

TOWN OF TABER
CONSOLIDATED FINANCIAL STATEMENTS
And Independent Auditors' Report thereon
For the year ended December 31, 2019

TOWN OF TABER
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December 31, 2019

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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 Finance



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the Town of Taber (the "Town"), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and schedules and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2019, and its consolidated results of operations, changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

April 16, 2020

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Consolidated Statement of Financial Position

As at December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets		
Cash and temporary investments (note 2)	\$ 16,960,030	\$ 18,114,914
Taxes and grants in lieu receivable (note 3)	676,994	550,769
Trade and other receivables	2,335,598	1,969,966
Long-term investments (note 4)	842,601	634,090
Debt charges recoverable	364,844	403,824
Other financial assets	66	1,147
	21,180,133	21,674,710
Liabilities		
Accounts payable and accrued liabilities	2,087,032	1,965,940
Employee benefit obligations (note 5)	638,068	558,125
Deposit liabilities	358,200	368,707
Deferred revenue and government transfers (note 6)	4,608,975	2,116,676
Provision for landfill post-closure costs (note 7)	255,603	251,397
Long-term debt (note 8)	8,381,369	9,394,859
	16,329,247	14,655,704
Net financial assets	4,850,886	7,019,006
Non-financial assets		
Tangible capital assets (schedule 2, note 10)	133,575,382	131,270,177
Land held for resale	2,468,890	2,262,372
Inventory held for consumption	241,703	239,178
Prepays and deposits	947,367	58,916
	137,233,342	133,830,643
Accumulated surplus (schedule 1, note 11)	142,084,228	140,849,649
Contingent liabilities (note 15)		
Contractual rights (note 16)		
Subsequent event (note 19)		

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Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2019, with comparative information for 2018

	Budget	2019	2018
Revenue			
Net taxes available for municipal purposes (schedule 3)	\$ 9,264,307	\$ 9,250,472	\$ 9,136,226
Sales and user fees	8,733,845	9,138,759	8,034,290
Government transfers for operating (schedule 4)	1,275,567	1,048,271	2,566,084
Penalties and costs of taxes	175,000	192,619	196,914
Fines	510,300	558,473	493,666
Franchise and concession contracts	1,820,090	1,899,236	1,798,036
Investment income	150,000	414,445	358,614
Licenses and permits	245,275	253,707	253,466
Rentals	747,179	837,669	896,643
Other	115,439	490,996	1,448,404
	23,037,002	24,084,647	25,182,343
Expenses (schedule 5)			
Council and other legislative	524,876	541,999	416,359
General government	2,646,474	2,546,021	2,645,332
Protective services	3,723,186	3,637,696	3,443,490
Fire	911,895	941,316	978,333
Disaster	14,036	11,968	11,756
Roads, walks and street lighting	3,628,207	3,869,396	5,184,768
Other transportation	83,875	83,875	81,875
Stormwater	547,464	499,628	615,175
Water supply and distribution	2,061,031	2,105,414	1,864,919
Wastewater treatment and disposal	3,276,158	3,271,972	3,278,257
Waste management	1,576,055	1,636,125	1,577,218
Family and community support	64,349	64,137	62,873
Cemeteries	187,488	165,446	149,249
Land use planning, zoning and development	929,590	633,625	752,695
Subdivision land and development	184,804	192,475	(261)
Land, housing and building rentals	891,991	910,079	689,710
Parks and recreation	3,753,592	3,654,750	3,292,738
Culture	904,019	1,153,359	949,258
	25,909,090	25,919,281	25,993,744
Annual surplus (deficit) before other	(2,872,088)	(1,834,634)	(811,401)
Other			
Contributed assets	-	79,000	80,000
Government transfers for capital (schedule 4)	400,000	2,990,213	3,276,152
Annual surplus	(2,472,088)	1,234,579	2,544,751
Accumulated surplus, beginning of year	140,849,649	140,849,649	138,304,898
Accumulated surplus, end of year	\$ 138,377,561	\$ 142,084,228	\$ 140,849,649

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Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2019, with comparative information for 2018

