

**Municipality of Jasper
Financial Statements**

December 31, 2009





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.

April 9, 2010

Manager



MEYERS NORRIS PENNY LLP

Auditor's 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, 2009 and the consolidated statements of operations, change in net financial assets, and cash flows, and schedules I through IV 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, 2009, 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

April 9, 2010
Leduc, Alberta

Chartered Accountants



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Municipality of Jasper
Consolidated Statement of Financial Position


As at December 31, 2009

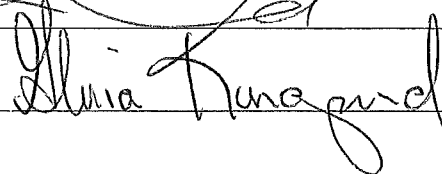
	2009	<i>2008</i> <i>Restated</i>
Financial assets		
Cash and equivalents <i>(Note 2)</i>	5,177,207	5,223,276
Taxes and grants in lieu of taxes receivable <i>(Note 3)</i>	47,776	106,900
Trade and other accounts receivable	6,975,919	3,197,070
Tax under-levies <i>(Note 4)</i>	-	8,210
Other financial assets	130,441	135,088
	12,331,343	8,670,544
Liabilities		
Accounts payable and accrued liabilities	1,776,013	1,719,881
Deposits	11,998	15,798
Tax over-levies <i>(Note 4)</i>	17,495	-
Deferred revenue <i>(Note 5)</i>	354,242	77,284
Obligations under capital lease <i>(Note 6)</i>	-	16,121
Long-term debt <i>(Note 7)</i>	7,002,485	7,437,241
	9,162,233	9,266,325
Net financial assets (debt)	3,169,110	(595,781)
Non-financial assets		
Tangible capital assets <i>(Schedule 1)</i>	44,577,337	42,968,244
Prepaid expenses	258,033	260,063
	44,835,370	43,228,307
Accumulated surplus <i>(Note 9)</i>	48,004,480	42,632,526

Contingencies *(Note 12)*

Commitments *(Note 13)*

Approved on behalf of Council:


 _____ Mayor


 _____ Councilor

The accompanying notes are an integral part of these financial statements

Municipality of Jasper
Consolidated Statement of Operations

For the year ended December 31, 2009

	2009 Budget	2009	2008 Restated
Revenue			
Net municipal property taxes (<i>Schedule II</i>)	4,949,165	5,054,340	4,942,684
Sales, user charges and costs recovered	3,601,949	3,765,742	3,587,599
Other (<i>Note 15</i>)	1,802,114	1,368,585	1,476,514
Government transfers (<i>Schedule III</i>)	1,135,017	3,120,841	1,280,819
	11,488,245	13,309,508	11,287,616
Expenses			
Parks and recreation	2,439,033	2,863,981	2,558,048
Utilities	2,295,175	2,656,249	2,602,330
Planning and development	247,989	2,174,712	159,657
Public health and welfare	1,633,673	1,586,190	1,610,816
Roads, streets and equipment	994,055	1,419,220	1,172,972
Administration	1,371,442	1,158,790	1,277,334
Protective services	867,376	994,045	1,008,158
Legislative	311,748	245,596	275,232
Library and culture	179,473	190,509	207,421
	10,339,964	13,289,292	10,871,968
Excess (deficiency) of revenue before other	1,148,281	20,216	415,648
Other			
Government transfers for capital (<i>Schedule III</i>)	7,852,300	5,305,027	3,595,813
Other (<i>Note 15</i>)	-	46,711	151,284
	7,852,300	5,351,738	3,747,097
Excess of revenue over expenses	9,000,581	5,371,954	4,162,745
Accumulated surplus, beginning, as previously stated	45,224,972	45,224,972	38,684,358
Prior period adjustments (<i>Note 21</i>)	(2,592,446)	(2,592,446)	(214,577)
Accumulated surplus, beginning, as restated	42,632,526	42,632,526	38,469,781
Accumulated surplus, end of year	51,633,107	48,004,480	42,632,526

