

MUNICIPALITY OF JASPER
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITORS' REPORT

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, 2023 and 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023 and 2022, and the results of its consolidated operations, changes in net financial assets, and its cash flows for the years 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 23 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated to consolidate the Municipality's proportionate share of the West Yellowhead Regional Waste Management Authority not previously recorded. Our opinion is not modified in respect of this matter.

In our report dated June 20, 2023, our opinion on the non-consolidated financial statements for the year ended December 31, 2022 contained a qualified opinion as the Municipality did not consolidate its proportionate share of the West Yellowhead Regional Waste Management Authority as required under Canadian public sector accounting standards. Accordingly, our opinion on the non-consolidated financial statements for the year December 31, 2022 expressed in that report is different in from the opinion expressed on the comparative information for the year ended December 31, 2022 in this report because of the restatement of comparative information.

(continues)

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.

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.

(*continues*)

Independent Auditors' Report to the Mayor and Council of the Municipality of Jasper (*continued*)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Municipality or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 30, 2024



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments 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 judgment 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.

A black rectangular redaction box covers the signature of Bill Given.

Bill Given, Chief Administrative Officer

A black rectangular redaction box covers the signature of Natasha Malenchak.

Natasha Malenchak, Director of Finance and Administration

Jasper, Alberta
April 30, 2024

MUNICIPALITY OF JASPER
Consolidated Statement of Financial Position
As at December 31, 2023

		<u>2023</u>	<u>2022</u> (Restated) (Note 23)
FINANCIAL ASSETS			
Cash		\$ 25,941,497	\$ 17,499,771
Taxes and grants in place of taxes receivable	(Note 2)	516,956	636,993
Trade and other receivables	(Note 3)	16,212,147	11,799,659
Investment in government business enterprise	(Note 4)	<u>10</u>	<u>-</u>
		<u>42,670,610</u>	<u>29,936,423</u>
LIABILITIES			
Accounts payable and accrued liabilities	(Note 6)	\$ 4,733,026	\$ 2,971,786
Employee benefit obligations	(Note 7)	781,787	677,538
Deposit liabilities		18,643	68,174
Deferred revenue	(Note 8)	6,457,929	8,909,165
Capital lease obligations	(Note 9)	40,273	51,574
Long-term debt	(Note 10)	24,515,979	11,072,827
Asset retirement obligations	(Note 12)	<u>574,688</u>	<u>643,776</u>
		<u>37,122,325</u>	<u>24,394,840</u>
NET FINANCIAL ASSETS		<u>5,548,285</u>	<u>5,541,583</u>
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 5)	74,235,949	65,404,154
Prepaid expenses		<u>829,933</u>	<u>390,367</u>
		<u>75,065,882</u>	<u>65,794,521</u>
ACCUMULATED SURPLUS	(Schedule 1, Note 13)	<u>\$ 80,614,167</u>	<u>\$ 71,336,104</u>
CONTINGENCIES	(Note 17)		

APPROVED ON BEHALF OF COUNCIL:

 _____ Mayor

 _____ Councillor

MUNICIPALITY OF JASPER

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2023

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 23)
REVENUE			
Net municipal property taxes (Schedule 2)	\$ 9,340,246	\$ 9,157,922	\$ 13,493,657
User fees and sales of goods	7,984,170	8,811,038	8,108,128
Government transfers for operating (Schedule 3)	2,119,419	3,645,347	2,599,057
Investment income	208,080	848,390	440,631
Other	1,183,383	676,765	318,485
Franchise and concession contracts (Note 16)	633,458	617,807	659,053
Rentals	580,631	467,318	495,982
Fines, licenses and permits	263,853	277,723	252,143
Penalties and costs on taxes	<u>86,595</u>	<u>168,771</u>	<u>306,177</u>
	<u>22,399,835</u>	<u>24,671,081</u>	<u>26,673,313</u>
EXPENSES			
Utilities	4,920,700	5,106,200	4,901,110
Public health	3,531,766	4,392,304	3,582,442
Parks and recreation	4,056,110	4,092,102	3,921,093
General government	3,783,024	2,807,513	2,224,824
Roads, streets, walks, lighting	1,437,855	2,347,937	2,490,490
Protective services	1,531,714	1,948,326	1,865,299
Legislative	926,148	713,408	703,278
Economic development	579,442	594,747	368,285
Library and museum	<u>166,651</u>	<u>547,483</u>	<u>520,615</u>
	<u>20,933,410</u>	<u>22,550,020</u>	<u>20,577,436</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>1,466,425</u>	<u>2,121,061</u>	<u>6,095,877</u>
OTHER INCOME			
Government transfers for capital (Schedule 3)	11,064,336	7,195,594	1,858,919
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(38,592)</u>	<u>-</u>
	<u>11,064,336</u>	<u>7,157,002</u>	<u>1,858,919</u>
ANNUAL SURPLUS	<u>\$ 12,530,761</u>	<u>9,278,063</u>	<u>7,954,796</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED			
		71,298,468	63,467,621
Restatement (Note 23)		<u>37,636</u>	<u>(86,313)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED		<u>71,336,104</u>	<u>63,381,308</u>
ACCUMULATED SURPLUS, END OF YEAR (Schedule 1, Note 13)		<u>\$ 80,614,167</u>	<u>\$ 71,336,104</u>