	Budget	2019	2018
Annual surplus	\$ (2,472,088)	\$ 1,234,579	\$ 2,544,751
Acquisition of tangible capital assets	(133,607)	(7,370,518)	(6,193,451)
Contributed tangible capital assets	-	(79,000)	(80,000)
Amortization of tangible capital assets	4,791,010	4,809,581	4,626,631
Loss on disposal of tangible capital assets	-	43,843	95,025
Proceeds on disposal of tangible capital assets	-	290,889	203,980
	2,185,315	(1,070,626)	1,196,936
Acquisition of land held for resale	-	(260,672)	(1,707,154)
Acquisition of inventories of supplies	-	(241,703)	(239,178)
Acquisition of prepaids and deposits	-	(947,367)	(58,916)
Disposal of land held for resale	-	54,154	55,666
Consumption of inventories of supplies	-	239,178	83,965
Use of prepaids and deposits	-	58,916	1,124,678
	-	(1,097,494)	(740,939)
Increase (decrease) in net financial assets	2,185,315	(2,168,120)	455,997
Net financial assets, beginning of year	7,019,006	7,019,006	6,563,009
Net financial assets, end of year	\$ 9,204,321	\$ 4,850,886	\$ 7,019,006

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Consolidated Statement of Cash Flows

For the year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash flows provided by (used in) the following activities:		
Operating		
Annual surplus	\$ 1,234,579	\$ 2,544,751
Items not involving cash:		
Amortization of tangible capital assets	4,809,581	4,626,631
Contributed tangible capital assets	(79,000)	(80,000)
Loss on disposal of tangible capital assets	43,843	95,025
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	(126,225)	135,752
Trade and other receivables	(365,632)	(287,015)
Debt charges recoverable	38,980	37,685
Other financial assets	1,081	825
Accounts payable and accrued liabilities	121,092	(487,980)
Employee benefit obligations	79,943	30,923
Deposit liabilities	(10,507)	(29,795)
Deferred revenue and government transfers	2,492,299	934,713
Provision for landfill post-closure costs	4,206	(34,185)
Land held for resale	(206,518)	(1,651,488)
Inventory held for consumption	(2,525)	(155,213)
Prepays and deposits	(888,451)	1,065,762
	7,146,746	6,746,391
Capital		
Proceeds on disposal of tangible capital assets	290,889	203,980
Purchase of tangible capital assets:		
Funded from reserves	(5,133,010)	(4,501,544)
Funded from operations	(2,237,508)	(1,691,907)
	(7,079,629)	(5,989,471)
Investing		
Redemption (purchase) of long-term investments	(208,511)	129,442
	(208,511)	129,442
Financing		
Repayment of debt charges recoverable	(38,980)	(37,685)
Proceeds of long-term debt	-	2,000,000
Repayment of long-term debt	(974,510)	(793,567)
	(1,013,490)	1,168,748
Net increase (decrease) in cash and cash equivalents	(1,154,884)	2,055,110
Cash and cash equivalents, beginning of year	18,114,914	16,059,804
Cash and cash equivalents, end of year	\$ 16,960,030	\$ 18,114,914

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Consolidated Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2019, with comparative information for 2018

Schedule 1

	Unrestricted Net Assets	Reserves	Equity in tangible capital assets	2019	2018
Beginning balance	\$ 2,782,592	\$ 13,787,914	\$ 124,279,143	\$ 140,849,649	\$ 138,304,898
Annual surplus	1,234,579	-	-	1,234,579	2,544,751
Operating reserves					
Transfers to reserves	(53,796)	53,796	-	-	-
Transfers from reserves	119,371	(119,371)	-	-	-
Capital reserves					
Transfers to reserves	(5,560,693)	5,560,693	-	-	-
Transfers from reserves for capital purposes	-	(5,133,010)	5,133,010	-	-
Capital investing					
Capital assets internally funded	(2,237,508)	-	2,237,508	-	-
Contributed assets	(79,000)	-	79,000	-	-
Amortization of tangible capital assets	4,809,581	-	(4,809,581)	-	-
Proceeds on disposal of tangible capital assets	290,889	-	(290,889)	-	-
Loss on disposal of tangible capital assets	43,843	-	(43,843)	-	-
Capital financing					
Principal payment of capital debt	(799,405)	-	799,405	-	-
Total	\$ 550,453	\$ 14,150,022	\$ 127,383,753	\$ 142,084,228	\$ 140,849,649

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Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2019, with comparative information for 2018

