

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of the Municipality of Jasper

### *Opinion*

We have audited the accompanying consolidated financial statements of the Municipality of Jasper (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and the results of its consolidated operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 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.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

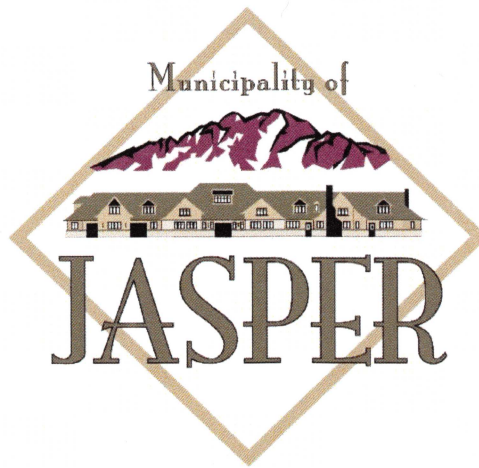
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality'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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
April 16, 2019



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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

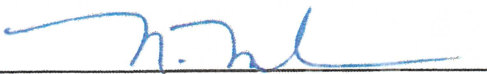
The elected Mayor and Council of the Municipality of Jasper are composed entirely of individuals who are neither management nor employees of the Municipality. The Mayor and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the Municipality's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and management to discuss their audit findings.



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Mark Fercho, Chief Administrative Officer



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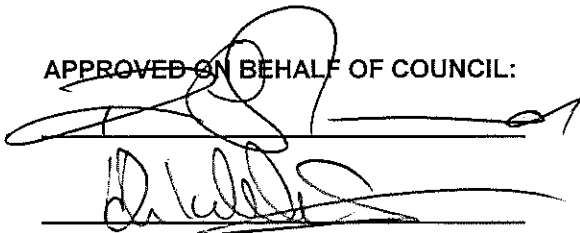
Natasha Malenchak, Director of Finance and Administration

Jasper, Alberta  
April 16, 2019

**MUNICIPALITY OF JASPER**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 14,130,381	\$ 9,885,308
Taxes and grants in place of taxes receivable (Note 2)	170,262	278,716
Trade and other receivables (Note 3)	1,464,819	2,775,141
Debt recoverable - local improvements	<u>35,200</u>	<u>46,975</u>
	<u>15,800,662</u>	<u>12,986,140</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 2,081,630	\$ 1,483,313
Employee benefit obligations (Note 6)	415,104	387,167
Deposit liabilities	121,166	46,929
Deferred revenue (Note 7)	6,077,064	4,543,520
Long-term debt (Note 8)	<u>2,276,286</u>	<u>2,775,746</u>
	<u>10,971,250</u>	<u>9,236,675</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,829,412</u>	<u>3,749,465</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 5)	57,254,092	57,994,935
Inventory for consumption	40,133	40,813
Prepaid expenses	<u>351,255</u>	<u>344,400</u>
	<u>57,645,480</u>	<u>58,380,148</u>
<b>ACCUMULATED SURPLUS (Schedule 1, Note 11)</b>	<u>\$ 62,474,892</u>	<u>\$ 62,129,613</u>
<b>CONTINGENCIES (Note 13)</b>		

APPROVED ON BEHALF OF COUNCIL:



**MUNICIPALITY OF JASPER**

**Consolidated Statement of Operations and Accumulated Surplus**

**For The Year Ended December 31, 2018**

	<u>2018</u> (Budget) (Note 18)	<u>2018</u> (Actual)	<u>2017</u> (Actual)
<b>REVENUE</b>			
Net municipal property taxes ( <i>Schedule 2</i> )	\$ 6,972,399	\$ 6,978,262	\$ 6,629,822
User fees and sales of goods	6,083,293	6,053,973	5,773,875
Government transfers for operating ( <i>Schedule 3</i> )	1,887,691	2,726,217	1,839,589
Rentals	620,043	628,305	618,547
Franchise and concession contracts ( <i>Note 14</i> )	442,030	409,719	447,453
Other	239,140	399,139	320,831
Fines, licenses and permits	199,054	217,704	202,491
Investment income	91,800	199,946	126,768
Penalties and costs on taxes	40,800	74,929	85,500
	<u>16,576,250</u>	<u>17,688,194</u>	<u>16,044,876</u>
<b>EXPENSES</b>			
Parks and recreation	3,360,482	4,053,419	3,644,853
Utilities	3,445,063	3,906,405	3,794,205
Public health	3,264,285	3,633,957	3,094,470
Roads, streets, walks, lighting	1,058,690	2,179,206	2,025,017
Protective services	1,039,224	1,848,915	1,276,584
General government	1,201,355	1,427,540	1,492,511
Library and museum	384,663	591,758	557,314
Legislative	546,817	463,311	372,911
Economic development	354,824	357,008	323,706
	<u>14,655,403</u>	<u>18,461,519</u>	<u>16,581,571</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>1,920,847</u>	<u>(773,325)</u>	<u>(536,695)</u>
<b>OTHER INCOME</b>			
Government transfers for capital ( <i>Schedule 3</i> )	-	1,360,508	1,081,555
Loss on disposal of tangible capital assets	-	(241,904)	-
	<u>-</u>	<u>1,118,604</u>	<u>1,081,555</u>
<b>ANNUAL SURPLUS</b>	1,920,847	345,279	544,860
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>62,129,613</u>	<u>62,129,613</u>	<u>61,584,753</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (<i>Schedule 1, Note 11</i>)</b>	<u>\$ 64,050,460</u>	<u>\$ 62,474,892</u>	<u>\$ 62,129,613</u>

