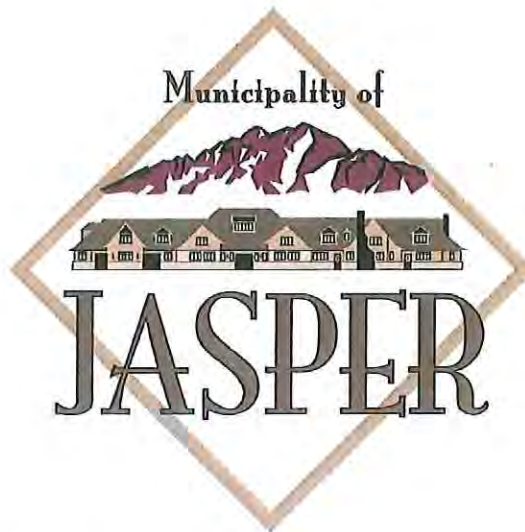


MUNICIPALITY OF JASPER
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014



Administration's Responsibility for Financial Reporting

Administration 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 generally accepted accounting principles. 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 responsibilities for the integrity and fairness of the consolidated financial statements, Administration 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 financial statements.

The elected Mayor and Council of the Municipality of Jasper are composed entirely of individuals who are neither administration nor employees of the Municipality. The Mayor and Council have the responsibility of meeting with Administration and 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 appointing the Municipality of Jasper's external auditors.

Hawkings Epp Dumont LLP, an independent firm of Chartered Accountants, is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with both the Mayor and Council and administration to discuss their audit findings.

April 7, 2015

A handwritten signature in blue ink, appearing to read "M. Fercho", is written over a horizontal line.

Mark Fercho, Chief Administrative Officer



HAWKINGS EPP DUMONT LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Municipality of Jasper
Jasper, Alberta

Report on the Consolidated Financial Statements

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, 2014, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Jasper as at December 31, 2014 and the results of its operations, the change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Hawkings Epp Dumont LLP
Chartered Accountants

Edmonton, Alberta
April 7, 2015

EDMONTON

10476 Mayfield Road
Edmonton, AB T5P 4P4
1.877.489.9606
T: 780.489.9606
F: 780.484.9689

STONY PLAIN

#101, 5300 – 50 Street
PO Box 3188, Station Main
Stony Plain, AB T7Z 1T8
T: 780.963.2727
F: 780.963.1294

LLOYDMINSTER

5102 – 48 Street
PO Box 10099
Lloydminster, AB T9V 3A2
T: 780.875.7433
F: 780.875.5304

HAWKINGS.COM



Municipality of Jasper
Consolidated Statement of Financial Position


As at December 31, 2014


	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash (Note 2)	\$ 7,764,704	\$ 6,163,544
Taxes and grants in place of taxes (Note 3)	\$ 135,639	\$ 111,041
Trade and other receivables	\$ 1,161,405	\$ 1,288,578
Debt recoverable - local improvements	\$ 114,948	\$ 56,673
Deposit (Note 4)	\$ 275,000	\$ 275,000
Other financial assets	\$ -	\$ 13,157
	<u>\$ 9,451,696</u>	<u>\$ 7,907,993</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,216,718	\$ 1,983,908
Deposit liabilities	\$ 146,571	\$ 139,120
Deferred revenue (Note 5)	\$ 1,715,360	\$ 907,597
Long-term debt (Note 6)	\$ 4,777,831	\$ 5,520,117
Employee benefit obligations (Note 7)	\$ 257,856	\$ 197,993
	<u>\$ 9,114,336</u>	<u>\$ 8,748,735</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ 337,360</u>	<u>\$ (840,742)</u>
Non-financial assets		
Tangible capital assets (Schedule II)	\$ 58,214,429	\$ 58,229,989
Inventory for consumption	\$ 47,638	\$ 47,638
Prepaid expenses	\$ 378,348	\$ 233,632
	<u>\$ 58,640,415</u>	<u>\$ 58,511,259</u>
ACCUMULATED SURPLUS (Note 9)	<u>\$ 58,977,775</u>	<u>\$ 57,670,517</u>

Contingencies (Note 12)

Commitments (Note 13)

