

MUNICIPALITY OF JASPER
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, 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, 2021, 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:

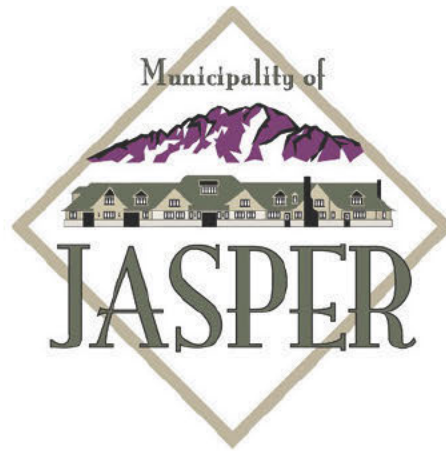
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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
June 21, 2022



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
June 21, 2022

MUNICIPALITY OF JASPER
Consolidated Statement of Financial Position
As at December 31, 2021

	<u>2021</u>	<u>2020</u> (Restated) (Note 23)
FINANCIAL ASSETS		
Cash	\$ 21,005,596	\$ 18,760,849
Taxes and grants in place of taxes receivable (Note 2)	446,160	367,390
Trade and other receivables (Note 3)	3,983,588	3,793,252
Debt recoverable - local improvements	12,763	18,646
Investments (Note 4)	<u>419,323</u>	<u>415,152</u>
	<u>25,867,430</u>	<u>23,355,289</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 3,558,366	\$ 3,353,272
Employee benefit obligations (Note 7)	495,270	497,252
Deposit liabilities	68,573	73,336
Deferred revenue (Note 8)	9,028,925	6,811,224
Long-term debt (Note 9)	12,028,869	6,581,402
Landfill closure and post-closure liability (Note 11)	<u>146,095</u>	<u>138,240</u>
	<u>25,326,098</u>	<u>17,454,726</u>
NET FINANCIAL ASSETS	<u>541,332</u>	<u>5,900,563</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	64,259,297	60,434,320
Prepaid expenses	<u>363,762</u>	<u>460,003</u>
	<u>64,623,059</u>	<u>60,894,323</u>
ACCUMULATED SURPLUS (Schedule 1, Note 13)	<u>\$ 65,164,391</u>	<u>\$ 66,794,886</u>

CONTINGENCIES (Note 16)

APPROVED ON BEHALF OF COUNCIL:

MUNICIPALITY OF JASPER

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2021

	<u>2021</u> (Budget) (Note 20)	<u>2021</u> (Actual)	<u>2020</u> (Restated) (Note 23)
REVENUE			
Net municipal property taxes (<i>Schedule 2</i>)	\$ 7,272,477	\$ 7,437,905	\$ 6,335,315
User fees and sales of goods	6,334,253	6,085,404	5,172,479
Government transfers for operating (<i>Schedule 3</i>)	1,722,046	2,903,942	5,883,864
Franchise and concession contracts (<i>Note 15</i>)	453,438	437,451	422,433
Rentals	675,771	403,282	379,237
Fines, licenses and permits	295,547	303,872	172,695
Other	229,436	274,872	384,746
Investment income	200,000	120,702	199,701
Penalties and costs on taxes	<u>83,232</u>	<u>111,776</u>	<u>68,317</u>
	<u>17,266,200</u>	<u>18,079,206</u>	<u>19,018,787</u>
EXPENSES			
Utilities	4,181,235	5,647,236	5,479,780
Parks and recreation	4,156,514	3,977,451	3,636,097
Public health	2,858,226	3,090,851	2,921,791
Roads, streets, walks, lighting	1,374,060	2,355,285	2,285,746
Protective services	1,814,926	2,109,041	1,817,216
General government	1,685,954	1,641,151	1,528,724
Library and museum	416,235	586,407	487,757
Legislative	541,446	556,525	454,570
Economic development	<u>681,126</u>	<u>519,772</u>	<u>324,532</u>
	<u>17,709,722</u>	<u>20,483,719</u>	<u>18,936,213</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>(443,522)</u>	<u>(2,404,513)</u>	<u>82,574</u>
OTHER INCOME			
Government transfers for capital (<i>Schedule 3</i>)	5,757,636	771,461	2,352,957
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>2,557</u>	<u>31,000</u>
	<u>5,757,636</u>	<u>774,018</u>	<u>2,383,957</u>
ANNUAL SURPLUS (DEFICIT)	<u>5,314,114</u>	<u>(1,630,495)</u>	<u>2,466,531</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
	65,231,779	65,231,779	62,885,067
Restatement (<i>Note 23</i>)	<u>1,563,107</u>	<u>1,563,107</u>	<u>1,443,288</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	<u>66,794,886</u>	<u>66,794,886</u>	<u>64,328,355</u>
ACCUMULATED SURPLUS, END OF YEAR (<i>Schedule 1, Note 13</i>)	<u>\$ 72,109,000</u>	<u>\$ 65,164,391</u>	<u>\$ 66,794,886</u>