MUNICIPALITY OF JASPER

Consolidated Statement of Change in Net Financial Assets (Debt)

For The Year Ended December 31, 2023

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 23)
ANNUAL SURPLUS	\$ <u>12,530,761</u>	\$ <u>9,278,063</u>	\$ <u>7,954,796</u>
Acquisition of tangible capital assets	(29,382,922)	(11,806,283)	(4,484,537)
Amortization of tangible capital assets	2,881,380	2,935,896	2,819,113
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>38,592</u>	<u>-</u>
	<u>(26,501,542)</u>	<u>(8,831,795)</u>	<u>(1,665,424)</u>
Net change in prepaid expenses	<u>-</u>	<u>(439,566)</u>	<u>(26,929)</u>
INCREASE IN NET FINANCIAL ASSETS	(13,970,781)	6,702	6,262,443
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>5,541,583</u>	<u>5,541,583</u>	<u>(720,860)</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>(8,429,198)</u></u>	\$ <u><u>5,548,285</u></u>	\$ <u><u>5,541,583</u></u>

MUNICIPALITY OF JASPER
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u> (Restated) (Note 23)
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 9,278,063	\$ 7,954,796
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	2,935,896	2,819,113
(Gain) loss on disposal of tangible capital assets	38,592	-
Accretion of asset retirement obligations	31,753	29,080
Settlement of asset retirement obligations	(125,000)	-
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	120,037	(190,833)
Trade and other receivables	(4,412,488)	(7,849,165)
Accounts payable and accrued liabilities	1,761,240	(566,779)
Employee benefit obligations	104,249	182,268
Deposit liabilities	(49,531)	(399)
Deferred revenue	(2,451,236)	(119,760)
Prepaid expenses	(439,566)	(26,929)
	<u>6,792,009</u>	<u>2,231,392</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(11,806,283)	(4,484,537)
Acquisition of asset retirement obligations	24,159	15,328
	<u>(11,782,124)</u>	<u>(4,469,209)</u>
INVESTING ACTIVITIES		
Purchase of shares in JMHC	(10)	-
Proceeds from disposal of investments	-	100,637
	<u>(10)</u>	<u>100,637</u>
FINANCING ACTIVITIES		
Long-term debt issued	14,150,000	-
Repayment of long-term debt	(706,848)	(956,042)
Capital lease obligations obtained	-	51,574
Capital lease obligations paid	(11,301)	-
	<u>13,431,851</u>	<u>(904,468)</u>
CHANGE IN CASH DURING THE YEAR	8,441,726	(3,041,648)
CASH, BEGINNING OF YEAR	<u>17,499,771</u>	<u>20,541,419</u>
CASH, END OF YEAR	<u>\$ 25,941,497</u>	<u>\$ 17,499,771</u>

MUNICIPALITY OF JASPER
Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2023

SCHEDULE 1

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<u>2023</u>	<u>2022</u>
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	\$ 3,239,201	\$ 1,627,159	\$ 7,052,248	\$ 59,379,860	\$ 71,298,468	\$ 63,467,621
Restatement (<i>Note 23</i>)	<u>(427)</u>	<u>-</u>	<u>430,239</u>	<u>(392,176)</u>	<u>37,636</u>	<u>(86,313)</u>
BALANCE, BEGINNING OF YEAR	\$ 3,238,774	\$ 1,627,159	\$ 7,482,487	\$ 58,987,684	\$ 71,336,104	\$ 63,381,308
Annual surplus (deficit)	9,278,063	-	-	-	9,278,063	7,954,796
Unrestricted funds designated for future use, net of funds utilized	(2,310,985)	1,415,768	895,217	-	-	-
Purchase of tangible capital assets	(11,806,283)	-	-	11,806,283	-	-
Annual amortization	2,935,896	-	-	(2,935,896)	-	-
Disposal of tangible capital assets (net of amortization)	38,592	-	-	(38,592)	-	-
Acquisition of asset retirement obligations	24,159	-	-	(24,159)	-	-
Accretion of asset retirement obligations	31,753	-	-	(31,753)	-	-
Settlement of asset retirement obligations	(125,000)	-	-	125,000	-	-
Long-term debt issued	14,150,000	-	-	(14,150,000)	-	-
Long-term debt repaid	(657,603)	-	-	657,603	-	-
Capital lease obligations repaid	(11,301)	-	-	11,301	-	-
Levied portion of debt recoverable - local improvements	<u>187,793</u>	<u>-</u>	<u>-</u>	<u>(187,793)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 14,973,858</u>	<u>\$ 3,042,927</u>	<u>\$ 8,377,704</u>	<u>\$ 54,219,678</u>	<u>\$ 80,614,167</u>	<u>\$ 71,336,104</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, 2023

SCHEDULE 2

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Actual)
TAXATION			
Real property taxes	\$ 15,041,973	\$ 14,616,690	\$ 13,722,451
Government grants in place of property taxes	1,018,006	1,017,984	810,139
Linear property taxes	705,607	705,561	665,966
Designated industrial property	5,300	5,315	5,300
Local improvement tax	<u>244,349</u>	<u>-</u>	<u>5,294,908</u>
	<u>17,015,235</u>	<u>16,345,550</u>	<u>20,498,764</u>
REQUISITIONS			
Alberta School Foundation Fund	5,722,172	5,163,312	5,213,906
Evergreen Foundation	836,686	962,235	859,368
Land rent to Parks Canada	504,826	650,353	475,298
Policing	379,080	353,658	237,665
Planning reserves to Parks Canada	226,925	52,712	213,472
Designated industrial property	<u>5,300</u>	<u>5,358</u>	<u>5,398</u>
	<u>7,674,989</u>	<u>7,187,628</u>	<u>7,005,107</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 9,340,246</u>	<u>\$ 9,157,922</u>	<u>\$ 13,493,657</u>