Schedule 2

Cost	2018	Additions	Disposals	Transfers of assets under construction	2019
Land	\$ 1,647,152	\$ 303,500	164,729	\$ -	\$ 1,785,923
Land improvements	4,175,659	46,144	-	-	4,221,803
Buildings	17,990,252	2,218,790	70,000	-	20,139,042
Engineering structures	170,107,105	1,600,273	506,125	-	171,201,253
Machinery and equipment	10,282,172	2,027,225	376,365	-	11,933,032
Vehicles	5,614,992	249,318	135,363	-	5,728,947
Assets under construction	3,180,809	1,004,268	-	-	4,185,077
Total	\$ 212,998,141	\$ 7,449,518	\$ 1,252,582	\$ -	\$ 219,195,077

Accumulated amortization	2018	Amortization expense	Disposals	2019
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	2,045,462	150,998	-	2,196,460
Buildings	6,993,257	426,611	46,589	7,373,279
Engineering structures	65,307,265	3,194,896	417,343	68,084,818
Machinery and equipment	4,863,045	684,722	318,555	5,229,212
Vehicles	2,518,935	352,354	135,363	2,735,926
Total	\$ 81,727,964	\$ 4,809,581	\$ 917,850	\$ 85,619,695

Net book value	2018	2019
Land	\$ 1,647,152	\$ 1,785,923
Land improvements	2,130,197	2,025,343
Buildings	10,996,995	12,765,763
Engineering structures	104,799,840	103,116,435
Machinery and equipment	5,419,127	6,703,820
Vehicles	3,096,057	2,993,021
Assets under construction	3,180,809	4,185,077
Total	\$ 131,270,177	\$ 133,575,382

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Consolidated Schedule of Taxes Levied and Net Taxes Available for Municipal Purposes For the year ended December 31, 2019, with comparative information for 2018 Schedule 3

	Budget	2019	2018
Taxation:			
Real property taxes	\$ 11,882,223	\$ 11,830,438	\$ 11,672,932
Linear property taxes	242,736	223,901	221,316
Government grants in place of property taxes	19,092	20,467	20,082
	12,144,051	12,074,806	11,914,330
Requisition:			
Alberta School Foundation Fund	2,451,685	2,389,614	2,356,090
Holy Spirit School Division	341,036	330,647	326,392
Taber & District Housing Authority	87,023	104,073	95,622
	2,879,744	2,824,334	2,778,104
Net taxes available for municipal purposes	\$ 9,264,307	\$ 9,250,472	\$ 9,136,226

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Consolidated Schedule of Government Transfers

For the year ended December 31, 2019, with comparative information for 2018

Schedule 4

	Budget	2019	2018
Transfers for operating:			
Provincial government	\$ 1,031,275	\$ 778,457	\$ 2,292,936
Federal government	13,000	22,100	14,624
Other local governments	231,292	247,714	258,524
	1,275,567	1,048,271	2,566,084
Transfers for capital:			
Provincial government	400,000	2,990,213	3,276,152
	400,000	2,990,213	3,276,152
Total government transfers	\$ 1,675,567	\$ 4,038,484	\$ 5,842,236

Consolidated Schedule of Expenses by Object

For the year ended December 31, 2019, with comparative information for 2018

Schedule 5

	Budget	2019	2018
Salaries, wages and benefits	\$ 11,214,822	\$ 11,510,861	\$ 10,772,054
Contracted and general services	5,566,191	5,563,694	6,369,226
Materials, goods and supplies	3,643,312	3,254,259	3,580,410
Provision for allowances	-	3,048	827
Transfers to local boards and agencies	303,754	345,998	287,231
Bank charges and short-term interest	8,950	13,657	15,167
Interest on long-term debt	242,950	239,536	228,246
Amortization of tangible capital assets	4,791,010	4,809,581	4,626,631
Loss on disposal of tangible capital assets	-	43,842	95,025
Other	138,101	134,805	18,927
	\$ 25,909,090	\$ 25,919,281	\$ 25,993,744