**MUNICIPALITY OF JASPER**  
**Consolidated Statement of Change in Net Financial Assets**  
**For The Year Ended December 31, 2018**

	2018 (Budget) (Note 18)	2018 (Actual)	2017 (Actual)
<b>ANNUAL SURPLUS</b>	\$ <u>1,920,847</u>	\$ <u>345,279</u>	\$ <u>544,860</u>
Acquisition of tangible capital assets	(4,222,540)	(2,187,839)	(2,066,904)
Proceeds on disposal of tangible capital assets	-	56,285	-
Amortization of tangible capital assets	-	2,630,493	2,504,651
Loss on disposal of tangible capital assets	<u>-</u>	<u>241,904</u>	<u>-</u>
	<u>(4,222,540)</u>	<u>740,843</u>	<u>437,747</u>
Net change in inventory for consumption	-	680	554
Net change in prepaid expenses	<u>-</u>	<u>(6,855)</u>	<u>(27,905)</u>
	<u>-</u>	<u>(6,175)</u>	<u>(27,351)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(2,301,693)	1,079,947	955,256
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>3,749,465</u>	<u>3,749,465</u>	<u>2,794,209</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 1,447,772</u>	<u>\$ 4,829,412</u>	<u>\$ 3,749,465</u>

**MUNICIPALITY OF JASPER**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 345,279	\$ 544,860
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	2,630,493	2,504,651
Loss on disposal of tangible capital assets	241,904	-
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	108,454	(82,497)
Trade and other receivables	1,310,322	(526,541)
Debt recoverable - local improvements	11,775	14,251
Accounts payable and accrued liabilities	598,317	453,233
Employee benefit obligations	27,937	81,483
Deposit liabilities	74,237	(256)
Deferred revenue	1,533,544	1,305,825
Inventory for consumption	680	554
Prepaid expenses	<u>(6,855)</u>	<u>(27,905)</u>
	<u>6,876,087</u>	<u>4,267,658</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,187,839)	(2,066,904)
Proceeds on disposal of tangible capital assets	<u>56,285</u>	<u>-</u>
	<u>(2,131,554)</u>	<u>(2,066,904)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	<u>(499,460)</u>	<u>(628,996)</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>4,245,073</b>	<b>1,571,758</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>9,885,308</u>	<u>8,313,550</u>
<b>CASH, END OF YEAR</b>	<b>\$ <u>14,130,381</u></b>	<b>\$ <u>9,885,308</u></b>



**MUNICIPALITY OF JASPER**  
**Schedule of Changes in Accumulated Surplus**  
**For The Year Ended December 31, 2018**

**SCHEDULE 1**

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<u>2018</u>	<u>2017</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 2,468,583	\$ 1,505,686	\$ 2,889,180	\$ 55,266,164	\$ <b>62,129,613</b>	\$ 61,584,753
Annual surplus	345,279	-	-	-	<b>345,279</b>	544,860
Purchase of tangible capital assets	(2,187,839)	-	-	2,187,839	-	-
Annual amortization	2,630,493	-	-	(2,630,493)	-	-
Disposal of tangible capital assets (net of amortization)	298,188	-	-	(298,188)	-	-
Unrestricted funds designated for future use	(605,645)	268,992	336,653	-	-	-
Long-term debt repaid	(499,460)	-	-	499,460	-	-
Levied portion of debt recoverable - local improvements	<u>11,776</u>	<u>-</u>	<u>-</u>	<u>(11,776)</u>	<u>-</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 2,461,375</u>	<u>\$ 1,774,678</u>	<u>\$ 3,225,833</u>	<u>\$ 55,013,006</u>	<u>\$ <b>62,474,892</b></u>	<u>\$ 62,129,613</u>

The accompanying notes are an integral part of the consolidated financial statements.

