

MUNICIPALITY OF JASPER
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and the results of its consolidated operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

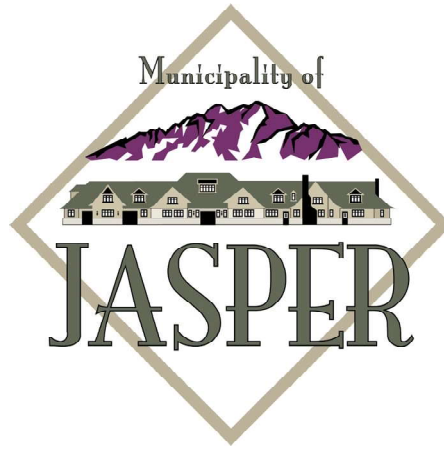
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
May 4, 2021



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.



Bill Given, Chief Administrative Officer




Natasha Malenchak, Director of Finance and Administration


Jasper, Alberta
May 4, 2021

MUNICIPALITY OF JASPER
Consolidated Statement of Financial Position
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash	\$ 18,460,916	\$ 19,696,895
Taxes and grants in place of taxes receivable (Note 2)	343,024	255,996
Trade and other receivables (Note 3)	3,652,654	2,089,390
Debt recoverable - local improvements	<u>18,646</u>	<u>27,035</u>
	<u>22,475,240</u>	<u>22,069,316</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 3,329,027	\$ 4,189,776
Employee benefit obligations (Note 6)	497,252	409,550
Deposit liabilities	108,096	79,563
Deferred revenue (Note 7)	6,752,099	6,038,882
Long-term debt (Note 8)	<u>6,581,402</u>	<u>7,350,727</u>
	<u>17,267,876</u>	<u>18,068,498</u>
NET FINANCIAL ASSETS	<u>5,207,364</u>	<u>4,000,818</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	59,564,412	58,451,403
Prepaid expenses	<u>460,003</u>	<u>432,846</u>
	<u>60,024,415</u>	<u>58,884,249</u>
ACCUMULATED SURPLUS (Schedule 1, Note 11)	<u>\$ 65,231,779</u>	<u>\$ 62,885,067</u>
CONTINGENCIES (Note 14)		

APPROVED ON BEHALF OF COUNCIL:





MUNICIPALITY OF JASPER

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2020

	<u>2020</u> (Budget) (Note 18)	<u>2020</u> (Actual)	<u>2019</u> (Actual)
REVENUE			
Net municipal property taxes (<i>Schedule 2</i>)	\$ 6,394,551	\$ 6,335,315	\$ 7,276,681
Government transfers for operating (<i>Schedule 3</i>)	2,319,653	5,552,612	3,158,736
User fees and sales of goods	5,342,052	5,034,547	6,292,124
Franchise and concession contracts (<i>Note 13</i>)	448,322	422,433	442,901
Other	266,412	381,652	1,020,190
Rentals	372,626	379,237	602,504
Investment income	204,000	193,064	302,590
Fines, licenses and permits	158,468	172,695	201,497
Penalties and costs on taxes	81,600	68,317	98,225
	<u>15,587,684</u>	<u>18,539,872</u>	<u>19,395,448</u>
EXPENSES			
Utilities	5,429,074	5,120,684	5,431,018
Parks and recreation	2,652,191	3,636,097	4,290,267
Public health	2,531,621	2,921,791	3,853,955
Roads, streets, walks, lighting	1,245,582	2,285,746	2,383,106
Protective services	1,600,501	1,817,216	2,189,096
General government	1,574,968	1,528,724	1,424,276
Library and museum	250,143	487,757	623,123
Legislative	467,457	454,570	513,741
Economic development	274,480	324,532	364,182
	<u>16,026,017</u>	<u>18,577,117</u>	<u>21,072,764</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>(438,333)</u>	<u>(37,245)</u>	<u>(1,677,316)</u>
OTHER INCOME			
Government transfers for capital (<i>Schedule 3</i>)	3,606,001	2,352,957	2,104,889
Gain (loss) on disposal of tangible capital assets	-	31,000	(17,398)
	<u>3,606,001</u>	<u>2,383,957</u>	<u>2,087,491</u>
ANNUAL SURPLUS	3,167,668	2,346,712	410,175
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>62,885,067</u>	<u>62,885,067</u>	<u>62,474,892</u>
ACCUMULATED SURPLUS, END OF YEAR (<i>Schedule 1, Note 11</i>)	\$ <u>66,052,735</u>	\$ <u>65,231,779</u>	\$ <u>62,885,067</u>

