

TOWN OF CANMORE

Non-Consolidated Financial Statements

For the year ended December 31, 2020

TOWN OF CANMORE
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For the year ended December 31, 2020

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Finance Committee of
the Town of Canmore

Opinion

We have audited the non-consolidated financial statements of the Town of Canmore which comprise the non-consolidated statement of financial position as at December 31, 2020, and the non-consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 non-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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 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:

INDEPENDENT AUDITOR'S REPORT, continued

- 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 Town'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 Town'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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 10.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 17.

Lethbridge, Alberta

April 20, 2021



Chartered Professional Accountants

MANAGEMENT REPORT

The non-consolidated financial statements are the responsibility of the management of the Town of Canmore.

These non-consolidated financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the non-consolidated financial statements are presented fairly, in all material respects.

The Town maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Town's assets are properly accounted for and adequately safeguarded.

The elected Council of the Town of Canmore is responsible for ensuring that management fulfils its responsibilities for financial statements. Council carries out its responsibility principally through review of financial information prepared by Management and through the Finance Committee. Relevant matters are discussed with these parties as well as the external auditors.

Chelsey Richardson

Manager of Financial Services

Lisa de Soto

Chief Administrative Officer

April 20, 2021

TOWN OF CANMORE
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	Budget (Unaudited)	2020	2019
Revenue			
Net municipal property taxes (note 14)	\$ 24,883,424	\$ 24,896,533	\$ 24,487,006
User fees and sales of goods	19,035,637	16,525,716	18,075,978
Government transfers for operating (note 15)	1,249,687	5,536,170	1,617,760
Investment income	1,000,000	1,649,198	1,330,916
Penalties and costs of taxes	222,000	204,231	264,350
Development levies	490,000	2,215,421	2,052,530
Licenses and permits	1,368,170	1,328,651	2,087,339
Franchise and concession contracts	2,367,377	2,335,204	2,337,354
Rental	1,412,777	884,732	1,225,105
Other	866,160	1,146,830	1,027,059
	52,895,232	56,722,686	54,505,397
Expenses (note 16)			
Legislative	548,834	422,262	474,696
Administration	8,042,246	8,446,838	8,635,985
Protective services	7,053,419	6,859,699	6,366,138
Common and equipment pool	761,352	641,040	636,668
Roads, streets, walks and lighting	4,625,552	5,277,572	4,881,030
Public transit	1,233,552	1,428,319	1,032,465
Waste management	3,803,395	4,112,451	3,748,458
Other environmental use and protection	-	7,714	671,205
Family and community support services	489,988	476,264	467,099
Cemeteries and crematoriums	98,055	78,054	51,815
Other public health and welfare	820,818	849,571	936,920
Land use planning, zoning and development	1,549,109	1,421,757	1,483,283
Economic and agricultural development	337,954	334,863	258,207
Public housing operations	654,358	2,609,813	985,386
Other planning and development	1,075,332	1,079,501	948,634
Parks and recreation	3,859,204	4,265,869	4,673,419
Culture - libraries, museums, halls	1,391,158	1,466,560	1,390,305
Other recreation and culture	6,854,354	5,525,784	6,324,779
Utilities	9,016,660	8,501,567	7,572,742
	52,215,340	53,805,498	51,539,234
Excess of revenue over expenses before other	679,892	2,917,188	2,966,163
Other			
Government transfers for capital (note 15)	7,335,281	23,078,733	9,521,691
Contributed tangible capital assets	-	6,561,271	1,317,503
	7,335,281	29,640,004	10,839,194
Excess of revenue over expenses	8,015,173	32,557,192	13,805,357
Accumulated surplus, beginning of year	331,570,203	331,570,203	317,764,846
Accumulated surplus, end of year	\$ 339,585,376	\$ 364,127,395	\$ 331,570,203

