

Consolidated Financial Statements of the

**TOWN OF BANFF**

Year Ended December 31, 2020

## MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Banff (the "Town") are the responsibility of management and have been approved by the Town's Council. The consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada, using management's best estimates and judgments, where appropriate. In the opinion of management, these consolidated financial statements reflect fairly the consolidated financial position, the results of its consolidated financial activities and changes in consolidated financial position of the Town within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. Council carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These consolidated financial statements have been audited, in accordance with Canadian public sector accounting standards, by KPMG LLP ("KPMG"), who were appointed by Council. KPMG have full and unrestricted access to management and Council to discuss their audit and related findings. The Independent Auditors' Report outlining the scope of their examination and their opinion on the consolidated financial statements is presented on the following page.

  
Chris Hughes, CPA, CGA      Director, Corporate Services

  
Kelly Gibson, CPA, CMA      Town Manager

April 26, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Members of Council of The Town of Banff

### ***Opinion***

We have audited the consolidated financial statements of The Town of Banff (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in net financial assets (debt) for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated cash flows, and its consolidated changes in net financial assets (debt) for the year then ended in accordance with Canadian public sector accounting standards.



### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 26, 2021

# Town of Banff

December 31, 2020

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# Consolidated Statement of Financial Position

December 31, 2020 with comparative information for 2019

|   |            | 2020                  | 2019                  |
|---|------------|-----------------------|-----------------------|
| <b>Financial Assets</b>                       |            |                       |                       |
| Cash  | Note 3     | \$ 33,437,021         | \$ 7,660,399          |
| Short-term investments                        | Note 3     | 4,550,474             | 7,400,070             |
| Taxes and grants in place of taxes receivable | Note 4     | 106,606               | 111,847               |
| Trade and other receivables                   | Note 5     | 9,488,134             | 8,981,912             |
| Second mortgages receivable                   | Note 6     | 958,000               | 989,500               |
| Long-term investments                         |            | 16,119                | 16,119                |
| Due from related organizations                | Note 9     | 100                   | 100                   |
|   |            | <b>48,556,454</b>     | <b>25,159,947</b>     |
| <b>Financial Liabilities</b>                  |            |                       |                       |
| Bank indebtedness                             | Note 10    | 595,833               | 621,833               |
| Accounts payable and accrued liabilities      |            | 8,932,548             | 3,449,094             |
| Deposits                                      |            | 1,679,565             | 1,406,600             |
| Deferred revenue                              | Note 8     | 1,825,004             | 1,653,414             |
| Endowment fund                                |            | 16,119                | 16,119                |
| Long-term debt                                | Note 11    | 34,458,204            | 13,849,355            |
| Asset retirement obligation                   |            | 45,900                | 45,900                |
|   |            | <b>47,553,173</b>     | <b>21,042,315</b>     |
| <b>Net financial assets (debt)</b>            |            | <b>1,003,281</b>      | <b>4,117,632</b>      |
| <b>Non-Financial Assets</b>                   |            |                       |                       |
| Tangible capital assets                       | Schedule 2 | 231,655,633           | 215,959,320           |
| Inventory                                     | Note 7     | 159,498               | 108,342               |
| Prepaid expenses                              |            | 224,824               | 204,710               |
|   |            | <b>232,039,955</b>    | <b>216,272,372</b>    |
| <b>Accumulated surplus</b>                    |            | <b>\$ 233,043,236</b> | <b>\$ 220,390,004</b> |

Commitments, guarantees, and contingencies (notes 10, 13, 18, and 19)

Signed on behalf of Council by:

 , Mayor, Town of Banff

Karen Sorensen

# Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020 with comparative information for 2019

|   | Budget<br>(Note 22)       | 2020                  | 2019                  |
|---|---------------------------|-----------------------|-----------------------|
| <b>Revenue</b>                                | <b>Schedule I &amp; 5</b> |                       |                       |
| General government                            | \$ 19,195,890             | \$ 25,054,724         | \$ 22,805,868         |
| Protective services                           | 1,258,500                 | 2,295,514             | 1,905,637             |
| Transportation services                       | 1,954,042                 | 7,455,821             | 2,846,826             |
| Environmental use and protection              | 11,615,110                | 12,112,539            | 12,348,407            |
| Public health and welfare services            | 1,498,818                 | 1,839,094             | 1,436,156             |
| Planning and development                      | 9,956,399                 | 6,568,355             | 11,297,545            |
| Recreation and culture                        | 2,029,876                 | 647,435               | 2,214,206             |
|   | <b>47,508,635</b>         | <b>55,973,482</b>     | <b>54,854,645</b>     |
| <b>Expenses</b>                               | <b>Schedule I &amp; 5</b> |                       |                       |
| General government                            | 3,781,492                 | 4,515,323             | 4,770,984             |
| Protective services                           | 4,658,268                 | 5,251,771             | 4,708,442             |
| Transportation services                       | 8,793,945                 | 10,670,777            | 10,061,605            |
| Environmental use and protection              | 10,626,606                | 10,000,455            | 10,734,168            |
| Public health and welfare services            | 2,261,265                 | 2,422,749             | 2,318,506             |
| Planning and development                      | 9,707,020                 | 5,996,703             | 9,849,457             |
| Recreation and culture                        | 4,637,270                 | 4,462,472             | 6,098,314             |
|   | <b>44,465,866</b>         | <b>43,320,250</b>     | <b>48,541,476</b>     |
| <b>Excess of revenue over expenses</b>        | <b>3,042,769</b>          | <b>12,653,232</b>     | <b>6,313,169</b>      |
| <b>Accumulated surplus, beginning of year</b> | <b>220,390,004</b>        | <b>220,390,004</b>    | <b>214,076,835</b>    |
| <b>Accumulated surplus, end of year</b>       | <b>\$ 223,432,773</b>     | <b>\$ 233,043,236</b> | <b>\$ 220,390,004</b> |

Signed on behalf of Council by:

 Mayor, Town of Banff

Karen Sorensen

See accompanying notes to consolidated financial statements.

