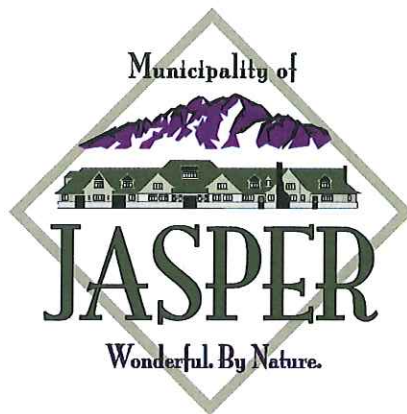
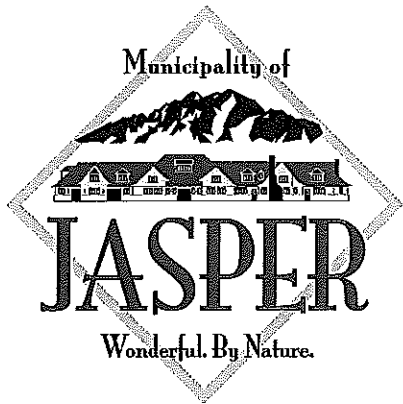


# MUNICIPALITY OF JASPER

Jasper, Alberta

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012





### **Administration's Responsibility for Financial Reporting**

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

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

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

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

April 16, 2013

A handwritten signature in black ink, appearing to read "Peter Waterworth".

\_\_\_\_\_  
Peter Waterworth, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Alice Lettner".

\_\_\_\_\_  
Alice Lettner, Director of Finance and Administration

# Hawkings Epp Dumont LLP

10476 Mayfield Road  
Edmonton, Alberta  
T5P 4P4  
[www.hawkings.com](http://www.hawkings.com)

## Chartered Accountants

Telephone: 780-489-9606  
Toll Free: 1-877-489-9606  
Fax: 780-484-9689  
Email: [hed@hedllp.com](mailto:hed@hedllp.com)

### INDEPENDENT AUDITORS' REPORT

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

#### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of the Municipality of Jasper (the "Town") which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

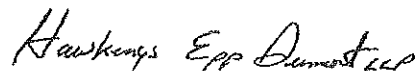
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

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

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Jasper as at December 31, 2012 and the results of its operations, the change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Edmonton, Alberta  
April 16, 2013

HAWKINGS EPP DUMONT LLP  
Chartered Accountants

#### **Stony Plain Office**

Suite 101, 5300 – 50 Street  
PO Box 3188 Stn. Main  
Stony Plain, Alberta T7Z 1T8  
Telephone: 780-963-2727  
Fax: 780-963-1294  
Email: [email@hawkings.com](mailto:email@hawkings.com)

#### **Lloydminster Office**

5102 – 48 Street  
PO Box 10099  
Lloydminster, Alberta T9V 2A2  
Telephone: 780-875-7433  
Fax: 780-875-5304  
Email: [hed@hedlloyd.com](mailto:hed@hedlloyd.com)

# Municipality of Jasper

## Consolidated Statement of Financial Position


As at December 31, 2012

	2012	2011
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$3,902,577	\$5,820,517
Taxes and grants in lieu of taxes receivable (Note 3)	\$139,289	\$112,158
Trade and other accounts receivable	\$2,616,956	\$2,390,091
Tax under-levies (Note 4)	-\$3,849	\$730
Deposit (Note 5)	\$275,000	-
Other financial assets	\$94,972	\$127,913
	<u>\$7,024,945</u>	<u>\$8,451,409</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$2,376,429	\$2,385,535
Deposit liabilities	\$108,816	\$13,536
Deferred revenue (Note 7)	\$603,900	\$2,476,106
Long-term debt (Note 8)	\$6,230,078	\$6,909,239
	<u>\$9,319,223</u>	<u>\$11,784,416</u>
<b>NET FINANCIAL DEBT</b>	<u>-\$2,294,278</u>	<u>-\$3,333,007</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule II)	\$58,603,070	\$53,393,699
Inventory for consumption	\$64,237	-
Prepaid expenses	\$275,611	\$364,535
	<u>\$58,942,918</u>	<u>\$53,758,234</u>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<u>\$56,648,640</u>	<u>\$50,425,227</u>