TOWN OF CANMORE
NON-CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2020

	Budget (Unaudited)	2020	2019
Excess of revenue over expenses	\$ 8,015,173	\$ 32,557,192	\$ 13,805,357
Acquisition of tangible capital assets	(22,385,266)	(39,981,116)	(23,007,079)
Amortization of tangible capital assets	8,584,491	9,252,706	8,584,491
Contributed tangible capital assets	-	(6,561,271)	(1,317,503)
Loss on disposal of tangible capital assets	-	595,772	1,697,153
Proceeds on disposal of tangible capital assets	-	8,455	114,091
	(13,800,775)	(36,685,454)	(13,928,847)
Net change in inventory for consumption	-	(19,919)	26,228
Net change in prepaid expense	-	(66,741)	2,760
	-	(86,660)	28,988
Increase in net financial assets	(5,785,602)	(4,214,922)	(94,502)
Net financial assets, beginning of year	28,565,858	28,565,858	28,660,360
Net financial assets, end of year	\$ 22,780,256	\$ 24,350,936	\$ 28,565,858

TOWN OF CANMORE
NON-CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2020

	2020	2019
Operating transactions		
Excess of revenue over expenses	\$ 32,557,192	\$ 13,805,357
Adjustments for items which do not affect cash		
Loss on disposal of tangible capital assets	595,772	1,697,153
Amortization of tangible capital assets	9,252,706	8,584,491
Contributed tangible capital assets	(6,561,271)	(1,317,503)
	35,844,399	22,769,498
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(256,950)	19,700
Trade and other receivables	(1,455,907)	1,225,559
Land held for resale	82,603	(82,603)
Debt charges recoverable	201,233	191,573
Inventory for consumption	(19,919)	26,228
Prepaid expenses	(66,741)	2,760
Accounts payable and accrued liabilities	4,532,366	(179,229)
Employee benefit obligations	(12,264)	14,520
Deposits	542,978	(818,909)
Deferred revenue	(6,837,025)	2,908,881
	32,554,773	26,077,978
Capital transactions		
Proceeds on disposal of tangible capital assets	8,455	114,091
Acquisition of tangible capital assets	(39,981,116)	(23,007,079)
	(39,972,661)	(22,892,988)
Investing transactions		
Purchase of investments	(36,832,695)	(14,606,112)
Proceeds on sale of investments	50,842,773	22,681,193
	14,010,078	8,075,081
Financing transactions		
Proceeds of long-term debt	11,305,000	5,350,000
Repayment of long-term debt	(2,740,113)	(2,650,766)
	8,564,887	2,699,234
Increase in cash and temporary investments	15,157,077	13,959,305
Cash and temporary investments, beginning of year	37,197,077	23,237,772
Cash and temporary investments, end of year	\$ 52,354,154	\$ 37,197,077

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. Significant accounting policies

The non-consolidated financial statements of the Town of Canmore are the representations of management prepared in accordance with generally accepted principles for local government established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) 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. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

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.

(b) Reporting entity

The non-consolidated financial statements do not include the assets, liabilities, revenue and expenses of the Canmore Community Housing, the Downtown Business Improvement Area, and the Canmore Public Library, which are all controlled by the Town; however, the details regarding transactions with these entities are disclosed in the notes.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

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

(c) Use of estimates

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

(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 investments. 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.

1. Significant accounting policies, continued

(e) 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 annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

(f) Development levies
Development levies are recorded when the amount can be reasonably estimated and collection is reasonably assured. All levies are due within 24 months of the signing date of the respective agreement.

(g) Tax revenue
Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

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

(h) 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.

(i) 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.

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

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

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. Significant accounting policies, continued

(k) Non-financial assets

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

(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	8-30
Buildings	25-50
Engineered structures	5-90
Machinery and equipment	5-40
Vehicles	10-40

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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 also are recorded as revenue.

(iii) Leases

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

(iv) Inventories

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

(v) Cultural and historical tangible capital assets

Works of art for display are not recorded as tangible capital assets. Cultural and historical tangible capital assets are comprised of buildings, bridges, sculptures and artwork.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

2. Cash and temporary investments

	2020	2019
Cash	\$ 35,138,766	\$ 11,591,077
Temporary investments	17,215,388	25,606,000
	\$ 52,354,154	\$ 37,197,077

Temporary investments are short-term guaranteed investment certificates and government guaranteed bonds with original maturities of twelve months or less.

