

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Municipality of Jasper

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Municipality of Jasper (the "Municipality") which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, consolidated changes in net financial assets 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 from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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, the consolidated financial statements present fairly, in all material respects, the financial position of Municipality of Jasper as at December 31, 2015, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta  
April 19, 2016

  
Hawkins Epp Dumont LLP  
Chartered Accountants

## **MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

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 public sector accounting standards. 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 responsibility 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 the consolidated 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 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.

Hawkings Epp Dumont LLP, an independent firm of Chartered 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 Administration to discuss their audit findings.

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Mark Fercho, Chief Administrative Officer

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Natasha Malenchak, Director of Finance and Administration

Jasper, Alberta  
April 19, 2016

**MUNICIPALITY OF JASPER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 9,201,021	\$ 7,764,704
Taxes and grants in place of taxes receivable (Note 3)	149,589	135,639
Trade and other receivables (Note 5)	1,288,173	1,161,405
Debt recoverable - local improvements	73,225	114,948
Deposits (Note 4)	<u>295,000</u>	<u>275,000</u>
	<u>11,007,008</u>	<u>9,451,696</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 2,100,051	\$ 2,216,718
Deposit liabilities	172,855	146,571
Deferred revenue (Note 8)	2,670,263	1,715,360
Long-term debt (Note 9)	4,001,616	4,777,831
Employee benefit obligations (Note 6)	<u>306,714</u>	<u>257,856</u>
	<u>9,251,499</u>	<u>9,114,336</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,755,509</u>	<u>337,360</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 5)	58,114,900	58,214,429
Inventory for consumption (Note 10)	42,589	47,638
Prepaid expenses	<u>182,276</u>	<u>378,348</u>
	<u>58,339,765</u>	<u>58,640,415</u>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<u>\$ 60,095,274</u>	<u>\$ 58,977,775</u>

**CONTINGENCIES (Note 14)**

**APPROVED ON BEHALF OF COUNCIL:**

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**MUNICIPALITY OF JASPER**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u> (Budget) (Note 18)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>REVENUES</b>			
Net municipal property taxes ( <i>Schedule 2</i> )	\$ 6,232,144	\$ <b>6,241,419</b>	\$ 6,019,237
User fees and sales of goods	4,852,050	<b>4,743,242</b>	4,389,213
Government transfers for operating ( <i>Schedule 3</i> )	1,070,107	<b>1,181,370</b>	1,197,941
Other	<u>1,856,127</u>	<u><b>1,988,481</b></u>	<u>1,719,356</u>
	<u>14,010,428</u>	<u><b>14,154,512</b></u>	<u>13,325,747</u>
<b>EXPENSES</b>			
Parks and recreation	2,956,561	<b>3,312,578</b>	3,220,355
Utilities	2,895,009	<b>3,467,873</b>	3,625,081
Public health and welfare	1,888,502	<b>2,090,122</b>	1,953,949
Roads, streets, and equipment	1,350,519	<b>2,225,418</b>	1,800,174
Administration	1,382,864	<b>1,354,712</b>	1,152,097
Protective services	828,263	<b>973,728</b>	978,307
Planning and development	264,092	<b>275,983</b>	252,100
Legislative	308,820	<b>239,623</b>	209,491
Library and culture	<u>219,750</u>	<u><b>217,774</b></u>	<u>228,820</u>
	<u>12,094,380</u>	<u><b>14,157,811</b></u>	<u>13,420,374</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<u>1,916,048</u>	<u><b>(3,299)</b></u>	<u>(94,627)</u>
<b>OTHER INCOME</b>			
Government transfers for capital ( <i>Schedule 3</i> )	2,463,414	<b>1,120,798</b>	1,388,701
Other	<u>-</u>	<u>-</u>	<u>13,184</u>
	<u>2,463,414</u>	<u><b>1,120,798</b></u>	<u>1,401,885</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>4,379,462</u>	<u><b>1,117,499</b></u>	<u>1,307,258</u>
<b>ACCUMULATED SURPLUS, BEGINNING</b>	<u>58,977,775</u>	<u><b>58,977,775</b></u>	<u>57,670,517</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 63,357,237</u>	<u><b>\$ 60,095,274</b></u>	<u>\$ 58,977,775</u>