# Consolidated Statement of Cash Flows

Year ended December 31, 2020 with comparative information for 2019

|  |                | 2020                 | 2019                |
|--|----------------|----------------------|---------------------|
| Cash provided by (used in):  |                |                      |                     |
| Operating activities:  |                |                      |                     |
| Excess of revenue over expenses                                      | Schedule 1 & 5 | \$ 12,653,232        | \$ 6,313,169        |
| Change in non-cash items:  |                |                      |                     |
| Amortization of tangible capital assets                              | Schedule 2     | 6,318,565            | 6,051,134           |
| Loss (gain) on disposal of tangible capital assets                   | Schedule 1 & 5 | 966,674              | 516,392             |
| Contributed assets   |                | (18,186)             | -                   |
| Decrease (increase) in taxes and grants in place of taxes receivable |                | 5,241                | 61,189              |
| Decrease (increase) in trade and other receivables                   |                | (474,722)            | 352,511             |
| Decrease (increase) in inventory                                     |                | (51,156)             | 651                 |
| Decrease (increase) in prepaid expenses                              |                | (20,114)             | (45,960)            |
| Increase (decrease) in accounts payable and accrued liabilities      |                | 5,483,454            | (246,030)           |
| Increase (decrease) in deposits                                      |                | 272,965              | 894,867             |
| Increase (decrease) in deferred revenue                              |                | 171,590              | 293,701             |
|  |                | <b>25,307,543</b>    | <b>14,191,624</b>   |
| Capital activities:  |                |                      |                     |
| Acquisition of tangible capital assets                               | Schedule 2     | (23,097,255)         | (8,473,310)         |
| Proceeds on disposal of tangible capital assets                      |                | 133,889              | 64,978              |
|  |                | <b>(22,963,366)</b>  | <b>(8,408,332)</b>  |
| Investing activities:  |                |                      |                     |
| Decrease in short-term investments                                   |                | 2,849,596            | 2,807,587           |
|  |                | <b>2,849,596</b>     | <b>2,807,587</b>    |
| Financing activities:  |                |                      |                     |
| Repayment on line of credit  |                | (26,000)             | (28,167)            |
| Long-term debt issued  |                | 22,450,000           | -                   |
| Long-term debt repaid  |                | (1,841,151)          | (2,186,975)         |
|  |                | <b>20,582,849</b>    | <b>(2,215,142)</b>  |
| Net change in cash   |                | <b>25,776,622</b>    | <b>6,375,737</b>    |
| <b>Cash, beginning of year</b>                                       |                | <b>7,660,399</b>     | <b>1,284,662</b>    |
| <b>Cash, end of year</b>   |                | <b>\$ 33,437,021</b> | <b>\$ 7,660,399</b> |

See accompanying notes to consolidated financial statements.

# Consolidated Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2020 with comparative information for 2019

|   | Budget<br>(Note 22) | 2020                | 2019                |
|---|---------------------|---------------------|---------------------|
| Excess of revenue over expenses                 | \$ 3,042,769        | \$ 12,653,232       | \$ 6,313,169        |
| Acquisition of tangible capital assets          | (11,939,226)        | (23,097,255)        | (8,473,310)         |
| Contributed and donated assets                  | -                   | (18,186)            | -                   |
| Proceeds on disposal of tangible capital assets | -                   | 133,889             | 64,978              |
| Amortization of tangible capital assets         | 5,448,111           | 6,318,565           | 6,051,134           |
| Loss (gain) on disposal of tangible asset       | -                   | 966,674             | 516,392             |
| Decrease (increase) in inventory                | -                   | (51,156)            | 651                 |
| Decrease (increase) in prepaid expenses         | -                   | (20,114)            | (45,960)            |
|   | <b>(6,491,115)</b>  | <b>(15,767,583)</b> | <b>(1,886,115)</b>  |
| Increase (decrease) in net financial assets     | <b>(3,448,346)</b>  | <b>(3,114,351)</b>  | <b>4,427,054</b>    |
| <b>Net assets (debt), beginning of year</b>     | <b>4,117,632</b>    | <b>4,117,632</b>    | <b>(309,422)</b>    |
| <b>Net financial assets, end of year</b>        | <b>\$ 669,286</b>   | <b>\$ 1,003,281</b> | <b>\$ 4,117,632</b> |

See accompanying notes to consolidated financial statements.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## **Incorporation:**

The Town of Banff (the "Town") was incorporated pursuant to the Parks Towns Act of Alberta as set out in the Town of Banff Incorporation Agreement ("the Federal-Provincial Agreement") dated December 12, 1989 between the Government of Canada and the Province of Alberta. Except as modified by the Federal-Provincial Agreement, the Town has all the rights, obligations, duties, powers, and functions and is subject to the same limitations and constraints as provided for towns incorporated pursuant to the Municipal Government Act of Alberta. The boundaries of the Town are set pursuant to the National Parks Act and may only be altered by amendment to that Act.

## **I. Significant Accounting Policies**

The consolidated financial statements of the Town of Banff are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by the Town are as follows:

### **I.a. Reporting entity:**

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net debt and change 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 Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources. Included with the municipality are the following:

- Banff Housing Corporation
- Banff Public Library

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

### **I.b. Basis of accounting:**

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

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 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.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## I. Significant Accounting Policies (continued)

### I.c. Cash:

Cash is comprised of cash deposits held with Canadian chartered banking institutions.

### I.d. Deferred revenue:

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 tangible capital assets acquired.

### I.e. Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of revenues and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Significant estimates include the collectability of accounts receivable, the determination of useful lives and the valuation of tangible capital assets, the sufficiency of the liability for contaminated sites and asset retirement obligations. Actual results may differ from those estimates.