In order to facilitate temporary financing for expenses, the Town has credit facilities totaling \$2,500,000 that could be utilized. An updated borrowing bylaw passed by Council would be required to access these facilities. As at December 31, 2020, there were no amounts drawn on these credit facilities (2019 - nil).

3. Taxes and grants in place of taxes receivables

	2020	2019
Taxes and grants in place of taxes receivable	\$ 811,540	\$ 512,429
Arrears	113,012	155,173
	\$ 924,552	\$ 667,602

4. Trade and other receivables

	2020	2019
Due from related organizations	\$ 5,248,613	\$ 5,683,106
Accrued receivables	2,724,373	260,763
Utilities	1,817,306	1,652,666
Trade receivables	1,164,165	1,821,592
Goods and Services Tax (GST)	863,206	340,448
Other receivable	395,006	418,883
Accrued interest	292,014	565,792
Local improvement tax	79,164	126,864
(Under) over collection of requisitions	(17,453)	204,374
Allowance for doubtful accounts	(161,000)	(125,000)
	\$ 12,405,394	\$ 10,949,488

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

5. Debt charges recoverable

	2020	2019
Current debt charges recoverable	\$ 211,379	\$ 201,233
Non-current debt charges recoverable	3,740,655	3,952,034
	\$ 3,952,034	\$ 4,153,267

The Town sold the Hector property to Canmore Community Housing (CCH) for the assumption of the outstanding debenture. Long-term financing totaling \$3,952,034 (2019 - \$4,153,267) plus interest at 4.98% is recoverable from CCH with respect to this financing. Amounts are recoverable in semi-annual blended installments of \$202,795, and mature June 15, 2034.

	Principal	Interest	Total
2021	\$ 211,379	\$ 194,212	\$ 405,591
2022	222,036	183,554	405,590
2023	233,232	172,359	405,591
2024	244,991	160,600	405,591
2025	257,344	148,247	405,591
Thereafter	2,783,052	1,869,914	4,652,966
	\$ 3,952,034	\$ 2,728,886	\$ 6,680,920

6. Investments

	2020		2019	
	Cost	Market value	Cost	Market value
Investments	\$ 36,983,078	\$ 37,369,705	\$ 50,993,155	\$ 51,661,165

Principal protected notes and government guaranteed bonds have effective interest rates of 2.50% to 3.45% (2019 - 2.50% to 4.48%) with maturity dates from 2022 to 2035.

7. Employee benefit obligations

	2020	2019
Vacation	\$ 200,321	\$ 212,585

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

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

8. Deferred revenue

Deferred revenue consists of deposits and government transfers.

Government transfers consist of funding received from the federal and provincial governments for which stipulations have not yet been met. The use of these funds is restricted to eligible projects approved under the funding agreements.

	2020	2019
Alberta Community Resilience Program (ACRP) - Cougar Creek	\$ 11,195,829	\$ 10,834,125
Alberta Community Resilience Program (ACRP) - Steep Creek	6,714,406	-
Municipal Sustainability Initiative (MSI) - Capital	6,401,804	8,256,971
Flood Recovery Erosion Control Program (FRECP)	3,379,707	14,972,899
Federal Gas Tax Fund (FGTF)	733,743	1,276,480
Disaster Recovery Program (DRP)	305,039	312,753
Mountain Pine Beetle (MPB)	59,409	-
Municipal Stimulus Program	50,000	-
Family Resource Network (FRN) - Hub	34,901	-
Family Resource Network (FRN) - Child Development	21,473	-
Family Resource Network (FRN) - Caregiver	19,147	-
Economic Development and Trade	11,918	11,918
Legacy Trail	-	19,945
National Disaster Mitigation Program (NDMP)	-	4,310
Alberta Environment & Parks Wildlife Fencing	-	75,000
	\$ 28,927,376	\$ 35,764,401

