

**MUNICIPALITY OF JASPER  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**



## ADMINISTRATION'S RESPONSIBILITY FOR FINANCIAL REPORTING

Administration is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

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

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

February 21, 2009

Manager



MEYERS NORRIS PENNY LLP

## AUDITORS' REPORT

To the Mayor and Council of the Municipality of Jasper

We have audited the consolidated statement of financial position of the Municipality of Jasper as at December 31, 2008 the consolidated statements of financial activities and changes in fund balances, and changes in financial position, and schedules I through VII for the year then ended. These statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Jasper as at December 31, 2008, and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Meyers Norris Penny LLP*

February 21, 2009  
Leduc, Alberta

CHARTERED ACCOUNTANTS



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**MUNICIPALITY OF JASPER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2008**

	2008	2007
<b>Assets</b>		
Financial assets		
Cash and cash equivalents (Note 2)	\$ 5,223,276	\$ 4,045,299
Taxes and grants in lieu of taxes receivable (Note 3)	106,900	97,199
Trade and other receivables	2,218,094	5,443,118
Prepaid expenses	260,063	236,222
Tax under-levies (Note 4)	8,210	-
Other financial assets	<u>135,088</u>	<u>128,756</u>
	7,951,631	9,950,594
Tangible Capital Assets (Note 5)	<u>48,487,223</u>	<u>43,025,535</u>
<b>Total Assets</b>	<b><u>\$ 56,438,854</u></b>	<b><u>\$ 52,976,129</u></b>

**Liabilities and Municipal Equity**

Liabilities		
Accounts payable and accrued liabilities	\$ 1,719,881	\$ 1,651,488
Deposits	15,798	373,623
Deferred revenue (Note 6)	2,024,841	4,155,924
Tax over-levies (Note 4)	-	213,044
Obligations under capital lease (Note 7)	16,121	47,594
Long-term debt (Note 8)	<u>7,437,241</u>	<u>7,850,100</u>
	<u>11,213,882</u>	<u>14,291,773</u>
Municipal Equity		
Fund Balances		
Operating fund (Schedule I)	957,739	898,725
Capital fund (Schedule II)	1,198,230	1,198,230
Reserves (Schedule III)	<u>2,035,142</u>	<u>1,459,560</u>
	4,191,111	3,556,515
Equity in Capital Assets (Schedule IV)	<u>41,033,861</u>	<u>35,127,841</u>
	<u>45,224,972</u>	<u>38,684,356</u>
<b>Total Liabilities and Municipal Equity</b>	<b><u>\$ 56,438,854</u></b>	<b><u>\$ 52,976,129</u></b>

Contingencies (Note 13)

Commitments (Note 14)

APPROVED ON BEHALF OF COUNCIL:



DEPUTY  
Mayor

B. Sheikh

Councilor

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES**  
**IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2008**

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Revenue</b>			
Net property taxes (Schedule V)	\$ 4,806,658	\$ 4,942,684	\$ 4,636,782
Government grants (Schedule VI)	6,174,583	5,783,707	2,881,152
Sales and user charges	3,412,905	3,587,599	3,641,883
Other revenues (Note 16)	<u>1,403,468</u>	<u>1,627,799</u>	<u>1,241,284</u>
	<u>15,797,614</u>	<u>15,941,789</u>	<u>12,401,101</u>
<b>Expenditures</b>			
Utilities	2,273,412	4,155,783	3,534,861
Roads, streets and equipment	5,109,587	3,191,545	1,230,888
Recreation and parks	3,147,089	2,523,385	2,559,706
Public health and welfare	1,604,380	1,651,005	1,355,392
Administration	1,829,865	1,245,296	1,019,485
Protective services	977,196	974,051	869,608
Planning and development	859,593	649,142	1,005,777
Legislative	285,490	275,232	230,459
Library and culture	<u>191,500</u>	<u>197,421</u>	<u>155,870</u>
	<u>16,278,112</u>	<u>14,862,860</u>	<u>11,962,046</u>
<b>Excess of Revenue over Expenditures</b>	(480,498)	1,078,929	439,055
Capital debt repaid	(351,303)	(412,864)	(392,088)
Capital lease obligations repaid	<u>(30,000)</u>	<u>(31,469)</u>	<u>(30,616)</u>
<b>Change in Fund Balances</b>	<u>\$ (861,801)</u>	<u>\$ 634,596</u>	<u>\$ 16,351</u>
<b>Represented By:</b>			
Change in Operating Fund (Schedule I)	-	59,014	(643,162)
Change in Capital Fund (Schedule II)	95,358	-	(152,109)
Change in Reserves (Schedule III)	<u>(957,159)</u>	<u>575,582</u>	<u>811,622</u>
	<u>\$ (861,801)</u>	<u>\$ 634,596</u>	<u>\$ 16,351</u>