MUNICIPALITY OF JASPER
Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2020

	<u>2020</u> (Budget) (Note 18)	<u>2020</u> (Actual)	<u>2019</u> (Actual)
ANNUAL SURPLUS	\$ <u>3,167,668</u>	\$ <u>2,346,712</u>	\$ <u>410,175</u>
Acquisition of tangible capital assets	(5,232,273)	(3,773,903)	(3,900,687)
Proceeds on disposal of tangible capital assets	-	31,000	8,500
Amortization of tangible capital assets	-	2,660,894	2,677,478
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(31,000)</u>	<u>17,398</u>
	<u>(5,232,273)</u>	<u>(1,113,009)</u>	<u>(1,197,311)</u>
Net change in inventory for consumption	-	-	40,133
Net change in prepaid expenses	<u>-</u>	<u>(27,157)</u>	<u>(81,591)</u>
	<u>-</u>	<u>(27,157)</u>	<u>(41,458)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(2,064,605)	1,206,546	(828,594)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>4,000,818</u>	<u>4,000,818</u>	<u>4,829,412</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>1,936,213</u></u>	\$ <u><u>5,207,364</u></u>	\$ <u><u>4,000,818</u></u>

MUNICIPALITY OF JASPER
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 2,346,712	\$ 410,175
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	2,660,894	2,677,478
(Gain) loss on disposal of tangible capital assets	(31,000)	17,398
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(87,028)	(85,734)
Trade and other receivables	(1,563,264)	(624,571)
Debt recoverable - local improvements	8,389	8,165
Accounts payable and accrued liabilities	(860,749)	2,108,146
Employee benefit obligations	87,702	(5,554)
Deposit liabilities	28,533	(41,603)
Deferred revenue	713,217	(38,182)
Inventory for consumption	-	40,133
Prepaid expenses	(27,157)	(81,591)
	<u>3,276,249</u>	<u>4,384,260</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,773,903)	(3,900,687)
Proceeds on disposal of tangible capital assets	31,000	8,500
	<u>(3,742,903)</u>	<u>(3,892,187)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(769,325)	(525,559)
Long-term debt issued	-	5,600,000
	<u>(769,325)</u>	<u>5,074,441</u>
CHANGE IN CASH DURING THE YEAR	(1,235,979)	5,566,514
CASH, BEGINNING OF YEAR	<u>19,696,895</u>	<u>14,130,381</u>
CASH, END OF YEAR	\$ <u>18,460,916</u>	\$ <u>19,696,895</u>

MUNICIPALITY OF JASPER

SCHEDULE 1

Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2020

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<u>2020</u>	<u>2019</u>
BALANCE, BEGINNING OF YEAR	\$ 6,333,778	\$ 1,674,627	\$ 3,748,951	\$ 51,127,711	\$ 62,885,067	\$ 62,474,892
Annual surplus	2,346,712	-	-	-	2,346,712	410,175
Purchase of tangible capital assets	(3,773,903)	-	-	3,773,903	-	-
Annual amortization	2,660,894	-	-	(2,660,894)	-	-
Unrestricted funds designated for future use	(173,704)	(219,052)	392,756	-	-	-
Long-term debt issued net of repayment	(769,325)	-	-	769,325	-	-
Levied portion of debt recoverable - local improvements	8,389	-	-	(8,389)	-	-
BALANCE, END OF YEAR	<u>\$ 6,632,841</u>	<u>\$ 1,455,575</u>	<u>\$ 4,141,707</u>	<u>\$ 53,001,656</u>	<u>\$ 65,231,779</u>	<u>\$ 62,885,067</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, 2020