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

9. Long-term debt

	2020	2019
Tax supported debentures - capital	\$ 36,748,672	\$ 27,982,552
Self supported debentures - operating	3,952,034	4,153,267
	\$ 40,700,706	\$ 32,135,819
Current portion	\$ 3,271,068	\$ 2,740,113

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2021	\$ 3,271,068	\$ 1,235,002	\$ 4,506,070
2022	3,032,267	1,110,688	4,142,955
2023	3,085,060	1,010,282	4,095,342
2024	2,293,482	914,645	3,208,127
2025	2,363,064	845,063	3,208,127
Thereafter	26,655,765	4,744,668	31,400,433
	\$ 40,700,706	\$ 9,860,348	\$ 50,561,054

Debenture debt is repayable to Treasury Board and Finance and bears interest at rates ranging from 1.789% to 8.375% per annum and matures in periods 2021 through 2045. The average annual interest rate is 3.61% for 2020 (3.93% for 2019). Debenture debt is issued on the credit and security of the Town at large.

Interest on long-term debt amounted to \$1,119,232 (2019 - \$1,086,209).

The Town's total cash payments for interest in 2020 were \$1,127,992 (2019 - \$1,090,929).

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

10. 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	\$ 85,084,029	\$ 81,758,096
Total debt	40,700,706	32,135,819
	\$ 44,383,323	\$ 49,622,277
Debt servicing limit	\$ 14,180,672	\$ 13,626,349
Debt servicing	4,506,070	3,868,095
	\$ 9,674,602	\$ 9,758,254

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

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

11. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2020	2019
Operating		
General operating	\$ 2,861,584	\$ 3,762,766
Tax stabilization	6,906,503	2,335,116
	9,768,087	6,097,882
Capital		
Art trust fund	303,278	288,789
Asset replacement	9,088,905	8,206,409
Cash in lieu - bear bins	109,863	103,850
Cash in lieu - municipal reserve	178,372	397,872
Cash in lieu - parking	484,810	508,457
Economic development	680,145	585,241
Flood mitigation maintenance	585,615	419,122
General capital	7,630,065	9,119,259
Offsite levies	5,832,416	6,300,072
Perpetually affordable housing (PAH)	870,745	610,999
Photo radar	808,377	819,839
Recreation levy	46,930	45,414
Solid waste - collection	635,613	692,110
Solid waste - recycling	925,416	785,958
Water utility	2,895,178	3,451,027
Wastewater utility	5,513,988	6,302,522
Work in progress - debt	5,161,053	924,306
Work in progress - taxes	892,483	665,211
	42,643,252	40,226,457
	\$ 52,411,339	\$ 46,324,339

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

12. Equity in tangible capital assets

	2020	2019
Tangible capital assets (schedule 2)	\$ 463,186,234	\$ 418,553,303
Accumulated amortization (schedule 2)	(123,669,681)	(115,722,203)
Long-term debt (note 9)	(40,700,706)	(32,135,819)
Debt charges recoverable (note 5)	3,952,034	4,153,267
	\$ 302,767,881	\$ 274,848,548

13. Accumulated surplus

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

	2020	2019
Unrestricted surplus	\$ 8,948,175	\$ 10,397,316
Internally restricted surplus (reserves) (note 11)	52,411,339	46,324,339
Equity in tangible capital assets (note 12)	302,767,881	274,848,548
	\$ 364,127,395	\$ 331,570,203

14. Net municipal property taxes

	Budget (Unaudited)	2020	2019
Taxation			
Real property taxes	\$ 46,677,143	\$ 46,443,558	\$ 44,202,870
Requisitions			
Alberta School Foundation Fund	20,769,790	20,520,662	18,672,060
Bow Valley Regional Housing Authority	917,274	917,952	936,303
Downtown Business Improvement Area	106,655	104,600	103,550
Designated Industrial Property Tax	-	3,811	3,951
	21,793,719	21,547,025	19,715,864
	\$ 24,883,424	\$ 24,896,533	\$ 24,487,006