Contingencies (Note 13)

Commitments (Note 14)

Approved on behalf of Council

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Councillor

# Municipality of Jasper

## Consolidated Statement of Operations

For the year ended December 31, 2012

	Budget 2012 Unaudited	2012	2011
<b>Revenue</b>			
Net municipal property taxes (Schedule III)	5,543,098	5,604,299	5,396,662
Sales, user charges and costs recovered	4,218,698	4,189,978	4,030,361
Other (Note 16)	1,335,477	1,442,973	1,425,364
Government transfers (Schedule IV)	1,144,161	1,075,665	1,831,432
	12,241,434	12,312,915	12,683,819
<b>Expenses</b>			
Parks and recreation	3,146,909	3,341,624	2,755,725
Utilities	3,068,785	3,057,213	3,100,502
Public health and welfare	1,837,800	1,860,964	1,773,700
Roads, streets and equipment	1,527,920	1,651,846	1,547,522
Administration	1,353,516	1,120,592	1,109,667
Protective Services	927,788	966,070	1,499,913
Planning and development	322,452	260,195	499,731
Legislative	274,820	227,608	243,622
Library and culture	212,390	216,990	213,018
	12,672,380	12,703,102	12,743,400
<b>Excess (shortfall) of revenue over Expenses - Before Other</b>	- 430,946 -	390,187 -	59,581
<b>Other</b>			
Government transfers for capital (Schedule IV)	7,613,249	6,248,949	4,099,182
Other (Note 16)	300,000	364,651	360,203
	7,913,249	6,613,600	4,459,385
<b>Excess of revenue over expenses</b>	7,482,303	6,223,413	4,399,804
<b>Accumulated surplus, beginning of year</b>	50,425,227	50,425,227	46,025,423
<b>Accumulated surplus, end of year</b>	57,907,530	56,648,640	50,425,227

# Municipality of Jasper

## Consolidated Statement of Change in Net Financial Debt

For the year ended December 31, 2012

	Budget 2012 Unaudited	2012	2011
<b>Excess of revenue over expenses</b>	7,482,303	6,223,413	4,399,804
Acquisition of tangible capital assets	-8,941,704	-7,303,385	-5,808,106
Amortization of tangible capital assets	1,925,000	2,094,014	1,687,829
Loss (gain) on disposal of tangible capital assets			-208,172
Acquisition of inventory for consumption		-64,237	
Use of prepaid assets		88,924	-92,559
<b>Decrease (increase) in net debt</b>	465,599	1,038,729	-21,204
<b>Net financial debt, beginning of year</b>	-3,333,007	-3,333,007	-3,311,803
<b>Net financial debt, end of year</b>	-2,867,408	-2,294,278	-3,333,007

**Municipality of Jasper**  
**Consolidated Statement of Cash Flows**

*For the year ended December 31, 2012*

	<u>2012</u>	<u>2011</u>
<b>Operating</b>		
Excess of revenue over expenses	6,223,413	4,399,804
Non-cash items:		
Amortization of tangible capital assets	2,094,014	1,687,829
Gain on disposal of tangible capital assets	-	-208,173
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	-1,872,207	1,155,453
Decrease (increase) in prepaid expenses	88,924	-92,560
(Decrease)increase in accounts payable and accrued liabilities	-9,106	500,708
Decrease(increase) in trade and other accounts receivable	-501,864	1,324,945
Decrease (increase) in tax and grants in lieu of taxes receivable	-27,131	-37,608
Decrease (increase) in tax over-levies	4,578	37,940
Increase (decrease) in deposit liabilities	95,280	-277
Decrease(increase) in other financial assets	32,940	11,882
Decrease(increase) in inventory for consumption	-64,237	-
	<u>6,064,605</u>	<u>8,779,943</u>
<b>Capital</b>		
Acquisition of tangible capital assets	-7,303,384	-5,809,306
Disposal of tangible capital assets	-	1,200
	<u>-7,303,384</u>	<u>-5,808,106</u>
<b>Financing</b>		
Repayment of long-term debt	-679,161	-653,619
	<u>-679,161</u>	<u>-653,619</u>
<b>Change in cash during the year</b>	-1,917,940	2,318,218
<b>Cash, beginning of year</b>	<u>5,820,517</u>	<u>3,502,299</u>
<b>Cash, end of year (Note 2)</b>	<u>3,902,577</u>	<u>5,820,517</u>