MUNICIPALITY OF JASPER

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u> (Budget) (Note 18)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ <u>4,379,462</u>	\$ <u>1,117,499</u>	\$ <u>1,307,258</u>
Acquisition of tangible capital assets	-	(2,050,358)	(2,055,148)
Amortization of tangible capital assets	-	2,150,173	2,070,196
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(286)</u>	<u>512</u>
	<u>-</u>	<u>99,529</u>	<u>15,560</u>
Net change in inventory for consumption	-	5,049	-
Net change in prepaid expenses	<u>-</u>	<u>196,072</u>	<u>(144,716)</u>
	<u>-</u>	<u>201,121</u>	<u>(144,716)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	4,379,462	1,418,149	1,178,102
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>337,360</u>	<u>337,360</u>	<u>(840,742)</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ <u>4,716,822</u>	\$ <u>1,755,509</u>	\$ <u>337,360</u>

**MUNICIPALITY OF JASPER**

**CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 1,117,499	\$ 1,307,258
Deduct items not affecting cash:		
Loss (gain) on disposal of tangible capital assets	(286)	512
Amortization of tangible capital assets	2,150,173	2,070,196
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(13,950)	(24,597)
Trade and other receivables	(126,768)	127,173
Debt recoverable - local improvements	41,723	(58,275)
Accounts payable and accrued liabilities	(67,810)	292,673
Deposit liabilities	26,284	7,450
Deferred revenue	954,903	807,763
Deposits	(20,000)	13,157
Inventory for consumption	5,049	-
Prepaid expenses	196,073	(144,716)
	<u>4,262,890</u>	<u>4,398,594</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	<u>(2,050,358)</u>	<u>(2,055,148)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt repayments	<u>(776,215)</u>	<u>(742,286)</u>
<b>INCREASE IN CASH</b>	<b>1,436,317</b>	<b>1,601,160</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>\$ <u>7,764,704</u></b>	<b>\$ <u>6,163,544</u></b>
<b>CASH, END OF YEAR</b>	<b>\$ <u>9,201,021</u></b>	<b>\$ <u>7,764,704</u></b>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE 1**

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<b><u>2015 Total</u></b>	<u>2014 Total</u>
Balance, Beginning of Year	\$ 1,801,760	\$ 1,148,602	\$ 2,476,317	\$53,551,096	<b>\$58,977,775</b>	\$57,670,517
Excess of Revenue over Expenses	1,117,499	-	-	-	<b>1,117,499</b>	1,307,258
Purchase of tangible capital assets	(2,050,358)	-	-	2,050,358	-	-
Annual amortization expense	2,150,173	-	-	(2,150,173)	-	-
Disposal of tangible capital assets	(286)	-	-	286	-	-
Unrestricted funds designated for future use	(260,840)	132,757	128,083	-	-	-
Long-term debt repaid	(776,215)	-	-	776,215	-	-
Payments on local improvements	<u>41,273</u>	<u>-</u>	<u>-</u>	<u>(41,273)</u>	<u>-</u>	<u>-</u>
Balance, End of Year	<b><u>\$ 2,023,006</u></b>	<b><u>\$ 1,281,359</u></b>	<b><u>\$ 2,604,400</u></b>	<b><u>\$54,186,509</u></b>	<b><u>\$60,095,274</u></b>	<b><u>\$58,977,775</u></b>

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, 2015**

**SCHEDULE 2**

	<u>2015</u> (Budget) (Note 18)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 9,515,002	\$ <b>9,582,462</b>	\$ 9,360,389
Linear property taxes	480,869	<b>448,441</b>	561,409
Local improvement taxes	-	-	68,000
Government grants in place of property taxes	<u>612,081</u>	<u><b>621,982</b></u>	<u>507,562</u>
	<u>10,607,952</u>	<u><b>10,652,885</b></u>	<u>10,497,360</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	3,600,000	<b>3,641,290</b>	3,706,903
Land rent to Parks Canada	422,556	<b>423,224</b>	416,002
Plannning reserves to Parks Canada	200,649	<b>190,144</b>	186,900
Evergreen Foundation	<u>152,603</u>	<u><b>156,808</b></u>	<u>168,318</u>
	<u>4,375,808</u>	<u><b>4,411,466</b></u>	<u>4,478,123</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 6,232,144</u>	<u>\$ <b>6,241,419</b></u>	<u>\$ 6,019,237</u>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE 3**