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

15. Government transfers

	Budget (Unaudited)	2020	2019
Transfers for operating:			
Provincial conditional grants	\$ 1,249,687	\$ 5,533,370	\$ 1,615,360
Federal conditional grants	-	2,800	2,400
	1,249,687	5,536,170	1,617,760
Transfers for capital:			
Provincial government	7,335,281	17,297,768	9,213,482
Federal government	-	5,780,965	308,209
	7,335,281	23,078,733	9,521,691
	\$ 8,584,968	\$ 28,614,903	\$ 11,139,451

16. Expenditures by object

	Budget (Unaudited)	2020	2019
Salaries, wages and benefits	\$ 20,090,838	\$ 18,196,190	\$ 18,560,818
Contracted and general services	16,262,071	15,037,497	14,127,681
Materials, goods, supplies and utilities	3,917,975	3,223,216	3,509,583
Bank charges and short term interest	88,342	49,463	90,040
Interest on long term debt	1,319,241	1,119,232	1,086,209
Other expenditures	93,310	2,237,762	1,814,512
Transfers to organizations and others	1,859,072	4,093,660	2,068,747
Amortization of tangible capital assets	8,584,491	9,252,706	8,584,491
Loss on disposal of tangible capital assets	-	595,772	1,697,153
	\$ 52,215,340	\$ 53,805,498	\$ 51,539,234

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

17. 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:

	(1) Salary	(2) Benefits & allowances	2020	2019
Council				
Borrowman, John	\$ 103,936	\$ 13,651	\$ 117,587	\$ 111,387
McCallum, Joanna	43,318	8,971	52,289	47,122
Seeley, Robert	40,895	8,971	49,866	49,772
Sandford, Vi	38,795	8,971	47,766	46,247
Comfort, Esme	30,720	7,211	37,931	42,630
Hilstad, Jeffrey	39,645	8,971	48,616	47,168
Marra, Karen	38,225	7,236	45,461	44,594
Chief administrative officer (1)	226,498	30,201	256,699	247,147
Designated officers (17)	\$ 2,040,540	\$ 303,841	\$ 2,344,381	\$ 2,278,434

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

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

18. Commitments and contingencies

- (a) The Town has entered into an agreement with EPCOR Water Services Inc. to take over all aspects of the upgrade, management, operation and maintenance relating to the operation of the water works system, the waste water system, the storm drainage system, and the utility metering and account management system for and on behalf of the Town. The term of the agreement is ten years from the commencement date of January 1, 2010 with an option to extend the agreement for another 10 years. The Town has exercised its right to extend the agreement. The annual charges for basic work was \$3,560,311 for the 2020 year not including Rehabilitation Fund Maintenance and Repairs, Biosolids Services, Out-of-Scope Work or Capital Work. Each year in June, the fee will be adjusted by CPI for the following year.
- (b) The Town has entered into a contract with Superior Safety Codes Inc. to provide professional safety code services. The contract is from August 2019 to August 2022. The contractor shall be paid for services as follows:
 - (i) Inspections and plan reviews - \$110/hour and,
 - (ii) Enforcement (after an order has been issued) - no charge up to 8 hours; \$125/hour after 8 hours.
- (c) The Town has entered into an agreement with RCMP to provide policing services. The Town pays 70% of the actual Full-Time Equivalent utilization each quarter and actual overtime hours plus quarterly accommodation charges of \$42,029 per quarter for the 2021 - 2022 contract year.
- (d) The Town has an agreement with Benchmark Assessment Consultants Inc. to provide assessment services. Assessment services are required by the municipalities in order to carry out the assessment of property within each municipality, primarily for taxation purposes. The contract is from October 7, 2019 to October 31, 2022. Under the terms of the agreement the Town is committed to \$229,000 for 2021 and \$190,883 for 2022.
- (e) The Town has approved the Cougar Creek Debris Flow Retention Structure capital project for an estimated cost of \$49,000,000. The construction for the capital project began in 2020 where \$26,000,000 has been spent as of year end. The capital project is expected to be completed in 2022.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