**Municipality of Jasper**  
**Schedule 1 - Schedule of Changes in Accumulated Surplus**

*For the year ended December 31, 2012*

	<b>Unrestricted Surplus</b>	<b>Restricted Surplus</b>	<b>Equity in Tangible Capital Assets</b>	<b>2012</b>	<b>2011</b>
<b>Balance, beginning of year 2012</b>	1,228,935	2,711,832	46,484,460	50,425,227	46,025,423
Excess of revenues over expenses	6,223,413	-	-	6,223,413	4,399,804
Unrestricted funds designated for future use	-746,276	746,276	-	-	-
Unrestricted funds used for tangible capital assets	-52,037	-	52,037	-	-
Restricted funds used for operations	50,348	-50,348	-	-	-
Restricted funds used for tangible capital assets	-	-637,747	637,747	-	-
Current year funds used for tangible capital assets	-6,608,601	-	6,608,601	-	-
Contributed tangible capital assets	-5,000	-	5,000	-	-
Annual amortization expense	2,094,014	-	-2,094,014	-	-
Long term debt repaid	-679,161	-	679,161	-	-
<b>Change in accumulated surplus</b>	<b>276,700</b>	<b>58,181</b>	<b>5,888,532</b>	<b>6,223,413</b>	<b>4,399,804</b>
<b>Balance, end of year</b>	<b>1,505,635</b>	<b>2,770,013</b>	<b>52,372,992</b>	<b>56,648,640</b>	<b>50,425,227</b>



**Municipality of Jasper**  
**Schedule II - Schedule of Tangible Capital Assets**

For the year ended December 31, 2012

	Land	Buildings	Engineering Structures	Machinery & Equipment	Vehicles	Land Improvements	2012	2011
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	403,759	22,632,761	39,367,020	3,345,370	2,318,817	3,875,430	71,943,157	68,356,110
Acquisition of tangible capital assets	-	98,943	1,149,765	577,989	70,084	142,907	2,039,687	4,140,972
Assets under construction	-	7,425,360	-	-	-	-	7,425,360	2,247,632
Disposal of tangible capital assets	-	-	-	-	-	-	-	-639,895
BALANCE, END OF YEAR	403,759	30,157,064	40,516,784	3,923,359	2,388,901	4,018,337	81,408,204	74,104,819
<b>ACCUMULATED DEPRECIATION</b>								
BALANCE, BEGINNING OF YEAR								
Annual amortization		6,956,974	9,290,850	1,710,332	1,066,169	1,686,795	20,711,120	19,290,859
Accumulated amortization on disposals		616,522	940,022	228,995	132,405	176,070	2,094,014	1,687,829
BALANCE, END OF YEAR		7,573,496	10,230,872	1,939,327	1,198,574	1,862,865	22,805,134	20,711,120
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	403,759	22,583,568	30,285,912	1,984,032	1,190,327	2,155,472	58,603,070	53,393,699
<b>2011 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	403,759	17,837,449	30,076,170	1,635,038	1,252,648	2,188,635		53,393,699