**MUNICIPALITY OF JASPER**  
**Schedule of Property Taxes Levied**  
**For The Year Ended December 31, 2018**

**SCHEDULE 2**

	<u>2018</u> (Budget) (Note 18)	<u>2018</u> (Actual)	<u>2017</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 11,328,913	\$ <b>11,328,891</b>	\$ 10,876,358
Linear property taxes	418,025	<b>418,025</b>	395,423
Designated industrial property	-	<b>1,907</b>	-
Government grants in place of property taxes	<u>654,174</u>	<u><b>654,174</b></u>	<u>520,687</u>
	<u>12,401,112</u>	<u><b>12,402,997</b></u>	<u>11,792,468</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	4,209,089	<b>4,209,089</b>	4,006,050
Land rent to Parks Canada	447,604	<b>442,870</b>	438,327
Planning reserves to Parks Canada	200,140	<b>199,075</b>	196,216
Evergreen Foundation	571,880	<b>571,860</b>	522,053
Designated industrial property	<u>-</u>	<u><b>1,841</b></u>	<u>-</u>
	<u>5,428,713</u>	<u><b>5,424,735</b></u>	<u>5,162,646</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 6,972,399</u>	<u>\$ <b>6,978,262</b></u>	<u>\$ 6,629,822</u>

**MUNICIPALITY OF JASPER**  
**Schedule of Government Transfers**  
**For The Year Ended December 31, 2018**

**SCHEDULE 3**

	2018 (Budget) (Note 18)	<b>2018 (Actual)</b>	2017 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,514,305	<b>\$ 2,014,974</b>	\$ 1,477,423
Federal government	<u>373,386</u>	<u><b>711,243</b></u>	<u>362,166</u>
	<u>1,887,691</u>	<u><b>2,726,217</b></u>	<u>1,839,589</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	-	<b>1,306,927</b>	918,697
Federal government	<u>-</u>	<u><b>53,581</b></u>	<u>162,858</u>
	<u>-</u>	<u><b>1,360,508</b></u>	<u>1,081,555</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u><b>\$ 1,887,691</b></u>	<u><b>\$ 4,086,725</b></u>	<u><b>\$ 2,921,144</b></u>

**MUNICIPALITY OF JASPER**  
**Schedule of Segmented Disclosure**  
**For The Year Ended December 31, 2018**

**SCHEDULE 4**

	General Government	Roads, Streets Walks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
<b>REVENUE</b>										
Net municipal property taxes	\$ 6,978,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,978,262
User fees and sales of goods	3,480	-	8,698	3,988,562	706,465	141,778	-	1,201,064	3,926	6,053,973
Government transfers	93,584	54,565	-	703,678	279,071	1,080,654	-	1,875,173	-	4,086,725
Rentals	-	-	4,764	-	419,304	104,857	-	-	99,380	628,305
Franchise and concession contracts	409,719	-	-	-	-	-	-	-	-	409,719
Other	6,939	45,709	-	86,398	62,985	93,100	-	99,677	4,331	399,139
Fines, licenses and permits	36,788	-	-	-	-	180,916	-	-	-	217,704
Investment income	199,946	-	-	-	-	-	-	-	-	199,946
Penalties and costs on taxes	74,929	-	-	-	-	-	-	-	-	74,929
Gain (loss) on disposal of tangible capital assets	-	(98,186)	-	(154,596)	9,793	1,085	-	-	-	(241,904)
	<u>7,803,647</u>	<u>2,088</u>	<u>13,462</u>	<u>4,624,042</u>	<u>1,477,618</u>	<u>1,602,390</u>	<u>-</u>	<u>3,175,914</u>	<u>107,637</u>	<u>18,806,798</u>
<b>EXPENSES</b>										
Salaries, wages and benefits	839,135	757,030	212,688	1,179,534	1,834,179	673,713	244,312	2,540,675	27,097	8,308,363
Contracted and general services	345,147	453,688	54,400	1,229,519	682,309	741,222	10,091	821,074	109,086	4,446,536
Materials, goods, and utilities	84,917	12,410	196,223	728,234	1,114,988	155,801	47,159	136,342	177,892	2,653,966
Amortization	42,154	949,037	-	608,961	402,691	278,179	211,119	95,419	42,933	2,630,493
Interest on long-term debt	-	7,041	-	129,101	-	-	-	-	-	136,142
Transfers to individuals and organizations	-	-	-	-	8,200	-	-	23,942	-	32,142
Transfers to local boards and agencies	-	-	-	-	-	-	79,077	7,140	-	86,217
Bank charges and short-term interest	10,345	-	-	-	11,042	-	-	8,488	-	29,875
Provision for allowances	<u>105,842</u>	<u>-</u>	<u>-</u>	<u>31,056</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>877</u>	<u>-</u>	<u>137,785</u>
	<u>1,427,540</u>	<u>2,179,206</u>	<u>463,311</u>	<u>3,906,405</u>	<u>4,053,419</u>	<u>1,848,915</u>	<u>591,758</u>	<u>3,633,957</u>	<u>357,008</u>	<u>18,461,519</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 6,376,107</u>	<u>\$ (2,177,118)</u>	<u>\$ (449,849)</u>	<u>\$ 717,637</u>	<u>\$ (2,575,801)</u>	<u>\$ (246,525)</u>	<u>\$ (591,758)</u>	<u>\$ (458,043)</u>	<u>\$ (249,371)</u>	<u>\$ 345,279</u>

The accompanying notes are an integral part of the consolidated financial statements.