Approved on behalf of Council





Municipality of Jasper

Consolidated Statement of Operations

For the year ended December 31, 2014

	Budget		
	2014	2014	2013
Revenue			
Net municipal property taxes (Schedule III)	\$ 5,943,518	\$ 6,019,237	\$ 5,831,136
Sales, user charges and costs recovered	\$ 4,806,436	\$ 4,389,212	\$ 4,362,860
Other	\$ 1,441,431	\$ 1,719,357	\$ 1,503,065
Government transfers for operating (Schedule IV)	\$ 1,107,482	\$ 1,197,941	\$ 1,203,446
	<u>\$ 13,298,867</u>	<u>\$ 13,325,747</u>	<u>\$ 12,900,507</u>
Expenses			
Parks and recreation	\$ 3,215,328	\$ 3,220,355	\$ 3,269,715
Utilities	\$ 3,546,296	\$ 3,625,081	\$ 3,218,283
Public health and welfare	\$ 1,958,908	\$ 2,020,195	\$ 2,063,209
Roads, streets and equipment	\$ 1,695,164	\$ 1,800,174	\$ 1,628,985
Administration	\$ 1,416,805	\$ 1,152,097	\$ 1,099,521
Protective Services	\$ 992,832	\$ 978,307	\$ 971,392
Planning and development	\$ 243,883	\$ 185,854	\$ 325,748
Legislative	\$ 298,050	\$ 209,491	\$ 241,893
Library and culture	\$ 324,820	\$ 228,820	\$ 226,688
	<u>\$ 13,692,086</u>	<u>\$ 13,420,374</u>	<u>\$ 13,045,434</u>
Shortfall of revenue over expenses - before other	\$ (393,219)	\$ (94,627)	\$ (144,927)
Other			
Government transfers for capital (Schedule IV)	\$ 2,176,000	\$ 1,388,701	\$ 1,100,967
Other		\$ 13,184	\$ 65,837
	<u>\$ 2,176,000</u>	<u>\$ 1,401,885</u>	<u>\$ 1,166,804</u>
Excess of revenue over expenses	\$ 1,782,781	\$ 1,307,258	\$ 1,021,877
Accumulated surplus, beginning of year	\$ 57,670,516	\$ 57,670,517	\$ 56,648,640
Accumulated surplus, end of year	\$ 59,453,297	\$ 58,977,775	\$ 57,670,517

Municipality of Jasper

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31, 2014

	Budget 2014	2014	2013
Excess of revenue over expenses	<u>\$ 1,782,781</u>	<u>\$ 1,307,258</u>	<u>\$ 1,021,877</u>
Acquisition of tangible capital assets	\$ (4,443,882)	\$ (2,055,148)	\$ (1,653,449)
Amortization of tangible capital assets	\$ 2,200,000	\$ 2,070,196	\$ 2,026,530
Loss (gain) on disposal of tangible capital assets	\$ -	\$ 512	\$ -
Acquisition of inventory for consumption	\$ -	\$ -	\$ 16,599
Use of prepaid assets	\$ -	\$ (144,716)	\$ 41,979
Decrease in net debt	<u>\$ (461,101)</u>	<u>\$ 1,178,102</u>	<u>\$ 1,453,536</u>
Net financial debt, beginning of year	<u>\$ (840,742)</u>	<u>\$ (840,742)</u>	<u>\$ (2,294,278)</u>
Net financial assets (debt), end of year	<u>\$ (1,301,843)</u>	<u>\$ 337,360</u>	<u>\$ (840,742)</u>

Municipality of Jasper
Consolidated Statement of Cash Flows

For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Operating		
Excess of revenue over expenses	\$ 1,307,258	\$ 1,021,877
Non-cash items:		
Amortization of tangible capital assets	\$ 2,070,196	\$ 2,026,530
Loss on disposal of tangible Capital Assets	\$ 512	\$ -
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	\$ 807,763	\$ 299,848
Decrease (increase) in prepaid expenses	\$ (144,716)	\$ 41,979
Increase (decrease) in accounts payable and accrued liabilities and employee benefit obligations	\$ 292,673	\$ (194,528)
Decrease (increase) in trade and other receivables	\$ 127,173	\$ 1,328,378
Decrease (increase) in tax and grants in place of taxes	\$ (24,598)	\$ 28,248
Decrease (increase) in debt recoverable - local improvements	\$ (58,275)	\$ -
Increase (decrease) in deposit liabilities	\$ 7,451	\$ 30,304
Decrease (increase) in other financial assets	\$ 13,157	\$ 25,142
Decrease (increase) in inventory for consumption	\$ -	\$ 16,599
	<u>\$ 4,398,594</u>	<u>\$ 4,624,377</u>
Capital		
Acquisition of tangible capital assets	<u>\$ (2,055,148)</u>	<u>\$ (1,653,449)</u>
Financing		
Repayment of long-term debt	<u>\$ (742,286)</u>	<u>\$ (709,961)</u>
Change in cash during the year	<u>\$ 1,601,160</u>	<u>\$ 2,260,967</u>
Cash, beginning of year	<u>\$ 6,163,544</u>	<u>\$ 3,902,577</u>
Cash, end of year	<u>\$ 7,764,704</u>	<u>\$ 6,163,544</u>