SCHEDULE 2

	<u>2020</u> (Budget) (Note 18)	<u>2020</u> (Actual)	<u>2019</u> (Actual)
TAXATION			
Real property taxes	\$ 11,214,481	\$ 11,215,796	\$ 11,793,255
Linear property taxes	572,165	572,165	605,279
Designated industrial property	5,148	5,148	5,344
Government grants in place of property taxes	627,432	627,432	648,167
Local improvement tax	<u>64,395</u>	<u>-</u>	<u>-</u>
	<u>12,483,621</u>	<u>12,420,541</u>	<u>13,052,045</u>
REQUISITIONS			
Alberta School Foundation Fund	4,625,677	4,626,992	4,475,990
Land rent to Parks Canada	462,117	456,958	450,620
Planning reserves to Parks Canada	207,727	207,727	202,436
Evergreen Foundation	662,132	662,132	640,974
Designated industrial property	5,148	5,148	5,344
Policing	<u>126,269</u>	<u>126,269</u>	<u>-</u>
	<u>6,089,070</u>	<u>6,085,226</u>	<u>5,775,364</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 6,394,551</u>	<u>\$ 6,335,315</u>	<u>\$ 7,276,681</u>

MUNICIPALITY OF JASPER
Schedule of Government Transfers
For The Year Ended December 31, 2020

SCHEDULE 3

	<u>2020</u> (Budget) (Note 18)	<u>2020</u> (Actual)	<u>2019</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,594,801	\$ 4,844,472	\$ 2,418,491
Federal government	<u>724,852</u>	<u>708,140</u>	<u>740,245</u>
	<u>2,319,653</u>	<u>5,552,612</u>	<u>3,158,736</u>
TRANSFERS FOR CAPITAL			
Provincial government	3,606,001	2,352,957	2,064,889
Federal government	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>3,606,001</u>	<u>2,352,957</u>	<u>2,104,889</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,925,654</u>	<u>\$ 7,905,569</u>	<u>\$ 5,263,625</u>

MUNICIPALITY OF JASPER

SCHEDULE 4

Schedule of Segmented Disclosure

For The Year Ended December 31, 2020

	General Government	Roads, Streets Walks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
REVENUE										
Government transfers	\$ 3,098,254	\$ 920,988	\$ -	\$ 21,250	\$ 1,399,823	\$ 740,111	\$ -	\$ 1,725,143	\$ -	\$ 7,905,569
Net municipal property taxes	6,335,315	-	-	-	-	-	-	-	-	6,335,315
User fees and sales of goods	4,086	-	35	4,253,887	115,808	37,751	-	622,342	638	5,034,547
Franchise and concession contracts	422,433	-	-	-	-	-	-	-	-	422,433
Other	7,735	9	-	127,195	84,699	65,000	-	96,262	752	381,652
Rentals	-	-	5,147	-	152,096	108,656	-	-	113,338	379,237
Investment income	193,064	-	-	-	-	-	-	-	-	193,064
Fines, licenses and permits	36,146	-	-	-	-	136,549	-	-	-	172,695
Penalties and costs on taxes	68,317	-	-	-	-	-	-	-	-	68,317
Gain (loss) on disposal of tangible capital assets	-	3,500	-	27,500	-	-	-	-	-	31,000
	<u>10,165,350</u>	<u>924,497</u>	<u>5,182</u>	<u>4,429,832</u>	<u>1,752,426</u>	<u>1,088,067</u>	<u>-</u>	<u>2,443,747</u>	<u>114,728</u>	<u>20,923,829</u>
EXPENSES										
Salaries, wages and benefits	885,830	858,616	408,408	1,117,470	1,327,792	518,132	179,598	2,295,589	24,577	7,616,012
Contracted and general services	472,768	366,002	23,705	2,399,257	542,034	807,294	3,303	187,866	65,888	4,868,117
Materials, goods, and utilities	74,895	10,360	22,457	777,217	1,267,303	206,093	53,987	421,579	191,134	3,025,025
Amortization	43,798	1,050,768	-	619,980	406,599	285,697	211,119	-	42,933	2,660,894
Interest on long-term debt	-	-	-	141,535	88,160	-	-	-	-	229,695
Provision for allowances	42,352	-	-	65,225	-	-	-	108	-	107,685
Transfers to local boards and agencies	-	-	-	-	-	-	39,750	-	-	39,750
Transfers to individuals and organizations	-	-	-	-	-	-	-	9,500	-	9,500
Bank charges and short-term interest	9,081	-	-	-	4,209	-	-	7,149	-	20,439
	<u>1,528,724</u>	<u>2,285,746</u>	<u>454,570</u>	<u>5,120,684</u>	<u>3,636,097</u>	<u>1,817,216</u>	<u>487,757</u>	<u>2,921,791</u>	<u>324,532</u>	<u>18,577,117</u>
ANNUAL SURPLUS (DEFICIT)	\$ 8,636,626	\$ (1,361,249)	\$ (449,388)	\$ (690,852)	\$ (1,883,671)	\$ (729,149)	\$ (487,757)	\$ (478,044)	\$ (209,804)	\$ 2,346,712