MUNICIPALITY OF JASPER
Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2021

	<u>2021</u> (Budget) (Note 20)	<u>2021</u> (Actual)	<u>2020</u> (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ <u>5,314,114</u>	\$ <u>(1,630,495)</u>	\$ <u>2,466,531</u>
Acquisition of tangible capital assets	(12,577,724)	(6,650,089)	(3,779,690)
Proceeds on disposal of tangible capital assets	-	14,851	31,000
Amortization of tangible capital assets	-	2,812,818	2,755,963
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>(2,557)</u>	<u>(31,000)</u>
	<u>(12,577,724)</u>	<u>(3,824,977)</u>	<u>(1,023,727)</u>
Net change in prepaid expenses	<u>-</u>	<u>96,241</u>	<u>(27,157)</u>
	<u>-</u>	<u>96,241</u>	<u>(27,157)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(7,263,610)	(5,359,231)	1,415,647
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>5,900,563</u>	<u>5,900,563</u>	<u>4,484,916</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>(1,363,047)</u>	\$ <u>541,332</u>	\$ <u>5,900,563</u>

MUNICIPALITY OF JASPER
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (1,630,495)	\$ 2,466,531
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	2,812,818	2,755,963
(Gain) loss on disposal of tangible capital assets	(2,557)	(31,000)
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(78,770)	(111,394)
Trade and other receivables	(190,336)	(1,571,262)
Debt recoverable - local improvements	5,883	8,389
Accounts payable and accrued liabilities	205,093	(866,989)
Employee benefit obligations	(1,982)	87,702
Deposit liabilities	(4,763)	(6,226)
Deferred revenue	2,217,701	772,342
Landfill closure and post-closure	7,855	49,697
Prepaid expenses	<u>96,242</u>	<u>(27,157)</u>
	<u>3,436,689</u>	<u>3,526,596</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(6,650,089)	(3,779,690)
Proceeds on disposal of tangible capital assets	<u>14,851</u>	<u>31,000</u>
	<u>(6,635,238)</u>	<u>(3,748,690)</u>
INVESTING ACTIVITIES		
Purchase of investments	<u>(4,171)</u>	<u>(5,459)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(752,533)	(769,325)
Long-term debt issued	<u>6,200,000</u>	<u>-</u>
	<u>5,447,467</u>	<u>(769,325)</u>
CHANGE IN CASH DURING THE YEAR	2,244,747	(996,878)
CASH, BEGINNING OF YEAR	<u>18,760,849</u>	<u>19,757,727</u>
CASH, END OF YEAR	\$ <u>21,005,596</u>	\$ <u>18,760,849</u>

MUNICIPALITY OF JASPER

SCHEDULE 1

Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2021

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<u>2021</u>	<u>2020</u>
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	\$ 6,632,841	\$ 1,455,575	\$ 4,141,707	\$ 53,001,656	\$ 65,231,779	\$ 62,885,067
Restatement (<i>Note 23</i>)	<u>-</u>	<u>-</u>	<u>693,199</u>	<u>869,908</u>	<u>1,563,107</u>	<u>1,443,288</u>
BALANCE, BEGINNING OF YEAR AS RESTATED	6,632,841	1,455,575	4,834,906	53,871,564	66,794,886	64,328,355
Annual surplus (deficit)	(1,630,495)	-	-	-	(1,630,495)	2,466,531
Purchase of tangible capital assets	(6,650,089)	-	-	6,650,089	-	-
Annual amortization	2,812,818	-	-	(2,812,818)	-	-
Disposal of tangible capital assets (net of amortization)	12,294	-	-	(12,294)	-	-
Unrestricted funds designated for future use	(1,915,575)	1,864,278	51,297	-	-	-
Long-term debt issued net of repayment	5,398,224	-	-	(5,398,224)	-	-
Levied portion of debt recoverable - local improvements	<u>5,883</u>	<u>-</u>	<u>-</u>	<u>(5,883)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 4,665,901</u>	<u>\$ 3,319,853</u>	<u>\$ 4,886,203</u>	<u>\$ 52,292,434</u>	<u>\$ 65,164,391</u>	<u>\$ 66,794,886</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, 2021