Municipality of Jasper

Schedule I - Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2014

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014	2013
Balance, beginning of year	\$ 1,579,390	\$ 3,381,255	\$ 52,709,872	\$ 57,670,517	\$ 56,648,640
Excess of revenues over expenses	\$ 1,307,258	\$ -	\$ -	\$ 1,307,258	\$ 1,021,877
Unrestricted funds designated for future use	\$ (1,178,265)	\$ 1,178,265	\$ -	\$ -	\$ -
Restricted funds used for operations	\$ 349,099	\$ (349,099)	\$ -	\$ -	\$ -
Restricted funds used for tangible capital assets	\$ -	\$ (585,500)	\$ 585,500	\$ -	\$ -
Current year funds used for tangible capital assets	\$ (1,469,648)	\$ -	\$ 1,469,648	\$ -	\$ -
Net gain (loss) on sale of tangible capital assets	\$ 512	\$ -	\$ (512)	\$ -	\$ -
Annual amortization expense	\$ 2,070,196	\$ -	\$ (2,070,196)	\$ -	\$ -
Levied portion of debt recoverable - local improvements	\$ (114,498)	\$ -	\$ 114,498	\$ -	\$ -
Long-term debt repaid	\$ (742,286)	\$ -	\$ 742,286	\$ -	\$ -
Change in accumulated surplus	\$ 222,368	\$ 243,666	\$ 841,224	\$ 1,307,258	\$ 1,021,877
Balance, end of year	\$ 1,801,758	\$ 3,624,921	\$ 53,551,096	\$ 58,977,775	\$ 57,670,517

Municipality of Jasper
Schedule II - Schedule of Tangible Capital Assets

For the year ended December 31, 2014

	Land	Buildings	Engineering Structures	Machinery & Equipment	Vehicles	Land Improvements	2014	2013
Cost								
Balance, beginning of year	\$ 403,759	\$ 31,249,522	\$ 40,613,755	\$ 4,157,626	\$ 2,519,130	\$ 4,103,861	\$ 83,047,653	\$ 81,408,204
Acquisition of tangible capital assets	\$ -	\$ 61,044	\$ 1,063,358	\$ 467,914	\$ 46,358	\$ 88,326	\$ 1,727,000	\$ 545,667
Assets under construction	\$ -	\$ 291,356	\$ 33,428	\$ 3,364	\$ -	\$ -	\$ 328,148	\$ 1,107,782
Disposal of tangible capital assets	\$ -	\$ (500,000)	\$ -	\$ (29,121)	\$ (30,000)	\$ -	\$ (559,121)	\$ 14,000
Balance, end of year	\$ 403,759	\$ 31,101,922	\$ 41,710,541	\$ 4,599,783	\$ 2,535,488	\$ 4,192,187	\$ 84,543,680	\$ 83,075,653
Accumulated amortization								
Balanced, beginning of year	\$ -	\$ 8,059,349	\$ 11,200,035	\$ 2,189,852	\$ 1,324,867	\$ 2,043,561	\$ 24,817,664	\$ 22,805,134
Annual amortization	\$ -	\$ 487,072	\$ 986,252	\$ 272,564	\$ 140,079	\$ 184,229	\$ 2,070,196	\$ 2,026,530
Accumulated amortization on disposals	\$ -	\$ (500,000)	\$ -	\$ (29,109)	\$ (29,500)	\$ -	\$ (558,609)	\$ 14,000
Balance, end of year	\$ -	\$ 8,046,421	\$ 12,186,287	\$ 2,433,307	\$ 1,435,446	\$ 2,227,790	\$ 26,329,251	\$ 24,845,664
Net book value of tangible capital assets	\$ 403,759	\$ 23,055,501	\$ 29,524,254	\$ 2,166,476	\$ 1,100,042	\$ 1,964,397	\$ 58,214,429	\$ 58,229,989
2013 net book value of tangible capital assets	\$ 403,759	\$ 23,190,173	\$ 29,413,720	\$ 1,967,773	\$ 1,194,264	\$ 2,060,300	\$ 58,229,989	

Municipality of Jasper
Schedule III- Schedule of Property and Other Taxes Levied

For the year ended December 31, 2014

	Budget 2014	2014	2013
Taxation			
Real property taxes	\$ 9,323,111	\$ 9,360,389	\$ 9,326,051
Government grants in place of property taxes	\$ 560,000	\$ 561,409	\$ 569,882
Linear property taxes	\$ 505,000	\$ 507,562	\$ 526,336
Local improvement taxes	\$ -	\$ 68,000	\$ -
	<u>\$ 10,388,111</u>	<u>\$ 10,497,360</u>	<u>\$ 10,422,269</u>
Requisitions			
Alberta School Foundation Fund	\$ 3,669,332	\$ 3,706,903	\$ 3,816,550
Land rent to Parks Canada	\$ 412,250	\$ 416,002	\$ 409,656
Planning reserves to Parks Canada	\$ 195,755	\$ 186,900	\$ 184,049
Evergreens Foundation	\$ 167,256	\$ 168,318	\$ 180,878
	<u>\$ 4,444,593</u>	<u>\$ 4,478,123</u>	<u>\$ 4,591,133</u>
Net municipal property taxes	<u>\$ 5,943,518</u>	<u>\$ 6,019,237</u>	<u>\$ 5,831,136</u>