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Consolidated Schedule of Segmented Disclosure
For the year ended December 31, 2019
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	\$ 9,250,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,250,472
Sales and user fees	9,979	201,361	410,294	7,320,335	62,984	973,090	157,424	3,292	9,138,759
Government transfers for operating	42,421	555,931	2,726	43,313	5,538	117,726	178,778	101,838	1,048,271
Penalties and costs of taxes	148,861	-	-	43,758	-	-	-	-	192,619
Fines	-	551,354	-	-	-	-	-	7,119	558,473
Franchise and concession contracts	1,899,236	-	-	-	-	-	-	-	1,899,236
Investment income	412,638	-	-	-	-	-	-	1,807	414,445
Licenses and permits	3,950	-	-	-	2,250	247,507	-	-	253,707
Rentals	63,879	86,306	-	-	-	147,800	497,810	41,874	837,669
Other	239,894	44,413	6,941	6,279	433	109,215	65,013	18,808	490,996
	12,071,330	1,439,365	419,961	7,413,685	71,205	1,595,338	899,025	174,738	24,084,647
Expenses									
Salaries, wages and benefits	1,769,262	3,439,707	1,348,196	1,676,149	117,525	962,822	1,859,040	338,160	11,510,861
Contracted and general services	814,350	508,031	642,954	1,926,113	19,882	534,135	663,924	454,305	5,563,694
Materials, goods and supplies	204,356	257,122	691,473	1,280,762	7,103	37,226	590,308	185,909	3,254,259
Provision for allowances	277	2,263	-	-	-	-	-	508	3,048
Transfers to local boards and agencies	100,622	-	113,731	-	64,137	-	-	67,508	345,998
Bank charges and short-term interest	1,456	1,144	5,094	1,822	-	-	8,013	1,222	13,657
Interest on long-term debt	-	-	-	132,749	-	67,110	417	34,166	239,536
Amortization of tangible capital assets	125,650	399,362	1,719,575	1,910,750	20,936	50,674	514,887	67,747	4,809,581
Loss (gain) on disposal of tangible capital assets	(360)	(16,650)	(38,268)	80,959	-	-	18,161	-	43,842
Other	72,410	-	-	4,206	-	54,355	-	3,834	134,805
	3,088,023	4,590,979	4,482,755	7,013,510	229,583	1,706,322	3,654,750	1,153,359	25,919,281
Annual surplus (deficit) before other	8,983,307	(3,151,614)	(4,062,794)	400,175	(158,378)	(110,984)	(2,755,725)	(978,621)	(1,834,634)
Other									
Contributed assets	-	-	-	-	-	79,000	-	-	79,000
Government transfers for capital	4,910	404,000	-	2,383,818	-	-	197,485	-	2,990,213
Annual surplus (deficit)	\$ 8,988,217	\$ (2,747,614)	\$ (4,062,794)	\$ 2,783,993	\$ (158,378)	\$ (31,984)	\$ (2,558,240)	\$ (978,621)	\$ 1,234,579

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

1. Significant accounting policies

The consolidated financial statements of the Town of Taber (the "Town") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. 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 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

Taxes levied also include 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. A schedule of these trust assets is included in Note 12.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting in accordance with Canadian Public Sector Accounting Standards.

(c) Expenses:

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the obligation to pay.

(d) Pension expenses:

The Town 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.

(e) Cash and cash equivalents:

Cash and cash equivalents includes cash and deposits redeemable at managements discretion held with Canadian financial institutions.

(f) 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.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

(g) 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.

(h) 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.

(i) Revenues:

Revenue is recorded when it is earned and measurable. Sales and user fees are accounted for in the period in which the events occurred that gave rise to the revenues. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(j) Tax revenue:

Tax revenues are recognized once Town Council passes the bylaw approving the current year's tax assessment and tax rate. Tax rate categories include: real property taxes (residential and non-residential), linear property taxes and local improvement taxes. Requisitions operating as flow through arrangements are excluded from revenue. See Schedule 3.

Taxes receivable are measured once the tax rate of the local improvement tax rate bylaw is passed. Taxes receivable are measured at their net realizable value. Net realizable value excludes individually identified taxes in arrears considered uncollectable through the tax recovery process. Taxes received in advance of the next tax year are recorded as a customer credit and liability until the bylaw is passed.

(k) Deferred 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. Deferred revenue includes amounts received for services yet to be performed as well as government transfers where the stipulations have not yet been met.

(l) 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 in the period that gives rise to the transfer occurring, providing the transfers are authorized, the Town has met any eligible criteria and a reasonable estimate of the amounts can be made.

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Notes to Consolidated Financial Statements

For the year ended December 31, 2019

(m) 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.

(n) 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. The change in non-financial assets during the year, together with the excess of revenues and expenses, provides the consolidated Change in Net Financial Assets for the year.

(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) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made or where there was no future benefit related to the asset, the tangible capital asset was recognized at a nominal value. Land, land improvements, buildings and machinery and equipment are the categories where nominal values were assigned.

(iii) 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.