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

MUNICIPALITY OF JASPER

SCHEDULE 4

Schedule of Segmented Disclosure

For The Year Ended December 31, 2019

	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	\$ 7,276,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,276,681
User fees and sales of goods	2,610	-	6,689	4,228,513	723,634	106,078	-	1,223,835	765	6,292,124
Government transfers	61,269	359,615	-	1,127,520	312,831	1,352,089	-	2,050,301	-	5,263,625
Other	7,801	8,779	-	89,656	806,370	-	-	101,891	5,693	1,020,190
Rentals	-	-	5,402	-	373,103	109,803	-	-	114,196	602,504
Franchise and concession contracts	442,901	-	-	-	-	-	-	-	-	442,901
Investment income	302,590	-	-	-	-	-	-	-	-	302,590
Fines, licenses and permits	37,070	-	-	-	-	164,427	-	-	-	201,497
Penalties and costs on taxes	98,225	-	-	-	-	-	-	-	-	98,225
Gain (loss) on disposal of tangible capital assets	-	(17,698)	-	50	250	-	-	-	-	(17,398)
	<u>8,229,147</u>	<u>350,696</u>	<u>12,091</u>	<u>5,445,739</u>	<u>2,216,188</u>	<u>1,732,397</u>	<u>-</u>	<u>3,376,027</u>	<u>120,654</u>	<u>21,482,939</u>
EXPENSES										
Salaries, wages, and benefits	862,550	788,217	403,497	1,197,212	1,835,352	629,917	252,383	2,712,454	33,363	8,714,945
Contracted and general services	326,040	602,518	61,577	1,584,534	723,391	1,097,181	16,919	250,395	98,017	4,760,572
Materials, goods, and utilities	99,997	(23,350)	48,667	1,884,604	1,305,889	168,398	50,072	821,410	189,869	4,545,556
Amortization	50,869	1,012,744	-	608,852	410,044	293,600	211,119	47,317	42,933	2,677,478
Transfers to local boards and agencies	-	-	-	47,667	-	-	77,630	-	-	125,297
Interest on long-term debt	-	2,977	-	106,756	-	-	-	-	-	109,733
Provision for allowances (recovery)	73,921	-	-	1,393	-	-	-	614	-	75,928
Transfers to individuals and organizations	-	-	-	-	5,800	-	15,000	11,838	-	32,638
Bank charges and short-term interest	10,899	-	-	-	9,791	-	-	9,927	-	30,617
	<u>1,424,276</u>	<u>2,383,106</u>	<u>513,741</u>	<u>5,431,018</u>	<u>4,290,267</u>	<u>2,189,096</u>	<u>623,123</u>	<u>3,853,955</u>	<u>364,182</u>	<u>21,072,764</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 6,804,871</u>	<u>\$ (2,032,410)</u>	<u>\$ (501,650)</u>	<u>\$ 14,721</u>	<u>\$ (2,074,079)</u>	<u>\$ (456,699)</u>	<u>\$ (623,123)</u>	<u>\$ (477,928)</u>	<u>\$ (243,528)</u>	<u>\$ 410,175</u>

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

MUNICIPALITY OF JASPER
Schedule of Tangible Capital Assets
For The Year Ended December 31, 2020