SCHEDULE 2

	<u>2021</u> (Budget) (Note 20)	<u>2021</u> (Actual)	<u>2020</u> (Actual)
TAXATION			
Real property taxes	\$ 12,412,341	\$ 12,383,752	\$ 11,215,796
Government grants in place of property taxes	810,139	810,139	627,432
Linear property taxes	665,966	665,966	572,165
Designated industrial property	5,300	5,211	5,148
Local improvement tax	<u>64,395</u>	<u>-</u>	<u>-</u>
	<u>13,958,141</u>	<u>13,865,068</u>	<u>12,420,541</u>
REQUISITIONS			
Alberta School Foundation Fund	5,092,713	5,095,423	4,626,992
Evergreen Foundation	714,870	714,869	662,132
Land rent to Parks Canada	471,359	386,624	456,958
Policing	189,540	189,540	126,269
Planning reserves to Parks Canada	211,882	35,439	207,727
Designated industrial property	<u>5,300</u>	<u>5,268</u>	<u>5,148</u>
	<u>6,685,664</u>	<u>6,427,163</u>	<u>6,085,226</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 7,272,477</u>	<u>\$ 7,437,905</u>	<u>\$ 6,335,315</u>

MUNICIPALITY OF JASPER
Schedule of Government Transfers
For The Year Ended December 31, 2021

SCHEDULE 3

	<u>2021</u> (Budget) (Note 20)	<u>2021</u> (Actual)	<u>2020</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 989,734	\$ 1,736,207	\$ 4,844,472
Federal government	732,312	865,182	708,140
Local governments	<u>-</u>	<u>302,553</u>	<u>331,252</u>
	<u>1,722,046</u>	<u>2,903,942</u>	<u>5,883,864</u>
TRANSFERS FOR CAPITAL			
Provincial government	4,140,724	571,370	2,352,957
Federal government	<u>1,616,912</u>	<u>200,091</u>	<u>-</u>
	<u>5,757,636</u>	<u>771,461</u>	<u>2,352,957</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 7,479,682</u>	<u>\$ 3,675,403</u>	<u>\$ 8,236,821</u>

MUNICIPALITY OF JASPER
Schedule of Segmented Disclosure
For The Year Ended December 31, 2021

SCHEDULE 4

	General Government	Roads, Streets Wa ks, Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
REVENUE										
Net municipal property taxes	\$ 7,437,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,437,905
User fees and sales of goods	3,060	-	-	4,733,421	320,020	162,995	-	865,398	510	6,085,404
Government transfers	354,706	189,760	-	337,500	77,052	962,706	-	1,603,680	150,000	3,675,404
Franchise and concession contracts	437,451	-	-	-	-	-	-	-	-	437,451
Rentals	1,855	-	5,147	-	185,802	109,290	-	-	101,188	403,282
Fines, licenses and permits	37,760	-	-	-	-	266,112	-	-	-	303,872
Other	27,599	15,908	-	149,789	12,502	-	-	68,207	867	274,872
Investment income	114,168	-	-	(6,535)	-	-	-	-	-	107,633
Penalties and costs on taxes	111,776	-	-	-	-	-	-	-	-	111,776
Gain (loss) on disposal of tangible capital assets	-	-	-	2,347	210	-	-	-	-	2,557
	<u>8,526,280</u>	<u>205,668</u>	<u>5,147</u>	<u>5,216,522</u>	<u>595,586</u>	<u>1,501,103</u>	<u>-</u>	<u>2,537,285</u>	<u>252,565</u>	<u>18,840,156</u>
EXPENSES										
Salaries, wages and benefits	979,022	961,046	430,252	1,155,592	1,645,685	662,088	193,114	2,555,402	25,510	8,607,711
Contracted and general services	388,235	357,093	20,173	2,844,644	533,809	882,040	1,677	347,769	262,531	5,637,971
Materials, goods, and utilities	84,496	22,970	106,100	798,088	1,246,275	252,733	61,136	149,978	188,798	2,910,574
Amortization	37,634	1,014,176	-	734,104	460,672	312,180	211,119	-	42,933	2,812,818
Interest on long-term debt	-	-	-	112,690	83,886	-	-	-	-	196,576
Provision for allowances	139,311	-	-	2,118	-	-	-	809	-	142,238
Transfers to local boards and agencies	-	-	-	-	-	-	115,409	-	-	115,409
Transfers to individuals and organizations	-	-	-	-	-	-	3,952	22,500	-	26,452
Bank charges and short-term interest	12,453	-	-	-	7,124	-	-	14,393	-	33,970
	<u>1,641,151</u>	<u>2,355,285</u>	<u>556,525</u>	<u>5,647,236</u>	<u>3,977,451</u>	<u>2,109,041</u>	<u>586,407</u>	<u>3,090,851</u>	<u>519,772</u>	<u>20,483,719</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 6,885,129</u>	<u>\$ (2,149,617)</u>	<u>\$ (551,378)</u>	<u>\$ (430,714)</u>	<u>\$ (3,381,865)</u>	<u>\$ (607,938)</u>	<u>\$ (586,407)</u>	<u>\$ (553,566)</u>	<u>\$ (267,207)</u>	<u>\$ (1,643,563)</u>