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**YEAR ENDED DECEMBER 31, 2008**

	2008	2007
<b>Cash Provided by (Used in):</b>		
Operating Activities:		
Excess of revenues over expenditures	\$ 1,078,929	\$ 439,055
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	(2,131,083)	2,858,127
Increase in prepaid expenses	(23,841)	(11,739)
Increase in accounts payable and accrued liabilities	68,393	555,474
Decrease (increase) in trade and other accounts receivable	3,225,024	(1,251,846)
Decrease (increase) in tax receivables	(9,701)	3,818
Decrease (increase) in tax over-levies	(221,254)	25,246
Increase (decrease) in deposit liabilities	(357,825)	365,945
Increase (decrease) in long-term investments	<u>(6,333)</u>	<u>33,008</u>
	<u>1,622,309</u>	<u>3,017,088</u>
Financing Activities:		
Repayment of capital debt	(412,864)	(392,088)
Repayment of capital lease obligations	<u>(31,469)</u>	<u>(30,616)</u>
	<u>(444,333)</u>	<u>(422,704)</u>
<b>Change in Cash and Equivalents During the Year</b>	<b>1,177,976</b>	<b>2,594,384</b>
<b>Cash and Equivalents at Beginning of Year</b>	<b><u>4,045,299</u></b>	<b><u>1,450,915</u></b>
<b>Cash and Equivalents at End of Year (Note 2)</b>	<b><u>\$ 5,223,275</u></b>	<b><u>\$ 4,045,299</u></b>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF OPERATING FUND ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2008**  
**SCHEDULE I**

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Revenue</b>			
Net municipal property taxes (Schedule V)	\$ 4,806,658	\$ 4,942,684	\$ 4,636,782
Sales and user charges	3,412,905	3,587,599	3,641,883
Other revenues (Note 16)	1,403,468	1,476,514	1,155,633
Government grants (Schedule VI)	<u>1,038,225</u>	<u>1,252,948</u>	<u>921,283</u>
	<u>10,661,256</u>	<u>11,259,745</u>	<u>10,355,581</u>
<b>Expenditures</b>			
Recreation and parks	2,305,089	2,312,151	2,340,877
Utilities	2,128,412	2,102,465	2,241,632
Public health and welfare	1,454,380	1,593,440	1,355,392
Administration	1,214,865	1,245,196	982,721
Protective services	925,196	915,006	840,413
Roads, streets and equipment	649,587	603,192	513,988
Legislative	285,490	275,232	230,459
Library and culture	191,500	197,421	155,870
Planning and development	<u>204,593</u>	<u>157,070</u>	<u>130,215</u>
	<u>9,359,112</u>	<u>9,401,173</u>	<u>8,791,567</u>
<b>Excess of Revenue over Expenditures</b>	1,302,144	1,858,572	1,564,014
<b>Financing and transfers:</b>			
Capital debt repaid	(351,303)	(412,864)	(392,088)
Capital lease obligations repaid	(30,000)	(31,469)	(30,616)
Transfers to capital fund (Schedule II)	(602,346)	(376,396)	(138,700)
Transfer to reserve fund (Schedule III)	<u>(318,495)</u>	<u>(978,829)</u>	<u>(1,645,772)</u>
<b>Change in Operating Fund</b>	-	59,014	(643,162)
Operating fund, opening	<u>898,725</u>	<u>898,725</u>	<u>1,541,887</u>
<b>Operating Fund, Closing</b>	<u>\$ 898,725</u>	<u>\$ 957,739</u>	<u>\$ 898,725</u>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF CAPITAL FUND ACTIVITIES**  
 YEAR ENDED DECEMBER 31, 2008  
 SCHEDULE-II