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (“COVID-19”) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Alberta, resulting in an economic slowdown. Accordingly, economic uncertainties have arisen which could have a negative impact on the Town’s revenue streams and results of operations.

At the time of approval of these financial statements, the Town has reviewed its financial activities in response to the COVID-19 pandemic. These factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the Town is not known at this time.

As a result of the pandemic, the Town received government grant funding from the Province of Alberta through the Municipal Operating Support Transfer of \$6,013,898. This amount is included in revenue. There have been no other material impacts to contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. The Town continues to use its tangible capital assets and management has not assessed any impairment that needs to be recognized on these tangible capital assets at December 31, 2020 as a result of the pandemic. The Town continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at December 31, 2020, the Town continues to meet its contractual obligations within normal payment terms and the Town’s exposure to credit risk remains largely unchanged.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## I. Significant Accounting Policies (continued)

### I.f. Short-term and long term investments:

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Interest is accrued in trade and other receivables on the book value of the investments at a rate equivalent to the effective yield of each investment.

### I.g. Debt charges recoverable:

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt.

### I.h. 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.

### I.i. 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.

### I.j. 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 revenue over expenses, provides the consolidated change in net financial assets (debt) for the year.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## I. Significant Accounting Policies (continued)

### I.j.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:

|                             | Years  |
|-----------------------------|--------|
| Land Improvements           | 15-100 |
| Buildings                   | 25-110 |
| Engineered structures       |        |
| Water system                | 25-100 |
| Wastewater system           | 45-100 |
| Other engineered structures | 5-100  |
| Machinery and equipment     | 5-40   |
| Vehicles                    | 15-25  |

Assets under construction are not amortized until the asset is available for productive use.

The Town is fortunate to have many natural assets that reduce the need for person-made infrastructure that would otherwise be required. This includes ready access to an aquifer (water storage and filtration), rivers, and wetlands (rain water management). Canadian public sector accounting standards do not allow for the valuation and recording of such assets into the consolidated financial statements of the Town. As such, these natural assets are not reported in these consolidated financial statements. Nevertheless, the Town acknowledges the importance of these assets and the need to manage them in conjunction with person-made infrastructure.

### I.j.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.

### I.j.iii. Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially the entire 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.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## I. Significant Accounting Policies (continued)

### I.j.iv. Inventory:

Inventories of materials and supplies are valued at the lower of cost or net realizable value with cost determined by the average cost method. Inventories of construction-in-progress, unallocated infrastructure costs, property held for resale, and land held for use in the Banff Housing Corporation's housing projects and are recorded at the lower of cost and net realizable value.

### I.k. Pension:

The Town participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan whereby contributions are expensed as incurred.

### I.l. Foreign currencies:

Foreign currency transactions entered into by the Town have been translated at the exchange rate prevailing at the date of transaction. Monetary assets have been translated at the year-end exchange rate. Foreign exchange gain and losses are included in the determination of earnings.

### I.m. Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Town is directly responsible or accepts responsibility
- the Town expects the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The Town has determined that all of the above criteria have not been met and as such no amounts have been accrued.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## 2. Future accounting pronouncements:

The Public Sector Accounting Board recently announced the following accounting pronouncements:

### 2.a. Financial instruments:

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2022 for governments, with early adoption encouraged. This section must be adopted at the same time as foreign currency translation.

### 2.b. Foreign currency translation:

This accounting pronouncement establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements. It is effective for fiscal years beginning on or after April 1, 2022 for governments, with early adoption encouraged. This section must be adopted at the same time as financial instruments.

### 2.c. Asset retirement obligations:

In August 2018, the Public Sector Accounting Board issued this accounting standard that addressing the reporting of legal obligations associated with the retirement of tangible capital assets. This new standard takes effect for annual reporting periods beginning on or after April 1, 2022 with early adoption permitted.

### 2.d. Revenue:

This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This new standard takes effect for annual reporting periods beginning on or after April 1, 2023.

Management is assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

### 3. Cash and short-term investments:

|                        | 2020                 | 2019                 |
|------------------------|----------------------|----------------------|
| Cash                   | \$ 33,437,021        | \$ 7,660,399         |
| Short-term investments | 4,550,474            | 7,400,070            |
|                        | <b>\$ 37,987,495</b> | <b>\$ 15,060,469</b> |

Cash consists of cash on hand, and funds on deposit with financial institutions. Cash on deposit with financial institutions earns interest ranging from a variable rate of Bank's prime rate less 1.8% to a fixed rate of 2.4% (2019 - bank's prime less 1.80% to a fixed rate of 2.4%).

Short-term investments consist of Guaranteed Investment Certificates, Bond and Principal Protected Notes. There were total investments with book values of \$4,540,474 (including accrued interest) as of December 31, 2020 (2019 - \$5,390,070) with effective interest rates in ranging from 2.5% to 2.8% (2019 - 2.3% to 2.53%) as well as one \$10,000 Guaranteed Investment Certificate with a variable rate of interest (2019 - \$2,000,000 with a 2.43% rate of interest and \$10,000 with a variable rate of interest). Short-term investments have maturity dates ranging from three months to seven years, and are readily convertible to cash.