**MUNICIPALITY OF JASPER**  
**Schedule of Segmented Disclosure**  
**For The Year Ended December 31, 2017**

**SCHEDULE 4**

	General Government	Roads, Streets Walks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
<b>REVENUE</b>										
Net municipal property taxes	\$ 6,629,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,629,822
User fees and sales of goods	25,280	-	6,361	3,761,960	760,640	127,993	-	1,087,777	3,864	5,773,875
Government transfers	61,257	434,912	-	218,815	220,425	559,443	-	1,426,292	-	2,921,144
Rentals	17	-	4,764	-	416,377	99,033	-	-	98,356	618,547
Franchise and concession contracts	447,453	-	-	-	-	-	-	-	-	447,453
Other	4,026	61,693	-	86,881	116,783	-	-	51,448	-	320,831
Fines, licenses and permits	35,245	-	-	-	-	167,246	-	-	-	202,491
Investment income	126,768	-	-	-	-	-	-	-	-	126,768
Penalties and costs on taxes	85,500	-	-	-	-	-	-	-	-	85,500
	<u>7,415,368</u>	<u>496,605</u>	<u>11,125</u>	<u>4,067,656</u>	<u>1,514,225</u>	<u>953,715</u>	<u>-</u>	<u>2,565,517</u>	<u>102,220</u>	<u>17,126,431</u>
<b>EXPENSES</b>										
Salaries, wages, and benefits	984,451	702,483	161,617	1,279,188	1,660,414	654,279	215,738	2,272,055	25,222	7,955,447
Materials, goods, and utilities	100,625	67,364	94,686	664,307	1,139,921	137,678	44,660	118,478	145,217	2,512,936
Contracted and general services	372,759	345,476	116,608	1,083,341	432,235	248,334	10,752	568,714	97,834	3,276,053
Amortization	28,450	898,772	-	600,433	394,521	231,747	211,634	96,161	42,933	2,504,651
Interest on long-term debt	-	10,922	-	150,309	-	4,546	-	-	-	165,777
Transfers to individuals and organizations	-	-	-	13,250	7,875	-	-	18,338	12,500	51,963
Transfers to local boards and agencies	-	-	-	-	-	-	74,530	11,238	-	85,768
Bank charges and short-term interest	8,659	-	-	-	9,887	-	-	9,716	-	28,262
Provision for allowances (recovery)	(2,433)	-	-	3,377	-	-	-	(230)	-	714
	<u>1,492,511</u>	<u>2,025,017</u>	<u>372,911</u>	<u>3,794,205</u>	<u>3,644,853</u>	<u>1,276,584</u>	<u>557,314</u>	<u>3,094,470</u>	<u>323,706</u>	<u>16,581,571</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 5,922,857</u>	<u>\$ (1,528,412)</u>	<u>\$ (361,786)</u>	<u>\$ 273,451</u>	<u>\$ (2,130,628)</u>	<u>\$ (322,869)</u>	<u>\$ (557,314)</u>	<u>\$ (528,953)</u>	<u>\$ (221,486)</u>	<u>\$ 544,860</u>

The accompanying notes are an integral part of the consolidated financial statements.