19. Related party transactions

During the year the Town entered into the following transactions with related parties:

	2020	2019
Canmore Community Housing		
Start up advances receivable	\$ 162,500	\$ 162,500
Debenture receivable	3,952,034	4,153,267
Loan receivable	600,000	600,000
Appropriation	450,000	475,000
Development deposit	42,500	42,500
Mountain Haven Cooperative Homes acquisition receivable	3,482,864	4,245,000
PAH line of credit	871,468	175,878
New Life Christian Centre Land transfer	1,800,000	-
Peaks Landing Land transfer	155,894	-
Stewart Creek Community Land transfer	-	296,786

The Canmore Community Housing (CCH) is a non-profit organization which was established in 2000 to provide housing solutions for a healthy and balanced community in Canmore. CCH is wholly-owned by the Town, which appoints a volunteer Board of Directors to govern and provide direction.

All amounts are non-interest bearing and due on demand, except for the debenture receivable and loan receivable. The debenture receivable is repayable in semi-annual payments of \$202,795 including interest at 4.98%. The loan receivable is repayable within 5 year from the date of the loan December 2, 2015. The funds are being loaned on a simple interest fee basis of 2% per annum.

The Town advanced a total of \$600,000 (2019 - \$600,000) to assist with the construction of the McArthur Place. The loan bears interest at 2%. The principal plus accrued interest is repayable in 2020. The loan receivable was repaid January 2021.

The Town has established a repurchasing line of credit to CCH up to a maximum of \$1,500,000 for the purchase of PAH units. These loans are secured by the PAH units until repaid to the Town and do not bear interest. The loans are repayable to the Town 14 days after the resale date of the unit. As at December 31, 2020 the line of credit balance was \$871,468 (2019 - \$175,878).

In relation to the Old Daycare Land project, CCH has paid the Town \$400,000 for the development agreement deposit. The Town has refunded \$357,500 of this deposit during 2019. The remaining balance of \$42,500 will be repaid once the Town is satisfied that the development has been constructed in accordance with the development permit.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

19. Related party transactions, continued

The Town advanced \$4,245,000 to CCH for the purpose of acquiring 17 rental units from Mountain Haven Cooperative Homes (MHCH), now called Wolf Willow Condo Corporation. The full amount is to be repaid to the Town by CCHC from any eventual proceeds from the sale of the 17 rental units. There are no fixed repayment terms and the receivable is non-interest bearing. During the year, \$762,136 has been repaid.

During the year, the Town purchased land and building describe as Plan 6416JK, Parcel "A" for \$1,800,000 and transferred it to CCH for \$1 for purpose of affordable housing development. CCH has recognized the land and building at the carrying value of \$1,800,000.

During the year, the Town transferred land describe as Plan 1911891, Block 1, Lot 2 with a total cost of \$155,894 to CCH for \$1 to use towards future housing developments. CCH has recognized the land at the carrying value of \$155,894.

Bow Valley Regional Housing Association

Included in accounts payable	\$	319	\$	1,050
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The Bow Valley Regional Housing Association was established as a management body by a Provincial Ministerial Order dated June 19, 1997, and is regulated by the Alberta Housing Act and its regulations. The management body operates and maintains social housing accommodations and is administered by a Board comprised of seven members, two of which are appointed by the Town. The management body requisitions the member municipalities to fund operations.

Centennial Museum Society of Canmore

Appropriation	\$	185,000	\$	180,000
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The Centennial Museum Society of Canmore is a non-profit organization registered in the Province of Alberta. The Town supports the museum through funding of operations. Council reviews the program plan annually and approves funding.

Canmore Public Library

Appropriation	\$	883,285	\$	829,647
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The Town provides the Canmore Public Library with significant funding in order to maintain its operations. The Canmore Public Library is a non-profit organization providing library services to the Town.