The accompanying notes are an integral part of these financial statements

Municipality of Jasper
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2009

	<i>2009 Budget</i>	<i>2009</i>	<i>2008 Restated</i>
Excess of revenue over expenses	9,000,581	5,371,954	4,162,745
Acquisition of tangible capital assets	(10,751,800)	(3,240,468)	(5,461,688)
Amortization of tangible capital assets	-	1,631,375	1,470,795
	(10,751,800)	(1,609,093)	(3,990,893)
Acquisition of prepaid assets	-	2,030	(23,841)
Increase (decrease) in net financial assets	(1,751,219)	3,764,891	148,011
Net debt, beginning of year	(595,781)	(595,781)	(743,792)
Net financial assets (debt), end of year	(2,347,000)	3,169,110	(595,781)

The accompanying notes are an integral part of these financial statements



Municipality of Jasper
Consolidated Statement of Cash Flows

For the year ended December 31, 2009

	2009	<i>2008</i> <i>Restated</i>
Cash provided by (used for) the following activities:		
Operating		
Excess of revenue over expenses	5,371,954	4,162,745
Non-cash items:		
Amortization of tangible capital assets	1,631,375	1,470,795
Net change in non-cash operating working capital balances:		
Increase (decrease) in deferred revenue	276,958	(30,817)
Decrease (increase) in prepaid expenses	2,029	(23,840)
Increase in accounts payable and accrued liabilities	56,132	68,393
Decrease (increase) in trade and other accounts receivable	(3,778,848)	2,031,832
Decrease (increase) in tax receivables	59,124	(9,701)
Increase (decrease) in tax over-levies	25,705	(221,254)
Increase in deposit liabilities	(3,800)	(357,825)
Decrease (increase) in other financial assets	4,646	(6,332)
	3,645,275	7,083,996
Capital		
Acquisition of tangible capital assets	(3,240,468)	(5,461,688)
Financing		
Repayment of long-term debt	(434,756)	(412,864)
Repayment of capital lease obligations	(16,120)	(31,467)
	(450,876)	(444,331)
Increase (decrease) in cash and equivalents	(46,069)	1,177,977
Cash and equivalents, beginning of year	5,223,276	4,045,299
Cash and equivalents, end of year	5,177,207	5,223,276

The accompanying notes are an integral part of these financial statements

Municipality of Jasper
Schedule I - Schedule of Tangible Capital Assets
For the year ended December 31, 2009

	Land	Land Improvements	Land	Buildings	Engineered structures	Machinery & equipment	Vehicles	2009	2008 Restated
Cost:									
Balance, beginning of year	403,760	3,502,765	15,401,497	34,893,697	2,764,082	1,935,144	58,900,945	53,439,257	
Acquisition of tangible capital assets	-	148,779	959,692	553,307	211,893	49,731	1,923,402	5,386,383	
Construction-in-progress	-	-	434,494	882,572	-	-	1,317,066	75,305	
Balance, end of year	403,760	3,651,544	16,795,683	36,329,576	2,975,975	1,984,875	62,141,413	58,900,945	
Accumulated amortization:									
Balance, beginning of year	-	1,190,382	6,185,566	6,684,724	1,120,689	751,340	15,932,701	14,461,906	
Annual amortization	-	159,556	335,368	838,432	200,170	97,849	1,631,375	1,470,795	
Balance, end of year	-	1,349,938	6,520,934	7,523,156	1,320,859	849,189	17,564,076	15,932,701	
Net book value	403,760	2,301,606	10,274,749	28,806,420	1,655,116	1,135,686	44,577,337	42,968,244	

The accompanying notes are an integral part of these financial statements



Municipality of Jasper
Schedule II - Schedule of Property Taxes Levied

For the year ended December 31, 2009

	2009 Budget	2009	2008 Restated
Taxation			
Real property taxes	7,912,260	8,124,130	8,003,093
Government grants in lieu of property taxes	550,000	453,109	502,541
Linear property taxes	380,000	398,790	286,698
To reserve for over/under tax levy	-	(25,704)	10,480
	8,842,260	8,950,325	8,802,812
Requisitions			
Alberta School Foundation Fund	3,200,000	3,028,369	3,211,273
Land rent to Parks Canada	399,900	381,204	374,604
Planning services to Parks Canada	172,195	171,266	166,372
Evergreens Foundation	121,000	315,146	107,879
	3,893,095	3,895,985	3,860,128
Net municipal property taxes	4,949,165	5,054,340	4,942,684