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>2020</u>	<u>2019</u>
COST:									
Balance, Beginning of Year	\$ 403,759	\$ 4,910,742	\$ 33,051,697	\$ 43,536,026	\$ 6,999,739	\$ 4,902,614	\$ 2,915,368	\$ 96,719,945	\$ 92,893,054
Additions	-	548,243	309,036	50,006	194,587	-	2,672,031	3,773,903	3,900,687
Disposals	-	-	-	-	-	(141,802)	-	(141,802)	(73,796)
Transfers	-	34,615	529,748	1,021,601	789,109	-	(2,375,073)	-	-
Balance, End of Year	<u>403,759</u>	<u>5,493,600</u>	<u>33,890,481</u>	<u>44,607,633</u>	<u>7,983,435</u>	<u>4,760,812</u>	<u>3,212,326</u>	<u>100,352,046</u>	<u>96,719,945</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	3,070,847	11,205,573	17,448,450	4,429,430	2,114,242	-	38,268,542	35,638,962
Amortization expense	-	182,879	640,857	1,081,561	484,406	271,191	-	2,660,894	2,677,478
Disposals	-	-	-	-	-	(141,802)	-	(141,802)	(47,898)
Balance, End of Year	-	<u>3,253,726</u>	<u>11,846,430</u>	<u>18,530,011</u>	<u>4,913,836</u>	<u>2,243,631</u>	-	<u>40,787,634</u>	<u>38,268,542</u>
2020 NET BOOK VALUE	\$ 403,759	\$ 2,239,874	\$ 22,044,051	\$ 26,077,622	\$ 3,069,599	\$ 2,517,181	\$ 3,212,326	\$ 59,564,412	\$ -
2019 NET BOOK VALUE	\$ 403,759	\$ 1,839,895	\$ 21,846,124	\$ 26,087,576	\$ 2,570,309	\$ 2,788,372	\$ 2,915,368	\$ -	\$ 58,451,403

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

(b) Basis of Accounting

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

(c) Cash

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

(d) Tax Revenue

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Use of Estimates

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

Accounts receivable are stated after evaluation as to their 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 are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

(f) Government Transfers

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

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

(g) Requisition Over-Levies and Under-Levies

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

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

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

(h) Pension Expenses

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

(i) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Tangible Capital Assets

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

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

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

Contributions of Tangible Capital Assets

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

Cultural and Historical Tangible Capital Assets

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

Land Leases

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

Inventory

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

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Future Accounting Standard Pronouncements

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

i) Financial Statement Presentation

PS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

ii) Foreign Currency Translation

PS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iii) Portfolio Investments

PS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iv) Financial Instruments

PS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

v) Asset Retirement Obligations

PS 3280, Asset Retirement Obligations, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PS 3270, Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn but will remain in effect until the adoption of PS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2022.

vi) 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.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2020</u>	<u>2019</u>
Current taxes and grants in place of taxes	\$ 228,556	\$ 193,786
Arrears taxes	<u>144,677</u>	<u>102,345</u>
	373,233	296,131
Less: Allowance for doubtful accounts	<u>(30,209)</u>	<u>(40,135)</u>
	<u>\$ 343,024</u>	<u>\$ 255,996</u>

3. TRADE AND OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
Receivables from governments	\$ 2,298,422	\$ 968,402
Trade accounts receivable	1,365,645	1,016,776
Goods and Services Tax recoverable	<u>224,121</u>	<u>254,398</u>
	3,888,188	2,239,576
Less: Allowance for doubtful accounts	<u>(235,534)</u>	<u>(150,186)</u>
	<u>\$ 3,652,654</u>	<u>\$ 2,089,390</u>

4. LINE OF CREDIT

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$750,000 available from January 1 to July 30 annually. The demand loan bears interest at the bank's prime rate minus 1.65%, was not drawn on at December 31, 2020 (2019 - \$NIL) and is unsecured.

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Trade and other accounts payable	\$ 2,491,800	\$ 3,734,161
Payables to other governments	258,315	130,828
Holdbacks payable	432,154	167,794
Accrued salaries and wages	123,774	133,297
Accrued interest on long-term debt	<u>22,984</u>	<u>23,696</u>
	<u>\$ 3,329,027</u>	<u>\$ 4,189,776</u>

6. EMPLOYEE BENEFITS OBLIGATION

	<u>2020</u>	<u>2019</u>
Vacation	\$ 447,686	\$ 346,352
Overtime	<u>49,566</u>	<u>63,198</u>
	<u>\$ 497,252</u>	<u>\$ 409,550</u>

Employee benefits obligation is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The Municipality does not provide post-employment benefits to employees.