	<u>2015</u> (Budget) (Note 18)	<u>2015</u> (Actual)	<u>2014</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 816,607	\$ <b>895,358</b>	\$ 918,603
Federal government	<u>253,500</u>	<u><b>286,012</b></u>	<u>279,338</u>
	<u>1,070,107</u>	<u><b>1,181,370</b></u>	<u>1,197,941</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	2,463,414	<b>1,112,799</b>	1,388,701
Federal government	<u>-</u>	<u><b>7,999</b></u>	<u>-</u>
	<u>2,463,414</u>	<u><b>1,120,798</b></u>	<u>1,388,701</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 3,533,521</u>	<u>\$ <b>2,302,168</b></u>	<u>\$ 2,586,642</u>

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF SEGMENT DISCLOSURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE 4**

	General Government	Transportation	Legislative	Environmental Services	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
<b>REVENUE</b>										
Net municipal taxes	\$ 6,241,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,241,419
Sales and user charges	3,168	-	4,534	3,256,008	701,301	66,177	-	711,289	765	4,743,242
Government transfers	72,586	356,258	-	142,228	154,811	514,014	351,049	710,748	474	2,302,168
Rent	150	-	416,968	-	362,649	96,818	-	-	81,328	957,913
Franchise and concession contracts	395,681	-	-	-	-	-	-	-	-	395,681
Other	35,489	15,111	-	4,294	537	-	-	191,735	2,177	249,343
Licenses and permits	31,532	-	-	-	-	79,799	-	-	-	111,331
Interest income	90,146	-	-	-	-	-	-	-	-	90,146
Fines	-	-	-	-	-	62,142	-	-	-	62,142
Sales to other governments	-	-	-	78,262	-	-	-	-	-	78,262
Penalties and costs on taxes	43,663	-	-	-	-	-	-	-	-	43,663
	<u>6,913,834</u>	<u>371,369</u>	<u>421,502</u>	<u>3,480,792</u>	<u>1,219,298</u>	<u>818,950</u>	<u>351,049</u>	<u>1,613,772</u>	<u>84,744</u>	<u>15,275,310</u>
<b>EXPENSES</b>										
Salaries, wages and benefits	773,793	497,712	163,684	1,040,310	1,553,255	487,209	117,255	1,792,917	24,591	6,450,726
Contracted and general services	450,410	291,359	57,892	1,013,394	399,323	115,905	-	75,722	66,554	2,470,559
Materials, goods, and utilities	95,012	542,011	18,047	652,853	964,172	126,497	-	93,681	131,880	2,624,153
Amortization	27,117	876,166	-	565,320	376,984	154,749	10,000	96,904	42,933	2,150,173
Interest on long-term debt	-	18,170	-	189,545	3,621	21,686	-	-	-	233,022
Transfers to individuals and organizations	-	-	-	6,451	8,400	67,682	-	18,338	10,025	110,896
Transfers to local boards and agencies	-	-	-	-	-	-	90,519	4,672	-	95,191
Bank charges and short-term interest	8,380	-	-	-	6,823	-	-	7,303	-	22,506
Provision for allowances	-	-	-	-	-	-	-	585	-	585
	<u>1,354,712</u>	<u>2,225,418</u>	<u>239,623</u>	<u>3,467,873</u>	<u>3,312,578</u>	<u>973,728</u>	<u>217,774</u>	<u>2,090,122</u>	<u>275,983</u>	<u>14,157,811</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ 5,559,122</u>	<u>\$ (1,854,049)</u>	<u>\$ 181,879</u>	<u>\$ 12,919</u>	<u>\$ (2,093,280)</u>	<u>\$ (154,778)</u>	<u>\$ 133,275</u>	<u>\$ (476,350)</u>	<u>\$ (191,239)</u>	<u>\$ 1,117,499</u>