The accompanying notes are an integral part of these financial statements

Municipality of Jasper
Schedule III - Consolidated Schedule of Government Transfers

For the year ended December 31, 2009

	<i>2009 Budget</i>	<i>2009</i>	<i>2008 Restated</i>
Operating			
Provincial	767,887	2,691,341	953,996
Federal	367,130	429,500	326,823
	1,135,017	3,120,841	1,280,819
Capital			
Provincial	7,647,300	3,804,207	3,420,813
Federal	205,000	1,500,820	175,000
	7,852,300	5,305,027	3,595,813
Total government transfers	8,987,317	8,425,868	4,876,632

The accompanying notes are an integral part of these financial statements

Municipality of Jasper
Schedule IV - Consolidated Schedule of Expenses by Object

For the year ended December 31, 2009

	<i>2009 Budget</i>	<i>2009</i>	<i>2008 Restated</i>
Consolidated expenses by object			
Salaries, wages and benefits	5,428,347	5,227,764	4,590,828
Transfers to individuals and organizations	30,500	1,940,720	103,215
Contracted and general services	2,098,211	1,903,396	1,932,658
Materials, goods and utilities	2,052,722	1,881,200	1,945,585
Amortization of tangible capital assets	-	1,631,375	1,470,795
Interest on long-term debt	408,308	390,069	406,862
Transfers to local boards and agencies	314,426	191,635	276,187
Other	-	106,974	133,897
Bank charges and short-term interest	7,450	16,159	11,941
	10,339,964	13,289,292	10,871,968

The accompanying notes are an integral part of these financial statements

1. Significant accounting policies

The consolidated financial statements of the Municipality of Jasper (the "Municipality") are the representations of management prepared in accordance with 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 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. Interdepartmental and organizational transactions and balances are eliminated.

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.

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.

Use of estimates

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

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.

1. Significant Accounting Policies *(continued from previous page)*

Non-financial assets

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the 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	10 - 25 years
Buildings	25 - 50 years
Engineered structures:	
Roads	10 - 40 years
Water system	45 - 75 years
Wastewater system	45 - 75 years
Storm system	45 - 75 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. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and historical tangible capital assets

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

vi. 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 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.

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

1. Significant Accounting Policies *(continued from previous page)*

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.

2. Cash and equivalents

Cash and equivalents consists of the following:

	2009	2008
Cash on hand and deposits	5,288,474	5,336,108
Trust funds <i>(Note 18)</i>	(111,267)	(112,832)
	5,177,207	5,223,276

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, 2009.

3. Taxes and grants in lieu of taxes receivable

	2009	2008
Current taxes	37,132	92,445
Arrears taxes	10,644	14,455
	47,776	106,900

4. Tax under-levies and over-levies

	2009	2008
Education tax under (over) levy	13,324	(9,520)
Current year adjustments	(7,716)	22,844
	5,608	13,324
Evergreen under (over) levy	(5,114)	(203,524)
Capital requisition	(8,434)	210,844
Current year adjustments	(9,555)	(12,434)
	(23,103)	(5,114)
	(17,495)	8,210

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

5. Deferred revenue

	2009	<i>2008</i> <i>Restated</i>
FRIAA FireSmart grant	297,000	-
Recreation	19,806	10,015
Grounds maintenance contract	14,405	13,065
FCSS	8,237	16,245
Daycare	7,675	11,927
Trans Mountain planning	4,013	-
Supernet POP site	2,000	2,000
Hakone student exchange	1,106	-
Prepayment of business licences	-	24,032
	354,242	<i>77,284</i>

6. Obligations under capital lease

	2009	<i>2008</i>
Total long-term capital leases (tax-supported debt)	-	16,121
Less: principal portions due within one year	-	(16,121)
	-	-
Long-term portion	-	-

Capital lease interest payments are recorded as expenses in the consolidated statement of operations. Principal repayments on obligations under capital lease are recorded as a reduction in the obligation.