7. DEFERRED REVENUE

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

	<u>2019</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2020</u>
Operating				
Other operating grants	\$ 464,643	\$ 1,289,987	\$ 988,223	\$ 766,407
Municipal Operating Stimulus Transfer	-	3,300,988	2,981,517	319,471
Municipal Information Mapping Grant	2,385	-	-	2,385
Early Learning and Childcare Grant	179,537	194,400	373,937	-
Municipal Sustainability Initiative Grant	<u>43,798</u>	<u>61,077</u>	<u>104,875</u>	<u>-</u>
	<u>690,363</u>	<u>4,846,452</u>	<u>4,448,552</u>	<u>1,088,263</u>
Capital				
Municipal Sustainability Initiative Grant	3,194,198	1,403,635	356,492	4,241,341
Federal Gas Tax Fund	1,574,634	264,138	1,030,234	808,538
Offsite levies	307,442	73,730	2,570	378,602
Basic Municipal Transportation Grant	230,355	-	-	230,355
Other capital grants	<u>41,890</u>	<u>-</u>	<u>36,890</u>	<u>5,000</u>
	<u>5,348,519</u>	<u>1,741,503</u>	<u>1,426,186</u>	<u>5,663,836</u>
	<u>\$ 6,038,882</u>	<u>\$ 6,587,955</u>	<u>\$ 5,874,738</u>	<u>\$ 6,752,099</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

8. LONG-TERM DEBT

	<u>2020</u>	<u>2019</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.	\$ 3,211,333	\$ 3,400,000
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.	2,077,921	2,200,000
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.	668,826	840,413
Debenture debt held by the Province of Alberta, repayable in annual installments of \$338,197 including interest at 5.625%; due October 2022; issued to finance the Waste Water Treatment Plant.	<u>623,322</u>	<u>910,314</u>
	<u>\$ 6,581,402</u>	<u>\$ 7,350,727</u>

The current portion of the long-term debt amounts to \$801,775 (2019 - \$769,325).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 801,775	\$ 197,957	\$ 999,732
2022	835,742	163,990	999,732
2023	533,105	128,430	661,535
2024	446,388	110,220	556,608
2025	352,751	98,931	451,682
Thereafter	<u>3,611,641</u>	<u>453,499</u>	<u>4,065,140</u>
	<u>\$ 6,581,402</u>	<u>\$ 1,153,027</u>	<u>\$ 7,734,429</u>

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

Interest on long-term debt amounted to \$229,695 (2019 - \$109,733)

The Municipality's total cash payments for interest amounted to \$230,407 (2019 - \$115,856).

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

9. DEBT LIMITS

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

	<u>2020</u>	<u>2019</u>
Total debt limit	\$ 27,809,808	\$ 29,093,172
Total debt	<u>(6,581,402)</u>	<u>(7,350,727)</u>
Amount of debt limit unused	<u>\$ 21,228,406</u>	<u>\$ 21,742,445</u>
Service on debt limit	\$ 4,634,968	\$ 4,848,862
Service on debt	<u>(999,732)</u>	<u>(999,732)</u>
Amount of service on debt limit unused	<u>\$ 3,635,236</u>	<u>\$ 3,849,130</u>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipality. Rather, the consolidated financial statements must be interpreted as a whole.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Net book value of tangible capital assets	\$ 59,564,412	\$ 58,451,403
Debt recoverable - local improvements	18,646	27,035
Long-term debt related to tangible capital assets	<u>(6,581,402)</u>	<u>(7,350,727)</u>
	<u>\$ 53,001,656</u>	<u>\$ 51,127,711</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

11. ACCUMULATED SURPLUS

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

	<u>2020</u>	<u>2019</u>
Unrestricted surplus	<u>\$ 6,632,841</u>	<u>\$ 6,333,778</u>
Restricted surplus		
Operating		
General	<u>1,455,575</u>	<u>1,674,627</u>
Capital		
Utilities	<u>1,095,500</u>	1,037,047
Fire	<u>914,340</u>	734,958
Environmental	<u>574,984</u>	305,361
Recreation	<u>483,500</u>	760,022
Parking Authority	<u>436,461</u>	436,461
Public housing	<u>265,109</u>	234,149
Library construction fund	<u>205,404</u>	167,154
Public works	<u>92,610</u>	-
Public Health	<u>73,799</u>	<u>73,799</u>
	<u>4,141,707</u>	<u>3,748,951</u>
Equity in tangible capital assets	<u>53,001,656</u>	<u>51,127,711</u>
	<u>\$ 65,231,779</u>	<u>\$ 62,885,067</u>

