Principal	Interest	Total
2012	\$ 567,545	\$ 553,685	\$ 1,121,230
2013	572,865	519,619	1,092,484
2014	578,449	485,292	1,063,741
2015	584,311	450,686	1,034,997
2016	554,736	415,790	970,526
Thereafter	6,622,594	2,413,519	9,036,113
	\$ 9,480,500	\$ 4,838,591	\$ 14,319,091

The Town is under agreement with the Taber & District Housing Authority for the repayment of a debenture to construct seniors housing in the community. The full principal and interest costs for the debenture are recovered from the Housing Authority.

The Town is under agreement with the Taber Golf Club for the repayment of a debenture taken out for the benefit of the club. The full principal and interest costs for the debenture are recovered from the club.

Debenture debt issued for the construction of the library building is repayable to Alberta Capital Finance Authority and bears interest at 4.365% and matures in 2026.

Debenture debt issued to Taber & District Housing Authority is repayable to Alberta Capital Finance Authority and bears interest at 6.375% and matures in 2015.

Debenture debt issued to Taber Golf Club is repayable to Alberta Capital Finance Authority and bears interest at 3.494% and matures in 2019.

During the year, on a cash basis, the Town paid \$587,499 on interest on long-term debt.

Debenture debt is issued on the credit and security of the Town at large.

The amortization fund is owing to the operator of the agreement described in note 16. It bears interest at 6.5% and matures in 2029.

10. 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:

	2011	2010
Total debt limit	\$ 29,399,506	\$ 26,952,250
Total debt	(9,480,500)	(10,042,974)
Amount of debt limit unused	\$ 19,919,006	\$ 16,909,276
Debt servicing limit	\$ 4,899,918	\$ 4,492,042
Debt servicing	(1,121,230)	(1,149,973)
Amount of debt servicing limit unused	\$ 3,778,688	\$ 3,342,069

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

10. Debt limits (continued)

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

11. Accumulated surplus

	2011	2010
		(Restated - Note 2)
General government operations	\$ 113,524,107	\$ 111,492,744
Taber Public Library	168,359	145,945
	<hr/>	<hr/>
	\$ 113,692,466	\$ 111,638,689

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2011	2010
		(Restated - Note 2)
Unrestricted surplus	\$ 2,577,140	\$ 2,581,939
Reserves	6,731,334	5,691,783
Equity in tangible capital assets	104,383,992	103,364,967
	<hr/>	<hr/>
	\$ 113,692,466	\$ 111,638,689

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2011

11. Accumulated surplus (continued)

Reserves are comprised of funds internally restricted as follows:

	2010	Transfers in	Transfers out	2011
General operations	\$ 588,907	\$ 15,000	\$ 165,000	\$ 438,907
Off street parking	6,700	-	-	6,700
Continuing projects	359,835	-	-	359,835
Police Commission	32,282	-	-	32,282
Health and safety	27,781	29,352	-	57,133
Repairs and maintenance	29,035	146,524	175,559	-
General capital	160,854	-	-	160,854
Infrastructure	1,487,316	2,030,220	678,313	2,839,223
Buildings	422,444	131,091	115,344	438,191
Equipment	858,087	237,840	746,625	349,302
Land	545,986	143,666	-	689,652
Vehicles	308,623	298,190	151,945	454,868
Funds held in place of municipal reserves	178,456	6,757	77,225	107,988
Development levies	685,477	110,922	-	796,399
	\$ 5,691,783	\$ 3,149,562	\$ 2,110,011	\$ 6,731,334

Equity in tangible capital assets

	2011	2010 (Restated - Note 2)
Net book value of tangible capital assets	\$ 113,555,741	\$ 113,053,128
Long -term debt	(9,480,500)	(10,042,974)
Debt charges recoverable	308,751	354,813
	\$ 104,383,992	\$ 103,364,967

12. Trust funds

The Town administers the following trusts:

	2010	Increases	Decreases	2011
Community trust	\$ 95,978	\$ 2,829	\$ -	\$ 98,807
Tax sale trusts	5,090	175	-	5,265
Transfer station trust	(168,952)	120,571	-	(48,381)
Police trust	1,491	-	-	1,491
	\$ (66,393)	\$ 123,575	\$ -	\$ 57,182

These amounts are not reflected in the financial position of the Town.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

13. Salary and benefits disclosure

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

			2011	2010
	Salary ⁽¹⁾	Benefits & Allowances ^(2,3)	Total	Total
Members of Council				
Mayor R. Bryant	30,500	-	30,500	31,143
Councillors:				
A. Andres	-	-	-	10,591
G. Bekkering	18,375	-	18,375	18,786
J. Papp	18,500	437	18,937	20,009
R. Popadynetz	18,000	421	18,421	3,096
M. Rochelle	19,188	-	19,188	19,039
T. Sargeant	-	-	-	15,481
R. Sparks	18,250	429	18,679	3,096
L. Tams	18,500	437	18,937	20,139
Chief Administrative Officer	120,748	23,263	144,011	103,049
Chief Administrative Officer	-	-	-	55,625