7. Long-term debt

	2009	<i>2008</i>
Tax-supported debentures	1,766,934	1,942,604
Self-supported debentures	5,235,551	5,494,637
	7,002,485	<i>7,437,241</i>

Payments of interest and principal are due as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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
2014	537,498	267,314	804,812
To maturity	4,568,019	1,088,177	5,656,196
	7,002,485	2,685,228	9,687,713

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 2010 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 \$391,043 (2008 - \$412,114).

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

8. 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:

	2009	2008
Total debt limit	20,034,329	17,116,545
Total debt	7,002,485	7,453,362
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Amount of debt limit unused	13,031,844	9,663,183
<hr/>		
Service on debt limit	3,339,055	2,852,758
Service on debt	808,460	842,051
<hr/>		
Amount of debt servicing limit unused	2,530,595	2,010,707

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.

During the year, the Municipality passed a bylaw authorizing the borrowing of \$1 million for the renovation of the Jasper Activity and Aquatics Centres. At year-end, the debenture had not been applied for, so the \$1 million has not been included in the debt limit calculations above.

9. Accumulated surplus

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

	2009	2008 <i>Restated</i>
Unrestricted surplus (deficit)	2,176,495	2,155,970
Restricted surplus:		
Operating	1,484,643	1,550,719
Capital	6,768,490	3,410,955
Equity in tangible capital assets	37,574,852	35,514,882
<hr/>		
	48,004,480	42,632,526

10. Equity in tangible capital assets

	2009	2008 <i>Restated</i>
Tangible capital assets (<i>Schedule I</i>)	62,141,413	58,900,945
Accumulated amortization (<i>Schedule I</i>)	(17,564,076)	(15,932,701)
Obligations under capital lease (<i>Note 6</i>)	-	(16,121)
Long-term debt (<i>Note 7</i>)	(7,002,485)	(7,437,241)
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	37,574,852	35,514,882

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

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:

	<i>Salary</i>	<i>Benefits & allowances</i>	<i>2009</i>	<i>2008</i>
Mayor Ireland	32,037	4,741	36,778	37,920
Councilor Zinck	21,747	4,400	26,147	26,749
Councilor Melnyk	18,297	4,285	22,582	20,545
Councilor Skehill	21,037	524	21,561	20,347
Councilor Day	15,732	4,200	19,932	22,515
Councilor Damota	17,287	400	17,687	18,334
Councilor Kongsrud	13,012	3,847	16,859	18,994
Municipal Manager	104,731	7,672	112,403	108,015

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.

12. 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.

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.

13. Commitments

The Municipality has entered into the following multiple year contracts:

i. Accurate Assessment Group

2010	\$ 57,240
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Agreement for property tax assessment services was renewed on a variable rate for a five year term ending 2015.

ii. Constellation NewEnergy Canada Inc.

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

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

13. Commitments *(continued from previous page)*

iii. Nexen Inc.

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

iv. Jasper Volunteer Fire Brigade Society

2010	\$ 53,732
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In addition, to provide materials and funding for training up to \$25,000 annually.

v. 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 2009 expense for land rent and planning services was \$552,470.

vi. MFA-BC Lease Management System

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

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

vii. IOS Financial Services

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

2010	\$ 6,184
2011	6,184
2012	6,184
2013	6,184
2014	1,542

In addition, the Municipality has committed to renovating the Jasper Activity and Aquatics Centre, and has passed a bylaw authorizing the borrowing of \$1 million for this purpose. Additional funds will come from grants. At year-end, this debenture has not been flowed, and the Municipality expects to apply for release of the funds in September 2010.

14. Budget figures

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

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

15. Other revenue

	<i>2009 Budget</i>	<i>2009</i>	<i>2008 Restated</i>
Operating			
Rentals	440,933	501,954	402,444
Other	801,560	356,749	429,185
Franchise and concession contracts	300,000	315,238	300,659
Sales to other governments	57,621	57,923	52,034
Fines	49,500	52,937	36,755
Interest income	100,000	40,538	205,247
Penalties and interest on taxes	27,500	32,771	32,536
Contributions to Parking Authority	25,000	10,475	17,654
	1,802,114	1,368,585	1,476,514
Capital			
Cost recoveries	-	5,711	125,080
Other	-	41,000	26,204
	-	46,711	151,284
	1,802,114	1,415,296	1,627,798

16. 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, 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, other than long-term debt, approximates their fair value due to their short-term maturities. The fair value of the Municipality's long-term debt is not determinable, as there is no market to trade these items.