Municipality of Jasper
Schedule IV - Schedule of Government Transfers

For the year ended December 31, 2014

		Budget			
		2014	2014	2013	
Operating					
	Provincial	\$ 855,267	\$ 918,603	\$ 849,134	
	Federal	\$ 252,215	\$ 279,338	\$ 354,312	
		<u>\$ 1,107,482</u>	<u>\$ 1,197,941</u>	<u>\$ 1,203,446</u>	
Capital					
	Provincial	\$ 2,176,000	\$ 1,388,701	\$ 937,554	
	Federal	\$ -	\$ -	\$ 163,413	
		<u>\$ 2,176,000</u>	<u>\$ 1,388,701</u>	<u>\$ 1,100,967</u>	
	Total government transfers	<u>\$ 3,283,482</u>	<u>\$ 2,586,642</u>	<u>\$ 2,304,413</u>	

Municipality of Jasper
Schedule V - Schedule of Consolidated Expenses by Object

For the year ended December 31, 2014

	Budget		
	2014	2014	2013
Consolidated expenses by object			
Salaries, wages and benefits	\$ 6,078,598	\$ 6,202,672	\$ 5,818,675
Materials, goods and utilities	\$ 2,179,814	\$ 2,175,365	\$ 2,476,045
Amortization of tangible capital assets	\$ 2,200,000	\$ 2,070,196	\$ 2,026,530
Contracted and general services	\$ 2,723,250	\$ 2,496,602	\$ 2,212,526
Interest on long term debt	\$ 276,186	\$ 267,433	\$ 300,213
Transfers to local boards and agencies	\$ 74,820	\$ 91,602	\$ 87,942
Transfers to individuals and organizations	\$ 138,218	\$ 91,823	\$ 109,166
Bank charges and short term interest	\$ 19,500	\$ 20,088	\$ 18,892
Provision for allowances	\$ 1,700	\$ 4,593	\$ (4,555)
	\$ 13,692,086	\$ 13,420,374	\$ 13,045,434

Municipality of Jasper
Schedule VI - Schedule of Segmented Disclosure

For the year ended December 31, 2014

	General Government	Transportation, roads and streets	Legislative & Administration	Environmental Services	Parks and Recreation	Protective Services	Library & Museum	Public Health and Welfare	Economic Development	Total
Revenue										
Net municipal taxes	\$ 6,019,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,019,237
Sale, user charges and costs	\$ 2,384	\$ -	\$ 5,019	\$ 3,052,046	\$ 692,168	\$ 28,418	\$ -	\$ 604,608	\$ 4,569	\$ 4,389,212
Government transfers	\$ 39,750	\$ 513,518	\$ -	\$ 588,831	\$ 269,275	\$ 227,228	\$ 235,606	\$ 712,435	\$ -	\$ 2,586,643
Franchise and concessions contracts	\$ 389,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,368
Penalties and costs on taxes	\$ 49,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,905
Sales to other governments	\$ -	\$ -	\$ -	\$ 75,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,116
Rent	\$ 133	\$ -	\$ 9,019	\$ -	\$ 451,525	\$ 92,491	\$ -	\$ -	\$ 80,427	\$ 633,595
Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,940	\$ -	\$ -	\$ -	\$ 82,940
Licenses and permits	\$ 33,375	\$ -	\$ -	\$ -	\$ -	\$ 84,879	\$ -	\$ -	\$ -	\$ 118,254
Interest income	\$ 90,827	\$ 8,653	\$ -	\$ -	\$ -	\$ -	\$ 4,295	\$ -	\$ -	\$ 103,775
Other	\$ 32,722	\$ 105,075	\$ -	\$ 11,366	\$ 495	\$ 1,500	\$ -	\$ 128,429	\$ -	\$ 279,587
	\$ 6,657,701	\$ 627,246	\$ 14,038	\$ 3,727,359	\$ 1,413,463	\$ 517,456	\$ 239,901	\$ 1,445,472	\$ 84,996	\$ 14,727,632
Expenses										
Salaries, wages and benefits	\$ 763,910	\$ 275,172	\$ 157,857	\$ 1,010,412	\$ 1,733,592	\$ 488,065	\$ 147,956	\$ 1,578,426	\$ 47,282	\$ 6,202,672
Contracted and general services	\$ 283,678	\$ 278,464	\$ 38,452	\$ 1,268,094	\$ 296,306	\$ 120,948	\$ -	\$ 148,903	\$ 61,757	\$ 2,496,602
Provision for allowances	\$ -	\$ 942	\$ -	\$ 171	\$ -	\$ -	\$ -	\$ 3,480	\$ -	\$ 4,593
Materials, goods and utilities	\$ 73,701	\$ 376,679	\$ 13,183	\$ 595,256	\$ 810,477	\$ 124,017	\$ -	\$ 101,421	\$ 80,631	\$ 2,175,365
Interest on long-term debt	\$ -	\$ 21,551	\$ -	\$ 207,680	\$ 8,652	\$ 29,550	\$ -	\$ -	\$ -	\$ 267,433
Bank charges and short-term interest	\$ 7,748	\$ -	\$ -	\$ -	\$ 7,458	\$ -	\$ -	\$ 4,882	\$ -	\$ 20,088
Transfers to individuals and organizations	\$ -	\$ -	\$ -	\$ 2,875	\$ 3,900	\$ 66,355	\$ -	\$ 15,838	\$ 2,855	\$ 91,823
Transfers to local boards and agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,506	\$ 4,096	\$ -	\$ 91,602
	\$ 1,129,037	\$ 952,808	\$ 209,492	\$ 3,084,488	\$ 2,860,385	\$ 828,935	\$ 235,462	\$ 1,857,046	\$ 197,525	\$ 11,350,178
Net revenue before amortization	\$ 5,528,664	\$ (325,562)	\$ (195,454)	\$ 642,871	\$ (1,446,922)	\$ (311,479)	\$ 4,439	\$ (411,574)	\$ (107,529)	\$ 3,377,454
Amortization expense	\$ 23,058	\$ 843,654	\$ -	\$ 544,305	\$ 359,970	\$ 149,372	\$ 10,000	\$ 96,904	\$ 42,933	\$ 2,070,196
Net revenue (expense)	\$ 5,505,606	\$ (1,169,216)	\$ (195,454)	\$ 98,566	\$ (1,806,892)	\$ (460,851)	\$ (5,561)	\$ (508,478)	\$ (150,462)	\$ 1,307,258