### 4. Taxes and grants in place of taxes receivable:

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| Current taxes and grants in place of taxes | \$ 100,537        | \$ 105,385        |
| Arrears taxes and interest and penalties   | 33,968            | 34,361            |
| Allowance for doubtful accounts            | (27,899)          | (27,899)          |
|  | <b>\$ 106,606</b> | <b>\$ 111,847</b> |

### 5. Trade and other receivables:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Receivables from other governments          | \$ 6,121,450        | \$ 5,045,783        |
| Utility and other trade accounts receivable | 3,392,660           | 3,843,326           |
| Allowance for doubtful accounts             | (20,000)            | (20,000)            |
| Requisition (over) under levy               | (5,976)             | 112,803             |
|   | <b>\$ 9,488,134</b> | <b>\$ 8,981,912</b> |

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## 6. Second mortgages receivable:

The second mortgages receivable arose with respect to the Middle Springs I housing development in the Town of Banff. The mortgages are registered against the titles of the properties but become due only when the initial owner ceases to reside in the Middle Springs I development. The full amount of the mortgages is recorded as long-term second mortgages receivable and deferred revenue. When a mortgage becomes due, the revenue is recognized.

During the year, second mortgages of \$31,500 (2019 - \$31,500) were collected.

## 7. Inventory:

|           | 2020       | 2019       |
|-----------|------------|------------|
| Inventory | \$ 159,498 | \$ 108,342 |

The Town of Banff has retained the head lease to reacquire value priced housing units when they become available for sale. Through this mechanism, these units are purchased and resold below market values. Although title of the units is retained by the Town, the transaction is structured such that the majority of the benefits and costs of ownership of the related units are transferred to the purchaser (leaseholder). Accordingly, no amount is recognized in the consolidated financial statements.

## 8. Deferred revenue:

|                             |        | 2020                | 2019                |
|-----------------------------|--------|---------------------|---------------------|
| Second mortgages            | Note 6 | \$ 958,000          | \$ 989,500          |
| Deferred grant revenue      |        | 647,045             | 252,343             |
| Deferred recreation revenue |        | 120,671             | 174,873             |
| Miscellaneous               |        | 99,288              | 236,698             |
|                             |        | <b>\$ 1,825,004</b> | <b>\$ 1,653,414</b> |

## 9. Due from related organizations:

Rocky Mountain Co-operative Housing Association - Pursuant to a subscription commitment dated April 15, 1992, the Town of Banff has subscribed for four units in the Rocky Mountain Co-operative Housing Association's (RMCHA) Bow River Housing Project. The Town of Banff acquired the subscription of two additional units on July 1, 2009 and November 1, 2009. The Town further acquired the subscription of one additional unit on June 1, 2011, and another additional until on August 1, 2020. Under these subscriptions, the Town of Banff purchased one share in RMCHA valued at \$100 (2019 - \$100).

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## 10. Credit facilities:

In order to facilitate temporary financing for operating expenditures, the Town of Banff has passed a borrowing bylaw approving an operating loan from the Bank of Montreal (BMO). The loan is approved to a maximum of \$5,950,000 for 2020 (2019 - \$6,200,000), with interest payable at the BMO's prime rate minus 0.50% (2019 - BMO's prime rate minus 0.50%). Security for the loan is on the property taxes of the Town. As at December 31, 2020 \$nil (2019 - \$nil) was drawn upon this credit facility. At December 31, 2020, the effective rate of interest on the credit facility was 1.95% (2019 - 3.45%). The Town also has an authorized overdraft limit of \$0 (2019 - \$400,000) with its bank, of which \$nil was drawn upon at December 31, 2020 and 2019.

The Bank of Montreal has authorized a general line of credit to the Banff Housing Corporation in the amount of \$1,000,000 (2019 - \$1,000,000), which includes an overdraft lending account up to \$345,000 (2019 - \$345,000). The line of credit is guaranteed by the Town of Banff and bears interest at the bank's prime rate minus 0.50% (2019 - bank's prime rate minus 0.50%). As at December 31, 2020 there was \$595,833 (2019 - \$621,833 drawn against the line of credit and \$nil (2019 - \$nil) in overdraft. There are no covenants related to these credit facilities.

## 11. Long term debt:

|                                | 2020                 | 2019                 |
|--------------------------------|----------------------|----------------------|
| Tax/grant supported debentures | \$ 8,880,235         | \$ 2,430,000         |
| Self-supported debentures      | 25,577,969           | 11,419,355           |
|                                | <b>\$ 34,458,204</b> | <b>\$ 13,849,355</b> |

Principal and interest repayments are as follows:

|                     | Principal            | Interest            | Total                |
|---------------------|----------------------|---------------------|----------------------|
| 2021                | \$ 6,934,826         | \$ 600,807          | \$ 7,535,633         |
| 2022                | 6,990,697            | 540,967             | 7,531,664            |
| 2023                | 5,694,746            | 480,433             | 6,175,179            |
| 2024                | 568,780              | 441,835             | 1,010,615            |
| 2025                | 580,420              | 426,150             | 1,006,570            |
| 2026 and thereafter | 13,688,735           | 5,044,171           | 18,732,906           |
|                     | <b>\$ 34,458,204</b> | <b>\$ 7,534,363</b> | <b>\$ 41,992,567</b> |

Debenture debt consists of \$32,258,204 (2019 - \$11,419,355) repayable to the Alberta Capital Finance Authority and bears interest at fixed rates ranging from 0.63% to 3.37% per annum (2019 - 2.72% to 7.50% per annum) and matures in periods 2023 through 2050. The average annual interest rate is 2.08% (2019 - 4.03%). The balance includes \$2,200,000 (2019 - \$2,430,000) repayable to the Federation of Canadian Municipalities which bears interest between 2.00% and 2.00% per annum (2019 - 2.00% to 2.21% per annum). The average annual interest rate is 2.00% (2019 - 2.11%) on this debt. Debenture debt is issued on the credit and security of the Town at

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

large.