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Revenue</b>			
Government grants (Schedule VI)	\$ 5,136,358	\$ 4,530,759	\$ 1,959,869
Other revenues (Note 16)	<u>-</u>	<u>151,285</u>	<u>85,651</u>
	<u>5,136,358</u>	<u>4,682,044</u>	<u>2,045,520</u>
<b>Expenditures</b>			
Roads, streets and equipment	4,460,000	2,588,353	716,900
Utilities	145,000	2,053,318	1,293,229
Planning and development	655,000	492,072	875,562
Recreation and parks	842,000	211,234	218,829
Protective services	52,000	59,045	29,195
Public health and welfare	150,000	57,565	-
Administration	<u>615,000</u>	<u>100</u>	<u>36,764</u>
	<u>6,919,000</u>	<u>5,461,687</u>	<u>3,170,479</u>
<b>Deficiency of Revenue</b>	(1,782,642)	(779,643)	(1,124,959)
Transfer from operating fund (Schedule I)	602,346	376,396	138,700
Transfer from reserves (Schedule III)	<u>1,275,654</u>	<u>403,247</u>	<u>834,150</u>
<b>Change in Capital Fund</b>	95,358	-	(152,109)
Capital fund, opening	<u>1,198,230</u>	<u>1,198,230</u>	<u>1,350,339</u>
<b>Capital Fund, Closing</b>	<u>\$ 1,293,588</u>	<u>\$ 1,198,230</u>	<u>\$ 1,198,230</u>



**MUNICIPALITY OF JASPER**  
**SCHEDULE OF RESERVES**  
 YEAR ENDED DECEMBER 31, 2008  
 SCHEDULE III

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Net Interfund Transfers</b>			
Transfers from operating fund (Schedule I)	\$ 318,495	\$ 978,829	\$ 1,645,772
Transfers to capital fund (Schedule II)	<u>(1,275,654)</u>	<u>(403,247)</u>	<u>(834,150)</u>
<b>Change in Reserves</b>	(957,159)	575,582	811,622
Reserves, opening	<u>1,459,560</u>	<u>1,459,560</u>	<u>647,938</u>
<b>Reserves, Closing (Note 10)</b>	<u>\$ 502,401</u>	<u>\$ 2,035,142</u>	<u>\$ 1,459,560</u>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF EQUITY IN CAPITAL ASSETS**  
 YEAR ENDED DECEMBER 31, 2008  
 SCHEDULE IV

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Acquisition of Capital Assets</b>			
Utilities	\$ 145,000	\$ 2,053,318	\$ 1,293,229
Roads, streets, walks, lighting	4,460,000	2,588,353	716,900
Planning and development	655,000	492,072	875,562
Recreation	842,000	211,234	218,829
Protective services	52,000	59,045	29,195
Public health and welfare	150,000	57,565	-
Administration	<u>615,000</u>	<u>100</u>	<u>36,177</u>
	<u>6,919,000</u>	<u>5,461,687</u>	<u>3,169,892</u>
<b>Capital Financing</b>			
Capital debt repaid (Schedule I)	351,303	412,864	392,088
Capital leases repaid (Schedule I)	<u>30,000</u>	<u>31,469</u>	<u>30,616</u>
	<u>381,303</u>	<u>444,333</u>	<u>422,704</u>
<b>Change in Equity Balance</b>	7,300,303	5,906,020	3,592,596
Equity balance, opening	<u>35,127,841</u>	<u>35,127,841</u>	<u>31,535,245</u>
<b>Equity Balance, Closing (Note 12)</b>	<u>\$ 42,428,144</u>	<u>\$ 41,033,861</u>	<u>\$ 35,127,841</u>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF PROPERTY TAXES LEVIED**  
 YEAR ENDED DECEMBER 31, 2008  
 SCHEDULE V

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Taxation</b>			
Real property taxes	\$ 7,754,949	\$ 8,003,093	\$ 7,689,715
Government grants in place of property taxes	550,000	502,541	544,582
Linear property taxes	380,000	286,698	373,155
To reserve for over/under tax levy	<u>-</u>	<u>10,480</u>	<u>(25,246)</u>
	<u>8,684,949</u>	<u>8,802,812</u>	<u>8,582,206</u>
<b>Requisitions</b>			
Alberta School Foundation Fund	3,200,000	3,211,273	3,341,774
Land rent to Parks Canada	390,103	374,604	370,514
Planning services to Parks Canada	167,188	166,372	158,792
Evergreens Foundation	<u>121,000</u>	<u>107,879</u>	<u>74,344</u>
	<u>3,878,291</u>	<u>3,860,128</u>	<u>3,945,424</u>
<b>Net Municipal Property Taxes</b>	<u>\$ 4,806,658</u>	<u>\$ 4,942,684</u>	<u>\$ 4,636,782</u>