MUNICIPALITY OF JASPER
Schedule of Government Transfers
For The Year Ended December 31, 2023

SCHEDULE 3

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,477,274	\$ 1,715,289	\$ 1,699,311
Federal government	642,145	1,789,019	872,866
Local governments	<u>-</u>	<u>141,039</u>	<u>26,880</u>
	<u>2,119,419</u>	<u>3,645,347</u>	<u>2,599,057</u>
TRANSFERS FOR CAPITAL			
Provincial government	6,669,008	4,601,238	1,216,188
Federal government	<u>4,395,328</u>	<u>2,594,356</u>	<u>642,731</u>
	<u>11,064,336</u>	<u>7,195,594</u>	<u>1,858,919</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 13,183,755</u>	<u>\$ 10,840,941</u>	<u>\$ 4,457,976</u>

MUNICIPALITY OF JASPER
Schedule of Segmented Disclosure
For The Year Ended December 31, 2023

SCHEDULE 4

	General Government	Roads, Streets Walks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
REVENUE										
Government transfers	\$ 603,137	\$ 889,195	\$ -	\$ 1,268,865	\$ 4,900,264	\$ 629,058	\$ -	\$ 2,550,422	\$ -	\$ 10,840,941
Net municipal property taxes	9,157,922	-	-	-	-	-	-	-	-	9,157,922
User fees and sales of goods	6,743	4,355	5,980	6,205,384	492,264	1,268,292	-	824,525	3,495	8,811,038
Investment income	828,084	-	-	20,306	-	-	-	-	-	848,390
Other	5,853	5,926	-	237,212	32,533	271,815	-	121,284	2,142	676,765
Franchise and concession contracts	617,807	-	-	-	-	-	-	-	-	617,807
Rentals	1,785	-	5,404	-	264,305	80,688	-	-	115,136	467,318
Fines, licenses and permits	38,934	-	-	-	-	238,789	-	-	-	277,723
Penalties and costs on taxes	168,771	-	-	-	-	-	-	-	-	168,771
Gain (loss) on disposal of tangible capital assets	-	(38,592)	-	-	-	-	-	-	-	(38,592)
	<u>11,429,036</u>	<u>860,884</u>	<u>11,384</u>	<u>7,731,767</u>	<u>5,689,366</u>	<u>2,488,642</u>	<u>-</u>	<u>3,496,231</u>	<u>120,773</u>	<u>31,828,083</u>
EXPENSES										
Salaries, wages and benefits	1,254,793	1,028,630	440,953	1,385,624	1,874,649	855,366	241,223	3,342,539	77,849	10,501,626
Contracted and general services	1,359,475	463,159	136,289	1,634,531	212,706	356,045	3,768	831,343	250,919	5,248,235
Materials, goods, and utilities	116,463	(152,571)	12,016	898,692	1,346,329	433,663	72,300	205,308	223,046	3,155,246
Amortization	36,817	1,008,719	-	802,274	530,782	303,252	211,119	-	42,933	2,935,896
Interest on long-term debt	-	-	-	270,268	97,251	-	-	-	-	367,519
Transfers to local boards and agencies	-	-	-	135,152	-	-	19,073	-	-	154,225
Transfers to individuals and organizations	-	-	124,150	-	-	-	-	-	-	124,150
Bank charges and short-term interest	10,610	-	-	163	12,937	-	-	12,843	-	36,553
Accretion	-	-	-	14,305	17,448	-	-	-	-	31,753
Provision for allowances (recovery)	29,355	-	-	(34,809)	-	-	-	271	-	(5,183)
	<u>2,807,513</u>	<u>2,347,937</u>	<u>713,408</u>	<u>5,106,200</u>	<u>4,092,102</u>	<u>1,948,326</u>	<u>547,483</u>	<u>4,392,304</u>	<u>594,747</u>	<u>22,550,020</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 8,621,523</u>	<u>\$ (1,487,053)</u>	<u>\$ (702,024)</u>	<u>\$ 2,625,567</u>	<u>\$ 1,597,264</u>	<u>\$ 540,316</u>	<u>\$ (547,483)</u>	<u>\$ (896,073)</u>	<u>\$ (473,974)</u>	<u>\$ 9,278,063</u>

MUNICIPALITY OF JASPER
Schedule of Segmented Disclosure
For The Year Ended December 31, 2022