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 fulfil their expectations. The large number and diversity of taxpayers minimizes the credit risk.

17. 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 133,000 employees of approximately 389 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 8.46% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.66% of the excess. Employees of the Municipality are required to make current service contributions of 7.46% of pensionable salary up to the year's maximum pensionable salary and 10.66% on pensionable salary above this amount.

Total current service contributions by the Municipality to the LAPP in 2009 were \$191,472 (2008 - \$165,918). Total current service contributions by the employees of the Municipality to the LAPP in 2008 were \$170,404 (2008 - \$145,931).

At December 31, 2008, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial deficiency of \$1,288.9 million.

Municipality of Jasper
Notes to the Financial Statements

For the year ended December 31, 2009

18. Trust funds

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

	2009	2008
<i>Scholarships:</i>		
Balance, beginning of the year	112,832	119,043
Deduct - scholarships awarded	(8,336)	(12,125)
Add - income from investments	5,038	4,405
Add - contributions	1,733	1,509
	<hr/>	<hr/>
Balance, end of the year	111,267	112,832

19. Segments

During 2009, the Municipality has reportable segments in the form of departments as listed on the consolidated statement of operations. These segments are differentiated by service lines and accountability and control relationships. Inter-segment transfers are recorded at transaction prices, which approximate market value.

20. Subsequent event

Subsequent to year-end, the Municipality agreed to provide a short-term loan guarantee to the Caribou Creek Housing Corporation for development of restricted gain housing. The guarantee is for 15% of the total cost of the project, to a maximum of \$2 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 Caribou Creek Housing Corporation. The Municipality would be required to perform under the guarantee if it became apparent that the Caribou Creek Housing Corporation was unable to make payments on its debt; it is administration's opinion that the Corporation will be able to make payments. As this loan guarantee was not in effect until after year-end, it is not included in the calculation of the Municipality's debt limits as at December 31, 2009.

21. Changes in accounting policy

Effective January 1, 2009, the Public Sector Accounting Board of Canada ("PSAB") determined that local governments will follow the same accounting rules as senior levels of government, creating a single government reporting model; there had previously been separate reporting requirements for local governments. The significant changes to the Municipality of Jasper are the adoption of PS 1200, *Financial Statement Presentation*, PS 3150, *Tangible Capital Assets*, and PS 3410, *Government Transfers*.

Financial Statement Presentation

As a result of the adoption of this accounting policy, the format of financial statements has changed, with a statement of financial position and a new statement of changes in net financial assets. In the past, municipal position was presented in components of the operating fund, capital fund, reserves, and equity in capital assets. Municipalities no longer use fund accounting, and the components of accumulated surplus are no longer allowed to be displayed on the face of the statement of financial position.

21. Changes in accounting policy *(continued from previous page)*

Tangible Capital Assets

As a result of the adoption of this accounting policy, tangible capital assets must be capitalized and amortized. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. For the year ended December 31, 2008, the change resulted in a decrease in tangible capital assets and accumulated surplus in the amount of \$5,518,979. The 2008 expenses also increased by \$1,470,795 due to amortization expense. The 2008 opening accumulated surplus was reduced by \$4,048,182 as a result of this change.

Government Transfers

As a result of the adoption of this accounting policy, government transfers must be recognized as revenue when the Municipality is eligible to receive the funds. For the year ended December 31, 2008, this change resulted in an increase in trade and other receivables in the amount of \$978,976, a decrease in deferred revenue in the amount of \$1,947,557, and a decrease in government transfers revenue in the amount of \$907,075. The 2008 opening accumulated surplus was increased by \$3,833,605.

The cumulative effect of these changes is a decrease in 2008 opening accumulated surplus in the amount of \$214,577. These changes in accounting policy have been applied retrospectively with restatement of prior years.