

# **Municipality of Crowsnest Pass**

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

# MUNICIPALITY OF CROWNEST PASS

## CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

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## ***Management's Responsibility for Reporting***

Municipality of Crowsnest Pass' management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the Municipality's financial position as at December 31, 2020 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Municipal Council is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Municipality's external auditors.

The consolidated financial statements have been audited by the independent firm of BDO Canada LLP, Chartered Professional Accountants. Their report to the Members of Council of Municipality of Crowsnest Pass, stating the scope of their examination and opinion on the consolidated financial statements follow.

Patrick Thomas, P.Eng., CLGM  
Chief Administrative Officer  
April 27, 2021

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## Independent Auditor's Report

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To the Mayor and Members of Council of the Municipality of Crowsnest Pass

### Opinion

We have audited the consolidated financial statements of the Municipality of Crowsnest Pass and its controlled entities (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and the consolidated results of its operations, change in its consolidated net financial assets and its consolidated cash flows 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality 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 the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these consolidated 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 consolidated 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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

*BDO Canada LLP*

Chartered Professional Accountants,

Lethbridge, Alberta

April 27, 2021

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (note 2)	\$ 10,392,099	\$ 11,099,831
Taxes and grants in lieu receivables (note 3)	723,614	657,720
Trade and other receivables	1,999,972	1,519,340
Investments (note 4)	5,281,688	5,011,535
	18,397,373	18,288,426
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,659,190	2,499,276
Employee benefit obligations (note 6)	530,546	499,653
Deferred revenue (note 7)	3,894,056	3,884,135
Long-term debt (note 8)	6,350,284	6,684,943
	12,434,076	13,568,007
<b>NET FINANCIAL ASSETS</b>	<b>5,963,297</b>	<b>4,720,419</b>
<b>NON - FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	94,558,074	95,476,626
Inventory for consumption	345,798	463,975
Prepaid expenses	96,464	35,136
	95,000,336	95,975,737
<b>ACCUMULATED SURPLUS</b> (schedule 1, note 11)	<b>\$ 100,963,633</b>	<b>\$ 100,696,156</b>

Contingencies and commitments - See notes 16 and 17

APPROVED BY:

  
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The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2020

	Budget (note 14)	2020	2019
<b>REVENUE</b>			
Net municipal taxes (schedule 3)	\$ 8,190,528	\$ <b>8,206,295</b>	\$ 7,999,690
Government transfers (schedule 4)	503,975	<b>754,403</b>	766,386
User fees and sales of goods	4,529,976	<b>4,462,012</b>	4,392,244
Investment income	81,714	<b>294,774</b>	402,562
Penalties and cost of taxes	93,000	<b>73,697</b>	110,384
Licenses and permits	115,400	<b>201,253</b>	219,328
Franchise and concession contracts	1,107,000	<b>1,103,908</b>	1,104,843
Rental	231,927	<b>179,813</b>	251,497
Other	35,951	<b>56,418</b>	35,687
Gain on disposal of tangible capital assets	-	<b>14,986</b>	350
<b>Total Revenue</b>	<b>14,889,471</b>	<b>15,347,559</b>	<b>15,282,971</b>
<b>EXPENSES</b>			
Legislative	206,598	<b>187,511</b>	277,982
Administration	2,542,548	<b>2,766,974</b>	2,427,081
Protection services	1,415,976	<b>1,294,933</b>	1,294,673
Roads, streets, walks and lighting	4,861,035	<b>5,340,154</b>	4,826,666
Water supply, distribution and wastewater	3,085,161	<b>2,557,193</b>	3,070,454
Waste management	599,110	<b>543,585</b>	592,363
Family and community support services	282,701	<b>285,681</b>	278,423
Cemeteries and crematoriums	22,945	<b>46,141</b>	58,104
Planning and development	846,199	<b>755,756</b>	919,436
Parks and recreation	2,944,038	<b>2,980,111</b>	3,015,170
Culture - libraries and museums	557,837	<b>492,395</b>	428,641
<b>Total Expenses</b>	<b>17,364,148</b>	<b>17,250,434</b>	<b>17,188,993</b>
<b>SHORTFALL OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>(2,474,677)</b>	<b>(1,902,875)</b>	<b>(1,906,022)</b>
<b>OTHER</b>			
Government transfers for capital (schedule 4)	4,709,915	<b>2,170,352</b>	5,768,782
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>2,235,238</b>	<b>267,477</b>	<b>3,862,760</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>100,696,156</b>	<b>100,696,156</b>	<b>96,833,396</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 102,931,394</b>	<b>\$ 100,963,633</b>	<b>\$ 100,696,156</b>