12. TRUST FUNDS

The Municipality administers the following trust funds:

	<u>2020</u>	<u>2019</u>
Jasper Sports and Culture	<u>\$ 101,510</u>	\$ 101,408
Betkowski	<u>18,729</u>	<u>17,640</u>
	<u>\$ 120,239</u>	<u>\$ 119,048</u>

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

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

13. FRANCHISE AND CONCESSION CONTRACTS

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

	<u>2020</u>	<u>2019</u>
Atco Electric Ltd.	\$ 232,500	\$ 246,557
Atco Gas Ltd.	<u>189,933</u>	<u>196,344</u>
	<u>\$ 422,433</u>	<u>\$ 442,901</u>

14. 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 Statement of Operations as the matters are resolved or when sufficient information on amounts and likelihood is known.

15. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality participate in the *Local Authorities Pension Plan* ("LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Municipality is required to make current service contributions to the LAPP consisting of 9.39% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 13.84% of the excess.

Total current service contributions made by the Municipality to the LAPP in 2020 were \$462,193 (2019 - \$487,019). Total current service contributions made by the employees of the Municipality to the LAPP in 2020 were \$417,239 (2019 - \$439,539).

At December 31, 2019, the LAPP disclosed an actuarial surplus of \$7.91 billion (2018 - \$3.47 billion).

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

16. SALARY AND BENEFITS DISCLOSURE

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

	<u>Salary</u>	<u>Benefits</u>	<u>2020</u>	<u>2019</u>
Mayor Ireland	\$ 77,008	\$ 7,093	\$ 84,101	\$ 83,906
Councillor McGrath	27,827	5,477	33,304	30,252
Councillor Kelleher-Empey	20,088	5,072	25,160	26,276
Councillor Butler	19,542	5,042	24,584	23,467
Councillor Wilson	19,336	5,031	24,367	24,547
Councillor Damota	18,413	4,983	23,396	23,813
Councillor Journault	18,035	1,710	19,745	22,786
	<u>\$ 200,249</u>	<u>\$ 34,408</u>	<u>\$ 234,657</u>	<u>\$ 235,047</u>
Chief Administrative Officers	<u>\$ 167,242</u>	<u>\$ 24,869</u>	<u>\$ 192,111</u>	<u>\$ 207,538</u>

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

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

17. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the Municipality. Municipality services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

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

(b) Legislative

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

(CONT'D)

17. SEGMENTED INFORMATION (CONT'D)

(c) Protective Services

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

(d) Roads, Streets, Walks, Lighting

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

(e) Parks and Recreation

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

(f) Utilities

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

(g) Economic Development

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

(h) Public Health

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

(i) Library and Museum

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

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

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

18. BUDGET DATA

The budget presented in these consolidated financial statements is based on the 2020 operating budget approved by Council on April 2, 2020. The Municipality compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess revenue over expenditures to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	Budget <u>2020</u>	Actual 2020	Actual <u>2019</u>
Annual surplus	\$ <u>3,167,667</u>	\$ <u>2,346,712</u>	\$ <u>410,175</u>
Add back:			
Amortization expense	-	2,660,894	2,677,478
Net transfers (to) from reserves	<u>2,890,511</u>	<u>(173,704)</u>	<u>(423,067)</u>
	<u>2,890,511</u>	<u>2,487,190</u>	<u>2,254,411</u>
Deduct:			
Principal repayment of long-term debt	825,905	769,325	525,559
(Gain) loss on disposal of tangible capital assets	-	(31,000)	17,398
Acquisition of tangible capital assets	<u>5,232,273</u>	<u>3,773,903</u>	<u>3,900,687</u>
	<u>6,058,178</u>	<u>4,512,228</u>	<u>4,443,644</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u>321,674</u>	\$ <u>(1,779,058)</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2020

19. FINANCIAL INSTRUMENTS

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

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

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

20. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements on May 4, 2021.