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

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF SEGMENT DISCLOSURES**

**SCHEDULE 4**

**For The Year Ended December 31, 2014**

	General Government	Transportation	Legislative	Environmental Services	Parks and Recreation	Protective Services	Library and Museum	Public Health	Economic Development	Total
<b>REVENUE</b>										
Net municipal taxes	\$ 6,019,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,019,237
Sales and user charges	2,384	-	5,019	3,051,808	692,168	28,418	-	604,608	4,808	4,389,213
Government transfers	39,750	607,231	-	495,117	269,276	227,228	235,606	712,435	-	2,586,643
Rent	133	-	9,019	-	451,525	92,491	-	-	80,190	633,358
Franchise and concession contracts	389,368	-	-	-	-	-	-	-	-	389,368
Other	32,722	105,075	-	11,604	492	1,500	-	128,430	-	279,823
Licenses and permits	33,375	-	-	-	-	84,879	-	-	-	118,254
Interest income	90,827	8,653	-	-	-	-	4,295	-	-	103,775
Fines	-	-	-	-	-	82,940	-	-	-	82,940
Sales to other governments	-	-	-	75,116	-	-	-	-	-	75,116
Penalties and costs on taxes	49,905	-	-	-	-	-	-	-	-	49,905
	<u>6,657,701</u>	<u>720,959</u>	<u>14,038</u>	<u>3,633,645</u>	<u>1,413,461</u>	<u>517,456</u>	<u>239,901</u>	<u>1,445,473</u>	<u>84,998</u>	<u>14,727,632</u>
<b>EXPENSES</b>										
Salaries, wages, and benefits	763,910	278,885	157,857	1,006,699	1,733,592	488,065	131,313	1,578,426	63,925	6,202,672
Contracted and general services	283,679	278,463	38,451	1,268,094	296,306	120,948	-	148,903	61,709	2,496,553
Materials, goods, and utilities	73,702	376,679	13,183	595,256	810,477	124,017	-	101,421	80,678	2,175,413
Amortization	23,058	843,654	-	544,305	359,970	149,372	10,000	96,904	42,933	2,070,196
Interest on long-term debt	-	21,551	-	207,680	8,652	29,550	-	-	-	267,433
Transfers to individuals and organizations	-	-	-	2,875	3,900	66,355	-	15,838	2,855	91,823
Transfers to local boards and agencies	-	-	-	-	-	-	87,507	4,096	-	91,603
Bank charges and short-term interest	7,748	-	-	-	7,458	-	-	4,882	-	20,088
Provision for allowances	-	942	-	172	-	-	-	3,479	-	4,593
	<u>1,152,097</u>	<u>1,800,174</u>	<u>209,491</u>	<u>3,625,081</u>	<u>3,220,355</u>	<u>978,307</u>	<u>228,820</u>	<u>1,953,949</u>	<u>252,100</u>	<u>13,420,374</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ 5,505,604</u>	<u>\$ (1,079,215)</u>	<u>\$ (195,453)</u>	<u>\$ 8,564</u>	<u>\$ (1,806,894)</u>	<u>\$ (460,851)</u>	<u>\$ 11,081</u>	<u>\$ (508,476)</u>	<u>\$ (167,102)</u>	<u>\$ 1,307,258</u>

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

**MUNICIPALITY OF JASPER**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**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>2015</u>	<u>2014</u>
<b>COST:</b>									
Balance, Beginning of Year	\$ 403,759	\$ 4,192,187	\$31,101,921	\$ 41,710,542	\$ 4,599,783	\$ 2,535,488	\$ -	<b>\$ 84,543,680</b>	\$ 83,047,653
Additions	-	33,776	379,969	424,526	704,548	507,539	-	<b>2,050,358</b>	2,055,148
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(559,121)</u>
Balance, End of Year	<u>403,759</u>	<u>4,225,963</u>	<u>31,481,890</u>	<u>42,135,068</u>	<u>5,304,331</u>	<u>3,043,027</u>	<u>-</u>	<b><u>86,594,038</u></b>	<u>84,543,680</u>
<b>ACCUMULATED AMORTIZATION:</b>									
Balance, Beginning of Year	-	2,227,791	8,046,420	12,186,286	2,433,308	1,435,446	-	<b>26,329,251</b>	24,817,664
Amortization expense	-	181,223	488,293	1,010,025	325,520	145,112	-	<b>2,150,173</b>	2,070,196
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286)</u>	<u>(558,609)</u>
Balance, End of Year	<u>-</u>	<u>2,409,014</u>	<u>8,534,713</u>	<u>13,196,025</u>	<u>2,758,828</u>	<u>1,580,558</u>	<u>-</u>	<b><u>28,479,138</u></b>	<u>26,329,251</u>
<b>2015 NET BOOK VALUE</b>	<b><u>\$ 403,759</u></b>	<b><u>\$ 1,816,949</u></b>	<b><u>\$22,947,177</u></b>	<b><u>\$ 28,939,043</u></b>	<b><u>\$ 2,545,503</u></b>	<b><u>\$ 1,462,469</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 58,114,900</u></b>	<b><u>\$ -</u></b>
<b>2014 NET BOOK VALUE</b>	<b><u>\$ 403,759</u></b>	<b><u>\$ 1,964,397</u></b>	<b><u>\$23,055,500</u></b>	<b><u>\$ 29,524,256</u></b>	<b><u>\$ 2,166,475</u></b>	<b><u>\$ 1,100,042</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 58,214,429</u></b>