## 12. 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 Town be disclosed as follows:

|   |         | 2020                 | 2019                 |
|---|---------|----------------------|----------------------|
| Total debt limit  |         | \$ 70,071,740        | \$ 77,936,982        |
| Total debt  | Note 11 | (34,458,204)         | (13,849,355)         |
| <b>Amount of total debt limit exceeds total debt and guarantees</b> |         | <b>\$ 35,613,536</b> | <b>\$ 64,087,627</b> |
| Debt servicing limit  |         | \$ 11,678,623        | \$ 12,989,497        |
| Debt servicing  |         | (7,535,633)          | (904,329)            |
| <b>Amounts of debt servicing limit exceeds debt servicing</b>       |         | <b>\$ 4,142,990</b>  | <b>\$ 12,085,168</b> |

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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the consolidated financial statements must be interpreted as a whole.

## 13. Loan guarantees:

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization. The Town passed bylaw 250-3 on December 17, 2015 guaranteeing the loans for Rocky Mountain Cooperative Housing Association and Rocky Mountains II Cooperative Housing Association with the Alberta Treasury Branch to a maximum of \$5,990,000. This guarantee expired on November 30, 2018 and was not renewed at the request of the Rocky Mountain Cooperative Housing Association.

## 14. Equity in tangible capital assets:

|                             |         | 2020                  | 2019                  |
|-----------------------------|---------|-----------------------|-----------------------|
| Tangible capital assets     |         | \$ 353,707,693        | \$ 333,712,114        |
| Accumulated amortization    |         | (122,052,060)         | (117,752,794)         |
| Long-term debt              | Note 11 | (34,458,204)          | (13,849,355)          |
| Asset retirement obligation |         | (45,900)              | (45,900)              |
|                             |         | <b>\$ 197,151,529</b> | <b>\$ 202,064,065</b> |

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## 15. Accumulated surplus:

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

|                                   |         | 2020                  | 2019                  |
|-----------------------------------|---------|-----------------------|-----------------------|
| Equity in tangible capital assets | Note 14 | \$ 197,151,529        | \$ 202,064,065        |
| Reserves (deficit):               |         |                       |                       |
| Special Purpose:                  |         |                       |                       |
| Banff Housing Corporation         |         | 329,803               | 330,427               |
| Banff Public Library              |         | 399,678               | 319,130               |
| General                           |         | 708,272               | 748,539               |
| Economic Recovery                 |         | 1,592,748             | -                     |
| Budget stabilization              |         | 1,347,477             | 1,990,890             |
| Computer                          |         | 193,803               | 244,777               |
| Fire                              |         | 40,227                | 39,942                |
| Community development             |         | 6,270                 | 6,225                 |
| Recreation                        |         | 130,345               | 122,193               |
| Snow clearing                     |         | 76,774                | 52,780                |
| Transit                           |         | 419,437               | -                     |
| Environment                       |         | 999,986               | 752,272               |
| Solid Waste                       |         | 1,286,361             | 1,145,715             |
| Capital Reserves                  |         | 28,360,526            | 12,573,049            |
| <b>Accumulated Surplus</b>        |         | <b>\$ 233,043,236</b> | <b>\$ 220,390,004</b> |

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## 16. Salary and benefits disclosure:

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

|                          |            |                             | 2020    | 2019    |
|--------------------------|------------|-----------------------------|---------|---------|
|                          | Salary (1) | Benefits and Allowances (2) | Total   | Total   |
| <b>Councillors:</b>      |            |                             |         |         |
| Mayor Karen Sorensen     | 95,552     | 9,134                       | 104,686 | 104,869 |
| Chip Olver               | 31,473     | 5,930                       | 37,403  | 37,350  |
| Brian Standish           | 31,473     | 5,430                       | 36,903  | 37,560  |
| Grant Canning            | 31,473     | 5,930                       | 37,403  | 36,504  |
| Theodore Christensen     | 34,747     | 585                         | 35,332  | 35,466  |
| Corrie DiManno           | 31,473     | 3,718                       | 35,191  | 35,664  |
| Peter Poole              | 31,473     | 402                         | 31,875  | 31,387  |
| Municipal Manager        | 202,965    | 26,970                      | 229,935 | 169,994 |
| Acting Municipal Manager | -          | -                           | -       | 96,800  |
| Designated Officer (1)   | 129,367    | 20,171                      | 149,538 | 190,723 |

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
2. Benefits and Allowances includes the employer's share of all employee benefits and contributions or payments 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 also includes the employer's share of the cost of additional taxable benefits including retirement planning services, travel allowances, car allowances, computer allowance and club memberships.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## 17. Local authorities pension plan:

Employees of the Town 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 serves about 274,151 people and 420 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings (\$57,400) under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2020 were \$874,753 (2019 - \$882,079). Total current service contributions by the employees of the town to the Local Authorities Pension Plan in 2020 were \$791,182 (2019 - \$799,537).

At December 31, 2019, which is the most recent actuarial assessment, the LAPP disclosed an actuarial surplus of \$7.9 billion.

## 18. Commitments:

1. Under the terms of the Federal - Provincial Agreement the Town of Banff is committed to pay annual rent in respect of land leased in perpetuity from the Government of Canada. Land rent expense is included in General Government costs in operating expenses in the consolidated statement of operations. Under the terms of the agreement the Town of Banff is committed to the following minimum annual payments for the next four years:

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|      |         |
|------|---------|
| 2021 | 550,000 |
| 2022 | 550,000 |
| 2023 | 550,000 |
| 2024 | 550,000 |

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2. Town of Banff has an agreement with Bow Valley Property Valuers to provide assessment valuation services. Assessment valuation services are required by municipalities in order to carry out the assessment of property within each municipality, primarily for taxation purposes. Under the terms of the agreement the Town of Banff is committed to minimum monthly payments of \$6,000 until August 1st, 2021.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

## 18. Commitments (continued):

3. Town of Banff has an agreement with Capital Power to supply electricity. Under the terms of the agreement the Town of Banff is committed to the following electricity rates until December 31, 2023:

|             |    |       |         |
|-------------|----|-------|---------|
| Electricity | \$ | 44.94 | per MWh |
|-------------|----|-------|---------|

4. Town of Banff has an agreement with Access Gas Services Inc. to supply natural gas. Under the terms of the agreement the Town of Banff is committed to the following natural gas rates until December 31, 2021:

|             |    |      |        |
|-------------|----|------|--------|
| Natural Gas | \$ | 2.69 | per GJ |
|-------------|----|------|--------|

## 19. Contingencies:

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town 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.