MUNICIPALITY OF JASPER
Schedule of Segmented Disclosure
For The Year Ended December 31, 2020

SCHEDULE 4

	General Government	Roads, Streets W a ks. Lighting	Legislative	Utilities	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
REVENUE										
Government transfers	\$ 3,098,254	\$ 920,988	\$ -	\$ 352,502	\$ 1,399,823	\$ 740,111	\$ -	\$ 1,725,143	\$ -	\$ 8,236,821
Net municipal property taxes	6,335,315	-	-	-	-	-	-	-	-	6,335,315
User fees and sales of goods	4,086	-	35	4,391,819	115,808	37,751	-	622,342	638	5,172,479
Franchise and concession contracts	422,433	-	-	-	-	-	-	-	-	422,433
Other	7,735	9	-	130,289	84,699	65,000	-	96,262	752	384,746
Rentals	-	-	5,147	-	152,096	108,656	-	-	113,338	379,237
Investment income	193,064	-	-	6,637	-	-	-	-	-	199,701
Fines, licenses and permits	36,146	-	-	-	-	136,549	-	-	-	172,695
Penalties and costs on taxes	68,317	-	-	-	-	-	-	-	-	68,317
Gain (loss) on disposal of tang ble capital assets	-	3,500	-	27,500	-	-	-	-	-	31,000
	<u>10,165,350</u>	<u>924,497</u>	<u>5,182</u>	<u>4,908,747</u>	<u>1,752,426</u>	<u>1,088,067</u>	<u>-</u>	<u>2,443,747</u>	<u>114,728</u>	<u>21,402,744</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	2,611,644	542,034	807,294	3,303	187,866	65,888	5,080,504
Materials, goods, and utilities	74,895	10,360	22,457	828,857	1,267,303	206,093	53,987	421,579	191,134	3,076,665
Amortization	43,798	1,050,768	-	715,049	406,599	285,697	211,119	-	42,933	2,755,963
Interest on long-term debt	-	-	-	141,535	88,160	-	-	-	-	229,695
Provision for allowances (recovery)	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>5,479,780</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>18,936,213</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 8,636,626</u>	<u>\$ (1,361,249)</u>	<u>\$ (449,388)</u>	<u>\$ (571,033)</u>	<u>\$ (1,883,671)</u>	<u>\$ (729,149)</u>	<u>\$ (487,757)</u>	<u>\$ (478,044)</u>	<u>\$ (209,804)</u>	<u>\$ 2,466,531</u>

MUNICIPALITY OF JASPER
Schedule of Tangible Capital Assets
For The Year Ended December 31, 2021