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED SCHEDULE OF GOVERNMENT GRANTS**  
 YEAR ENDED DECEMBER 31, 2008  
 SCHEDULE VI

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Operating fund</b>			
Provincial grants	\$ 705,900	\$ 926,125	\$ 618,318
Federal grants	<u>332,325</u>	<u>326,823</u>	<u>302,965</u>
	<u>1,038,225</u>	<u>1,252,948</u>	<u>921,283</u>
<b>Capital fund</b>			
Provincial grants	4,676,358	4,355,759	1,958,969
Federal grants	<u>460,000</u>	<u>175,000</u>	<u>900</u>
	<u>5,136,358</u>	<u>4,530,759</u>	<u>1,959,869</u>
<b>Total Government Grants</b>	<u>\$ 6,174,583</u>	<u>\$ 5,783,707</u>	<u>\$ 2,881,152</u>

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED SCHEDULE OF EXPENDITURES BY OBJECT**  
**YEAR ENDED DECEMBER 31, 2008**  
**SCHEDULE VII**

	Unaudited Budget 2008	Actual 2008	Actual 2007
<b>Consolidated Expenditures by Object</b>			
Capital assets acquired	\$ 6,919,000	\$ 5,461,687	\$ 3,169,892
Salaries, wages and benefits	4,582,944	4,590,828	4,213,232
Materials, goods, supplies and utilities	1,742,889	1,945,585	1,654,430
Contracted and general services	2,181,549	1,932,658	2,137,281
Interest on long-term debt	440,973	406,862	428,627
Transfers to local boards and agencies	264,375	276,187	283,109
Transfers to individuals and organizations	114,438	103,215	45,609
Other	24,394	133,897	11,458
Bank charges and short-term interest	7,550	11,941	12,319
Provision for allowances	-	-	6,089
	<u>\$ 16,278,112</u>	<u>\$ 14,862,860</u>	<u>\$ 11,962,046</u>

## **1. Significant Accounting Policies**

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

### ***Reporting Entity***

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances 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 the Council for the administration of their financial affairs and resources.

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

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

### ***Basis of Accounting***

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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

Government grants are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates. Accounts receivable is stated based on administration's estimates of collectibility.

### ***Fund Accounting***

Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity accounts.

**1. Significant Accounting Policies (continued)**

***Capital Assets***

Capital assets are reported as expenditures in the period they are acquired. Capital assets are reported at cost except for donated assets, which are reported at estimated fair value.

Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the related asset costs.

Capital assets for municipal purposes are not amortized.

Land leases and the improvements thereon are leased and held by the Jasper Municipal Leasehold Society (registered as No. 50662485, August 2, 1995) for the benefit of the residents of the Municipality of Jasper. 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.

***Tangible Capital Assets***

Effective January 1, 2007, the Municipality of Jasper adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - *Tangible Capital Assets* of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

The Municipality has not changed the way it has recorded its capital assets in 2008. During the year, The Municipality of Jasper continued to work towards compliance with the new recommendations for accounting for tangible capital assets. A complete listing of assets and values for the land, buildings, vehicles, machinery and equipment and engineering structures was obtained from Parks Canada when the Municipality was incorporated in July 2001. The Municipality has maintained records of purchases and disposals of tangible capital assets since that time.

***Over-levies and Under-levies***

Over-levies and under-levies arise from the difference between the actual 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.

***Deferred Revenue***

Receipts that are restricted by legislation of senior government or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenditures are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenditures that will be incurred in a later period are deferred until they are earned and are matched against those expenditures.

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**MUNICIPALITY OF JASPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

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**1. Significant Accounting Policies (continued)**

***Operating Fund***

Operating fund represents the amounts available to offset future operational revenue requirements (or the shortfall which will be financed from future operational revenues).

***Capital Fund***

Capital fund represents the amounts available to finance (or the shortfall in financing available for) capital projects.

***Reserve Fund***

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and from reserve funds are reflected as an adjustment to the respective fund.

***Equity in Capital Assets***

Equity in capital assets represents the Municipality's net investment in its total capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the Municipality.