(iv) Inventories:

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

(v) Interest capitalization:

The Town does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(vi) 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 leveling 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.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

(o) 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. Areas with significant use of managements estimates include amortization of capital assets and collection of accounts receivable.

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

Actual results could differ from those estimates.

(p) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, sediment of material (chemical, organic, radioactive) or live organism that exceeds an environmental standard. The Town recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Town is directly responsible or accepts responsibility for the contamination
- it is expected that future economic benefits will be given up and,
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Town's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Town's best estimate, as of December 31, 2019, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination.

Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. The Town will measure the liability using present value techniques when cash flows are expected to occur over extended future periods.

(q) Future accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2020, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

(i) PS 1201 - Financial Statement Presentation

The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2021.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

(q) Future accounting pronouncements (continued):

(ii) PS 3450 - Financial Instruments

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. As the Town does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the Town. This standard is effective for fiscal years beginning on or after April 1, 2021.

(iii) PS 2601 - Foreign Currency Translation

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items valued at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2021.

(iv) PS 3041 - Portfolio Investments

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of these types of investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2021.

(x) PS 3280 - Asset Retirement Obligations

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2021.

(xi) PS 3400 - Revenue

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2022.

The requirements in PS 1201, PS 3450, PS 2601, and PS 3041 are required to be implemented at the same time.

Management has indicated that the impact of the adoption of this standard is being evaluated and it is not known or reasonably estimable at this time.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

(r) Adoption of new accounting standards

The Town has prospectively adopted the following standards effective January 1, 2019:

(i) PS 3430 - Restructuring Transactions

This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets or liabilities, together with related program or operating responsibilities.

2. Cash and temporary investments

	2019	2018
Cash	\$ 4,471,070	\$ 2,140,049
Temporary investments (market value 2019 - \$12,543,475; 2018 - \$16,144,005)	12,488,960	15,974,865
	<u>\$ 16,960,030</u>	<u>\$ 18,114,914</u>

The temporary investments are comprised of short-term deposits issued by a Canadian financial institution. These investments mature between January 16, 2020 to November 20, 2020, but are redeemable at management's discretion.

Included in temporary investments are restricted amounts of \$588,154, \$5,186, \$3,304,962, and \$131,811 received from Municipal Sustainability Initiative, Clean Water and Wastewater Fund, Federal Gas Tax Fund, Alberta Community Resilience Program, and Alberta Community Partnership respectively and held exclusively for capital infrastructure projects (note 6).

3. Taxes and grants in lieu receivable

	2019	2018
Current taxes and grants in lieu of taxes	\$ 514,114	\$ 461,229
Tax arrears	162,880	89,540
	<u>\$ 676,994</u>	<u>\$ 550,769</u>

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Notes to Consolidated Financial Statements
For the year ended December 31, 2019

4. Long-term investments

	2019		2018	
	Cost	Market Value	Cost	Market Value
Guaranteed Investment Certificates	\$ 640,865	\$ 640,865	\$ 432,335	\$ 422,335
Principal Protected Index Fund	198,206	198,206	198,206	198,206
Patronage reserves - United Farmers of Alberta	3,434	3,434	3,453	3,453
Shares in Alberta Capital Finance Authority	40	40	40	40
Shares in 1st Choice Savings & Credit Union Ltd.	56	56	56	56
	\$ 842,601	\$ 842,601	\$ 634,090	\$ 624,090

Guaranteed Investment Certificates have effective interest rates of 2.84% to 4.86% with maturity dates of September 29, 2026 to March 4, 2031.

Corporate bonds have effective yield rates up to 0.10% (2018 - up to 0.10%) with maturity dates up to August 24, 2021.

5. Employee benefit obligations

	2019	2018
Vacation and other entitlements	\$ 638,068	\$ 558,125

The vacation and other entitlements liability consists of the vacation, overtime, flex and sick leave that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

6. Deferred revenue and government transfers

	2019	2018
Deferred revenue	\$ 444,378	\$ 296,186
Government contributions ⁽¹⁾	4,121,968	1,782,026
Prepaid taxes	42,629	38,464
	<u>\$ 4,608,975</u>	<u>\$ 2,116,676</u>

⁽¹⁾ Government contributions in deferred revenue consist of the following:

	2018 Balance	Grants Received & Interest Recognized	Government Transfer Revenue	2019 Balance
Municipal Sustainability Initiative Grant	\$ 576,673	\$ 1,215,955	\$ (1,204,474)	\$ 588,154
Clean Water and Wastewater Fund	226,551	-	(226,551)	-
Federal Gas Tax Fund Alberta Community Partnership	686,946	407,933	(1,089,693)	5,186
Alberta Community Resilience Program	200,000	-	(68,189)	131,811
Other Grants	-	3,304,962	-	3,304,962
	91,856	561,351	(561,352)	91,855
	<u>\$ 1,782,026</u>	<u>\$ 5,490,201</u>	<u>\$ (3,150,259)</u>	<u>\$ 4,121,968</u>

7. 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 \$255,603 for 2019 (2018 - \$251,397) is based on the sum of discounted future cash flows for post-closure activities for 11 years (2018 - 12 years) using a discount rate of 2.3% (2018 - 1.7%) and assuming annual inflation of 1.8% (2018 - 1.8%).

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

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

8. Long-term debt

	2019	2018
Tax supported:		
Debenture issued for the construction of library building	\$ 721,643	\$ 808,058
Debenture issued for Sewer Truck	325,950	430,068
Debenture issued for upgrade to the water and waste water treatment plant	4,154,037	4,707,909
Debenture issued for Lagoon project	990,000	1,045,000
Self supported:		
Debenture from debt charges recoverable (Taber Golf Club)	-	26,166
Debenture from debt charges recoverable (Taber Gymnastics Fitness Club)	364,844	377,658
Debenture from debt charges recoverable (Land purchase)	1,824,895	2,000,000
	8,381,369	9,394,859
Current portion	998,901	1,013,490
	\$ 7,382,468	\$ 8,381,369

	Principal	Interest	Total
2020	\$ 998,901	\$ 217,625	\$ 1,216,526
2021	1,010,857	190,863	1,201,720
2022	1,023,206	163,710	1,186,916
2023	922,615	136,752	1,059,367
2024	933,358	111,203	1,044,561
Thereafter	3,492,432	313,595	3,806,027
	\$ 8,381,369	\$ 1,133,748	\$ 9,515,117

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.

The Town is under agreement with the Taber Gymnastics Fitness 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.

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2019

8. Long-term debt (continued)

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

Debenture debt issued to Taber Gymnastics Fitness Club is repayable to Alberta Capital Finance Authority and bears interest at 3.228% and matures in 2039.

Debenture debt issued for the Sewer Truck is repayable to Alberta Capital Finance Authority and bears interest at 2.134% and matures in 2022.

Debenture debt issued for the upgrade to the water and waste water treatment plant is repayable to Canadian Imperial Bank of Commerce and bears interest at 2.134% and matures in 2027.

Debenture debt issued for the Land purchase is repayable to Alberta Capital Finance Authority and bears interest at 2.899% and matures in 2028.

The Town has a revolving loan with Canadian Imperial Bank of Commerce. The revolving loan is due on demand, bears interest at 2.7% and has available funds up to \$3,000,000. As at December 31, 2019, the revolving loan was not drawn upon.

During the year, on a cash basis, the Town paid \$244,695 on interest on long-term debt.

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

9. 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:

	2019	2018
Total debt limit	\$ 36,126,971	\$ 37,773,515
Total debt	(8,381,369)	(9,394,859)
Amount of debt limit unused	\$ 27,745,602	\$ 28,378,656
Debt servicing limit	\$ 6,021,162	\$ 6,295,586
Debt servicing	(1,216,526)	(1,258,186)
Amount of debt servicing limit unused	\$ 4,804,636	\$ 5,037,400

The debt limit is calculated at 1.5 times revenue of the Town (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 Town. Rather, the financial statements must be interpreted as a whole.

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Notes to Consolidated Financial Statements For the year ended December 31, 2019

10. Tangible capital assets

	2019	2018
Land for Municipal Use	\$ 1,785,923	\$ 1,647,152
Land Improvements	2,025,343	2,130,197
Buildings	12,765,762	10,996,994
Engineering Structures	103,116,436	104,799,840
Machinery & Equipment	6,703,819	5,419,126
Vehicles	2,993,022	3,096,059
Work in Progress	4,185,077	3,180,809
	<hr/>	<hr/>
	\$ 133,575,382	\$ 131,270,177

Contributed capital assets received and recognized in the year relate to various land recorded on the consolidated financial statements is \$79,000. Contributed capital assets received in 2018 relate to contributions from developers for various land \$80,000.