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>2021</u>	<u>2020</u>
COST:									
Balance, Beginning of Year	\$ 403,759	\$ 6,841,922	\$ 34,162,285	\$ 44,883,427	\$ 8,068,702	\$ 4,760,812	\$ 3,212,326	\$ 102,333,233	\$ 98,695,345
Additions	-	-	6,725	144,954	231,161	633,648	5,633,601	6,650,089	3,779,690
Disposals	-	-	-	-	-	(165,804)	-	(165,804)	(141,802)
Transfers	-	-	<u>2,629,072</u>	-	<u>19,039</u>	<u>672,852</u>	<u>(3,320,963)</u>	-	-
Balance, End of Year	<u>403,759</u>	<u>6,841,922</u>	<u>36,798,082</u>	<u>45,028,381</u>	<u>8,318,902</u>	<u>5,901,508</u>	<u>5,524,964</u>	108,817,518	<u>102,333,233</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	4,226,144	11,873,980	18,594,595	4,960,563	2,243,631	-	41,898,913	39,284,752
Amortization expense	-	249,061	708,272	1,084,978	464,311	306,196	-	2,812,818	2,755,963
Disposals	-	-	-	-	-	(153,510)	-	(153,510)	(141,802)
Balance, End of Year	-	<u>4,475,205</u>	<u>12,582,252</u>	<u>19,679,573</u>	<u>5,424,874</u>	<u>2,396,317</u>	-	44,558,221	<u>41,898,913</u>
2021 NET BOOK VALUE	\$ <u>403,759</u>	\$ <u>2,366,717</u>	\$ <u>24,215,830</u>	\$ <u>25,348,808</u>	\$ <u>2,894,028</u>	\$ <u>3,505,191</u>	\$ <u>5,524,964</u>	\$ <u>64,259,297</u>	\$ -
2020 NET BOOK VALUE	<u>\$ 403,759</u>	<u>\$ 2,615,778</u>	<u>\$ 22,288,305</u>	<u>\$ 26,288,832</u>	<u>\$ 3,108,139</u>	<u>\$ 2,517,181</u>	<u>\$ 3,212,326</u>	<u>\$ -</u>	<u>\$ 60,434,320</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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, the Jasper Municipal Leasehold Assets Society.

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

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

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

(b) Basis of Accounting

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

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

(c) Tax Revenue

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

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Requisition Over-Levies and Under-Levies

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

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

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

(e) 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.

(f) Pension Expenses

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

(g) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Investment income is reported as revenue in the year earned.

(h) Landfill Closure and Post-Closure Liability

Pursuant to the *Alberta Environmental Protection and Enforcement Act*, the Municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, land scaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

(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, 2021

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.

(j) Use of Estimates

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Use of Estimates (cont'd)

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

(k) 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.

(CONT'D)

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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) Public Private Partnerships

PS 3160, Public Private Partnerships, establishes standards on how to account for public private partnership agreements. This standard is applicable to fiscal years beginning on or after April 1, 2023.

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.

2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2021</u>	<u>2020</u>
Current taxes and grants in place of taxes	\$ 242,020	\$ 252,922
Arrears taxes	<u>235,889</u>	<u>144,677</u>
	477,909	397,599
Less: Allowance for doubtful accounts	<u>(31,749)</u>	<u>(30,209)</u>
	<u>\$ 446,160</u>	<u>\$ 367,390</u>

3. TRADE AND OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
Receivables from other governments	\$ 2,486,827	\$ 2,350,927
Trade accounts receivable	1,454,050	1,453,738
Goods and Services Tax recoverable	<u>351,297</u>	<u>224,121</u>
	4,292,174	4,028,786
Less: Allowance for doubtful accounts	<u>(308,586)</u>	<u>(235,534)</u>
	<u>\$ 3,983,588</u>	<u>\$ 3,793,252</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

4. INVESTMENTS

	<u>2021</u>	<u>2020</u>
Demand notice savings accounts deposits	\$ <u>419,323</u>	\$ <u>415,152</u>

Demand notice savings deposits have an effective floating interest rate of 1.0% to 2.5% (2020 - 1.0% to 2.5%) and require 90 days notice prior to withdrawal.