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2020

	Budget (note 14)	2020	2019
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 2,235,238</b>	<b>\$ 267,477</b>	<b>\$ 3,862,760</b>
Acquisition of tangible capital assets	(5,334,115)	<b>(2,786,101)</b>	(7,638,048)
Proceeds on disposal of tangible capital assets	-	<b>15,000</b>	351
Amortization of tangible capital assets	3,565,300	<b>3,565,297</b>	3,622,500
Gain on disposal of tangible capital assets	-	<b>(14,986)</b>	(350)
Loss on disposal of tangible capital assets	-	<b>139,342</b>	37,250
	<b>(1,768,815)</b>	<b>918,552</b>	<b>(3,978,297)</b>
Acquisition of supplies inventories	-	<b>(345,798)</b>	(463,975)
Acquisition of prepaid assets	-	<b>(96,464)</b>	(35,136)
Use of supplies inventories	-	<b>463,975</b>	385,636
Use of prepaid assets	-	<b>35,136</b>	42,320
	<b>-</b>	<b>56,849</b>	<b>(71,155)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>466,423</b>	<b>1,242,878</b>	<b>(186,692)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>4,720,419</b>	<b>4,720,419</b>	<b>4,907,111</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 5,186,842</b>	<b>\$ 5,963,297</b>	<b>\$ 4,720,419</b>

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# MUNICIPALITY OF CROWNEST PASS

## CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2020

	2020	2019
<b>NET OUTFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenses	\$ 267,477	\$ 3,862,760
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	3,565,297	3,622,500
Gain on disposal of tangible capital assets	(14,986)	(350)
Loss on disposal of tangible capital assets	139,342	37,250
Amortization of bonds discount	(15,953)	(36,660)
Gain on disposal of investments	(1,495)	-
Non-cash charges to operations (net change):		
Taxes and grants in lieu receivables	(65,894)	(122,841)
Trade and other receivables	(480,632)	149,724
Inventory for consumption	118,177	(78,339)
Prepaid expenses	(61,328)	7,184
Accounts payables	(840,086)	957,012
Deferred revenue	9,921	(855,094)
Employee benefit obligations	30,893	43,600
	2,650,733	7,586,746
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,786,101)	(7,638,048)
Proceeds on disposal of tangible capital assets	15,000	351
	(2,771,101)	(7,637,697)
<b>INVESTING</b>		
Purchase of investments	(2,930,600)	(4,974,874)
Sale of investments	2,677,895	-
Maturity of investments	-	1,309,434
	(252,705)	(3,665,440)
<b>FINANCING</b>		
Proceeds of long-term debt	-	1,205,700
Repayment of long-term debt	(334,659)	(281,538)
	(334,659)	924,162
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>(707,732)</b>	<b>(2,792,229)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>11,099,831</b>	<b>13,892,060</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 10,392,099</b>	<b>\$ 11,099,831</b>

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2020

**SCHEDULE 1**

	Unrestricted Surplus  (note 11)	Internally Restricted Surplus  (note 11)	Equity in Tangible Capital Assets  (note 10)	<b>2020</b>	2019
<b>BALANCE, BEGINNING OF YEAR</b>	3,584,620	5,352,907	91,758,629	<b>\$ 100,696,156</b>	\$ 96,833,396
Excess of revenue over expenses	267,477	-	-	<b>267,477</b>	3,862,760
Unrestricted funds designated for future use	(900,764)	900,764	-	-	-
Restricted funds used for operations	516,932	(516,932)	-	-	-
Current year funds used for tangible capital assets	(2,786,101)	-	2,786,101	-	-
Disposal of tangible capital assets	139,356	-	(139,356)	-	-
Annual amortization expense	3,565,297	-	(3,565,297)	-	-
Change in capital debt	(367,490)	-	367,490	-	-
<b>Change in accumulated surplus</b>	<b>434,707</b>	<b>383,832</b>	<b>(551,062)</b>	<b>267,477</b>	3,862,760
<b>BALANCE, END OF YEAR</b>	<b>4,019,327</b>	<b>5,736,739</b>	<b>91,207,567</b>	<b>\$ 100,963,633</b>	\$ 100,696,156