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**2. Cash and Equivalents**

Cash and equivalents consists of the following:

	<u>2008</u>	<u>2007</u>
Cash on hand and deposits	\$ 5,336,108	\$ 4,164,342
Trust funds (Note 20)	<u>(112,832)</u>	<u>(119,043)</u>
	<u>\$ 5,223,276</u>	<u>\$ 4,045,299</u>

The Municipality has an authorized overdraft limit of \$800,000. The overdraft bears interest at the bank's prime rate, and was not drawn on at December 31, 2008.

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**3. Taxes and Grants in lieu of Taxes Receivable**

	<u>2008</u>	<u>2007</u>
Current taxes	\$ 92,445	\$ 67,723
Arrears taxes	<u>14,455</u>	<u>29,476</u>
	<u>\$ 106,900</u>	<u>\$ 97,199</u>

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**MUNICIPALITY OF JASPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
DECEMBER 31, 2008

**4. Tax Under-levies**

	<u>2008</u>	<u>2007</u>
Education tax under (over) levy	\$ (9,520)	\$ 41,410
Current year adjustments	<u>22,844</u>	<u>(50,930)</u>
	<u>13,324</u>	<u>(9,520)</u>
Evergreen under (over) levy	(203,524)	(229,208)
Payment of capital requisition	210,844	-
Current year adjustments	<u>(12,434)</u>	<u>25,684</u>
	<u>(5,114)</u>	<u>(203,524)</u>
	<u>\$ 8,210</u>	<u>\$ (213,044)</u>

**5. Tangible Capital Assets**

	<u>2008</u>			
	<u>Cost Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Cost Closing</u>
Land	\$ 414,879	\$ -	\$ -	\$ 414,879
Buildings	25,450,408	730,960	-	26,181,368
Engineering structures	12,761,897	4,414,711	-	17,176,608
Machinery and equipment	2,370,586	256,972	-	2,627,558
Vehicles	<u>2,027,765</u>	<u>59,045</u>	<u>-</u>	<u>2,086,810</u>
	<u>\$ 43,025,535</u>	<u>\$ 5,461,688</u>	<u>\$ -</u>	<u>\$ 48,487,223</u>

	<u>2007</u>			
	<u>Cost Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Cost Closing</u>
Land	\$ 414,879	\$ -	\$ -	\$ 414,879
Buildings	24,572,846	877,562	-	25,450,408
Engineering structures	10,805,184	1,956,713	-	12,761,897
Machinery and equipment	2,231,772	138,814	-	2,370,586
Vehicles	<u>1,830,963</u>	<u>196,802</u>	<u>-</u>	<u>2,027,765</u>
	<u>\$ 39,855,644</u>	<u>\$ 3,169,891</u>	<u>\$ -</u>	<u>\$ 43,025,535</u>

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**6. Deferred Revenue**

	<u>2008</u>	<u>2007</u>
Government Grants		
Province of Alberta - Banff / Jasper Grant	\$ 982,649	\$ 1,200,000
Municipal Sustainability Initiative grant	702,235	638,655
Community Facility Enhancement Program grant	117,716	124,500
CAMRIFF grant	69,998	69,998
FCSS	49,882	67,454
Alberta Infrastructure - tangible capital assets grant	20,192	-
Daycare	11,927	15,385
MIMs grant	4,885	12,000
Alberta Municipal Infrastructure Program grant	-	1,664,556
Province of Alberta - Street Improvements Grant	-	270,660
Prepayment of business licences	24,032	26,771
Community outreach services	16,245	45,209
Grounds maintenance contract	13,065	-
Recreation	10,015	18,736
Supernet POP site	2,000	2,000
	<u>\$ 2,024,841</u>	<u>\$ 4,155,924</u>

**7. Obligations Under Capital Lease**

	<u>2008</u>	<u>2007</u>
Total long term capital leases (Tax supported debt)	\$ 16,121	\$ 47,594
Less: principal portions due within one year	<u>(16,121)</u>	<u>(31,469)</u>
Long term portion	<u>\$ -</u>	<u>\$ 16,125</u>

Capital lease interest payments are recorded as expenditures in the Consolidated Statement of Financial Activities and Changes in Fund Balances. Principal repayments on obligations under capital lease are recorded as a reduction in the obligation and as a debt repayment expenditure.

Capital leases are repayable to MFA Leasing Corporation and bear interest at 2.75% per annum, and mature in 2009. The cost of the assets under capital lease is \$151,113. Capital leases are issued on the credit of the Municipality of Jasper at large and secured by the individual leased assets.