5. LINE OF CREDIT

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$750,000 available from January 1 to July 30 annually. The demand loan bears interest at the bank's prime rate minus 1.90%, was not drawn on at December 31, 2021 (2020 - \$NIL) and is unsecured.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade and other accounts payable	\$ 2,687,693	\$ 2,516,045
Holdbacks payable	541,720	432,154
Accrued salaries and wages	156,469	123,774
Payables to other governments	150,880	258,315
Accrued interest on long-term debt	<u>21,604</u>	<u>22,984</u>
	\$ <u>3,558,366</u>	\$ <u>3,353,272</u>

7. EMPLOYEE BENEFITS OBLIGATION

	<u>2021</u>	<u>2020</u>
Vacation	\$ 442,752	\$ 447,686
Overtime	<u>52,518</u>	<u>49,566</u>
	\$ <u>495,270</u>	\$ <u>497,252</u>

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

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

8. DEFERRED REVENUE

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

	<u>2020</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2021</u>
Operating				
Other deferred revenue and grants	\$ 825,532	906,871	825,532	\$ 906,871
Municipal Sustainability Initiative Grant	-	61,776	49,721	12,055
Municipal Information Mapping Grant	2,385	-	-	2,385
Municipal Operating Stimulus Transfer	<u>319,471</u>	<u>-</u>	<u>319,471</u>	<u>-</u>
	<u>1,147,388</u>	<u>968,647</u>	<u>1,194,724</u>	<u>921,311</u>
Capital				
Municipal Sustainability Initiative Grant	4,241,341	1,799,198	405,412	5,635,127
Canada Community-Building Fund	808,538	537,841	-	1,346,379
Offsite levies	378,602	146,289	-	524,891
Basic Municipal Transportation Grant	230,355	-	-	230,355
Other capital grants	<u>5,000</u>	<u>585,854</u>	<u>219,992</u>	<u>370,862</u>
	<u>5,663,836</u>	<u>3,069,182</u>	<u>625,404</u>	<u>8,107,614</u>
	<u>\$ 6,811,224</u>	<u>\$ 4,037,829</u>	<u>\$ 1,820,128</u>	<u>\$ 9,028,925</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

9. LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$166,895 including interest at 3.460%; due December 2051; issued to finance the Connaught utilities local improvement.	\$ 6,200,000	\$ -
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.	3,017,821	3,211,333
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.	1,952,708	2,077,921
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.	488,910	668,826
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.	320,187	623,322
Loan agreement with the Canada Mortgage and Housing Corporation, repayable at maturity, including interest at prime+2.00%; due May 2023; issued to finance the development or implementation of affordable housing projects.	<u>49,243</u>	<u>-</u>
	<u>\$ 12,028,869</u>	<u>\$ 6,581,402</u>

The current portion of the long-term debt amounts to \$956,044 (2020 - \$801,775).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 956,044	\$ 377,478	\$ 1,333,522
2023	706,848	337,720	1,044,568
2024	575,233	315,165	890,398
2025	486,092	299,379	785,471
2026	499,805	285,667	785,472
Thereafter	<u>8,804,847</u>	<u>3,153,354</u>	<u>11,958,201</u>
	<u>\$ 12,028,869</u>	<u>\$ 4,768,763</u>	<u>\$ 16,797,632</u>

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

Interest on long-term debt amounted to \$196,576 (2020 - \$229,695)

The Municipality's total cash payments for interest amounted to \$197,957 (2020 - \$230,407).

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

10. 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>2021</u>	<u>2020</u>
Total debt limit	\$ 27,118,809	\$ 28,528,181
Total debt	<u>(12,028,869)</u>	<u>(6,581,402)</u>
Amount of debt limit unused	<u>\$ 15,089,940</u>	<u>\$ 21,946,779</u>
Service on debt limit	\$ 4,519,802	\$ 4,754,697
Service on debt	<u>(1,333,522)</u>	<u>(999,732)</u>
Amount of service on debt limit unused	<u>\$ 3,186,280</u>	<u>\$ 3,754,965</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.

MUNICIPALITY OF JASPER**Notes to Consolidated Financial Statements****Year Ended December 31, 2021****11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 2.95% (2020 - 2.95%) and assuming annual inflation of 0.72% (2020 - 0.72%).

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. Total total capacity of the site is estimated at 3.16 million cubic metres. The estimated remaining capacity of the landfill site is 2.410 million (2020 - 2.410 million) cubic metres. The existing landfill site is expected to reach capacity in approximately the year 2085.