Municipality of Jasper
Schedule VI - Schedule of Segmented Disclosure

For the year ended December 31, 2013

	General Government	Transportation, roads and streets	Legislative & Administration	Environmental Services	Parks and Recreation	Protective Services	Library & Museum	Public Health and Welfare	Economic Development	Total
Revenue										
Net municipal taxes	\$ 5,831,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,831,136
Sale, user charges and costs	\$ 2,922	\$ -	\$ 5,881	\$ 2,988,586	\$ 690,914	\$ 43,361	\$ -	\$ 626,613	\$ 4,583	\$ 4,362,860
Government transfers	\$ 90,750	\$ -	\$ -	\$ 92,215	\$ 113,000	\$ 212,389	\$ 1,087,655	\$ 574,529	\$ 133,875	\$ 2,304,413
Franchise and concessions contracts	\$ 324,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,324
Penalties and costs on taxes	\$ 54,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,644
Sales to other governments	\$ -	\$ -	\$ -	\$ 65,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,034
Rent	\$ 199	\$ -	\$ 6,330	\$ -	\$ 337,428	\$ 92,078	\$ -	\$ -	\$ 75,972	\$ 512,007
Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,539	\$ -	\$ -	\$ -	\$ 71,539
Licenses and permits	\$ 32,571	\$ -	\$ -	\$ -	\$ -	\$ 83,039	\$ -	\$ -	\$ -	\$ 115,610
Interest income	\$ 72,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,587	\$ -	\$ -	\$ 77,838
Other	\$ 14,261	\$ 75,024	\$ -	\$ 25,000	\$ 504	\$ -	\$ -	\$ 231,154	\$ 1,963	\$ 347,906
	\$ 6,423,058	\$ 75,024	\$ 12,211	\$ 3,170,835	\$ 1,141,846	\$ 502,406	\$ 1,093,242	\$ 1,432,296	\$ 216,393	\$ 14,067,311
Expenses										
Salaries, wages and benefits	\$ 705,870	\$ 251,328	\$ 164,106	\$ 853,386	\$ 1,587,596	\$ 449,636	\$ 143,895	\$ 1,602,751	\$ 60,107	\$ 5,818,675
Contracted and general services	\$ 204,471	\$ 159,665	\$ 57,985	\$ 960,957	\$ 314,587	\$ 144,581	\$ -	\$ 192,275	\$ 180,989	\$ 2,215,510
Provision for allowances	\$ (6,619)	\$ 1,487	\$ -	\$ 44	\$ -	\$ -	\$ -	\$ 533	\$ -	\$ (4,555)
Materials, goods and utilities	\$ 162,360	\$ 364,378	\$ 19,802	\$ 640,032	\$ 992,006	\$ 128,378	\$ -	\$ 76,218	\$ 89,887	\$ 2,473,061
Interest on long-term debt	\$ -	\$ 22,176	\$ -	\$ 227,498	\$ 13,562	\$ 36,977	\$ -	\$ -	\$ -	\$ 300,213
Bank charges and short-term interest	\$ 8,278	\$ -	\$ -	\$ -	\$ 6,266	\$ -	\$ -	\$ 4,348	\$ -	\$ 18,892
Transfers to individuals and organizations	\$ -	\$ -	\$ -	\$ 10,000	\$ 8,500	\$ 63,803	\$ -	\$ 15,838	\$ 11,025	\$ 109,166
Transfers to local boards and agencies	\$ 1,074,360	\$ 799,034	\$ 241,893	\$ 2,691,917	\$ 2,922,517	\$ 823,375	\$ 227,891	\$ 1,895,909	\$ 342,008	\$ 11,018,904
	\$ 5,348,698	\$ 724,010	\$ (229,682)	\$ 478,918	\$ (1,780,671)	\$ (320,969)	\$ 865,351	\$ (463,613)	\$ (125,615)	\$ 3,048,407
Amortization expense	\$ 25,161	\$ 829,951	\$ -	\$ 526,366	\$ 347,198	\$ 148,017	\$ 10,000	\$ 96,904	\$ 42,933	\$ 2,026,530
	\$ 5,323,537	\$ (1,553,961)	\$ (229,682)	\$ (47,448)	\$ (2,127,869)	\$ (468,986)	\$ 855,351	\$ (560,517)	\$ (168,548)	\$ 1,021,877