SCHEDULE 4

	General Government	Roads, Streets Walks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
REVENUE										
Net municipal property taxes	\$ 13,493,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,493,657
User fees and sales of goods	4,620	-	6,185	6,087,293	533,312	761,133	-	715,585	-	8,108,128
Government transfers	142,776	283,294	-	375,423	1,198,663	412,639	-	2,045,181	-	4,457,976
Franchise and concession contracts	659,053	-	-	-	-	-	-	-	-	659,053
Rentals	2,222	-	5,147	-	296,207	81,589	-	-	110,817	495,982
Other	29,367	7,222	-	181,500	22,425	-	-	78,697	(726)	318,485
Investment income	432,550	-	-	8,081	-	-	-	-	-	440,631
Penalties and costs on taxes	306,177	-	-	-	-	-	-	-	-	306,177
Fines, licenses and permits	37,190	-	-	-	-	214,953	-	-	-	252,143
	<u>15,107,612</u>	<u>290,516</u>	<u>11,332</u>	<u>6,652,297</u>	<u>2,050,607</u>	<u>1,470,314</u>	<u>-</u>	<u>2,839,463</u>	<u>110,091</u>	<u>28,532,232</u>
EXPENSES										
Salaries, wages, and benefits	1,224,618	1,018,949	400,000	1,298,598	1,734,451	677,907	216,463	2,924,561	19,718	9,515,265
Contracted and general services	809,908	401,623	127,908	1,667,542	241,003	470,959	4,316	493,446	73,574	4,290,279
Materials, goods, and utilities	83,563	96,795	25,939	846,481	1,353,581	403,543	68,384	152,403	232,060	3,262,749
Amortization	37,354	973,123	-	739,643	502,051	312,890	211,119	-	42,933	2,819,113
Interest on long-term debt	-	-	-	316,881	62,175	-	-	-	-	379,056
Provision for allowances (recovery)	60,674	-	-	19,400	11	-	-	1,731	-	81,816
Transfers to individuals and organizations	-	-	149,431	-	-	-	-	-	-	149,431
Bank charges and short-term interest	8,707	-	-	118	11,188	-	-	10,301	-	30,314
Accretion	-	-	-	12,447	16,633	-	-	-	-	29,080
Transfers to local boards and agencies	-	-	-	-	-	-	20,333	-	-	20,333
	<u>2,224,824</u>	<u>2,490,490</u>	<u>703,278</u>	<u>4,901,110</u>	<u>3,921,093</u>	<u>1,865,299</u>	<u>520,615</u>	<u>3,582,442</u>	<u>368,285</u>	<u>20,577,436</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 12,882,788</u>	<u>\$ (2,199,974)</u>	<u>\$ (691,946)</u>	<u>\$ 1,751,187</u>	<u>\$ (1,870,486)</u>	<u>\$ (394,985)</u>	<u>\$ (520,615)</u>	<u>\$ (742,979)</u>	<u>\$ (258,194)</u>	<u>\$ 7,954,796</u>

MUNICIPALITY OF JASPER
Schedule of Tangible Capital Assets
For The Year Ended December 31, 2023

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>2023</u>	<u>2022</u>
COST:									
Balance, Beginning of Year	\$ 403,759	\$ 5,493,600	\$ 36,592,753	\$ 50,673,274	\$ 8,749,142	\$ 5,933,564	\$ 3,431,013	\$ 111,277,105	\$ 106,832,804
Restatement (Note 23)	<u>-</u>	<u>408,331</u>	<u>143,025</u>	<u>70,577</u>	<u>21,828</u>	<u>-</u>	<u>-</u>	<u>643,761</u>	<u>603,525</u>
Balance, Beginning of Year, As Restated	403,759	5,901,931	36,735,778	50,743,851	8,770,970	5,933,564	3,431,013	111,920,866	107,436,329
Additions	-	329,052	6,523	6,619	896,990	460,561	10,106,538	11,806,283	4,484,537
Disposals	-	-	-	-	-	-	(38,592)	(38,592)	-
Transfers	<u>-</u>	<u>-</u>	<u>2,831,875</u>	<u>450,748</u>	<u>9,651</u>	<u>103,703</u>	<u>(3,395,977)</u>	<u>-</u>	<u>-</u>
Balance, End of Year	<u>403,759</u>	<u>6,230,983</u>	<u>39,574,176</u>	<u>51,201,218</u>	<u>9,677,611</u>	<u>6,497,828</u>	<u>10,102,982</u>	<u>123,688,557</u>	<u>111,920,866</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	3,553,904	13,303,743	20,720,962	5,810,296	2,735,617	-	46,124,522	43,351,583
Restatement (Note 23)	<u>-</u>	<u>312,947</u>	<u>47,104</u>	<u>18,735</u>	<u>13,404</u>	<u>-</u>	<u>-</u>	<u>392,190</u>	<u>346,016</u>
Balance, Beginning of Year, As Restated	-	3,866,851	13,350,847	20,739,697	5,823,700	2,735,617	-	46,516,712	43,697,599
Amortization expense	-	189,315	783,891	1,149,822	441,274	371,594	-	2,935,896	2,819,113
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, End of Year	<u>-</u>	<u>4,056,166</u>	<u>14,134,738</u>	<u>21,889,519</u>	<u>6,264,974</u>	<u>3,107,211</u>	<u>-</u>	<u>49,452,608</u>	<u>46,516,712</u>
2023 NET BOOK VALUE	\$ <u>403,759</u>	\$ <u>2,174,817</u>	\$ <u>25,439,438</u>	\$ <u>29,311,699</u>	\$ <u>3,412,637</u>	\$ <u>3,390,617</u>	\$ <u>10,102,982</u>	\$ <u>74,235,949</u>	\$ <u>-</u>
2022 NET BOOK VALUE	\$ <u>403,759</u>	\$ <u>2,035,080</u>	\$ <u>23,384,931</u>	\$ <u>30,004,154</u>	\$ <u>2,947,270</u>	\$ <u>3,197,947</u>	\$ <u>3,431,013</u>	\$ <u>-</u>	\$ <u>65,404,154</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

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 Municipal Housing Corporation ("JMHC"), Jasper Community Housing Corporation, the Jasper Municipal Leasehold Assets Society.