## MUNICIPALITY OF JASPER

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

#### 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 generally accepted accounting principles for local governments established by the Public Sector Accounting Boards ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). Significant aspects of the accounting policies adopted by the Municipality are as follows:

##### (a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses, 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 Municipality is also a member of various other boards and commissions that are not included in the government reporting entity including the Municipality's proportionate share of the West Yellowhead Regional Waste Management Authority (25%).

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

The 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.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues are reliably measured and reasonably estimated. 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 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 fees are collected for which the related services have yet to be performed. Revenues are recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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

(CONT'D)

## MUNICIPALITY OF JASPER

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (c) Use of estimates

The preparation of 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 financial statements, and the reported amounts of revenue and expenditures during the period. Where management uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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

##### (d) Tax Revenue

Property tax revenue is based on market value 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.

##### (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.

(CONT'D)

MUNICIPALITY OF JASPER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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.

*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 - 20
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.

*Land Leases*

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

*Inventory*

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

(CONT'D)



**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) 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.

**(h) Pension Expenses**

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

**2. CASH AND RESTRICTED CASH**

	<u>2015</u>	<u>2014</u>
Cash	\$ <b>9,340,052</b>	\$ 7,902,160
Restricted cash	<u>(139,031)</u>	<u>(137,456)</u>
	<b>\$ <u>9,201,021</u></b>	<b>\$ <u>7,764,704</u></b>

Included in cash is a restricted amount of \$139,031 (2014 - \$137,456) to be administered for scholarship trusts.

The Municipality has a revolving demand credit facility of \$800,000 with an additional \$75,000 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, 2015 (2014 - \$NIL) and is unsecured.

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES**

	<u>2015</u>	<u>2014</u>
Current taxes and grants in place of taxes	\$ <b>116,940</b>	\$ 107,083
Arrears taxes	<u>32,649</u>	<u>28,556</u>
	<b>\$ <u>149,589</u></b>	<b>\$ <u>135,639</u></b>

(CONT'D)

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**4. DEPOSIT**

The Municipality has \$295,000 (2014 - \$275,000) on deposit with Parks Canada. These are compliance deposits related to the construction of the Library and Culture Centre and the Zamboni building. The deposits will be refunded pending successful completion of construction.

**5. TRADE AND OTHER RECEIVABLES**

	<u>2015</u>	<u>2014</u>
Trade accounts receivable	\$ 1,084,265	\$ 659,513
Receivables from governments	102,547	273,682
Goods and Services Tax recoverable	<u>101,361</u>	<u>113,262</u>
	<u>\$ 1,288,173</u>	<u>\$ 1,161,405</u>

**6. EMPLOYEE BENEFITS OBLIGATION**

	<u>2015</u>	<u>2014</u>
Vacation	\$ 61,875	\$ 62,249
Overtime	<u>244,839</u>	<u>195,607</u>
	<u>\$ 306,714</u>	<u>\$ 257,856</u>

Employee benefits obligation is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The Municipality does not provide post-employment benefits to employees.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2015</u>	<u>2014</u>
Trade and other accounts payable	\$ 1,104,100	\$ 1,006,759
Holdbacks payable	833,689	1,058,379
Accrued salaries and wages	107,079	87,165
Accrued interest on long-term debt	<u>55,183</u>	<u>64,415</u>
	<u>\$ 2,100,051</u>	<u>\$ 2,216,718</u>