**MUNICIPALITY OF JASPER**  
**Schedule of Tangible Capital Assets**  
**For The Year Ended December 31, 2018**

**SCHEDULE 5**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Construction in progress</u>	<u>2018</u>	<u>2017</u>
<b>COST:</b>									
Balance, Beginning of Year	\$ 403,759	\$ 4,379,533	\$ 32,632,300	\$ 43,405,779	\$ 5,989,210	\$ 3,604,556	\$ 858,675	\$ <b>91,273,812</b>	\$ 89,220,242
Additions	-	12,800	122,308	4,438	727,915	454,987	865,391	<b>2,187,839</b>	2,066,904
Disposals	-	-	-	(279,556)	(93,047)	(195,994)	-	<b>(568,597)</b>	(13,334)
Transfers	-	<u>403,434</u>	<u>269,067</u>	<u>401,687</u>	<u>89,002</u>	-	<u>(1,163,190)</u>	-	-
Balance, End of Year	<u>403,759</u>	<u>4,795,767</u>	<u>33,023,675</u>	<u>43,532,348</u>	<u>6,713,080</u>	<u>3,863,549</u>	<u>560,876</u>	<b>92,893,054</b>	<u>91,273,812</u>
<b>ACCUMULATED AMORTIZATION:</b>									
Balance, Beginning of Year	-	2,726,857	9,829,282	15,307,871	3,549,653	1,865,214	-	<b>33,278,877</b>	30,787,560
Amortization expense	-	163,375	708,386	1,075,482	472,581	210,669	-	<b>2,630,493</b>	2,504,651
Disposals	-	-	-	(9,509)	(70,215)	(190,684)	-	<b>(270,408)</b>	(13,334)
Balance, End of Year	-	<u>2,890,232</u>	<u>10,537,668</u>	<u>16,373,844</u>	<u>3,952,019</u>	<u>1,885,199</u>	-	<b>35,638,962</b>	<u>33,278,877</u>
<b>2018 NET BOOK VALUE</b>	<b>\$ <u>403,759</u></b>	<b>\$ <u>1,905,535</u></b>	<b>\$ <u>22,486,007</u></b>	<b>\$ <u>27,158,504</u></b>	<b>\$ <u>2,761,061</u></b>	<b>\$ <u>1,978,350</u></b>	<b>\$ <u>560,876</u></b>	<b>\$ <u>57,254,092</u></b>	<b>\$ -</b>
<b>2017 NET BOOK VALUE</b>	<b>\$ <u>403,759</u></b>	<b>\$ <u>1,652,676</u></b>	<b>\$ <u>22,803,018</u></b>	<b>\$ <u>28,097,908</u></b>	<b>\$ <u>2,439,557</u></b>	<b>\$ <u>1,739,342</u></b>	<b>\$ <u>858,675</u></b>	<b>\$ -</b>	<b>\$ <u>57,994,935</u></b>

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Municipality of Jasper (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

**(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenue, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources. Included with the Municipality is the Jasper Community Housing Corporation and the Jasper Municipal Leasehold Assets Society.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The consolidated statements exclude trust assets that are administered by the Municipality for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

**(b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal 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.

**(c) Cash**

Cash consists of deposits held with a Canadian financial institution less any cheques written in excess of the bank balance.

**(d) Tax Revenue**

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the Municipality. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

(CONT'D)

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

**(e) Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Where management uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

**(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 consolidated 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) Requisition Over-Levies and Under-Levies**

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 the 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.

**(h) Pension Expenses**

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

**(i) 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 over expenses, provides the change in net financial assets for the year.

(CONT'D)



**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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

**(i) Non-Financial Assets (cont'd)**

*Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their fair value at the date of receipt and are also recorded as revenue. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	15 - 30
Buildings	10 - 50
Engineered structures	
Roads	20 - 40
Water system	45 - 75
Wastewater system	45 - 75
Storm system	45 - 75
Sidewalks	30 - 60
Machinery and equipment	5 - 25
Vehicles	10 - 25

In the year of acquisition and disposal, amortization is taken at one half of the annual rate. Assets under construction are not amortized until the asset is available for productive use.

*Contributions of Tangible Capital Assets*

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

*Cultural and Historical Tangible Capital Assets*

Works of art for display are not recorded as tangible capital assets but are disclosed

*Land Leases*

Land leases and the improvements thereon are leased and held by the Jasper Municipal Leasehold Society (registered as No. 50662485 on August 2, 1995) for the benefit of the residents of the Municipality. The members of the Jasper Municipal Leasehold Society are the elected members of the Municipality of Jasper Council. These assets are sub-leased to and are included on the Municipality's Statement of Financial Position.

*Inventory*

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

(CONT'D)

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

**(j) Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to Canadian public sector accounting standards. The Municipality will continue to assess the impact and prepare for the adoption of these standards.

*i) Restructuring Transactions*

PS 3430, Restructuring Transactions, establishes standards on how to account and for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related programs or operating responsibilities. This standard is applicable for fiscal years beginning on or after April 1, 2018.

*ii) Financial Statement Presentation*

PS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2021.

*iii) Foreign Currency Translation*

PS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2021.

*iv) Portfolio Investments*

PS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2021.

*v) Financial Instruments*

PS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2021.

(CONT'D)

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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

**(j) Future Accounting Standard Pronouncements (cont'd)**

*vi) Asset Retirement Obligations*

PS 3280, Asset Retirement Obligations, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PS 3270, Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn but will remain in effect until the adoption of PS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2021.

*vii) Revenue*

PS 3400, Revenue, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable to fiscal years beginning on or after April 1, 2022.