Downtown Business Improvement Area

Appropriation	\$	104,600	\$	103,550
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The Downtown Business Improvement Area was established by adoption of a municipal bylaw by the Town effective January 1, 2006. Appropriations made to the Downtown Business Improvement Area are made to cover property taxes requisitioned in the same amount.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

19. Related party transactions, continued

Bow Valley Regional Transit Services Commission

Appropriation \$ 1,419,297 \$ 1,023,622

The Bow Valley Regional Transit Services Commission was established as a service commission by a Provincial Ministerial Order dated April 21, 2011, and is regulated by the Municipal Government Act and its regulations. The service commission operates and maintains transit services and is administered by a Board comprised of six members, two of which are appointed by the Town. The service commission requisitions the member municipalities to fund operations.

Bow Valley Regional Waste Management Commission

Appropriation \$ 84,500 \$ 84,500

The Bow Valley Waste Management Commission is a regional services commission serving the Town of Canmore, Town of Banff and the Municipal District of Bighorn No 8. The commission provides solid waste management services and is administered by a Board comprised of 6 members, two of which are appointed by the Town. The Town of Canmore operates the Town of Canmore Waste Transfer Station through contract with the Commission.

Canadian Mountain Arts Foundation

Appropriation \$ 236,000 \$ 230,500

The Town has retained the services of Canadian Mountain Arts Foundation to create, operate and manage a community arts centre in Canmore Arts Centre Advisory Committee Report. The foundation is administered by a Board comprised of 9 members, one of which is appointed by the Town.

The above mentioned transactions occurred in the normal course of operations and were recorded at the exchange amount, which was the amount agreed to between the related parties.

20. Financial instruments

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or credit risk arising from these financial instruments.

The Town is 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 Town provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

21. Approval of financial statements

These financial statements were approved by Council and Management.

22. Contaminated sites liability

The Town adopted PS3260 liability for contaminated sites. The Town did not identify any financial liabilities in 2020 (2019 - nil) as a result of this standard.

23. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Potential impacts on the Town's business could include future decreases in revenue and delays in completing capital project work, temporary declines in investment income, closure of facilities including recreation, library, and administrative buildings, temporary and/or permanent termination of public employees and mandatory working from home requirements for those able to do so.

The Town has continued to develop strategies to manage the impacts of the COVID-19 outbreak. Administration continues to monitor revenue, expenses, and projects for the Town. Cost saving measures have been instituted where appropriate. The Town continues to follow protocols set by the Alberta Government and to make suitable adjustments in the face of the pandemic.

Management is not aware of any material impairments, at this time, that will impact the financial assets or liabilities of the Town due to the pandemic.

The situation is continually changing and the future impact on the Town is not readily determinable at this time.

TOWN OF CANMORE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

24. Budget amounts

The 2020 budget for the Town was approved by Council on December 18, 2018, amended December 3, 2019 and amended May 27, 2020. The budget has been reported in the non-consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these non-consolidated financial statements.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the 2019 amortization expense has been included as a budget amount.

Budgeted surplus per financial statements	\$ 8,015,173
Less: Capital expenditures	(22,385,266)
Long-term debt repayments	(2,800,893)
Add: Amortization	8,584,491
Transfers from reserves	3,816,495
Proceeds from long-term debt	4,770,000
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Equals: Balanced budget	\$ -
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25. Segmented disclosure

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

Refer to the schedule of segmented disclosure (schedule 3).

26. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

TOWN OF CANMORE
SCHEDULES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

Schedule of changes in accumulated surplus	Schedule 1				
	Unrestricted	Restricted	Equity in tangible capital assets	2020	2019
Balance, beginning of year	\$ 10,397,316	\$ 46,324,339	\$ 274,848,548	\$ 331,570,203	\$ 317,764,846
Excess of revenue over expenses	32,557,192	-	-	32,557,192	13,805,357
Unrestricted funds designated for future use	(20,525,228)	20,525,228	-	-	-
Restricted funds used for operations	1,711,843	(1,711,843)	-	-	-
Restricted funds used for tangible capital assets	-	(12,726,385)	12,726,385	-	-
Current year funds used for tangible capital assets	(27,254,731)	-	27,254,731	-	-
Contributed tangible capital assets	(6,561,271)	-	6,561,271	-	-
Disposal of tangible capital assets	604,230	-	(604,230)	-	-
Amortization of tangible capital assets	9,252,706	-	(9,252,706)	-	-
Long-term debt repaid	(2,740,113)	-	2,740,113	-	-
Debt charges recoverable	201,231	-	(201,231)	-	-
Proceeds of long-term debt	11,305,000	-	(11,305,000)	-	-
Change in accumulated surplus	(1,449,141)	6,087,000	27,919,333	32,557,192	13,805,357
Balance, end of year	\$ 8,948,175	\$ 52,411,339	\$ 302,767,881	\$ 364,127,395	\$ 331,570,203