# MUNICIPALITY OF CROWNEST PASS

## SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2020

*SCHEDULE 2*

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles		
							<u>2020</u>	<u>2019</u>
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$4,936,247	\$5,429,954	\$9,342,815	\$203,335,102	\$12,331,688	\$3,572,404	<b>\$ 238,948,210</b>	\$ 232,383,405
Acquisition of tangible capital assets	28,620	37,755	80,176	537,627	1,867,617	109,582	<b>2,661,377</b>	7,624,660
Additions to construction-in-progress (note 5)	-	6,500	-	118,224	-	-	<b>124,724</b>	13,388
Disposition of tangible capital assets	-	-	-	-	(646,510)	(202,457)	<b>(848,967)</b>	(1,073,243)
<b>BALANCE, END OF YEAR</b>	<u>4,964,867</u>	<u>5,474,209</u>	<u>9,422,991</u>	<u>203,990,953</u>	<u>13,552,795</u>	<u>3,479,529</u>	<b><u>240,885,344</u></b>	<u>238,948,210</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	2,216,174	4,826,020	128,265,701	6,215,243	1,948,446	<b>143,471,584</b>	140,885,076
Annual amortization	-	211,177	237,552	2,286,061	627,982	202,525	<b>3,565,297</b>	3,622,500
Accumulated amortization on disposal	-	-	-	-	(562,275)	(147,336)	<b>(709,611)</b>	(1,035,992)
<b>BALANCE, END OF YEAR</b>	<u>-</u>	<u>2,427,351</u>	<u>5,063,572</u>	<u>130,551,762</u>	<u>6,280,950</u>	<u>2,003,635</u>	<b><u>146,327,270</u></b>	<u>143,471,584</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$4,964,867</u>	<u>\$3,046,858</u>	<u>\$4,359,419</u>	<u>\$73,439,191</u>	<u>\$7,271,845</u>	<u>\$1,475,894</u>	<b><u>\$ 94,558,074</u></b>	<u>\$ 95,476,626</u>
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$4,936,247</u>	<u>\$3,213,780</u>	<u>\$4,516,795</u>	<u>\$75,069,401</u>	<u>\$6,116,445</u>	<u>\$1,623,958</u>	<b><u>\$ 95,476,626</u></b>	

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2020

### SCHEDULE 3

	Budget (note 14)	2020	2019
<b>TAXATION</b>			
Real property taxes	\$ 9,938,957	\$ <b>9,930,902</b>	\$ 9,647,359
Linear property taxes	1,148,440	<b>1,148,440</b>	1,190,604
Government grants in lieu of property taxes	132,664	<b>132,664</b>	123,221
	<u>11,220,061</u>	<u><b>11,212,006</b></u>	<u>10,961,184</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	2,653,494	<b>2,616,338</b>	2,619,952
Crowsnest Pass Senior Housing	376,039	<b>389,373</b>	341,542
	<u>3,029,533</u>	<u><b>3,005,711</b></u>	<u>2,961,494</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 8,190,528</u>	<u>\$ <b>8,206,295</b></u>	<u>\$ 7,999,690</u>

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2020

### SCHEDULE 4

	Budget (note 14)	<b>2020</b>	2019
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 503,975	\$ <b>380,705</b>	\$ 616,222
Other	-	<b>373,699</b>	150,164
	<u>503,975</u>	<u><b>754,403</b></u>	<u>766,386</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	4,709,915	<b>1,993,875</b>	5,732,352
Other	-	<b>176,477</b>	36,430
	<u>4,709,915</u>	<u><b>2,170,352</b></u>	<u>5,768,782</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 5,213,890</u>	<u>\$ <b>2,924,755</b></u>	<u>\$ 6,535,168</u>

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2020

### SCHEDULE 5

	Budget (note 14)	<b>2020</b>	2019
<b>EXPENSES</b>			
Salaries, wages and benefits	\$ 6,703,525	<b>\$ 6,496,769</b>	\$ 6,864,244
Contracted and general services	3,902,033	<b>3,969,661</b>	3,832,938
Materials, goods, supplies and utilities	2,479,091	<b>2,419,372</b>	2,271,110
Bank charges and short-term interest	5,977	<b>24,233</b>	47,465
Interest on long-term debt	189,820	<b>186,205</b>	166,221
Other expenditures	44,800	<b>86,697</b>	39,164
Transfers to organizations and others	473,602	<b>353,828</b>	308,101
Amortization of tangible capital assets	3,565,300	<b>3,565,297</b>	3,622,500
Writeoff of inventory	-	<b>9,030</b>	-
Loss on disposal of tangible capital assets	-	<b>139,342</b>	37,250
	<u>\$ 17,364,148</u>	<u><b>\$ 17,250,434</b></u>	<u>\$ 17,188,993</u>