**2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES**

	<u>2018</u>	<u>2017</u>
Current taxes and grants in place of taxes	\$ 97,716	\$ 215,327
Arrears taxes	<u>76,021</u>	<u>69,077</u>
	173,737	284,404
Less: Allowance for doubtful accounts	<u>(3,475)</u>	<u>(5,688)</u>
	<u>\$ 170,262</u>	<u>\$ 278,716</u>

**3. TRADE AND OTHER RECEIVABLES**

	<u>2018</u>	<u>2017</u>
Trade accounts receivable	\$ 1,069,966	\$ 1,350,818
Receivables from governments	380,448	1,251,903
Goods and Services Tax recoverable	<u>127,541</u>	<u>197,102</u>
	1,577,955	2,799,823
Less: Allowance for doubtful accounts	<u>(113,136)</u>	<u>(24,682)</u>
	<u>\$ 1,464,819</u>	<u>\$ 2,775,141</u>

**4. LINE OF CREDIT**

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$750,000 available from January 1 to July 30 annually. The demand loan bears interest at the bank's prime rate, was not drawn on at December 31, 2018 (2017 - \$NIL) and is unsecured.

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2018</u>	<u>2017</u>
Trade and other accounts payable	\$ 1,522,417	\$ 996,903
Payables to other governments	252,149	182,556
Holdbacks payable	144,402	144,650
Accrued salaries and wages	132,843	123,572
Accrued interest on long-term debt	<u>29,819</u>	<u>35,632</u>
	<u>\$ 2,081,630</u>	<u>\$ 1,483,313</u>

**6. EMPLOYEE BENEFITS OBLIGATION**

	<u>2018</u>	<u>2017</u>
Vacation	\$ 353,785	\$ 313,910
Overtime	<u>61,319</u>	<u>73,257</u>
	<u>\$ 415,104</u>	<u>\$ 387,167</u>

Employee benefits obligation is comprised of the vacation and overtime 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. The Municipality does not provide post-employment benefits to employees.

**7. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2017</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2018</u>
<b>Operating</b>				
Municipal Sustainability Initiative Grant	\$ 55,492	\$ 59,933	\$ 83,584	\$ 31,841
Early Learning and Childcare Grant	133,813	725,539	657,490	201,862
Municipal Information Mapping Grant	2,385	-	-	2,385
Other operating grants	<u>336,768</u>	<u>508,084</u>	<u>492,678</u>	<u>352,174</u>
	<u>528,458</u>	<u>1,293,556</u>	<u>1,233,752</u>	<u>588,262</u>
<b>Capital</b>				
Municipal Sustainability Initiative Grant	2,767,422	2,021,187	1,110,560	3,678,049
Basic Municipal Transportation Grant	230,355	-	-	230,355
Federal Gas Tax Fund	870,004	185,403	-	1,055,407
Offsite levies	147,281	144,078	-	291,359
Other capital grants	<u>-</u>	<u>350,269</u>	<u>116,637</u>	<u>233,632</u>
	<u>4,015,062</u>	<u>2,700,937</u>	<u>1,227,197</u>	<u>5,488,802</u>
	<u>\$ 4,543,520</u>	<u>\$ 3,994,493</u>	<u>\$ 2,460,949</u>	<u>\$ 6,077,064</u>

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**8. LONG-TERM DEBT**

	<u>2018</u>	<u>2017</u>
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$46,682 including interest at 4.654%; due December 2019; issued to finance the Public Works Building.	90,224	176,352
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$104,926 including interest at 4.795%; due March 2024; issued to finance the Waste Water Treatment Plant.	1,004,040	1,160,133
Debenture debt held by Alberta Capital Finance Authority, repayable in annual installments of \$338,197 including interest at 5.625%; due October 2022; issued to finance the Waste Water Treatment Plant.	<u>1,182,022</u>	<u>1,439,261</u>
	<u>\$ 2,276,286</u>	<u>\$ 2,775,746</u>

The current portion of the long-term debt amounts to \$525,559 (2017 - \$499,460).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 525,559	\$ 115,856	\$ 641,415
2020	458,580	89,470	548,050
2021	483,049	65,001	548,050
2022	508,831	39,219	548,050
2023	197,798	12,055	209,853
Thereafter	<u>102,469</u>	<u>2,457</u>	<u>104,926</u>
	<u>\$ 2,276,286</u>	<u>\$ 324,058</u>	<u>\$ 2,600,344</u>

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

Interest on long-term debt amounted to \$136,142 (2017 - \$165,777)

The Municipality's total cash payments for interest amounted to \$137,899 (2017 - \$175,818).