The Town of Banff has provided a guarantee on line of credit held by the Banff Housing Corporation with the Bank of Montreal to a maximum of \$1,000,000. At December 31, 2020, there was \$595,833 (2019 - \$621,833) drawn on this line of credit.

From time to time, the Town is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable. At the time of the financial statement preparation, there has been no resolution or indication that the settlement of these actions will result in any material liabilities.

## 20. Related party transactions:

The Town provides the Day Care Society of Banff the use of the property on which it operates for a nominal rent of one dollar per year until December 31, 2022. The Day Care Society of Banff is economically dependent upon this support from the Town.

The Town provides the Bow Valley Regional Transit Services Commission (the "Commission") with administrative resources in order to maintain its operations. Included in trade and other account receivables at December 31, 2020 is \$1,326,583 (2019 - \$230,222) due from the Commission for year-end expense distributions. The Town has the authority to appoint two of the Commission's six Board members.

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## 21. Financial instruments:

It is management's opinion that the Town is not exposed to significant liquidity, interest or currency risks arising from its financial instruments.

The Town is subject to credit risk with respect to cash on hand, taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and 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.

## 22. Budget data:

The budget data presented throughout these consolidated financial statements are based upon the Three Year Budget approved by Council on May 25, 2020.

## 23. Comparative information:

Certain 2019 comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

## 24. Approval of consolidated financial statements:

Council and Management have approved these consolidated financial statements on April 26, 2021.

## 25. Segment disclosures:

Segment disclosures (Schedule 1) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the Town. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on the Financial Information Return segmentation reported annually to Alberta Municipal Affairs. Segments include:

- General Government is comprised of Council & Other Legislative, General Municipal, Town Manager, Human Resources, Communications & Marketing, Corporate Services and Computer Services.
- Protective Services is comprised of Bylaw Services, Fire Services and Police Services.
- Transportation is comprised of Engineering Services, Operations Administration, Fleet Services, Safety, Facilities, Public Transit, Streets and Storm Sewers.
- Environmental Use & Protection is comprised of Resource Recovery, Sanitary Sewer, Water and Environment.
- Public Health & Safety is comprised of Cemeteries, FCSS Administration, Seniors Programming, Community Development, Family School Liaison Worker, Young Adult Programming and Youth Programs.

# Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative information for 2019

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## 25. Segment disclosures (continued):

- Planning & Development is comprised of Special Events, Tourism, Development, Building Inspection, Town Owned Lands, Staff Housing, Heritage and Banff Housing Corporation.
- Recreation & Culture is comprised of Library, Grounds, Recreation Programs, Recreation Administration, Recreation Centre, Recreation Grounds and Recreation Facilities.