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2020

SCHEDULE 6

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Electrical Distribution	Total
<b>REVENUE</b>									
Net municipal taxes (schedule 3)	\$ 8,206,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,206,295
Government transfers (schedule 4)	301,687	115,394	1,076,478	98,716	196,304	26,400	1,109,776	-	2,924,755
User fees and sales of goods	182,651	103,807	231,934	3,416,155	10,365	77,614	439,486	-	4,462,012
Investment Income	294,012	-	-	-	-	-	762	-	294,774
Penalties and costs of taxes	73,697	-	-	-	-	-	-	-	73,697
Licenses and permits	68,243	7,795	-	27,250	510	97,455	-	-	201,253
Franchise and concession contracts	449,391	-	-	-	-	-	-	654,517	1,103,908
Rental	-	20	-	-	-	46,052	133,741	-	179,813
Other	3,149	-	-	-	52,809	401	59	-	56,418
Gain on disposal of tangible capital assets	-	-	4	-	-	-	14,982	-	14,986
	<u>9,579,125</u>	<u>227,016</u>	<u>1,308,416</u>	<u>3,542,121</u>	<u>259,988</u>	<u>247,922</u>	<u>1,698,806</u>	<u>654,517</u>	<u>17,517,911</u>
<b>EXPENSES</b>									
Salaries and benefits	1,564,393	455,115	1,899,191	569,835	129,724	274,863	1,603,648	-	6,496,769
Goods and services	1,241,981	577,258	1,802,515	1,302,881	82,021	477,194	914,213	-	6,398,063
Interest	17,402	-	-	108,744	-	-	84,292	-	210,438
Transfers to organizations and others	-	-	-	-	118,625	-	235,203	-	353,828
Other expenditures	85,269	-	-	-	-	-	1,428	-	86,697
Loss on disposal of tangible capital assets	-	55,121	-	-	-	-	84,221	-	139,342
	<u>2,909,045</u>	<u>1,087,494</u>	<u>3,701,706</u>	<u>1,981,460</u>	<u>330,370</u>	<u>752,057</u>	<u>2,923,005</u>	<u>-</u>	<u>13,685,137</u>
<b>NET REVENUE (DEFICIENCY), BEFORE AMORTIZATION</b>	<u>6,670,080</u>	<u>(860,478)</u>	<u>(2,393,290)</u>	<u>1,560,661</u>	<u>(70,382)</u>	<u>(504,135)</u>	<u>(1,224,199)</u>	<u>654,517</u>	<u>3,832,774</u>
Amortization of tangible capital assets	45,440	207,439	1,638,448	1,119,318	1,452	3,699	549,501	-	3,565,297
<b>NET REVENUE (DEFICIENCY)</b>	<u>\$ 6,624,640</u>	<u>\$ (1,067,917)</u>	<u>\$ (4,031,738)</u>	<u>\$ 441,343</u>	<u>\$ (71,834)</u>	<u>\$ (507,834)</u>	<u>\$ (1,773,700)</u>	<u>\$ 654,517</u>	<u>\$ 267,477</u>