Jasper Municipal Housing Corporation, a subsidiary corporation of the Municipality, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for a government business enterprise. Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated. JMHC's other comprehensive income (loss) is recognized in the Municipality's consolidated statement of operations and accumulated surplus as an adjustment to accumulated surplus with a corresponding increase (decrease) in the investment in JMHC. JMHC's net income and capital contributions to JMHC from the Municipality are recorded as an increase to the investment in JMHC. Any dividends that the Municipality receives from JMHC are recorded as a decrease to the investment in JMHC.

The Municipality is a member of the West Yellowhead Regional Waste Management Authority (the "Authority"). The Municipality accounts for the Authority as a government partnership using the proportionate consolidation method. Under this method, the Municipality's proportionate share of assets, liabilities, revenue and expenses are included in the consolidated financial statements.

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.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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.

(d) 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.

(d) 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.

(e) Pension Expenses

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

(f) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Asset retirement obligations (cont'd)

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the consolidated statement of operations.

Asset retirement obligations are legal obligations associated with the retirement tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the consolidated statement of operations.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the consolidated statement of operations.

(g) Non-Financial Assets

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

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.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Non-Financial Assets (cont'd)

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.

Cultural and Historical Tangible Capital Assets

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

Leases

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits and risks to the Municipality incidental to ownership of property are accounted for as capital leases. Assets under a capital lease are included within the respective tangible capital asset classification. All other leases are accounted for as operating leases and the related lease payments are charged as incurred.

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 consolidated statement of financial position.

(h) 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.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Use of Estimates (cont'd)

Accounts receivable are stated after evaluation as to their collectability 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, future cash flows associated with asset retirement obligations, and accrued and contingent liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

(i) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The Municipality will continue to assess the impact and prepare for the adoption of these standards.

i) Public Private Partnerships

PS 3160, Public Private Partnerships, establishes standards on how to account for public private partnership arrangements (recognition of infrastructure assets and the corresponding liability to the private partnership) along with the disclosure and presentation requirements. This standard is applicable to fiscal years beginning on or after April 1, 2023.

ii) 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, 2023.

iii) Purchased Intangible Assets

PSG-8, Purchased Intangible Assets, provides guidance regarding the recognition, measurement, and disclosure of purchased intangible assets in relation to the conceptual framework for financial reporting in the public sector. This guideline is applicable to fiscal years beginning on or after April 1, 2023.

iv) Financial Statement Presentation

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	\$ 304,991	\$ 474,288
Arrears taxes	<u>255,312</u>	<u>211,589</u>
	560,303	685,877
Less: Allowance for doubtful accounts	<u>(43,347)</u>	<u>(48,884)</u>
	\$ <u>516,956</u>	\$ <u>636,993</u>

3. TRADE AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Receivables from other governments	\$ 8,777,062	4,462,279
Debt recoverable - local improvements	5,114,669	5,302,462
Trade accounts receivable	2,019,311	2,036,377
Goods and Services Tax recoverable	<u>396,255</u>	<u>344,237</u>
	16,307,297	12,145,355
Less: Allowance for doubtful accounts	<u>(95,150)</u>	<u>(345,696)</u>
	\$ <u>16,212,147</u>	\$ <u>11,799,659</u>

4. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

On August 15, 2023, the Council passed a resolution to establish the Jasper Municipal Housing Corporation ("JMHC"), a municipally controlled corporation of Municipality. JMHC is a wholly owned subsidiary established to develop affordable housing in the Jasper community.

The following table provides a condensed supplementary financial information for JMHC.

	<u>2023</u>	<u>2022</u>
Financial position:		
Total assets	\$ <u>10</u>	\$ <u>-</u>
Accumulated surplus:		
Share capital	\$ <u>10</u>	\$ <u>-</u>

No activity has commenced in JMHC as of December 31, 2023. Accordingly, there is no results of operations in 2023.

5. 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 minus 1.90%, was not drawn on at December 31, 2023 (2022 - \$NIL) and is unsecured.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade and other accounts payable	\$ 3,334,033	\$ 2,018,805
Holdbacks payable	806,819	418,482
Payables to other governments	347,630	323,586
Accrued salaries and wages	192,153	187,951
Accrued interest on long-term debt	<u>52,391</u>	<u>22,962</u>
	<u>\$ 4,733,026</u>	<u>\$ 2,971,786</u>

7. EMPLOYEE BENEFITS OBLIGATION

	<u>2023</u>	<u>2022</u>
Vacation	\$ 747,423	\$ 630,949
Overtime	<u>34,364</u>	<u>46,589</u>
	<u>\$ 781,787</u>	<u>\$ 677,538</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.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