**Municipality of Jasper**  
**Schedule III- Schedule of Property Taxes Levied**

*For the year ended December 31, 2012*

	<b>Budget</b>		
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>Unaudited</b>		
<b>Taxation</b>			
Real property taxes	9,621,433	8,649,565	8,292,857
Government grants in lieu of property taxes		540,733	485,267
Linear property taxes		493,225	472,820
To reserve for over/under tax levy		-4,579	-37,966
	<b>9,621,433</b>	<b>9,678,944</b>	<b>9,212,978</b>
<b>Requisitions</b>			
Alberta School Foundation Fund	3,306,968	3,306,968	3,066,360
Land rent to Parks Canada	404,981	402,435	395,104
Planning reserves to Parks Canada	181,948	180,804	177,510
Evergreens Foundation	184,438	184,438	177,342
	<b>4,078,335</b>	<b>4,074,645</b>	<b>3,816,316</b>
<b>Net municipal property taxes</b>	<b>5,543,098</b>	<b>5,604,299</b>	<b>5,396,662</b>

**Municipality of Jasper****Schedule IV - Consolidated Schedule of Government Transfers***For the year ended December 31, 2012*

	<b>Budget 2012 Unaudited</b>	<b>2012</b>	<b>2011</b>
<b>Operating</b>			
Provincial	896,161	808,936	1,568,026
Federal	248,000	266,729	263,406
	<u>1,144,161</u>	<u>1,075,665</u>	<u>1,831,432</u>
<b>Capital</b>			
Provincial	6,514,581	5,260,146	2,763,372
Federal	1,098,668	988,803	1,335,810
	<u>7,613,249</u>	<u>6,248,949</u>	<u>4,099,182</u>
<b>Total government transfers</b>	<u>8,757,410</u>	<u>7,324,614</u>	<u>5,930,614</u>

# Municipality of Jasper

## Schedule V - Consolidated Schedule of Expenses by Object

For the year ended December 31, 2012

	Budget 2012 Unaudited	2012	2011
<b>Consolidated expenses by object</b>			
Salaries, wages and benefits	5,947,543	5,694,566	5,473,970
Materials, goods and utilities	2,217,669	2,325,468	2,158,129
Amortization of tangible capital assets	1,925,000	2,094,014	1,687,829
Contracted and general services	2,009,255	2,025,952	2,316,953
Interest on long term debt	339,301	331,444	361,202
Transfers to local boards and agencies	112,875	110,294	479,590
Transfers to individuals and organizations	105,537	100,399	97,345
Bank charges and short term interest	12,750	18,963	17,175
Provision for allowances	2,450	2,002	151,207
	<b>12,672,380</b>	<b>12,703,102</b>	<b>12,743,400</b>

# Municipality of Jasper Schedule VI - Schedule of Segmented Disclosure

For the year ended December 31, 2011

	General Government	Transportation, roads and streets	Legislative & Administration	Environmental Services	Parks and Recreation	Protective Services	Library & Museum	Public Health and Welfare	Economic Development	Total 2011
<b>Revenue</b>										
Net municipal taxes	5,396,662.00									5,396,662.00
Sale, user charges and costs	6,130.00		4,925.00	2,851,703.00	575,843.00	15,085.00		563,337.00	13,338.00	4,030,361.00
Government transfers	27,823.00	440,576.00		75,000.00	1,501,197.00	742,924.00	1,788,936.00	726,756.00	808,096.00	6,111,308.00
Franchise and concessions contracts	328,665.00									328,665.00
Penalties and costs on taxes	38,123.00									38,123.00
Sales to other governments				61,421.00						61,421.00
Rent	167.00	2,390.00		10,656.00	361,994.00	80,098.00			79,928.00	535,233.00
Fines						40,650.00				40,650.00
Licenses and permits	31,879.00					80,486.00				112,365.00
Local Improvement Levies		34,521.00								34,521.00
Interest income	51,260.00	25,076.00								76,336.00
Other	21,195.00	83,455.00			11,954.00		9,746.00			86,082.00
	5,901,904.00	586,018.00	4,925.00	2,998,780.00	2,450,988.00	959,243.00	1,798,682.00	1,333,129.00	1,109,535.00	17,143,204.00
<b>Expenses</b>										
Salaries, wages and benefits	733,901	235,713	167,870	828,174	1,480,988	454,975	119,500	1,419,761	33,088	5,479,970
Contracted and general services	210,664	179,413	43,639	861,955	243,375	667,573		75,683	34,651	2,316,953
Provision for allowances	43,082	75,053		28,419	226	226		4,427		151,207
Materials, goods, and utilities	83,917	308,116	32,113	583,918	834,425	121,170		131,016	63,454	2,158,129
Interest on long term debt		28,477		259,075	23,032	50,618				361,202
Bank charges and short term interest	7,942				4,569			4,664		17,175
Transfers to individuals and organizations					9,600	59,850		16,838	11,057	97,345
Transfers to local boards and agencies				43,593			83,516	32,878	319,603	479,590
	1,079,506	826,772	243,622	2,605,134	2,596,215	1,354,186	203,016	1,685,267	461,853	11,055,571
Net revenue before amortization	4,822,398	240,754	238,697	393,646	145,227	394,943	1,595,666	352,138	647,682	6,087,633
Amortization expense	30,161	720,749		495,369	159,509	145,728	10,000	88,435	37,878	1,687,829
Net revenue (expense)	4,792,237	961,503	238,697	101,723	304,736	540,671	1,585,666	440,573	609,804	4,399,804