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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**9. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by *Alberta Regulation 255/2000*, for the Municipality be disclosed as follows:

	<u>2018</u>	<u>2017</u>
Total debt limit	\$ <b>26,532,291</b>	\$ 24,067,314
Total debt	<u>(2,276,286)</u>	<u>(2,775,746)</u>
Amount of debt limit unused	<u>\$ <b>24,256,005</b></u>	<u>\$ 21,291,568</u>
Service on debt limit	\$ <b>4,422,049</b>	\$ 4,011,219
Service on debt	<u>(641,415)</u>	<u>(641,415)</u>
Amount of service on debt limit unused	<u>\$ <b>3,780,634</b></u>	<u>\$ 3,369,804</u>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits 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 consolidated financial statements must be interpreted as a whole.

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2018</u>	<u>2017</u>
Net book value of tangible capital assets	\$ <b>57,254,092</b>	\$ 57,994,935
Debt recoverable - local improvements	<b>35,200</b>	46,975
Long-term debt related to tangible capital assets	<u>(2,276,286)</u>	<u>(2,775,746)</u>
	<u>\$ <b>55,013,006</b></u>	<u>\$ 55,266,164</u>

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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**11. ACCUMULATED SURPLUS**

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

	<u>2018</u>	<u>2017</u>
Unrestricted surplus	\$ <u>2,406,811</u>	\$ <u>2,468,582</u>
Restricted surplus		
Operating		
General	<u>1,774,678</u>	<u>1,505,687</u>
Capital		
Utilities	1,035,927	1,026,331
Recreation	559,742	629,044
Fire	515,973	364,301
Parking Authority	405,663	251,680
Environmental	324,787	233,438
Public housing	212,114	206,141
Library construction fund	117,154	111,912
Public Health	<u>54,473</u>	<u>66,333</u>
	<u>3,225,833</u>	<u>2,889,180</u>
	<u>5,000,511</u>	<u>4,394,867</u>
Equity in tangible capital assets	<u>55,013,006</u>	<u>55,266,164</u>
	<u>\$ 62,420,328</u>	<u>\$ 62,129,613</u>

**12. TRUST FUNDS**

The Municipality administers the following trust funds:

	<u>2018</u>	<u>2017</u>
Jasper Sports and Culture	\$ 98,725	\$ 96,112
Atkinson	18,736	18,240
Betkowski	17,173	16,719
Mountain Park Lodge Hospitality/Business	5,956	5,798
Mountain Park Lodge Health Care	<u>5,335</u>	<u>5,681</u>
	<u>\$ 145,925</u>	<u>\$ 142,550</u>

Trust funds administered by the Municipality have not been included in the Statement of Financial Position nor have their operations have been included in the Statement of Operations.

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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**13. CONTINGENCIES**

- a) The Municipality is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of membership, the Municipality could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) The Municipality is a defendant in lawsuits arising in the normal course of operations and involving various amounts. Management is of the opinion that the results of these actions should not have any material effect on the financial position of the Municipality. No amounts have been accrued in these consolidated financial statements relating to any of these activities. Any awards or settlements will be reflected in the Statement of Operations as the matters are resolved or when sufficient information on amounts and likelihood is known.

**14. FRANCHISE AND CONCESSION CONTRACTS**

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

	<u>2018</u>	<u>2017</u>
Atco Electric Ltd.	\$ 236,555	\$ 229,320
Atco Gas Ltd.	<u>173,165</u>	<u>218,133</u>
	<u>\$ 409,720</u>	<u>\$ 447,453</u>

**15. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Municipality 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 is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Municipality is required to make current service contributions to the LAPP consisting of 10.39% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 14.84% of the excess.

Total current service contributions made by the Municipality to the LAPP in 2018 were \$419,169 (2017 - \$404,034). Total current service contributions made by the employees of the Municipality to the LAPP in 2018 were \$382,503 (2017 - \$371,380).

At December 31, 2017, the LAPP disclosed an actuarial surplus (deficiency) of \$4.835 billion (2016 - (637 million)).



**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**16. SALARY AND BENEFITS DISCLOSURE**

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

	<u>Salary</u>	<u>Honorarium</u>	<u>Benefits</u>	<u>2018</u>	<u>2017</u>
Mayor Ireland	\$ 43,475	\$ 21,688	\$ 6,512	\$ <b>71,675</b>	\$ 48,609
Councillor McGrath	14,753	7,329	4,838	<b>26,920</b>	6,095
Councillor Wilson	14,360	7,133	4,809	<b>26,302</b>	6,632
Councillor Kelleher-Empey	13,647	6,776	4,756	<b>25,179</b>	21,745
Councillor Butler	12,808	6,356	4,693	<b>23,857</b>	6,286
Councillor Damota	11,013	5,459	4,560	<b>21,032</b>	18,759
Councillor Journault	10,770	5,338	2,270	<b>18,378</b>	4,831
Councillor Wall	-	-	-	-	16,708
Councillor Wacko	-	-	-	-	16,867
Councillor Nesbitt	-	-	-	-	13,778
Councillor Arsenault	-	-	-	-	1,306
	<u>\$ 120,826</u>	<u>\$ 60,079</u>	<u>\$ 32,438</u>	<u>\$ <b>213,343</b></u>	<u>\$ 161,616</u>
Chief Administrative Officer	<u>\$ 180,857</u>	<u>\$ -</u>	<u>\$ 24,838</u>	<u>\$ <b>205,695</b></u>	<u>\$ 201,578</u>

Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.