# Consolidated Schedule of Segmented Information

Year ended December 31, 2020

## Schedule I

|   | General government   | Protective services   | Transportation services | Environmental use and protection | Public health and safety | Planning and development | Recreation and culture | 2020                 |
|---|----------------------|-----------------------|-------------------------|----------------------------------|--------------------------|--------------------------|------------------------|----------------------|
| <b>Revenue:</b>                                     |                      |                       |                         |                                  |                          |                          |                        |                      |
| Taxes   | \$ 17,139,250        | \$ -                  | \$ -                    | \$ -                             | \$ -                     | \$ -                     | \$ -                   | \$ 17,139,250        |
| Sales to other governments                          | -                    | 467,423               | 115,195                 | -                                | -                        | -                        | -                      | 582,618              |
| Sales and user charges                              | 25                   | 49,988                | 728,484                 | 9,151,174                        | 170,869                  | 108,192                  | 290,578                | 10,499,310           |
| Penalties and cost on taxes                         | 21,608               | -                     | -                       | 12,626                           | -                        | -                        | 3,387                  | 37,621               |
| Licences and permits                                | 17,419               | 28,645                | 210,309                 | -                                | -                        | 4,040,641                | -                      | 4,297,014            |
| Fines   | -                    | 477,918               | -                       | -                                | -                        | -                        | -                      | 477,918              |
| Franchise and consession contracts                  | 1,020,156            | -                     | -                       | -                                | -                        | -                        | -                      | 1,020,156            |
| Return on investments                               | 301,734              | -                     | -                       | -                                | -                        | 15,127                   | -                      | 316,861              |
| Rentals   | -                    | -                     | -                       | -                                | 1,885                    | 2,333,737                | 27,074                 | 2,362,696            |
| Contributed and donated assets                      | -                    | -                     | -                       | 18,186                           | -                        | -                        | -                      | 18,186               |
| Government transfers                                | 6,458,486            | 1,265,217             | 5,704,289               | 2,609,653                        | 1,435,095                | 19,060                   | 240,345                | 17,732,145           |
| Developer agreements and offsite levies             | -                    | -                     | 148,220                 | 7,600                            | -                        | 40,458                   | -                      | 196,278              |
| Net gain on disposal of TCAs                        | -                    | -                     | 4,395                   | -                                | 1,348                    | -                        | 8,090                  | 13,833               |
| Other revenue                                       | 96,046               | 6,323                 | 544,929                 | 313,300                          | 229,897                  | 11,140                   | 77,961                 | 1,279,596            |
|   | <b>25,054,724</b>    | <b>2,295,514</b>      | <b>7,455,821</b>        | <b>12,112,539</b>                | <b>1,839,094</b>         | <b>6,568,355</b>         | <b>647,435</b>         | <b>55,973,482</b>    |
| <b>Public health and welfare services:</b>          |                      |                       |                         |                                  |                          |                          |                        |                      |
| Salaries, wages and benefits                        | 2,674,310            | 2,069,076             | 3,815,982               | 3,753,447                        | 1,952,703                | 1,127,602                | 2,291,394              | 17,684,514           |
| Contracted and general services                     | 1,517,978            | 492,014               | 3,885,524               | 1,837,477                        | 304,751                  | 4,112,443                | 469,491                | 12,619,678           |
| Purchases from other governments                    | -                    | 2,143,367             | -                       | -                                | -                        | -                        | 55,380                 | 2,198,747            |
| Materials, goods, supplies & utilities              | 148,487              | 246,252               | 767,986                 | 1,142,128                        | 86,404                   | 35,567                   | 323,586                | 2,750,410            |
| Provisions for allowances                           | -                    | -                     | -                       | -                                | 525                      | -                        | -                      | 525                  |
| Transfers to local boards and agencies              | -                    | -                     | -                       | 39,375                           | -                        | -                        | -                      | 39,375               |
| Transfer to individuals and organizations           | 57,570               | 27,000                | 410                     | 67,092                           | 8,945                    | -                        | 5,000                  | 166,017              |
| Bank charges and short-term interest                | 48,958               | -                     | -                       | 564                              | -                        | -                        | -                      | 49,522               |
| Interest on operating long-term debt                | -                    | -                     | -                       | -                                | -                        | 13,831                   | -                      | 13,831               |
| Interest on capital long-term debt                  | -                    | -                     | 63,989                  | 16,487                           | -                        | 372,124                  | 45,959                 | 498,559              |
| Amortization of tangible capital assets             | 68,020               | 271,812               | 1,659,128               | 2,806,143                        | 68,446                   | 288,335                  | 1,156,681              | 6,318,565            |
| Net loss on disposal of TCAs                        | -                    | 2,250                 | 477,758                 | 337,742                          | 975                      | 46,801                   | 114,981                | 980,507              |
| Other expenditures                                  | -                    | -                     | -                       | -                                | -                        | -                        | -                      | -                    |
|   | <b>4,515,323</b>     | <b>5,251,771</b>      | <b>10,670,777</b>       | <b>10,000,455</b>                | <b>2,422,749</b>         | <b>5,996,703</b>         | <b>4,462,472</b>       | <b>43,320,250</b>    |
| <b>Excess (deficiency) of revenue over expenses</b> | <b>\$ 20,539,401</b> | <b>\$ (2,956,257)</b> | <b>\$ (3,214,956)</b>   | <b>\$ 2,112,084</b>              | <b>\$ (583,655)</b>      | <b>\$ 571,652</b>        | <b>\$ (3,815,037)</b>  | <b>\$ 12,653,232</b> |

# Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2020 with comparative information for 2019

## Schedule 2

|  | Buildings         | Engineering structures | Land              | Land improvements | Machinery and equipment | Vehicles          | Work in progress  | 2020               | 2019               |
|--|-------------------|------------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|--------------------|--------------------|
| <b>Cost:</b>                                     |                   |                        |                   |                   |                         |                   |                   |                    |                    |
| Balance, beginning of year                       | \$ 64,823,695     | \$ 117,979,289         | \$ 42,378,825     | \$ 20,362,483     | \$ 73,954,866           | \$ 10,808,922     | \$ 3,404,034      | \$ 333,712,114     | 328,047,588        |
| Acquisition of tangible capital assets           | 1,323,138         | 1,696,942              | -                 | 412,871           | 2,192,375               | 1,700,398         | 15,789,717        | 23,115,441         | 8,473,310          |
| Reclass from CIP                                 | 30,148            | 1,468,197              | -                 | 258,925           | 382,764                 | -                 | (2,140,034)       | -                  | -                  |
| Disposal of tangible capital assets              | (247,392)         | (1,695,606)            | -                 | (19,568)          | (814,314)               | (265,000)         | -                 | (3,041,880)        | (2,728,813)        |
| Write down of tangible capital assets            | -                 | -                      | -                 | -                 | -                       | -                 | (77,982)          | (77,982)           | (79,971)           |
|  | <b>65,929,589</b> | <b>119,448,822</b>     | <b>42,378,825</b> | <b>21,014,711</b> | <b>75,715,691</b>       | <b>12,244,320</b> | <b>16,975,735</b> | <b>353,707,693</b> | <b>333,712,114</b> |
| <b>Accumulated amortization:</b>                 |                   |                        |                   |                   |                         |                   |                   |                    |                    |
| Balance, beginning of year                       | 15,706,733        | 56,898,393             | -                 | 10,722,936        | 30,016,882              | 4,407,850         | -                 | 117,752,794        | 113,929,074        |
| Annual amortization                              | 1,494,684         | 1,798,754              | -                 | 290,389           | 2,130,384               | 604,354           | -                 | 6,318,565          | 6,051,134          |
| Accumulated amortization on disposals            | (94,853)          | (1,136,630)            | -                 | (18,717)          | (530,599)               | (238,500)         | -                 | (2,019,299)        | (2,227,414)        |
|  | <b>17,106,564</b> | <b>57,560,517</b>      | <b>-</b>          | <b>10,994,608</b> | <b>31,616,667</b>       | <b>4,773,704</b>  | <b>-</b>          | <b>122,052,060</b> | <b>117,752,794</b> |
| <b>Net book value of tangible capital assets</b> | <b>48,823,025</b> | <b>61,888,305</b>      | <b>42,378,825</b> | <b>10,020,103</b> | <b>44,099,024</b>       | <b>7,470,616</b>  | <b>16,975,735</b> | <b>231,655,633</b> | <b>215,959,320</b> |
| 2019 Net book value of tangible capital assets   | \$ 49,116,962     | \$ 61,080,896          | \$ 42,378,825     | \$ 9,639,547      | \$ 43,937,984           | \$ 6,401,072      | \$ 3,404,034      | \$ 215,959,320     |                    |