Some of the comparative figures have been reclassified to conform to the current year's presentation

# Municipality of Jasper Schedule VI - Schedule of Segmented Disclosure

For the year ended December 31, 2012

	General Government	Transportation, roads and streets	Legislative & Administration	Environmental Services	Parks and Recreation	Protective Services	Library & Museum	Public Health and Welfare	Economic Development	Total
<b>Revenue</b>										
Net municipal taxes	5,604,299	-	-	-	-	-	-	-	-	5,604,299
Sale, user charges and costs	3,954	-	5,417	2,858,571	643,285	36,686	-	630,422	11,643	4,189,978
Government transfers	98,911	1,200,055	-	78,000	116,000	286,299	4,959,826	737,670	16,992	7,493,753
Franchise and concessions contracts	366,125	-	-	-	-	-	-	-	-	366,125
Penalties and costs on taxes	44,802	-	-	-	-	-	-	-	-	44,802
Sales to other governments	-	-	-	63,397	-	-	-	-	-	63,397
Rent	217	2,635	-	13,026	313,272	83,461	-	-	73,261	485,872
Fines	-	-	-	-	-	28,749	-	-	-	28,749
Licenses and permits	30,552	-	-	-	-	81,093	-	-	-	111,645
Interest income	59,159	14,232	-	-	-	-	3,872	-	-	77,263
Other	10,628	63,097	-	-	5,524	-	300,000	81,383	-	460,632
	<b>6,218,647</b>	<b>1,280,019</b>	<b>5,417</b>	<b>3,012,994</b>	<b>1,078,081</b>	<b>516,288</b>	<b>5,263,698</b>	<b>1,449,475</b>	<b>101,896</b>	<b>18,926,515</b>
<b>Expenses</b>										
Salaries, wages and benefits	710,353	246,663	165,986	827,397	1,582,335	447,494	123,085	1,524,005	67,247	5,694,566
Contracted and general services	279,740	216,790	32,810	866,298	322,736	149,282	-	96,931	61,365	2,025,952
Provision for allowances	-	-	-	92	76	-	-	1,834	-	2,002
Materials, goods, and utilities	93,446	379,766	28,812	603,842	934,299	114,870	-	95,148	75,285	2,325,468
Interest on long term debt	-	25,399	-	243,698	18,355	43,992	-	-	-	331,444
Bank charges and short term interest	8,553	-	-	-	5,718	-	-	4,692	-	18,963
Transfers to individuals and organizations	-	-	-	500	7,900	61,795	-	16,839	13,365	100,399
Transfers to local boards and agencies	-	-	-	-	-	-	83,905	26,390	-	110,294
	<b>1,092,092</b>	<b>868,619</b>	<b>227,608</b>	<b>2,541,827</b>	<b>2,871,418</b>	<b>817,433</b>	<b>206,990</b>	<b>1,765,839</b>	<b>217,262</b>	<b>10,609,088</b>
Net revenue before amortization	5,126,555	411,400	222,191	471,167	1,793,337	301,145	5,056,708	316,364	115,366	8,317,427
Amortization expense	28,500	783,227	-	515,386	470,206	148,637	10,000	95,125	42,933	2,094,014
Net revenue (expense)	5,098,055	371,827	222,191	44,219	2,263,543	449,782	5,046,708	411,489	158,299	6,223,413