Benefits include the employer's share of all employee benefits and contributions or payments including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long-term and short-term disability plans, professional membership dues, and tuition.

**17. SEGMENTED INFORMATION**

Segmented information has been identified based upon lines of service provided by the Municipality. Municipality 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 information, along with the services they provide, are as follows:

*(a) General Government*

General Government is comprised of the Office of the CAO, Communications, and Corporate Services. Corporate Services is comprised of Financial Services, Human Resources, and Information Technology Services.

*(b) Legislative*

Legislative is comprised of Council. Council makes decisions regarding service delivery and service levels on behalf of the municipality in order to balance the needs and wants of Municipality residents in a financially responsible manner.

(CONT'D)

**17. SEGMENTED INFORMATION (CONT'D)**

*(c) Protective Services*

Protective Services is comprised of Fire, Disaster, and Municipal Enforcement Services. The RCMP division in Jasper includes Federal, Provincial and Municipal employees and contracted members that serve Jasper and the surrounding area. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The mandate of Disaster Services is Emergency Management to help maintain safe communities. The Municipal Enforcement Services provide bylaw enforcement that ranges from public service to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta.

*(d) Roads, Streets, Walks, Lighting*

Roads, Streets, Walks, Lighting is comprised of Common Services and the Public Works areas. They are responsible for the maintenance of the roadway and storm systems of the Municipality.

*(e) Parks and Recreation*

Parks and Recreation is comprised of Recreation, Culture and Cultural Facilities. Parks and Recreation provide recreational and cultural services and activities which promote the well-being of its citizens. These areas are responsible for the parks, playgrounds, facilities, and green spaces of the Municipality. This area also and acts as a liaison between community groups.

*(f) Utilities*

Utilities are comprised of water, waste water, waste management collection and recycling. The Municipality is responsible for environmental programs such as the introduction of organic carts, bi-weekly garbage pick-up and promoting recycling and other related initiatives.

*(g) Economic Development*

Economic Development is comprised of Infrastructure and Economic Development. These areas are responsible for the planning and development of the Municipality's infrastructure system and work with developers in planning the growth of the Municipality in a sustainable manner. Engineering is responsible for major capital infrastructure projects. Economic Development works with businesses in the Municipality to encourage economic sustainability.

*(h) Public Health*

The Public Health area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the Municipality.

*(i) Library and Museum*

Library and Museum provides Educational and historical services within the Municipality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under General Government. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
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**18. BUDGET DATA**

The budget presented in these consolidated financial statements is based on the 2018 operating budget approved by Council on April 3, 2018. The Municipality compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess revenue over expenditures to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	Budget <u>2018</u>	<b>Actual 2018</b>	Actual <u>2017</u>
Annual surplus	\$ <u>1,920,847</u>	\$ <u>345,279</u>	\$ <u>544,860</u>
Add back:			
Amortization expense	-	<b>2,630,493</b>	2,504,651
Net transfers (to) from reserves	<u>(1,332,656)</u>	<u>(605,645)</u>	<u>(183,712)</u>
	<u>(1,332,656)</u>	<b><u>2,024,848</u></b>	<u>2,320,939</u>
Deduct:			
Principal repayment of long-term debt	588,191	<b>499,460</b>	628,996
(Gain) loss on disposal of tangible capital assets	-	<b>241,904</b>	-
Purchases of tangible capital assets	<u>-</u>	<u><b>2,187,839</b></u>	<u>2,066,904</u>
	<u>588,191</u>	<b><u>2,929,203</u></b>	<u>2,695,900</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u><b>(559,076)</b></u>	\$ <u>169,899</u>

**MUNICIPALITY OF JASPER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

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**19. FINANCIAL INSTRUMENTS**

The Municipality's financial instruments include cash, taxes and grants in place of taxes receivable, trade and other accounts receivables, accounts payable and accrued liabilities, employee benefit obligations, and long-term debt. It is management's opinion that the Municipality is not exposed to significant market, liquidity, interest or currency risk arising from these financial instruments.

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

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

**20. COMPARATIVE FIGURES**

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

**21. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

Council and Management have approved these consolidated financial statements on April 16, 2019.