Lease principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ <u>16,121</u>	\$ <u>136</u>	\$ <u>16,257</u>

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**8. Long-term Debt**

	<u>2008</u>	<u>2007</u>
Tax-supported debentures	\$ 1,942,604	\$ 2,109,473
Self-supported debentures	<u>5,494,637</u>	<u>5,740,627</u>
	<u>7,437,241</u>	<u>7,850,100</u>

Payments of interest and principal are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 434,751	\$ 391,043	\$ 825,794
2010	439,626	368,834	808,460
2011	463,197	345,423	808,620
2012	484,066	320,746	804,812
2013	510,079	294,734	804,813
To maturity	5,105,522	1,355,491	6,461,013

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 3.98% to 5.875% per annum, and mature in periods 2009 through 2024. Debenture debt is issued on the credit and security of the Municipality at large.

Cash interest paid on long-term debt during the year was \$412,114 (2007 - \$432,105).

**9. Debt Limits**

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

	<u>2008</u>	<u>2007</u>
Total debt limit	\$17,116,545	\$15,661,848
Total debt	<u>7,453,362</u>	<u>7,929,278</u>
Amount of debt limit unused	<u>\$ 9,663,183</u>	<u>\$ 7,732,570</u>
Service on debt limit	\$ 2,852,758	\$ 2,610,308
Service on debt	<u>842,051</u>	<u>856,576</u>
Amount of debt servicing limit unused	<u>\$ 2,010,707</u>	<u>\$ 1,753,732</u>

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

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**10. Reserves**

Reserves for capital and operating activities changed as follows:

	<u>2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>2008</u>
Operating reserves	\$ 667,084	\$ 911,010	\$ (298,715)	\$ 1,279,379
Capital reserves	<u>792,476</u>	<u>110,058</u>	<u>(146,771)</u>	<u>755,763</u>
	<u>\$ 1,459,560</u>	<u>\$ 1,021,068</u>	<u>\$ (445,486)</u>	<u>\$ 2,035,142</u>

**11. Salary and Benefits Disclosure**

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

	<u>Salary</u>	<u>Benefits &amp; allowances</u>	<u>2008</u>	<u>2007</u>
<b>Mayor</b>				
Ireland	\$ <u>33,079</u>	\$ <u>4,841</u>	\$ <u>37,920</u>	\$ <u>25,804</u>
<b>Councilors</b>				
Zinck	22,954	3,795	26,749	13,611
Day	17,674	4,841	22,515	15,437
Melnyk	15,694	4,851	20,545	4,720
Skehill	19,819	528	20,347	3,889
Kongsrud	15,199	3,795	18,994	14,249
Damota	18,334	-	18,334	2,429
Couture	-	-	-	13,216
Walker	-	-	-	11,710
Nesbitt	-	-	-	10,324
	<u>\$ 109,674</u>	<u>\$ 17,810</u>	<u>\$ 127,484</u>	<u>\$ 89,585</u>
Municipal Manager	<u>\$ 102,524</u>	<u>\$ 5,491</u>	<u>\$ 108,015</u>	<u>\$ 111,058</u>

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

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

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits.

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**12. Equity in Capital Assets**

	<u>2008</u>	<u>2007</u>
Tangible capital assets (Note 4)	\$ 48,487,223	\$ 43,025,535
Obligations under capital lease (Note 7)	(16,121)	(47,593)
Long-term debt (Note 8)	<u>(7,437,241)</u>	<u>(7,850,100)</u>
	<u>\$ 41,033,861</u>	<u>\$ 35,127,842</u>

**13. Contingencies**

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

In 2007, the Municipality agreed to provide a short-term loan guarantee to the Sweetgrass Housing Cooperative, or its successor, for development of restricted gain housing. The guarantee is for 15% of the total cost of the project secured by a second charge on the land and buildings. The guarantee, if drawn upon, is to be repaid from the sale proceeds of housing units after repayment of the primary lenders' loans. Interest on the short-term loan and the loan guarantee, if drawn upon, are to be paid for by the Sweetgrass Housing Cooperative. The Municipality would be required to perform under the guarantee if it became apparent that the Sweetgrass Housing Cooperative was unable to continue to make payments on its debt; it is administration's opinion that the Cooperative is able to continue making payments.