# MUNICIPALITY OF CROWNEST PASS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2019

SCHEDULE 7

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Electrical Distribution	Total
<b>REVENUE</b>									
Net municipal taxes (schedule 3)	\$ 7,999,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,999,690
Government transfers (schedule 4)	206,374	314,542	2,314,781	3,339,742	196,304	54,348	109,077	-	6,535,168
User fees and sales of goods	90,763	189,042	70,136	3,378,363	9,276	66,300	588,364	-	4,392,244
Investment Income	402,060	-	-	-	-	-	502	-	402,562
Penalties and costs of taxes	110,384	-	-	-	-	-	-	-	110,384
Licenses and permits	68,740	12,100	-	12,793	630	125,065	-	-	219,328
Franchise and concession contracts	462,979	-	-	-	-	-	-	641,864	1,104,843
Rental	-	70	-	-	-	20,628	230,799	-	251,497
Other	293	1,938	75	-	31,383	1,787	211	-	35,687
Gain on disposal of tangible capital assets	-	-	350	-	-	-	-	-	350
	<u>9,341,283</u>	<u>517,692</u>	<u>2,385,342</u>	<u>6,730,898</u>	<u>237,593</u>	<u>268,128</u>	<u>928,953</u>	<u>641,864</u>	<u>21,051,753</u>
<b>EXPENSES</b>									
Salaries and benefits	1,529,228	600,092	1,579,951	838,540	130,048	561,242	1,625,143	-	6,864,244
Goods and services	1,040,164	489,357	1,491,745	1,493,694	92,641	354,495	1,141,952	-	6,104,048
Interest	44,445	-	-	110,456	-	-	58,785	-	213,686
Transfers to organizations and others	-	-	-	-	112,857	-	195,244	-	308,101
Other expenditures	38,001	-	-	-	-	-	1,163	-	39,164
Loss on disposal of tangible capital assets	14,092	-	13,276	1,998	-	-	7,884	-	37,250
	<u>2,665,930</u>	<u>1,089,449</u>	<u>3,084,972</u>	<u>2,444,688</u>	<u>335,546</u>	<u>915,737</u>	<u>3,030,171</u>	<u>-</u>	<u>13,566,493</u>
<b>NET REVENUE (DEFICIENCY), BEFORE AMORTIZATION</b>	<u>6,675,353</u>	<u>(571,757)</u>	<u>(699,630)</u>	<u>4,286,210</u>	<u>(97,953)</u>	<u>(647,609)</u>	<u>(2,101,218)</u>	<u>641,864</u>	<u>7,485,260</u>
Amortization of tangible capital assets	39,133	205,224	1,741,694	1,218,129	981	3,699	413,640	-	3,622,500
<b>NET REVENUE (DEFICIENCY)</b>	<u>\$ 6,636,220</u>	<u>\$ (776,981)</u>	<u>\$ (2,441,324)</u>	<u>\$ 3,068,081</u>	<u>\$ (98,934)</u>	<u>\$ (651,308)</u>	<u>\$ (2,514,858)</u>	<u>\$ 641,864</u>	<u>\$ 3,862,760</u>



# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of Crowsnest Pass (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality of Crowsnest Pass are as follows:

#### a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of all the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

Organizations that are controlled by the Municipality are the following:

The Municipality of Crowsnest Pass Library Board

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 have been eliminated.

#### b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. User fees are recognized monthly as earned. Licenses and permits and rental revenues and other revenues are recognized as earned. Franchise revenues, and concession revenues are recognized monthly based on the term of the agreement as earned. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

#### c) Cash and temporary investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition, or are redeemable, and are held for the purpose of meeting short-term cash commitments rather than for investing.

#### d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. 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.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

#### f) Government Transfers

Government transfers are the transfers 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 and any eligibility criteria have been met except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

#### g) Tax Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Requisitions operate as a flow through and are excluded from municipal revenue.

#### h) Employee Benefit Obligations

The cost of sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days, long-term inflation rates and discount rates.

Unamortized gains and losses are amortized over the expected average remaining service life of the related employee groups, which is 10 years. Amortization commences in the year following the effective date of the related actuarial valuation.

#### i) Financial Instruments

The Municipality's financial instruments consist of cash and temporary investments, taxes and grants in lieu receivables, trade and other receivables, accounts payables, accrued liabilities, and long-term debt. Unless otherwise disclosed, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### i) Financial Instruments (continued)

The Municipality is subject to credit risk with respect to the majority of cash being held at one financial institution. Credit risk arises from the possibility that the bank may experience financial difficulty and the Municipality will be unable to access its funds as requested.

The Municipality is also subject to credit risk with respect to 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 Municipality 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. With the global pandemic COVID-19 the Municipality is further exposed to credit risk that the tax payer may fail to meet their obligations.

The Municipality is subject to market risk in respect of bonds held in their investment portfolio. Market risk arises with respect to the fair value of future cash flows fluctuating because of changes in market conditions.

#### k) Assets Held for Sale

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of operations. No amortization is charged on assets classified as held for sale.

#### 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 for the year.

##### i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed 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	15-50
Buildings	10-50
Engineered structures	20-99
Machinery and equipment	3-45
Vehicles	8-25

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

##### ii. Contributions of Tangible Capital Assets

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

##### iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost using the average costing method.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### k) Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations and rates for amortization.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

#### l) Contaminated Sites Liability

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 an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

### 2. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 10,367,334	\$ 11,009,068
Investment in cash account	24,765	90,763
	<u>\$ 10,392,099</u>	<u>\$ 11,099,831</u>

Cash includes bank accounts with interest rates from 0.00% to 0.65%.

Included in cash is \$3,894,056 (2019 - \$3,884,135) in externally restricted funds for future capital and operating expenditures and are include in deferred revenue (note 7).

The Municipality has an available revolving line of credit facility up to \$2,000,000 with interest payable at prime minus 0.25% and secured by a general security agreement. As at December 31, 2020 the balance owing on this facility is \$nil (2019 - \$nil).