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. Significant accounting policies

The consolidated financial statements of the Municipality of Jasper (the "Municipality") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and changes in fund balances and financial position 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. These consolidated financial statements do not include the Municipality's proportionate share of the West Yellowhead Regional Waste Management Authority (25%).

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 statements exclude trust assets that are administered for the benefit of external parties as described in Note 2. 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.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. Significant accounting policies (continued)

b) Basis of accounting (continued)

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

c) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles 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 expenses during the period. Where measurement 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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

d) 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 consolidated Change in Net Financial Assets (Debt) for the year.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. Significant accounting policies (continued)

d) Non-financial assets (continued)

i) Tangible Capital Assets

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

Land Improvements	15-30 years
Buildings	10-50 years
Engineered structures	
Roads	20-40 years
Water system	45-75 years
Wastewater system	45-75 years
Storm system	45-75 years
Sidewalks	30-60 years
Machinery and equipment	5-20 years
Vehicles	10-25 years

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

ii) 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.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. Significant accounting policies (continued)

d) Non-financial assets (continued)

iii) 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.

iv) Inventory

Inventory held for consumption is recorded at the lower of cost and replacement cost.

e) Requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where 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.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. Significant accounting policies (continued)

f) Tax revenue

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

Construction and borrowing costs associated with local improvement projects are recovered through annual special property 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.

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 are the result of a direct financial return.

g) 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 are the result of a direct financial return.

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

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

2. Cash

	2014	2013
Cash	\$ 7,902,160	\$ 6,297,990
Less: Restricted portion of cash	<u>- 137,456</u>	<u>- 134,446</u>
	<u>\$ 7,764,704</u>	<u>\$ 6,163,544</u>

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$750,000 available from January 1 to June 30 annually. The demand loan bears interest at the bank's prime rate, was not drawn on at December 31, 2014 and December 31, 2013 and is unsecured.

The Municipality administers the following trusts:

Scholarships	2014	2013
Balance, beginning of the year	\$ 134,446	\$ 132,493
Deduct, scholarships awarded	- 1,000	- 2,000
Add, income from investments	4,010	3,953
Balance, end of the year	<u>\$ 137,456</u>	<u>\$ 134,446</u>

3. Taxes and grants in place of taxes

	2014	2013
Current taxes	\$ 107,083	\$ 77,451
Arrears taxes	<u>28,556</u>	<u>33,590</u>
	<u>\$ 135,639</u>	<u>\$ 111,041</u>

4. Deposit

The Municipality has \$275,000 on deposit with Parks Canada; a compliance deposit related to construction of the Library and Cultural Centre. This deposit will be refunded pending successful completion of this construction.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