	<u>2021</u>	<u>2020</u>
Estimated closure cost	\$ 1,999,679	\$ 1,942,379
Estimated post-closure liability	<u>587,459</u>	<u>570,625</u>
Estimated total liability	\$ 2,587,138	\$ 2,513,004
Estimated capacity remaining	<u>77.41 %</u>	<u>78.00 %</u>
Portion of total liability remaining to be recognized	2,002,758	1,960,044
Estimated capacity utilized	22.59 %	22.00 %
Landfill closure and post-closure liability	584,379	552,861
Municipality's 25% proportionate share accrued	<u>\$ 146,095</u>	<u>\$ 138,240</u>

The Municipality has not yet designated assets for settling closure and post-closure liabilities.

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Net book value of tangible capital assets	\$ 64,259,297	\$ 60,434,320
Debt recoverable - local improvements	12,763	18,646
Long-term debt related to tangible capital assets	<u>(11,979,626)</u>	<u>(6,581,402)</u>
	<u>\$ 52,292,434</u>	<u>\$ 53,871,564</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

13. ACCUMULATED SURPLUS

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

	<u>2021</u>	<u>2020</u>
Unrestricted surplus	<u>\$ 4,665,901</u>	<u>\$ 6,632,842</u>
Restricted surplus		
Operating		
General	<u>3,319,853</u>	<u>1,455,575</u>
Capital		
Fire	1,131,637	914,340
West Yellowhead Regional		
Waste Management Authority	903,942	693,198
Utilities	634,451	1,095,500
Environmental	553,152	574,984
Recreation	555,796	483,500
Parking Authority	451,859	436,461
Library construction fund	248,389	205,404
Public works	158,110	92,610
Public health	137,802	73,799
Public housing	<u>111,065</u>	<u>265,109</u>
	<u>4,886,203</u>	<u>4,834,905</u>
Equity in tangible capital assets	<u>52,292,434</u>	<u>53,871,564</u>
	<u>\$ 65,164,391</u>	<u>\$ 66,794,886</u>

14. TRUST FUNDS

The Municipality administers the following trust funds:

	<u>2021</u>	<u>2020</u>
Jasper Sports and Culture	\$ 102,898	\$ 101,510
Betkowski	<u>17,905</u>	<u>18,729</u>
	<u>\$ 120,803</u>	<u>\$ 120,239</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, 2021

15. FRANCHISE AND CONCESSION CONTRACTS

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

	<u>2021</u>	<u>2020</u>
Atco Electric Ltd.	\$ 241,632	\$ 232,500
Atco Gas Ltd.	<u>195,819</u>	<u>189,933</u>
	<u>\$ 437,451</u>	<u>\$ 422,433</u>

16. 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.

17. 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 2021 were \$501,446 (2020 - \$462,193). Total current service contributions made by the employees of the Municipality to the LAPP in 2021 were \$453,657 (2020 - \$417,239).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.96 billion (2019 - \$7.91 billion).

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

18. 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>2021</u>	<u>2020</u>
Mayor Ireland	\$ 82,702	\$ 7,489	\$ 90,191	\$ 84,101
Councillor McGrath	23,990	4,754	28,744	33,304
Councillor Wilson	22,015	5,336	27,351	24,367
Councillor Kelleher-Empey	21,373	5,301	26,674	25,160
Councillor Damota	20,610	5,260	25,870	23,396
Councillor Butler	20,505	4,565	25,070	24,584
Councillor Journault	15,383	1,469	16,852	19,745
Councillor Melnyk	5,976	1,014	6,990	-
Councillor Hall	5,320	979	6,299	-
Councillor Waxer	<u>5,057</u>	<u>965</u>	<u>6,022</u>	<u>-</u>
	<u>\$ 222,931</u>	<u>\$ 37,132</u>	<u>\$ 260,063</u>	<u>\$ 234,657</u>
Chief Administrative Officers	<u>\$ 148,374</u>	<u>\$ 20,254</u>	<u>\$ 168,628</u>	<u>\$ 192,111</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.