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Benefits and allowances figures include the Town's share of all employee benefits and contributions or payments made on behalf of the employee.
- (3) Benefits and allowances figures also include the Town's share of the costs of additional taxable benefits including travel allowances and car allowances.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

14. Pension plans

Employees of the Town qualify to belong to one of the following defined-benefits pension plans:

(a) Local Authorities Pension Plan

The Town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Employees of the Town, with the exception of police officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 206,249 people and 421 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current services are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 9.49% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.13% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.49% of pensionable earnings up to the year's maximum pensionable earnings and 12.13% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2011 were \$337,535 (2010 - \$304,489). Total current service contributions by the employees of the Town to the LAPP in 2011 were \$305,831 (2010 - \$272,982).

At December 31, 2010 the LAPP disclosed an actuarial deficit of \$4,635.3 million.

(b) Special Forces Pension Plan

The Town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Police officers employed by the Town, including management, participate in the Special Forces Pension Plan (SFPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The SFPP serves about 6,261 people and 7 employers. The plan is financed by employer and employee contributions and by investment earnings of the SFPP Fund.

Contributions for current services are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the SFPP of 14.55% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.55% on pensionable earnings above this amount. Police officers of the Town are required to make current service contributions of 13.45% of pensionable earnings up to the year's maximum pensionable earnings and 13.45% on pensionable earnings above this amount.

Total current service contributions by the Town to the SFPP in 2011 were \$168,670 (2010 - \$138,684). Total current service contributions by the police officers of the Town to the SFPP in 2011 were \$155,919 (2010 - \$126,766).

At December 31, 2010 the SFPP Plan disclosed an actuarial deficit of \$580.7 million.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

15. Contingent liabilities

- (a) Various claims have been made against the Town as at December 31, 2011. If proven, it is possible that these claims may have an adverse effect on the financial position of the Town. The Town is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.
- (b) The Town has not recognized liabilities relating to certain obligations, primarily environmental and other liabilities relating to facilities, equipment and land. These liabilities are not recognized as the dates of remediation are unknown and as such the fair value of these liabilities cannot be reasonably determined.

16. Commitments

The Town has entered into an agreement with a service provider to construct, operate and finance the upgrade and operation of its water, waste water and certain storm water functions. The term of the agreement is for 20 years from the effective date, with an option to extend the contract for an additional 10 year period. Under the terms of the agreement, the Town transferred specific inventories held for consumption and tangible capital assets related to the service provider, at a nominal amount.

Consideration to be paid for services as stipulated in the agreement includes:

- (a) an amortization fund, aggregating \$18,498,136, to be paid to the Operator by the Town in 240 consecutive monthly blended payments including interest at 6.5%. The Town is able to apply specific grant funding it receives to this fund to reduce the future payments required;
- (b) an operational component comprised of annual operating fees of approximately \$1,746,450 per annum, paid to the operator and adjusted annually for certain factors as outlined in the agreement;
- (c) a cost plus variable management fee component for any future capital additions required for operations.

Upon termination of the agreement, title of all related assets will transfer to the Town.

17. Financial instruments

The Town's financial instruments consist of cash and temporary investments, taxes and grants in lieu receivable, trade and other receivables, long-term investments, debt charges recoverable, accounts payable and accrued liabilities, employee benefit obligations, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in lieu receivable, and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimized the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

18. Segmented disclosure

Segmented disclosures have 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 consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented financial information, along with the services they provide, are as follows:

(a) General government

The mandate of general government includes all taxation, Council and administrative functional activities.

(b) Protective services

The mandate of protective services is to provide for the rescue and protection of people and property within the Town through effective and efficient management and coordination of emergency service systems and resources.

(c) Transportation services

The mandate of transportation services is the delivery of municipal public works services relating to the planning, development and maintenance of roadway systems, streets, walks, lighting, storm water flows and public transit.

(d) Environmental services

The mandate of environmental services is the delivery of utility services including water supply and distribution services, wastewater treatment and disposal activities, and solid waste and recycling management.

(e) Public health services

The mandate of public health services is the contribution to Family and Community Support Services (FCSS) and the administration and maintenance of the cemetery.

(f) Planning and development

The mandate of planning and development is the administration of residential, commercial and industrial development services, and operation and maintenance of Town owned buildings.

(g) Parks and recreation

The mandate of parks and recreation includes the operation and maintenance of parks, sportsfields, and recreation and community facilities within the Town.

(h) Culture and libraries

The mandate of culture and libraries includes the operation and maintenance of the community auditorium and meeting rooms, and the support of the Taber Public Library and the ownership of the building.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those adopted by the Town as a whole.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2011

19. Comparative figures

The comparative figures for the 2010 year have been reclassified to conform with the 2011 financial statement presentation.

20. Approval of financial statements

These financial statements have been approved by Council and Management.