8. 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>2022</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2023</u>
Operating				
Other Deferred Revenue and Grants	\$ 361,037	474,811	211,517	\$ 624,331
Local Immigration Partnership	129,104	164,252	129,114	164,242
Community Development	99,777	99,593	99,777	99,593
Municipal Sustainability Initiative Grant	-	123,552	64,514	59,038
Grounds Maintenance	<u>34,759</u>	<u>34,759</u>	<u>34,759</u>	<u>34,759</u>
	<u>624,677</u>	<u>896,967</u>	<u>539,681</u>	<u>981,963</u>
Capital				
Municipal Sustainability Initiative Grant	5,967,156	753,166	3,430,771	3,289,551
Canada Community-Building Fund	1,622,896	293,995	500,668	1,416,223
Offsite levies	567,001	47,154	-	614,155
Other capital grants	109,490	67,525	20,978	156,037
Municipal Stimulus Program	<u>17,945</u>	<u>-</u>	<u>17,945</u>	<u>-</u>
	<u>8,284,488</u>	<u>1,161,840</u>	<u>3,970,362</u>	<u>5,475,966</u>
	<u>\$ 8,909,165</u>	<u>\$ 2,058,807</u>	<u>\$ 4,510,043</u>	<u>\$ 6,457,929</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

9. CAPITAL LEASE OBLIGATIONS

	<u>2023</u>	<u>2022</u>
Equipment under capital lease, repayable in \$973 blended monthly payments; expires May 2027; with a bargain purchase option of \$10, secured by the specific leased asset with a net book value of \$40,033 (2022 - \$51,471).	<u>\$ 40,273</u>	<u>\$ 51,574</u>
Future minimum lease payments together with the balance of the obligation for leased tangible capital assets are as follows.		
2024	\$ 11,672	
2025	11,672	
2026	11,672	
2027	<u>5,847</u>	
Total future minimum lease payments	40,863	
Less: Amount representing interest at 0.80%	<u>(590)</u>	
Obligation for leased tangible capital assets	<u>\$ 40,273</u>	

10. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$467,033 including interest at 5.230%; due December 2043; issued to finance the Jasper recreation complex renovations.	<u>\$ 11,500,000</u>	\$ -
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$166,895 including interest at 3.460%; due December 2051; issued to finance the Connaught utilities local improvement.	<u>5,955,199</u>	6,079,699
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$107,620 including interest at 5.230%; due December 2043; issued to finance the wastewater treatment facilities renovations and upgrades.	<u>2,650,000</u>	-
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$137,118 including interest at 2.552%; due December 2034; issued to finance the renovations of the Jasper wastewater treatment plant.	<u>2,615,760</u>	2,819,339
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$88,723 including interest at 2.552%; due December 2034; issued to finance the renovations of the Jasper recreation complex.	<u>1,692,550</u>	1,824,278
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$104,926 including interest at 4.795%; due March 2024; issued to finance the Waste Water Treatment Plant.	<u>102,470</u>	300,268

(CONT'D)

MUNICIPALITY OF JASPER

Notes to Consolidated Financial Statements

For The Year Ended December 31, 2023

10. LONG-TERM DEBT (CONT'D)

Loan agreement with the Canada Mortgage and Housing Corporation, repayable at maturity, including interest at 0.000%; repaid in 2023; issued to finance the development or implementation of affordable housing projects.

_____ -	_____ 49,243
\$ 24,515,979	\$ 11,072,827

The current portion of the long-term debt amounts to \$989,847 (2022 - \$706,848).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 989,847	\$ 1,049,859	\$ 2,039,706
2025	922,674	1,012,105	1,934,779
2026	959,519	975,261	1,934,780
2027	997,984	936,796	1,934,780
2028	1,038,147	896,633	1,934,780
Thereafter	<u>19,607,808</u>	<u>8,019,070</u>	<u>27,626,878</u>
	\$ 24,515,979	\$ 12,889,724	\$ 37,405,703

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

Interest on long-term debt amounted to \$367,519 (2022 - \$379,056)

The Municipality's total cash payments for interest amounted to \$337,720 (2022 - \$377,478).

11. 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>2023</u>	<u>2022</u>
Total debt limit	\$ 37,006,622	\$ 40,009,970
Total debt	<u>(24,556,252)</u>	<u>(11,124,401)</u>
Amount of debt limit unused	\$ 12,450,370	\$ 28,885,569
Service on debt limit	\$ 6,167,770	\$ 6,668,328
Service on debt	<u>(2,051,378)</u>	<u>(1,044,568)</u>
Amount of service on debt limit unused	\$ 4,116,392	\$ 5,623,760

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.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

12. ASSET RETIREMENT OBLIGATION

Tangible capital assets with associated retirement obligations include land improvements and buildings.

The Municipality has asset retirement obligations to remove various hazardous materials including, asbestos, from various buildings under its control. Regulations require the Municipality to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Municipality to remove the materials when the asset retirement activities occur.

The Municipality is a member of the West Yellowhead Regional Waste Management Authority (the "Authority"). Accordingly, the Municipality has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act (Alberta)* to fund its proportionate share of the closure of its landfill sites and provide for the post-closure care of the facilities. Closure and post-closure activities include the the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The Authority is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure. See note 22 for the Municipality involvement in the Authority.

Under the Water Act, the Municipality has asset retirement obligations to fund decommissioning and reclamation of water wells. Reclamation activities include the flushing, cleaning, and disinfecting of the water well along with any additional land restoration activity.