# Municipality of Jasper

## Notes to the Consolidated Financial Statements

*For the Year Ended December 31, 2012*

---

### **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:

#### **a) Reporting entity**

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

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

The statements exclude trust assets that are administered for the benefit of external parties as described in Note 2. Interdepartmental and organizational transactions and balances are eliminated.

#### **b) Basis of accounting**

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

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

## **Municipality of Jasper**

### **Notes to the Consolidated Financial Statements**

*For the Year Ended December 31, 2012*

---

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

#### **c) Use of estimates**

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

#### **d) Non-financial assets**

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



# Municipality of Jasper

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

---

### d) Non-financial assets (continued)

#### i) Tangible Capital Assets

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

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

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

#### ii) Contributions of tangible capital assets

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

#### iii) Land Leases

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

## **Municipality of Jasper**

### **Notes to the Consolidated Financial Statements**

*For the Year Ended December 31, 2012*

---

Jasper Municipal Leasehold Society are the elected members of the Municipality of Jasper Council. These assets are sub-leased to, and are included on the Municipality's statement of financial position.

iv) **Inventory**

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

**e) Requisition Over-levy and Under-levy**

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

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

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

**f) Government Transfers**

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

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

**Municipality of Jasper**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2012*

**2. Cash and equivalents**

Cash and cash equivalents consists of the following:

	<b>2012</b>	<b>2011</b>
Cash on hand and deposits	4,035,070	5,951,149
Less: Restricted portion of cash	-132,493	-130,632
	<u>3,902,577</u>	<u>5,820,517</u>

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$750,000 available from January 1 to June 30 annually. The demand loan bears interest at the bank's prime rate, was not drawn on at December 31, 2012 and December 31, 2011 and is unsecured.

The Municipality administers the following trusts:

<i>Scholarships</i>	<b>2012</b>	<b>2011</b>
Balance, beginning of the Year	130,632	115,138
Deduct - scholarships awarded	-2,000	-2,500
Add - income from investments	3,861	3,502
Add - contributions	-	14,492
Balance, end of the Year	<u>132,493</u>	<u>130,632</u>

**3. Taxes and grants in lieu of taxes receivable**

	<b>2012</b>	<b>2011</b>
Current taxes	95,186	96,216
Arrears taxes	44,103	15,942
	<u>139,289</u>	<u>112,158</u>

**4. Tax under-levies and over-levies**

	<b>2012</b>	<b>2011</b>
Education tax under (over) levy	2,956	52,602
Current year adjustments	-1,933	-49,646
	<u>1,023</u>	<u>2,956</u>

	<b>2012</b>	<b>2011</b>
Evergreen under (over) levy	-2,226	-13,932
Current year adjustments	-2,646	11,706
	<u>-4,872</u>	<u>-2,226</u>

Total	<u>-3,849</u>	<u>730</u>
-------	---------------	------------

**Municipality of Jasper**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2012*

---

**5. Deposit**

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

**6. Accounts payable and accrued liabilities**

	<b>2012</b>	<b>2011</b>
Trade payable and other accrued liabilities	1,286,718	1,344,704
Accrued payroll payable	107,117	147,943
Accrued vacation payable	166,181	180,873
Accrued interest payable	81,465	89,330
Capital payable	734,948	622,685
	<u>2,376,429</u>	<u>2,385,535</u>