### 3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2020</u>	<u>2019</u>
Current taxes and grants in lieu	\$ 586,225	\$ 582,980
Arrears taxes and grants in lieu	201,364	131,031
	<u>787,589</u>	714,011
Less: allowance for doubtful accounts	<u>(63,975)</u>	<u>(56,291)</u>
	<u>\$ 723,614</u>	<u>\$ 657,720</u>

### 4. INVESTMENTS

	<u>2020</u>		<u>2019</u>
	<u>Market Value</u>	<u>Amortized Cost</u>	
Government and government guaranteed bonds	\$ 3,538,439	\$ 3,347,488	\$ 3,331,535
Canadian equity mutual fund	1,934,200	1,934,200	1,680,000
	<u>\$ 5,472,639</u>	<u>\$ 5,281,688</u>	<u>\$ 5,011,535</u>

Government and government guaranteed bonds have an effective interest rate of 2.57% to 4.86% with maturity dates from September 2021 to December 2028.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 5. CONSTRUCTION-IN-PROGRESS

The net book value of tangible capital assets not being amortized because they are under construction is \$124,724 (2019 - \$13,388).

### 6. EMPLOYEE BENEFIT OBLIGATIONS

	2020	2019
Reconciliation of accrued benefit obligation		
Accrued benefit obligation - January 1	\$ 300,300	\$ 269,400
Current service cost	25,500	24,500
Interest cost	7,600	8,600
Benefits paid	(29,000)	(4,100)
Actuarial loss (gain)	30,600	1,900
Accrued benefit obligation - December 31	335,000	300,300
Components of net benefit cost		
Current service cost	25,500	24,500
Interest cost	7,600	8,600
Amortization of actuarial loss	(13,000)	(13,200)
Net benefit cost recognized	20,100	19,900
Reconciliation of accrued benefit liability		
Accrued benefit liability - January 1	379,800	364,000
Benefits paid	(29,000)	(4,100)
Benefit cost for the year	20,100	19,900
Accrued benefit liability - December 31	370,900	379,800
Vacation and overtime	159,646	119,853
	\$ 530,546	\$ 499,653

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 6. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

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

Permanent employees hired before July 1, 2008 are credited two days of sick leave for each month of employment and permanent employees hired after July 1, 2008 are credited one and one-half days each month of employment, up to a total accumulation of 120 working days for use as paid absences in the year, due to illness or injury. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. Upon death (after five years of service) or retirement (after ten years of service), 50% of the accumulated sick credits will be payable to the employee.

The sick time accrual for employee future benefits as at December 31, 2020, are based on an actuarial valuation for accounting purposes as at December 31, 2020. Significant assumptions used in the valuation include a discount rate of 1.6%, annual inflation of 3.0%, and a net annual sick leave accumulation of 25%.

### 7. DEFERRED REVENUE

Deferred revenue relates to funding received in the current period that is related to the subsequent period, and consists of the following:

	<u>2020</u>	<u>2019</u>
Basic Municipal Transportation	201,657	192,546
Municipal Sustainability Initiative Capital	2,046,269	3,025,695
Municipal Operating Support Transfer	256,401	-
Municipal Stimulus Program	200,000	-
Other	315,044	270,151
Flood Readiness Grant	-	89,259
Estate of Agnes Poch	568,201	-
Wolfstone Development	306,484	306,484
	<u>\$ 3,894,056</u>	<u>\$ 3,884,135</u>

#### Federal Gas Tax Fund

Funding carried forward from the prior year of \$nil from Alberta Municipal Affairs. In the current year \$250,000 was spent on eligible capital expenditures. Funding in the amount of \$250,000 was accrued during the year and included in trade receivables.

#### Basic Municipal Transportation

Funding carried forward from the prior year of \$192,546 from Alberta Municipal Affairs and \$9,111 received during the year. In 2020 the full balance remains deferred at the end of the year.

#### Municipal Sustainability Initiative Capital (MSI)

Funding carried forward from the prior year of \$3,025,695 from Alberta Municipal Affairs in which \$1,738,061 was spent on eligible capital expenditures. Funding in the amount of \$758,635 was received during the year.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 7. DEFERRED REVENUE (continued)

#### Municipal Operating Support Transfer (MOST)

The Government of Canada and the Province are providing funding to support to municipalities as relief from impacts of COVID-19. During the year \$595,936 was received and \$339,535 was spent on eligible expenditures.

#### Municipal Stimulus Program

The Province provides conditional grant funding through this program to assist with various capital expenditures in the MD. The use of these funds is restricted to eligible expenditures as approved under the funding agreement. During the year the MD received \$200,000 (2019 - \$nil).