5. Deferred revenue	2013	Externally Restricted Contributions Received	Revenue Recognized	2014
Operating				
Municipal Sustainability Initiative Grant	\$ 106,652	\$ 65,375	\$ 134,967	\$ 37,060
Requisition over-levy	1,396	60,952	1,396	60,952
Day Care Space Creation Grant	42,953	-	34,300	8,653
Municipal Information Mapping Grant	<u>2,385</u>	<u>-</u>	<u>-</u>	<u>2,385</u>
	<u>\$ 153,386</u>	<u>\$ 126,327</u>	<u>\$ 170,663</u>	<u>\$ 109,050</u>
Capital				
Municipal Sustainability Initiative Grant	\$ -	\$ 1,400,158	\$ 435,449	\$ 964,709
Basic Municipal Transportation Grant	54,760	628,320	455,006	228,074
Federal Gas Tax Fund	<u>514,991</u>	<u>-</u>	<u>514,991</u>	<u>-</u>
	<u>\$ 569,751</u>	<u>\$ 2,028,478</u>	<u>\$ 1,405,446</u>	<u>\$ 1,192,783</u>
Other deferred amounts	<u>\$ 184,460</u>	<u>\$ 269,023</u>	<u>\$ 39,956</u>	<u>\$ 413,527</u>
	<u>\$ 907,597</u>	<u>\$ 2,423,828</u>	<u>\$ 1,616,065</u>	<u>\$ 1,715,360</u>

The Basic Municipal Transportation Grant and Municipal Sustainability Initiative Grant are multiyear grant programs that remit funding annually but allows funding to be applied to projects over five years.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

6. Long-term debt

	2014	2013
Tax-supported debentures	\$ 1,059,833	\$ 1,466,326
Self-supported debentures	<u>3,717,998</u>	<u>4,053,791</u>
	<u>\$ 4,777,831</u>	<u>\$ 5,520,117</u>

The current portion of the long-term debt is \$776,215 (2013 - \$742,286)

Payments of interest and principal are due as follows:

	Principal	Interest	Total
2015	\$ 776,215	\$ 242,255	\$ 1,018,470
2016	596,874	207,939	804,813
2017	628,996	175,818	804,814
2018	499,460	141,954	641,414
2019	525,559	115,856	641,415
To maturity	<u>1,750,727</u>	<u>208,201</u>	<u>1,958,928</u>
	<u>\$ 4,777,831</u>	<u>\$ 1,092,023</u>	<u>\$ 5,869,854</u>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.439% to 5.875% per annum and matures in periods 2015 through 2024. Debenture debt is issued on the credit and security of the Municipality at large.

Interest paid on long-term debt during the year was \$267,433 (2013 - \$300,213). The average annual interest rate is 4.67%.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

7. Employee benefit obligations

Employee benefit obligations consist of 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.

8. Debit limits

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Municipality of Jasper be disclosed as follows:

	2014	2013
Total debt limit	\$19,988,621	\$19,350,761
Total debt	<u>8,377,831</u>	<u>9,120,117</u>
Amount of debt limit unused	<u>\$11,610,790</u>	<u>\$10,230,644</u>
Service on debt limit	\$3,331,437	\$3,225,127
Service on debt	<u>1,018,470</u>	<u>1,018,471</u>
Amount if debt servicing limit unused	<u>\$2,312,967</u>	<u>\$2,206,656</u>

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

The Municipality has provided a short-term loan guarantee to the Caribou Creek Housing Corporation project lender to a maximum of \$3.6 million for the development of sixty four housing units. This amount has been included in the debt limit calculation above.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

9. Accumulated surplus

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

	2014	2013
Unrestricted surplus	\$ 1,801,758	\$ 1,579,390
Restricted surplus	1,148,603	822,005
Operating	2,476,318	2,559,250
Capital	<u>53,551,096</u>	<u>52,709,872</u>
Equity in tangible capital assets (Note 10)	<u>\$ 58,977,775</u>	<u>\$ 57,670,517</u>

10. Equity in tangible capital assets

	2014	2013
Tangible capital assets (Schedule II)	\$84,543,680	\$ 83,047,653
Accumulated amortization (Schedule II)	- 26,329,251	- 24,817,664
Debt recoverable – local improvements	114,498	-
Long-term debt (Note 6)	<u>- 4,777,831</u>	<u>- 5,520,117</u>
	<u>\$ 53,551,096</u>	<u>\$ 52,709,872</u>

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

11. Salary and benefits disclosure

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

	Salary (a)	Benefits & Allowances (b)	2014	2013
Mayor Ireland	\$36,147	\$5,512	\$41,659	\$39,869
Councillor Damota	\$11,694	\$5,000	\$16,694	\$15,223
Councillor Wall	\$15,147	\$4,425	\$19,572	\$21,259
Councillor Wacko	\$17,325	\$4,420	\$21,745	\$20,147
Councillor Arsenault	\$13,974	\$4,308	\$18,282	\$ 3,981
Councillor Kelleher-Empey	\$15,894	\$4,372	\$20,266	\$ 4,717
Councillor Nesbitt	\$12,733	\$4,266	\$16,999	\$ 4,366
Councillor Zink	-	-	-	\$23,104
Councillor Day	-	-	-	\$16,558
Councillor Skehill	-	-	-	\$16,897
Chief Administrative Officer	\$165,677	\$24,031	\$189,708	\$156,719