11. Accumulated surplus

	2019	2018
General government operations	\$ 141,983,750	\$ 140,702,218
Taber Public Library	100,478	147,431
	<hr/>	<hr/>
	\$ 142,084,228	\$ 140,849,649

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

	2019	2018
Unrestricted surplus	\$ 550,453	\$ 2,782,592
Reserves	14,150,022	13,787,914
Equity in tangible capital assets	127,383,753	124,279,143
	<hr/>	<hr/>
	\$ 142,084,228	\$ 140,849,649

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2019

11. Accumulated surplus (continued)

Reserves are comprised of funds internally restricted as follows:

	2018	Transfers in	Transfers out	2019
General operations	\$ 585,792	\$ 40,000	\$ (119,371)	\$ 506,421
Off street parking	6,700	-	-	6,700
Continuing projects	-	8,785	-	8,785
Police Commission	32,282	-	-	32,282
Health and safety	91,474	5,011	-	96,485
Repairs and maintenance	-	-	-	-
General capital	2,676,676	1,819,165	(2,614,816)	1,881,025
Infrastructure	3,250,605	1,689,711	(612,505)	4,327,811
Buildings	131,237	647,239	(415,996)	362,480
Equipment	148,337	987,339	(844,542)	291,134
Land	3,811,468	692,136	(1,395,834)	3,107,770
Vehicles	552,322	486,688	(249,317)	789,693
Energy conservation	634,770	168,784	-	803,554
Funds held in place of municipal reserves	167,447	6,247	-	173,694
Development levies	1,698,804	63,384	-	1,762,188
	\$ 13,787,914	\$ 6,614,489	\$ (6,252,381)	\$ 14,150,022

Equity in tangible capital assets

	2019	2018
Net book value of tangible capital assets	\$ 133,575,382	\$ 131,270,177
Long-term debt for capital purposes	(8,381,368)	(9,394,858)
Long-term debt for operating purposes	1,824,895	2,000,000
Debt charges recoverable	364,844	403,824
	\$ 127,383,753	\$ 124,279,143

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2019

12. Trust funds

The Town administers the following trusts on behalf of parties external to the reporting entity:

	2018	Increases	Decreases	2019
Highway 3 Association	21,657	-	21,657	-
Police trust	1,491	-	-	1,491
	\$ 23,148	\$ -	\$ 21,657	\$ 1,491

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

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:

	2019		2018	
	Salary ⁽¹⁾	Benefits & Allowances ^(2,3)	Total	Total
Members of Council				
Mayor A. Prokop	47,670	1,679	49,349	42,375
Councillors:				
J. Brewin	26,664	1,105	27,769	25,000
J. Strojwas	26,664	-	26,664	24,375
G. Bekkering	26,664	375	27,039	25,125
L. Tams	28,331	1,091	29,422	24,375
C. Firth	26,664	1,168	27,832	24,250
M. Garner	26,664	911	27,575	24,625
Chief Administrative Officer	178,992	35,823	214,815	207,685

(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, 2019

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 265,813 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 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2019 were \$560,270 (2018 - \$557,125). Total current service contributions by the employees of the Town to the LAPP in 2019 were \$506,317 (2018 - \$508,290).

At December 31, 2018 the LAPP disclosed an actuarial surplus of \$3.50 billion (2017 - deficit of \$5 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 7,375 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 2019 were \$226,902 (2018 - \$221,639). Total current service contributions by the police officers of the Town to the SFPP in 2019 were \$209,747 (2018 - \$204,884).

At December 31, 2018 the SFPP Plan disclosed an actuarial surplus of \$191.2 million (2017 - deficit of \$71.1 million).

TOWN OF TABER

Notes to Consolidated Financial Statements

For the year ended December 31, 2019

15. Contingent liabilities

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. Contractual rights

The Town has entered into several land rent and oil lease agreements with various third parties. These agreements are individually insignificant. The timing and extent of future revenues from each agreement varies based on its terms. Revenue from land rent and oil leases for the year was \$141,702 (2018 - \$133,765).

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, currency or liquidity 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.

18. Segmented disclosure

Segmented disclosures (Schedule 6) 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.

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2019

18. Segmented disclosure (continued)

(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.

19. Subsequent event

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the entity has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Mandatory working from home requirements for those able to do so
- Closure of facilities based on public health recommendations

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

20. Budget

The budget information was approved by Council on December 17, 2018.

21. Approval of financial statements

These financial statements have been approved by Council and Management.