**7. Deferred revenue**

	<b>2012</b>	<b>2011</b>
Capital Government Transfers		
Municipal Sustainability Initiative Grant	-	1,426,819
Alberta Municipal Infrastructure Program	35,810	580,229
Basic Municipal Transportation Grant	54,760	
Federal Gas Tax Fund	225,957	60,411
Emergency Generator	2,097	68,697
	<u>318,624</u>	<u>2,136,156</u>
Operating Government Transfers		
Municipal Sustainability Initiative Grant	84,942	115,201
Day Care Space Creation Grant	42,953	42,953
Municipal Information Mapping Grant	2,385	4,885
	<u>130,280</u>	<u>163,039</u>
	<u>448,904</u>	<u>2,299,195</u>
Other Deferred Amounts	<u>154,996</u>	<u>176,911</u>
Total Deferred Revenue	<u>603,900</u>	<u>2,476,106</u>

The Alberta Municipal Infrastructure Program, Basic Municipal Transportation Grant, Municipal Sustainability Initiative Grant and the Federal Gas Tax Fund are multi year grant programs that remit funding annually but allows funding to be applied to projects over five years.

**Municipality of Jasper**  
**Notes to the Consolidated Financial Statements**  
For the year ended December 31, 2012

**8. Long term debt**

	2012	2011
Tax-supported debentures	1,857,476	2,233,949
Self-supported debentures	4,372,602	4,675,290
	6,230,078	6,909,239

The current portion of the long-term debt is \$709,961 (2011- \$679,161)

Payments of interest and principal are due as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2013	709,961	308,510	1,018,471
2014	742,285	276,185	1,018,470
2015	776,215	242,255	1,018,470
2016	596,874	207,939	804,813
2017	628,996	175,818	804,814
To maturity	2,775,747	466,011	3,241,758
	6,230,078	1,676,718	7,906,796

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

Cash interest paid on long-term debt during the year was \$339,309 (2011 - \$368,659)

The average annual interest rate was 4.6776%

**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:

	2012	2011
Total debt limit	18,469,374	19,025,728
Total debt	9,830,078	8,909,239
Amount of debt limit unused	8,639,296	10,116,489
Service on debt limit	3,078,229	3,170,955
Service on debt	1,018,470	1,018,470
Amount if debt servicing limit unused	2,059,759	2,152,485

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

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

**Municipality of Jasper**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2012*

**10. Accumulated surplus**

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

	<b>2012</b>	<b>2011</b>
Unrestricted surplus	1,505,635	1,228,935
Restricted surplus		
Operating	653,160	533,385
Capital	2,116,853	2,178,447
Equity in tangible capital assets (Note 11)	52,372,992	46,484,460
	<u>56,648,640</u>	<u>50,425,227</u>

**11. Equity in tangible capital assets**

	<b>2012</b>	<b>2011</b>
Tangible capital assets (Schedule II)	81,408,204	74,104,819
Accumulated amortization (Schedule II)	-22,805,134	-20,711,120
Long-term debt (Note 8)	-6,230,078	-6,909,239
	<u>52,372,992</u>	<u>46,484,460</u>

**12. 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:

	<b>Salary</b>	<b>Benefits &amp; Allowances</b>	<b>2012</b>	<b>2011</b>
Mayor Ireland	36,456	5,480	41,936	37,740
Councillor Zinck	22,842	5,030	27,872	25,481
Councillor Day	16,724	4,828	21,552	23,214
Councillor Skehill	20,749	526	21,275	22,257
Councillor Damota	15,326	333	15,659	20,124
Councillor Wall	11,289	4,649	15,938	21,168
Councillor Wacko	17,071	4,840	21,911	20,212
Chief Administrative Officer*	146,286	40,271	186,557	105,130

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

\* The Municipality of Jasper engaged a new Chief Administrative Officer in 2013. This line includes salary, benefits and allowances during the transitional period when two persons were employed.

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 allowance figures also include the employer's share of the costs of additional taxable benefits.