# Consolidated Schedule of Taxes Levied and Net Municipal Property Taxes

Year ended December 31, 2020 with comparative information for 2019

## Schedule 3

|  | Budget<br>(Note 22)  | 2020                 | 2019                 |
|--|----------------------|----------------------|----------------------|
| <b>Taxation</b>                              |                      |                      |                      |
| Real property taxes                          | \$ 26,168,607        | \$ 26,171,353        | \$ 28,331,226        |
| Linear property taxes                        | 115,000              | 112,460              | 130,906              |
| Government grants in place of property taxes | 820,000              | 818,214              | 909,893              |
|  | <b>27,103,607</b>    | <b>27,102,027</b>    | <b>29,372,025</b>    |
| <b>Requisitions</b>                          |                      |                      |                      |
| Alberta School Foundation Fund               | 9,463,567            | 9,582,013            | 8,294,780            |
| Bow Valley Regional Housing                  | 380,431              | 380,407              | 380,315              |
| Designated Industrial                        | 357                  | 357                  | 357                  |
|  | <b>9,844,355</b>     | <b>9,962,777</b>     | <b>8,675,452</b>     |
| <b>Net Municipal Property Taxes</b>          | <b>\$ 17,259,252</b> | <b>\$ 17,139,250</b> | <b>\$ 20,696,573</b> |

# Consolidated Schedule of Government Transfers

Year ended December 31, 2020 with comparative information for 2019

## Schedule 4

|                             | Budget<br>(Note 22) | 2020                 | 2019                |
|-----------------------------|---------------------|----------------------|---------------------|
| Transfers for operating     |                     |                      |                     |
| Provincial Government       | \$ 1,501,722        | \$ 7,494,495         | \$ 1,558,843        |
| Federal Government          | 790,100             | 898,551              | 766,638             |
| Other Local Government      | 71,093              | 80,110               | 104,502             |
|                             | <b>2,362,915</b>    | <b>8,473,156</b>     | <b>2,429,983</b>    |
| Transfers for capital       |                     |                      |                     |
| Provincial Government       | 2,552,741           | 8,768,162            | 2,891,657           |
| Federal Government          | 460,000             | 490,827              | 5,000               |
|                             | <b>3,012,741</b>    | <b>9,258,989</b>     | <b>2,896,657</b>    |
| <b>Government transfers</b> | <b>\$ 5,375,656</b> | <b>\$ 17,732,145</b> | <b>\$ 5,326,640</b> |

# Consolidated Schedule of Revenue and Expenses by Object

Year ended December 31, 2020 with comparative information for 2019

## Schedule 5

|   |            | Budget<br>(Note 22) | 2020                 | 2019                |
|---|------------|---------------------|----------------------|---------------------|
| <b>Revenue</b>                            |            |                     |                      |                     |
| Taxes                                     | Schedule 3 | \$ 17,259,252       | \$ 17,139,250        | \$ 20,696,573       |
| Sales to other governments                |            | 437,754             | 582,618              | 507,638             |
| Sales and user charges                    |            | 12,460,531          | 10,499,310           | 13,385,123          |
| Penalties and cost on taxes               |            | 83,000              | 37,621               | 72,867              |
| Licenses and permits                      |            | 7,777,425           | 4,297,014            | 8,625,323           |
| Fines                                     |            | 307,000             | 477,918              | 730,607             |
| Franchise and concession contracts        |            | 995,000             | 1,020,156            | 925,099             |
| Return on investments                     |            | 215,127             | 316,861              | 335,744             |
| Rentals                                   |            | 2,421,842           | 2,362,696            | 2,567,729           |
| Contributed and donated assets            |            | -                   | 18,186               | -                   |
| Government transfers                      | Schedule 4 | 5,375,656           | 17,732,145           | 5,326,640           |
| Developer agreements and offsite levies   |            | 77,800              | 196,278              | 753,517             |
| Net gain on disposal of TCAs              |            | -                   | 13,833               | 3,549               |
| Other revenue                             |            | 98,248              | 1,279,596            | 924,236             |
|   |            | <b>47,508,635</b>   | <b>55,973,482</b>    | <b>54,854,645</b>   |
| <b>Expenses</b>                           |            |                     |                      |                     |
| Salaries, wages and benefits              |            | 17,475,589          | 17,684,514           | 17,753,811          |
| Contracted and general services           |            | 15,789,867          | 12,619,678           | 17,124,309          |
| Purchases from other governments          |            | 2,056,500           | 2,198,747            | 2,121,352           |
| Materials, goods, supplies & utilities    |            | 2,923,709           | 2,750,410            | 3,143,098           |
| Provisions for allowances                 |            | 1,000               | 525                  | -                   |
| Transfers to local boards and agencies    |            | 39,375              | 39,375               | 39,375              |
| Transfer to individuals and organizations |            | 157,350             | 166,017              | 1,208,995           |
| Bank charges and short-term interest      |            | 55,021              | 49,522               | 54,186              |
| Interest on operating long-term debt      |            | 13,831              | 13,831               | 21,940              |
| Interest on capital long-term debt        |            | 505,513             | 498,559              | 503,335             |
| Amortization of tangible capital assets   | Schedule 2 | 5,448,111           | 6,318,565            | 6,051,134           |
| Net loss on disposal of TCAs              |            | -                   | 980,507              | 519,941             |
|   |            | <b>44,465,866</b>   | <b>43,320,250</b>    | <b>48,541,476</b>   |
| <b>Excess of revenues over expenses</b>   |            | <b>\$ 3,042,769</b> | <b>\$ 12,653,232</b> | <b>\$ 6,313,169</b> |