- a. Salary includes regular base pay, bonuses, overtime, lump-sum payments, gross honoraria and any other direct cash remuneration.
- b. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

12. Contingencies

a) The Municipality is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Municipality could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

b) The Municipality is a defendant in lawsuits arising in the normal course of operations and involving various amounts. Administration 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 financial statements relating to any of these actions. Any awards or settlements will be reflected in the statement of revenue and expenditures as the matters are resolved or when sufficient information on amounts and likelihoods are known.

c) The Municipality agreed to provide a short-term loan guarantee to the Caribou Creek Housing Corporation ("the Corporation") for development of restricted gain housing. The guarantee is for 30% of each financing stage to a maximum of \$3.6 million, secured by a second charge on the land and buildings. The guarantee if drawn upon, is to be repaid from the sale proceeds of housing units after repayment of the primary lender's loans. Interest on the short-term loan and the loan guarantee if drawn upon, are to be paid for by the Corporation. The Municipality would be required to perform under the guarantee if it became apparent that the Corporation was unable to make payments on its debt. It is the Municipality's opinion that the Corporation will be able to make payments. Construction of the units commenced in 2011 and was expected to conclude by early 2014. Owing to construction delays the conclusion of this project will be in 2015. This amount is included in the Debt Limit (Note 8).

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

13. Commitments

The Municipality has entered into the following multiple year contracts:

a) Accurate Assessment Group

Agreement for property tax assessment services was renewed on a variable rate for a five year term ending 2020.

b) Access Gas/Enmax Energy

Three year contract with Access Gas starting 2014 for supply of natural gas.
Four year contract with Enmax Energy starting 2014 for supply of electricity.

c) Jasper Volunteer Fire Brigade Society

2015	\$ 67,682
2016	\$ 69,036
2017	\$ 70,416
2018	\$ 71,825

In addition, the Municipality will provide materials and funding for training up to \$25,000 annually.

d) Parks Canada

Agreement for land rent and planning services beginning in 2003, for \$475,000. For subsequent years the cost is adjusted for changes in the consumer price index. The 2014 expense for land rent and planning services was \$602,902 (2013 - \$593,705)

e) TD Bank Financial Group

Banking services to November 2016.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

14. Budget

The budget presented in these financial statements is based upon the 2014 operating and capital budgets approved by Council on February 18, 2014.

Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budgeted figures reported in these financial statements.

	Budget Amount
Revenue	
Operating budget	\$ 13,590,493
Capital budget	4,583,382
Less:	
Transfers from restricted fund	<u>(2,699,008)</u>
Total Revenue	<u>\$ 15,474,867</u>
Expenses	
Operating budget	\$ 13,590,223
Capital budget	4,583,382
Less:	
Transfers to other funds	(1,684,085)
Capital expenditures	(2,055,148)
Long-term debt principal payments	<u>(742,286)</u>
Total expenses	<u>\$ 13,692,086</u>
Annual Surplus	<u>\$ 1,782,781</u>

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

15. Financial instruments

The Municipality's financial instruments include cash, trade and other accounts receivable, accounts payable and accrued liabilities, requisition over-levy, and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments.

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

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

16. 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 Pensions Plan Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund. Contributions for the current service are recorded as expenses in the year which they become due.

The Municipality is required to make current service contributions to the LAPP of 11.39% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 15.84% of the excess.

Total current service contributions by the Municipality to the LAPP in 2014 were \$297,646 (2013 - 242,252). Total current service contributions by the employees of the Municipality to the LAPP in 2014 were \$273,271 (2013 - \$220,536).

At December 31, 2013, the LAPP disclosed an actuarial deficiency of \$4.86 billion.

Municipality of Jasper

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

17. Segmented disclosure

The Municipality provides a range of services to its residents. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information, see Schedule VI - Schedule of Segmented Disclosure

18. Government partnership

The Town of Hinton, Yellowhead County, the Town of Edson and the Municipality of Jasper jointly participate in the West Yellowhead Regional Waste Management Authority ("the Authority") to maintain, control, and manage a regional solid waste disposal system. The proportionate share of ownership, management, and liability of the Authority held by each member is as follows:

The Town of Hinton	25%
Yellowhead County	25%
The Town of Edson	25%
Municipality of Jasper	25%

The parties have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The proportions are based on each member's volume of municipal solid waste hauled and deposited to the system for disposal, relative to the total tonnage of solid waste hauled and deposited by all members.

During the year, the Municipality paid \$244,000 (2013 – NIL) to the Authority for transitional period fees. The transaction was measured at the exchange amount.

19. Approval of financial statements

Council and Management have approved these financial statements on April 7, 2015.