### 13. Contingencies

- a) The Municipality is a member of the Alberta Municipal Insurance Exchange (MUNIX) Under the terms of the membership, the Municipality could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) The Municipality is a defendant in lawsuits arising in the normal course of operations and involving various amounts. Administration is of the opinion that the results of these actions should not have any material effect on the financial position of the Municipality. No amounts have been accrued in these financial statements relating to any of these actions. Any awards or settlements will be reflected in the statement of revenue and expenditures as the matters are resolved or when sufficient information on amounts and likelihoods are known.
- c) The Municipality agreed to provide a short-term loan guarantee to the Caribou Creek Housing Corporation ("the Corporation") for development of restricted gain housing. The guarantee is for 30% of each financing stage to a maximum of \$3.6 million, secured by a second charge on the land and buildings. The guarantee if drawn upon, is to be repaid from the sale proceeds of housing units after repayment of the primary lender's loans. Interest on the short term loan and the loan guarantee if drawn upon, are to be paid for by the Corporation. The Municipality would be required to perform under the guarantee if it became apparent that Caribou Housing Corporation was unable to make payments on its debt. It is the Municipality's opinion that the Corporation will be able to make payments. Construction of the units commenced in 2011 and is expected to conclude by early 2014. This amount is included in the Debt Limit (see Note 9). Any cost overruns are covered by the Corporation or the Municipality at the time they occur before the next progress advance will be considered.

**14. Commitments**

The Municipality has entered into the following multiple year contracts:

**a) Accurate Assessment Group**

Agreement for property tax assessment services was renewed on a variable rate for a five year term ending 2015.

**b) TransAlta Energy**

Two year agreement ending 2013 for supply of electricity.  
Five year agreement ending 2013 for the supply of natural gas.  
Four year contract with Enmax Energy starting 2014 for supply of electricity.

**c) Jasper Volunteer Fire Brigade Society**

2013	\$63,803
------	----------

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

**d) Parks Canada**

Agreement for land rent and planning services beginning in 2003, for \$475,000 per year. Subsequent years' cost are adjusted for changes in the consumer price index. The 2012 expense for land rent and planning services was \$583,239 (2011 - \$572,614)

**e) IOS Financial Services**

Operating lease commitments requiring quarterly payments of \$1,542 ending March 2014

2013	\$6,184
2014	\$1,542

**f) TD Bank Financial Group**

Banking services to November 2016.

**15. Budget figures**

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



Municipality of Jasper  
Notes to the Consolidated Financial Statements  
For the year ended December 31, 2012

16. Other Revenue	2012	2011
Operating		
Other	394,870	370,012
Rents	485,872	535,233
Franchise and Concession Contracts	366,125	328,665
Interest Income	59,159	51,260
Sales to other governments	63,397	61,421
Fines	28,748	40,650
Penalties and interest on taxes	44,802	38,123
	<u>1,442,973</u>	<u>1,425,364</u>
Capital		
Cost recoveries	41,547	117,208
Gain on disposal of tangible capital assets	-	208,173
Interest income	18,104	34,822
Donations	305,000	-
	<u>364,651</u>	<u>360,203</u>
Total	<u>1,807,624</u>	<u>1,785,567</u>

**17. Financial Instruments**

The Municipality of Jasper as part of its operations carries a number of financial instruments which include cash and cash equivalents, taxes and grants in lieu of taxes receivable, trade and other accounts receivable, accounts payable and accrued liabilities, tax over-levies, 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 and taxes and grants in lieu of taxes receivables. Credit risk arises from the possibility that entities and taxpayers to which the Municipality provides services may be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

**18. Local Authorities Pension Plan**

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP) which is one of the plans covered by the *Alberta Public Sector Pensions Plan Act*. The LAPP serves approximately 214,328 employees and approximately 423 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

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

The Municipality is required to make current service contributions to the LAPP of 9.91% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.74% of the excess. Employees of the Municipality are required to make current service contributions of 8.91% of pensionable salary up to the year's maximum pensionable salary and 12.74% on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2012 were \$221,442 (2011- \$236,016). Total current service contributions by the employees of the Municipality to the LAPP in 2012 were \$200,910 (2011 - \$212,912).

At December 31, 2011 the date of the most recent actuarial valuations, the LAPP disclosed an actuarial deficiency of \$4.635 million.

**19. Segmented Disclosure**

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

Refer to Schedule VI - Schedule of Segmented Disclosure