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**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>2014</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2015</u>
<b>Operating</b>				
Municipal Sustainability Initiative Grant	\$ 37,060	\$ 60,998	\$ 63,602	\$ <b>34,456</b>
Requisition over-levy	60,952	169,553	60,952	<b>169,553</b>
Day Care Space Creation Grant	8,653	-	-	<b>8,653</b>
Municipal Information Mapping Grant	<u>2,385</u>	<u>-</u>	<u>-</u>	<u><b>2,385</b></u>
	<u>109,050</u>	<u>230,551</u>	<u>124,554</u>	<u><b>215,047</b></u>
<b>Capital</b>				
Municipal Sustainability Initiative Grant	964,709	1,577,435	764,463	<b>1,777,681</b>
Basic Municipal Transportation Grant	<u>228,074</u>	<u>-</u>	<u>-</u>	<u><b>228,074</b></u>
	<u>1,192,783</u>	<u>1,577,435</u>	<u>764,463</u>	<u><b>2,005,755</b></u>
Other deferred revenue	<u>413,527</u>	<u>138,314</u>	<u>102,380</u>	<u>449,461</u>
	<u>\$ 1,715,360</u>	<u>\$ 1,946,300</u>	<u>\$ 991,397</u>	<u>\$ <b>2,670,263</b></u>

The Basic Municipal Transportation Grant and Municipal Sustainability Initiative Grant are multi-year grant programs that remit funding annually, but allow funding to be applied to projects over a five year period.

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**9. LONG-TERM DEBT**

	<u>2015</u>	<u>2014</u>
Debenture debt held by Alberta Capital Finance Authority, repayable in annual installments of \$163,397 including interest at 5.875%; due July 2017; issued to finance the Emergency Building.	\$ 300,098	\$ 437,776
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$46,682 including interest at 4.654%; due December 2019; issued to finance the Public Works Building.	337,202	412,244
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$104,926 including interest at 4.795%; due March 2024; issued to finance the Waste Water Treatment Plant.	1,450,945	1,586,337
Debenture debt held by Alberta Capital Finance Authority, repayable in annual installments of \$338,197 including interest at 5.625%; due October 2022; issued to finance the Waste Water Treatment Plant.	1,913,371	2,131,662
Debenture debt held by Alberta Capital Finance Authority, repayable in semi-annual installments of \$106,829 including interest at 2.439%; repaid December 2015; issued to finance the Jasper Activity Centre renovation.	<u>          -</u>	<u>  209,812</u>
	<u>\$ 4,001,616</u>	<u>\$ 4,777,831</u>

The current portion of the long-term debt amounts to \$ 596,874 (2014 - \$776,215).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 596,874	\$ 207,939	\$ 804,813
2017	628,996	175,818	804,814
2018	499,460	141,954	641,414
2019	525,559	115,856	641,415
2020	458,580	89,470	548,050
Thereafter	<u>1,292,147</u>	<u>118,731</u>	<u>1,410,878</u>
	<u>\$ 4,001,616</u>	<u>\$ 849,768</u>	<u>\$ 4,851,384</u>

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

Interest on long-term debt paid amounted to \$233,022 (2014 - \$267,433)

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**10. INVENTORY FOR CONSUMPTION**

	<u>2015</u>	<u>2014</u>
Gravel	\$ <u>42,589</u>	\$ <u>47,638</u>
	<u>\$ 42,589</u>	<u>\$ 47,638</u>

**11. 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 be disclosed as follows:

	<u>2015</u>	<u>2014</u>
Total debt limit	\$ <b>21,231,768</b>	\$ 19,988,621
Total debt	<u>(4,001,616)</u>	<u>(8,377,831)</u>
Amount of debt limit unused	<u>\$ 17,230,152</u>	<u>\$ 11,610,790</u>
Service on debt limit	\$ <b>3,538,628</b>	\$ 3,331,437
Service on debt	<u>(804,813)</u>	<u>(1,018,470)</u>
Amount of service on debt limit unused	<u>\$ 2,733,815</u>	<u>\$ 2,312,967</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 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 financial statements must be interpreted as a whole.

In 2014, the Municipality provided a short term loan guarantee to the Caribou Creek Housing Corporation project lender to a maximum of \$3.6 million for the development of sixty-four housing units. This amount has been included in the debt limit calculation above for 2014. The loan guarantee was released by the funder in 2016.