#### Other

This deferred revenue is made up of general revenues in the amount of \$89,673 for the pool, \$85,460 for ski hill passes related to the 2020-2021 season and \$139,731 for various other programs.

#### Estate of Agnes Poch

In 2020, the Estate of Agnes Poch left \$568,201 to the Municipality to be used for a community operated Senior or Retirement Home or Lodge. If the municipality has not commenced or contemplated this project within 2 years, the funds should to be used for a new community center or for improvements to the Albert Stella Arena.

#### Wolfstone Development

These funds are restricted to the Wolfstone development.

### 8. LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>
Tax supported debentures	<u>\$ 6,350,284</u>	<u>\$ 6,684,943</u>
Long-term debt related to capital expenditures (note 10)	<u>3,350,507</u>	3,717,997
Long-term debt acquired for capital expenditures and not yet spent	<u>2,999,777</u>	<u>2,966,946</u>
	<u>\$ 6,350,284</u>	<u>\$ 6,684,943</u>

The current portion of the long-term debt amounts to \$343,546 (2019 - \$334,659). Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	343,546	180,930	524,476
2022	352,681	171,795	524,476
2023	362,065	162,411	524,476
2024	371,709	152,567	524,276
2025	381,616	142,860	524,476
Thereafter	<u>4,538,667</u>	<u>1,404,491</u>	<u>5,943,158</u>
	<u>\$ 6,350,284</u>	<u>\$ 2,215,054</u>	<u>\$ 8,565,338</u>

Debenture debt is repayable to the Government of Alberta and matures from 2026 to 2041. Interest is payable at rates ranging from 2.081% to 3.245%. Debenture debt is issued on the credit and security of the Municipality at large. Interest on long-term debt during the year amounted to \$186,205 (2019 - \$166,221). The Municipality's total cash payments for interest in 2020 were \$190,504 (2019 - \$158,604).

# MUNICIPALITY OF CROWNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 9. DEBT LIMITS

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

	<u>2020</u>	<u>2019</u>
Total debt limit	\$ 22,998,860	\$ 22,923,932
Total debt	<u>6,350,284</u>	<u>6,684,943</u>
Amount total debt limit unused	<u>\$ 16,648,576</u>	<u>\$ 16,238,989</u>
Debt servicing limit	\$ 3,833,143	\$ 3,820,655
Debt servicing	<u>524,476</u>	<u>524,476</u>
Amount of debt servicing limit unused	<u>\$ 3,308,668</u>	<u>\$ 3,296,180</u>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities 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 financial statements must be interpreted as a whole.

### 10. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Tangible capital assets (schedule 2)	\$ 240,885,344	\$ 238,948,210
Accumulated amortization (schedule 2)	(146,327,270)	(143,471,584)
Long-term debt related to capital expenditures (note 8)	<u>(3,350,507)</u>	<u>(3,717,997)</u>
	<u>\$ 91,207,567</u>	<u>\$ 91,758,629</u>



# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 11. ACCUMULATED SURPLUS

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

	<u>2020</u>	<u>2019</u>
Unrestricted surplus		
Municipal	\$ 4,006,312	\$ 3,573,944
Crowsnest Pass Municipal Library	13,015	10,676
	<u>4,019,327</u>	<u>3,584,620</u>
Internally Restricted surplus		
Roads, streets, walks and lighting	102,015	40,000
Land/housing	518,938	686,228
Electrical distribution	3,296,879	3,296,879
Public works	1,197,237	483,246
Operating stabilization	367,895	634,667
Family community support services	21,931	7,669
Risk management	231,844	204,218
	<u>5,736,739</u>	<u>5,352,907</u>
Equity in tangible capital assets (note 10)	<u>91,207,567</u>	<u>91,758,629</u>
	<u>\$ 100,963,633</u>	<u>\$ 100,696,156</u>

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 12. SALARY AND BENEFITS DISCLOSURE

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

	2020			2019
	Salary <sup>1</sup>	Benefits <sup>2</sup>	Total	Total
Council				
Mayor Painter	\$ 31,400	1,465	\$ 32,865	\$ 33,462
Councilor Ward	26,352	1,200	27,552	28,048
Councilor Filipuzzi	23,652	-	23,652	26,992
Councilor Glavin	19,852	858	20,710	26,546
Councilor Anctil	19,752	-	19,752	21,828
Councilor Girhiny	1,621	70	1,691	-
Councilor Lundy	4,663	199	4,862	21,396
Councilor Sygutek	18,552	790	19,342	24,998
Chief Administrative Officer (1)	232,240	29,659	261,899	204,301
Designated Officers (2)	225,579	33,977	259,556	334,967