19. 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)

19. 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, 2021

20. BUDGET DATA

The budget presented in these consolidated financial statements is based on the 2021 operating budget approved by Council on April 2, 2021. 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>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Annual surplus	\$ <u>5,314,114</u>	\$ <u>(1,630,495)</u>	\$ <u>2,466,531</u>
Add back:			
Amortization expense	-	2,812,818	2,755,963
Net transfers (to) from reserves	8,117,730	(1,915,575)	(173,704)
Issuance of long-term debt	<u>-</u>	<u>6,200,000</u>	<u>-</u>
	<u>8,117,730</u>	<u>7,097,243</u>	<u>2,582,259</u>
Deduct:			
Principal repayment of long-term debt	854,120	525,559	769,325
(Gain) loss on disposal of tangible capital assets	-	(2,557)	(31,000)
Acquisition of tangible capital assets	<u>12,577,724</u>	<u>6,650,089</u>	<u>3,779,690</u>
	<u>13,431,844</u>	<u>7,173,091</u>	<u>4,518,015</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u>(1,706,343)</u>	\$ <u>530,775</u>

21. FINANCIAL INSTRUMENTS

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

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

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

MUNICIPALITY OF JASPER**Notes to Consolidated Financial Statements**

Year Ended December 31, 2021

22. WEST YELLOWHEAD REGIONAL WASTE MANAGEMENT AUTHORITY

The Municipality, the Town of Edson, the Town of Hinton, and Yellowhead County (the "members") jointly own and operate the West Yellowhead Regional Waste Management Authority (the "Authority") to construct, maintain, control and manage a regional solid waste disposal system.

The members have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The following is 100% of the financial position and results of operations of the Authority partnership of which the Municipality has a 25% proportionate share.

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,443,035	\$ 1,199,731
Trade receivables	197,773	352,373
Due from members	43,576	210,022
Investments	<u>1,677,290</u>	<u>1,660,608</u>
	<u>4,361,674</u>	<u>3,422,734</u>
LIABILITIES		
Accounts payable and accrued liabilities	104,224	96,981
Landfill closure and post-closure liability	<u>584,379</u>	<u>552,960</u>
	<u>688,603</u>	<u>649,941</u>
NET FINANCIAL ASSETS	<u>3,673,071</u>	<u>2,772,793</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	3,112,302	3,479,633
Prepaid expenses	1,696	-
	<u>3,113,998</u>	<u>3,479,633</u>
ACCUMULATED SURPLUS	<u>\$ 6,787,069</u>	<u>\$ 6,252,426</u>
REVENUE		
Contributions from members	\$ 1,451,838	\$ 1,558,551
Hydrosoil and other revenues	550,970	551,726
Interest income	26,138	26,549
Penalties and interest	<u>10,143</u>	<u>12,376</u>
	<u>2,039,089</u>	<u>2,149,202</u>
EXPENSES		
Building and grounds expenses	878,173	745,730
Amortization of tangible capital assets	381,432	380,275
Contracted professional services	145,188	169,343
Landfill closure and post-closure allowance	31,419	198,789
Other administrative services	68,234	86,389
Project expenses	<u>-</u>	<u>89,402</u>
	<u>1,504,446</u>	<u>1,669,928</u>
ANNUAL SURPLUS	<u>\$ 534,643</u>	<u>\$ 479,274</u>

MUNICIPALITY OF JASPER
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

23. RESTATEMENT

The Municipality has a 25% proportionate share of the West Yellowhead Regional Waste Management Authority. The Municipality's share of the Authority was not consolidated in prior years. This correction has been applied retroactively and the 2020 comparative figures have been restated as follows.

	<u>As Previously Stated</u>	<u>Restatement</u>	<u>As Restated</u>
Statement of Financial Position			
Cash	\$ 18,460,916	\$ 299,933	\$ 18,760,849
Trade and other receivables	3,652,654	140,599	3,793,253
Investments	-	415,152	415,152
Tangible capital assets	59,564,412	869,908	60,434,320
Accounts payable and other accrued liabilities	3,329,027	24,245	3,353,272
Landfill closure and post-closure liability	-	138,240	138,240
Accumulated surplus	-	1,563,107	1,563,107
Statement of Operations			
Government transfers for operating	\$ 5,552,612	\$ 331,252	\$ 5,883,864
User fees and sales of goods	5,034,547	137,932	5,172,479
Investment income	193,064	6,637	199,701
Other revenue	381,652	3,094	384,746
Utilities expense	<u>(5,120,684)</u>	<u>(359,096)</u>	<u>(5,479,780)</u>
Annual surplus	<u>\$ 6,041,191</u>	<u>\$ 119,819</u>	<u>\$ 6,161,010</u>

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

24. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements on June 21, 2022.