**12. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2015</u>	<u>2014</u>
Net book value of tangible capital assets	\$ <b>58,114,900</b>	\$ 58,214,429
Debt recoverable - local improvements	<b>73,225</b>	114,498
Long-term debt related to tangible capital assets	<u>(4,001,616)</u>	<u>(4,777,831)</u>
	<u>\$ 54,186,509</u>	<u>\$ 53,551,096</u>

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**13. ACCUMULATED SURPLUS**

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

	<u>2015</u>	<u>2014</u>
Unrestricted surplus	<b>\$ <u>2,023,006</u></b>	<b>\$ <u>1,801,760</u></b>
Restricted surplus		
General operations	1,281,359	1,148,602
Recreation	300,791	222,521
Fire	575,704	573,235
Utilities	760,538	705,723
Environmental	533,407	483,943
Parking Authority	197,785	299,108
Public housing	172,935	146,543
Library construction fund	30,244	30,244
Public Health	<u>32,996</u>	<u>15,000</u>
	<b><u>3,885,759</u></b>	<b><u>3,624,919</u></b>
Equity in tangible capital assets	<b><u>54,186,509</u></b>	<b><u>53,551,096</u></b>
	<b><u>\$60,095,274</u></b>	<b><u>\$58,977,775</u></b>

**14. CONTINGENCIES**

- a) The Municipality is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). 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 MUNIX. 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 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.

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**15. LOCAL AUTHORITIES PENSION PLAN**

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

The Municipality is required to make current service contributions to the LAPP consisting of 11.39% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 15.84% of the excess.

Total current service contributions made by the Municipality to the LAPP in 2014 were \$290,443 (2014 - \$297,646). Total current service contributions made by the employees of the County to the LAPP in 2014 were \$316,189 (2014 - \$273,271).

At December 31, 2014 the LAPP disclosed an actuarial deficiency of \$2.4 billion.

**16. SALARY AND BENEFITS DISCLOSURE**

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

	<u>Salary</u>	<u>Honorarium</u>	<u>Benefits</u>	<u>Total 2015</u>	<u>Total 2014</u>
Mayor Ireland	\$ 30,972	\$ 10,462	\$ 4,906	\$ <b>46,340</b>	\$ 41,659
Councillor Damota	11,844	1,634	3,929	<b>17,407</b>	16,694
Councillor Wall	11,844	6,762	4,013	<b>22,619</b>	19,572
Councillor Wacko	11,844	4,394	4,074	<b>20,312</b>	21,745
Councillor Arsenault	11,844	4,198	4,408	<b>20,450</b>	18,282
Councillor Kelleher-Empey	11,844	6,226	4,134	<b>22,204</b>	20,266
Councillor Nesbitt	11,844	719	3,953	<b>16,516</b>	16,999
	<u>\$ 102,036</u>	<u>\$ 34,395</u>	<u>\$ 29,417</u>	<u>\$ <b>165,848</b></u>	<u>\$ 155,217</u>
Chief Administrative Officer	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 30,098</u>	<u>\$ <b>180,098</b></u>	<u>\$ 189,708</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.

**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**17. SEGMENTED INFORMATION**

The Municipality provides a range of services to its ratepayers. For each reported segment, revenues 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 consolidated financial statements as disclosed in Note 1. Refer to the Schedule of Segmented Disclosure (Schedule 4).

**18. BUDGET DATA**

The budget presented in these financial statements is based on the 2015 operating budget approved by Council on January 6, 2015. 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.

	<b><u>Budget 2015</u></b>	<b><u>Actual 2015</u></b>	<b><u>Actual 2014</u></b>
Excess of Revenue over Expenses, per financial statements	\$ <u>4,379,462</u>	\$ <u>1,117,499</u>	\$ <u>1,307,258</u>
Add back:			
Amortization expense	-	2,150,173	2,070,196
Net transfers (to) from reserves	<u>-</u>	<u>(260,840)</u>	<u>(829,166)</u>
	<u>-</u>	<u>1,889,333</u>	<u>1,241,030</u>
Deduct:			
Long term debt repaid	-	776,216	742,286
Purchases of tangible capital assets	<u>-</u>	<u>2,050,358</u>	<u>2,055,148</u>
	<u>-</u>	<u>3,947,086</u>	<u>4,186,647</u>
Results of Operations as Budgeted	\$ <u>4,379,462</u>	\$ <u>(940,254)</u>	\$ <u>(1,638,359)</u>



**MUNICIPALITY OF JASPER**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**19. FINANCIAL INSTRUMENTS**

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

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

**20. COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform to the current year's presentation.

**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these consolidated financial statements on April 19, 2016.