**14. Commitments**

The Municipality has entered into the following multiple year contracts:

1. *Accurate Assessment Group*

2009	\$	55,400
2010		57,240

2. *Constellation NewEnergy Canada Inc.*

Five year agreement (ending 2011) for the supply of electricity.

3. *Nexen Inc.*

Five year agreement (ending 2013) for the supply of natural gas.

4. *Jasper Volunteer Fire Brigade Society*

2009	\$	52,167
2010		53,732

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

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**14. Commitments (continued)**

5. *Parks Canada*

Agreement for land rent and planning services beginning in 2003, for \$475,000. Subsequent years' costs are adjusted for changes in the consumer price index. The 2008 expenditure for land rent and planning services was \$540,976.

6. MFA-BC Lease Management System

Operating lease commitment requiring monthly payments of \$949 ending August 2012.

2009	\$ 11,388
2010	11,388
2011	11,388
2012	6,643

7. *IOS Financial Services*

Operating lease commitments requiring quarterly payments of \$1,295 ending October 2010.

2009	\$ 5,184
2010	5,184

**15. Budget Figures**

Budget figures are included for information purposes and are not audited.

**16. Other Revenues**

	<u>Budget</u>	<u>2008</u>	<u>2007</u>
<b>Operating</b>			
Other	\$ 566,775	\$ 429,185	\$ 219,260
Rentals	367,965	402,444	387,360
Franchise and concession contracts	250,000	300,659	246,085
Interest income	75,000	205,247	137,537
Sales to other governments	51,728	52,034	38,516
Fines	42,000	36,755	32,512
Penalties and interest on taxes	25,000	32,536	26,286
Contributions to Parking Authority	25,000	17,654	68,077
	<u>1,403,468</u>	<u>1,476,514</u>	<u>1,155,633</u>
<b>Capital</b>			
Cost recoveries	-	125,080	66,598
Other	-	26,205	-
Interest income	-	-	16,778
Donations	-	-	2,275
	<u>-</u>	<u>151,285</u>	<u>85,651</u>
	<u>\$ 1,403,468</u>	<u>\$ 1,627,799</u>	<u>\$ 1,241,284</u>

**17. Financial Instruments**

The Municipality of Jasper as part of its operations carries a number of financial instruments which include cash and equivalents, taxes and grants in lieu of taxes receivable, trade and other accounts receivable, other financial assets, accounts payable and accrued liabilities, tax over-levies, obligations under capital lease, and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest or currency risk arising from these financial instruments. The carrying value of the Municipality's financial instruments approximates their fair value.

The Municipality is subject to credit risk with respect to trade and other accounts receivable. Credit risk arises from the possibility that entities to which the Municipality provides services may be unable to fulfill their expectations. The large number and diversity of taxpayers minimizes the credit risk.

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**18. Related Party**

In 2007, the Municipality incorporated the Jasper Community Housing Corporation, a municipal corporation established with the objective of contributing affordable, sustainable housing. The Jasper Municipal Housing Corporation is controlled by the Municipality, and its financial statements should therefore be consolidated into the financial statements of the Municipality, however there were no transactions or balances to consolidate.

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**19. Local Authorities Pension Plan**

Employees of the Municipality participate in the Local Authorities Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP serves approximately 179,000 employees of approximately 405 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund

Contributions for the current service are recorded as expenditures in the year which they become due.

The Municipality is required to make current service contributions to the LAPP of 7.75% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 10.64% of the excess. Employees of the Municipality are required to make current service contributions of 6.75% of pensionable salary up to the year's maximum pensionable salary and 9.64% on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2008 were \$165,918 (2007 - \$150,045). Total current service contributions by the employees of the Municipality to the LAPP in 2008 were \$145,931 (2006 - \$131,975).

At December 31, 2007, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial deficiency of \$1,288.9 million.

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**20. Trust Funds**

The Municipality administers trust funds, which are not included in these financial statements. A summary of trust fund activities is as follows:

	<u>2008</u>	<u>2007</u>
<i>Scholarships:</i>		
Balance, beginning of the year	\$ 119,043	\$ 82,069
Deduct - scholarships awarded	(12,125)	(2,650)
Add - income from investments	4,405	3,969
Add - contributions	<u>1,509</u>	<u>35,655</u>
Balance, end of the year	<u>\$ 112,832</u>	<u>\$ 119,043</u>

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