	<u>2023</u>	<u>2022</u>
Balance, Beginning of Year	\$ 643,776	\$ 599,368
Net Change for the Year		
Additions	24,159	15,328
Liabilities settled	(125,000)	-
Accretion expense	<u>31,753</u>	<u>29,080</u>
	<u>(69,088)</u>	<u>44,408</u>
Balance, End of Year	<u>\$ 574,688</u>	<u>\$ 643,776</u>

Asset retirement obligations of \$574,688 (2022 - \$643,776) includes \$544,688 (2022 - \$613,776) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$2,072,187 (2022 - \$2,005,624), using discount rates between 4.90% - 5.08% (2022 - 4.90% - 5.08%), with retirement and reclamation activities expected to be settled between 2050 and 2085. The remaining obligations of \$30,000 (2022 - \$30,000) are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

13. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ <u>14,973,858</u>	\$ <u>3,238,774</u>
Restricted surplus		
Operating		
Financial stabilization	2,170,320	1,598,566
Utility - operating	844,014	-
Policing	<u>28,593</u>	<u>28,593</u>
	<u>3,042,927</u>	<u>1,627,159</u>
Capital		
Annual general capital	4,913,784	-
Utilities - capital	1,699,615	1,242,577
Transportation and parking	651,859	451,859
Reserves in WYRWMA	503,342	430,239
Community housing	268,052	159,094
Fleet	267,280	-
Fixed assets	<u>73,772</u>	<u>5,198,718</u>
	<u>8,377,704</u>	<u>7,482,487</u>
Equity in tangible capital assets (<i>Note 14</i>)	<u>54,219,678</u>	<u>58,987,684</u>
	<u>\$ 80,614,167</u>	<u>\$ 71,336,104</u>

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Net book value of tangible capital assets	\$ 74,235,949	\$ 65,404,154
Debt recoverable - local improvements	5,114,669	5,302,462
Asset retirement obligations	(574,688)	(643,776)
Capital lease obligations	(40,273)	(51,574)
Long-term debt related to tangible capital assets	<u>(24,515,979)</u>	<u>(11,023,582)</u>
	<u>\$ 54,219,678</u>	<u>\$ 58,987,684</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

15. TRUST FUNDS

The Municipality administers the following trust funds:

	<u>2023</u>	<u>2022</u>
Jasper Sports and Culture	\$ 103,506	\$ 103,559
Betkowski	<u>-</u>	<u>18,027</u>
	<u>\$ 103,506</u>	<u>\$ 121,586</u>

Trust funds administered by the Municipality have not been included in the consolidated statement of financial position nor have their operations have been included in the consolidated statement of operations.

16. FRANCHISE AND CONCESSION CONTRACTS

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

	<u>2023</u>	<u>2022</u>
ATCO Electric Ltd.	\$ 369,433	\$ 381,726
ATCO Gas Ltd.	<u>248,374</u>	<u>277,327</u>
	<u>\$ 617,807</u>	<u>\$ 659,053</u>

17. CONTINGENCIES

- a) The Municipality is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS"). 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 GENESIS. 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 consolidated statement of operations as the matters are resolved or when sufficient information on amounts and likelihood is known.
- c) The Municipality is a member the West Yellowhead Regional Waste Management Authority (the "Authority"). The members of the Authority have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The Municipality is liable for its proportionate share of losses, if any, related to the operations of the Authority.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

18. 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 8.45% (2022 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 12.23% (2022 - 12.80%) of the excess. Employees are required to make current service contributions of 7.45% (2022 -7.45%) of pensionable salary up to the YMPE and 11.23% (2022 -11.80%) of the excess. Contributions for current service are recorded as expenses in the year in which they become due.

Total current service contributions made by the Municipality to the LAPP in 2023 were \$546,441 (2022 - \$515,427). Total current service contributions made by the employees of the Municipality to the LAPP in 2023 were \$486,342 (2022 - \$417,173).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion (2021 - \$11.92 billion).

19. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the Municipality. Municipal 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 residents in a financially responsible manner.

(c) Protective Services

Protective Services is comprised of Fire, Disaster, and Municipal Enforcement Services. The RCMP division in Jasper includes Federal, Provincial, 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.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

19. SEGMENTED INFORMATION (CONT'D)

(d) Roads, Streets, Walks, Lighting

Roads, Streets, Walks, Lighting is comprised of Common Services, the Public Works areas, and Transit. 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.

20. 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.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

21. BUDGET DATA

The budget presented in these consolidated financial statements is based on the 2023 operating budget approved by Council on April 2, 2023. The Municipality compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather capitalizing the costs and recognizes financing as revenue as utilized. 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>2023</u>	Actual <u>2023</u>	Actual <u>2022</u>
Annual surplus	\$ <u>12,530,761</u>	\$ <u>9,278,063</u>	\$ <u>7,954,796</u>
Add:			
Long-term debt utilized			
/ Issuance of long-term debt	13,648,629	14,150,000	-
Transfers from reserves	<u>7,168,640</u>	<u>2,218,878</u>	<u>2,429,940</u>
	<u>20,817,269</u>	<u>16,368,878</u>	<u>2,429,940</u>
Deduct:			
Acquisition of tangible capital assets	29,382,922	11,806,283	4,484,537
Transfers to reserves	3,007,034	4,476,205	2,737,114
Principal repayment of long-term debt	958,073	657,605	956,044
(Gain) loss on disposal of tangible capital assets	<u>-</u>	<u>38,592</u>	<u>-</u>
	<u>33,348,029</u>	<u>16,978,685</u>	<u>8,177,695</u>
Results of Operations as Budgeted	\$ <u>1</u>	\$ <u>8,668,256</u>	\$ <u>2,207,041</u>

MUNICIPALITY OF JASPER**Notes to Consolidated Financial Statements****For The Year Ended December 31, 2023****22. WEST YELLOWHEAD REGIONAL WASTE MANAGEMENT AUTHORITY**

The Municipality, the Town of Edson, the Town of Hinton, the Municipal District of Grennview No. 16, and Yellowhead County (the "members") jointly own and operate the West Yellowhead Regional Waste Management Authority (the "Authority") to construct, maintain, control and manage a regional solid waste disposal system.