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. 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 death 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 including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

### 13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality of Crowsnest Pass participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP serves approximately 274,151 people and approximately 420 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 13. LOCAL AUTHORITIES PENSION PLAN (continued)

The Municipality is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current service contributions by the Municipality of Crowsnest Pass to the LAPP in 2020 were \$392,324 (2019 - \$407,244). Total current service contributions by the employees of Municipality of Crowsnest Pass to the Local Authorities Pension Plan in 2020 were \$355,060 (2019 - \$368,303).

At December 31, 2019, the Plan disclosed an actuarial surplus of \$7.9 Billion.

### 14. BUDGETED INFORMATION

Budgeted information was prepared under the modified accrual method. This note provides a reconciliation between the approved budget figures and the budget figures disclosed in the financial statements.

	<u>2020</u>
Budget surplus reported in financial statements	\$ 2,235,238
Amortization expense	3,565,300
Principal payments on long-term debt	(334,659)
Government transfers capital revenue	(4,709,915)
Net transfers to reserves	<u>(755,964)</u>
Financial plan bylaw surplus for the year	<u>\$ -</u>

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 15. SEGMENTED INFORMATION

The Municipality of Crowsnest Pass is a diversified municipal government institution that provides a wide range of services to its citizens, including protective services, public works, water and waste services, public health and welfare, planning and development, recreation and culture, and electrical distribution services. For management reporting purposes the Municipality's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **General Government**

General government includes the legislation, administration and management of the Municipality.

#### **Protective Services**

Protective services are comprised of bylaw enforcement, police, and fire-rescue. The mandate of the police and bylaw enforcement department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crime from occurring; detect offenders and enforce the law. The fire service department is responsible for providing fire suppression service and rescue services.

#### **Public Works**

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and the maintenance of the parks and open spaces.

#### **Water & Waste**

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water, collecting and treating wastewater, and providing collection, disposal and waste minimization programs.

#### **Public Health & Welfare**

The Public Health and Welfare department provides Family and Community Support Services and provides for the maintenance of the cemetery.

#### **Planning & Development**

The Planning and Development department provides a diverse bundle of services. It manages municipal development for its citizens, environmental concerns, and heritage matters through municipal planning. It facilitates economic development by providing services for the approval of land development plans, the processing of building permit application and the provision of geometrics services.

#### **Recreation & Culture**

Recreation and Culture provides support of libraries, parks, and recreation.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

### 16. CONTINGENCIES

- a) The Municipality is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Municipality could become liable for its proportionate share of any claim losses in excess of the funds held by the Exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) The Municipality is involved in one labour dispute that is currently scheduled for arbitration. It is not possible at this time for management to determine the outcome of this action, the amount of the loss, if any, or the time of resolution of the matter. The amount of any future settlement would be accounted for as a current transaction in the year of settlement.

### 17. COMMITMENTS

The Municipality has entered into various contracts with third party agencies to provide services on behalf of the Municipality:

- a) C.N.P. Waste Disposal Ltd. This agreement is for pick up, collection and removal of garbage within the Municipality and delivery to a landfill near Cowley, Alberta. Contract expires 2021 and contains the following agreed upon amounts:

June 1, 2020 - May 31, 2021: \$380,606

- b) Benchmark Assessment Consultants Inc. Under the terms of this agreement, Benchmark Assessment Consultants Inc. is required to provide property tax assessments for the Municipality. The contract expires 2023 and contains the following agreed upon amounts:

July 1, 2020 to June 30, 2021 \$113,321 plus GST

July 1, 2021 to June 30, 2022 \$116,154 plus GST

July 1, 2022 to June 30, 2023 \$119,058 plus GST

- c) Alberta Transportation. This agreement is to participate in the Transportation Routing and Vehicle Information Multi-Jurisdiction Permitting System for a period of five years with an effective date of April 1, 2014. An extension of the contract has taken effect for another 5 years commencing August 24, 2019.

# **MUNICIPALITY OF CROWSNEST PASS**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020**

### **18. COVID-19 IMPACT**

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant impact worldwide. As the impacts of COVID-19 continue, there could be further impact on the Municipality, its residents, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Municipality is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Municipality's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Municipality will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its residents.

### **19. CONTAMINATED SITES LIABILITY**

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2020 (2019 - nil) as a result of this standard.