The members have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The following is 100% of the financial position and results of operations of the Authority partnership of which the Municipality has a 7.00% (2022 - 6.40%) proportionate share.

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 4,558,261	\$ 6,275,622
Trade receivables	203,223	241,243
Due from members	<u>2,579,306</u>	<u>270,000</u>
	<u>7,340,790</u>	<u>6,786,865</u>
LIABILITIES		
Accounts payable and accrued liabilities	150,191	64,386
Asset retirement obligations	<u>4,230,950</u>	<u>4,026,600</u>
	<u>4,381,141</u>	<u>4,090,986</u>
NET FINANCIAL ASSETS	<u>2,959,649</u>	<u>2,695,879</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>7,156,647</u>	<u>3,395,692</u>
ACCUMULATED SURPLUS	<u>\$ 10,116,296</u>	<u>\$ 6,091,571</u>
REVENUE		
Tipping fees	\$ 3,495,596	\$ 2,937,229
Municipal requisitions	2,014,847	420,000
Investment income	290,082	126,266
Other	<u>15,469</u>	<u>7,296</u>
	<u>5,815,994</u>	<u>3,490,791</u>
EXPENSES		
Contracted and general services	1,182,479	941,396
Amortization of tangible capital assets	392,914	390,765
Accretion expense	204,350	194,480
Materials, goods and utilities	9,202	7,326
Interest and bank charges	<u>2,324</u>	<u>1,848</u>
	<u>1,791,269</u>	<u>1,535,815</u>
ANNUAL SURPLUS	<u>\$ 4,024,725</u>	<u>\$ 1,954,976</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

23. RESTATEMENT - PS 3280 ASSET RETIREMENT OBLIGATION STANDARD ADOPTION

i) Policy Adoption - PS 3280 Asset Retirement Obligation

Effective January 1, 2022, the Municipality adopted Canadian public sector accounting standard 3280, *Asset Retirement Obligations*, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On January 1, 2022, the Municipality recognized the following to conform to the new standard:

- Asset retirement obligation, adjusted for accumulated accretion to the effective date;
- Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- Accumulated amortization on the capitalized cost; and
- Adjustment to the opening balance of accumulated surplus.

ii) West Yellowhead Regional Waste Management Authority

The Municipality's proportionate share of the Authority was not consolidated in prior years. This correction has been applied retroactively and the prior year comparative figures have been restated accordingly.

Comparative figures have been restated as follows.

	<u>As Previously Stated</u>	<u>PS 3280 Adoption</u>	<u>Authority Consolidation</u>	<u>As Restated</u>
Statement of Financial Position				
Financial Assets				
Cash	\$17,098,131	-	401,640	\$17,499,771
Trade and other receivables	\$11,766,939	-	32,720	\$11,799,659
Liabilities				
Accounts payable and accrued liabilities	\$ 2,967,664	-	4,122	\$ 2,971,786
Asset retirement obligations	\$ -	386,074	257,702	\$ 643,776
Non-Financial Assets				
Tangible capital assets	\$65,152,556	34,273	217,325	\$65,404,154
Prepaid assets	\$ 390,791	-	(424)	\$ 390,367
Statement of Operations				
Revenue				
User fees and sales of goods	\$ 7,920,145	-	187,983	\$ 8,108,128
Government transfers for operating	\$ 2,572,177	-	26,880	\$ 2,599,057
Investment income	\$ 432,550	-	8,081	\$ 440,631
Other income	\$ 281,391	-	37,692	\$ 319,083
Expenses				
Utilities	\$ 4,782,877	-	118,831	\$ 4,901,708
Parks and recreation	\$ 281,391	37,692	-	\$ 319,083
Accumulated surplus				
Opening balance	\$63,467,621	(333,945)	247,632	\$63,381,308
Closing balance	\$71,298,468	(351,801)	389,437	\$71,336,104

Certain comparative figures have been reclassified to conform to the presentation used in the current year.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2023

24. 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>Benefits</u>	<u>2023</u>	<u>2022</u>
Mayor Ireland	\$ 95,645	\$ 8,731	\$ 104,376	\$ 95,237
Councillor Damota	28,562	6,473	35,035	26,394
Councillor Hall	31,083	6,623	37,706	34,019
Councillor Kelleher-Empcy	23,755	6,187	29,942	27,408
Councillor Melnyk	29,636	6,537	36,173	35,416
Councillor Waxer	26,182	6,332	32,514	32,544
Councillor Wilson	<u>24,781</u>	<u>6,248</u>	<u>31,029</u>	<u>27,808</u>
	<u>\$ 259,644</u>	<u>\$ 47,131</u>	<u>\$ 306,775</u>	<u>\$ 278,826</u>
Chief Administrative Officer	<u>\$ 173,480</u>	<u>\$ 21,548</u>	<u>\$ 195,028</u>	<u>\$ 187,199</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.

25. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements on April 30, 2024.