TOWN OF CANMORE
SCHEDULES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

							Schedule 2		
	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2020	2019
Schedule of tangible capital assets									
Cost:									
Balance, beginning of year	\$ 45,155,208	\$ 21,139,721	\$ 75,474,921	\$ 234,406,919	\$ 16,015,617	\$ 5,762,079	\$ 20,598,837	\$ 418,553,303	\$ 399,249,573
Acquisitions	22,600	1,391,921	2,229,752	15,998,009	1,768,854	918,998	24,212,253	46,542,387	24,324,582
Transfers	-	74,798	282,591	10,724,142	468,185	-	(11,549,716)	-	-
Disposals	-	(244,533)	(197,975)	(1,108,474)	(246,478)	-	(111,996)	(1,909,456)	(5,020,852)
Balance, end of year	45,177,808	22,361,907	77,789,289	260,020,596	18,006,178	6,681,077	33,149,378	463,186,234	418,553,303
Accumulated amortization:									
Balance, beginning of year	-	11,160,736	16,839,319	76,823,481	8,114,653	2,784,014	-	115,722,203	110,347,320
Annual amortization	-	948,995	2,024,232	4,716,005	1,094,840	468,634	-	9,252,706	8,584,491
Disposals	-	(98,956)	(67,427)	(918,196)	(220,649)	-	-	(1,305,228)	(3,209,608)
Balance, end of year	-	12,010,775	18,796,124	80,621,290	8,988,844	3,252,648	-	123,669,681	115,722,203
Net book value	\$ 45,177,808	\$ 10,351,132	\$ 58,993,165	\$ 179,399,306	\$ 9,017,334	\$ 3,428,429	\$ 33,149,378	\$ 339,516,553	\$ 302,831,100
2019 net book value	\$ 45,155,208	\$ 9,978,985	\$ 58,635,602	\$ 157,583,438	\$ 7,900,964	\$ 2,978,065	\$ 20,598,837	\$ 302,831,100	

TOWN OF CANMORE
SCHEDULE TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

Schedule of segmented disclosure

Schedule 3

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Other	Total
Revenue									
Net municipal property taxes	\$ 24,196,011	\$ -	\$ -	\$ -	\$ -	\$ 700,522	\$ -	\$ -	\$ 24,896,533
User fees and sales of goods	81,345	909,740	5,238	14,246,700	124,544	63,568	1,094,581	-	16,525,716
Government transfers for operating	4,386,717	411,936	-	-	677,661	-	59,856	-	5,536,170
Investment income	1,649,198	-	-	-	-	-	-	-	1,649,198
Penalties and costs of taxes	204,231	-	-	-	-	-	-	-	204,231
Development levies	1,133,624	-	-	1,081,797	-	-	-	-	2,215,421
Licenses and permits	-	49,599	-	-	-	1,279,052	-	-	1,328,651
Franchise and concession contracts	2,329,860	-	-	-	-	28,731	5,344	-	2,335,204
Rental	-	-	-	-	-	216,821	856,001	-	884,732
Other	897,347	2,700	-	-	5,313	24,649	-	-	1,146,830
	34,878,333	1,373,975	5,238	15,328,497	807,518	2,288,694	2,040,431	-	56,722,686
Expenses									
Salaries, wages and benefits	4,745,064	3,094,667	1,272,384	1,277,445	1,021,515	2,292,848	4,492,266	-	18,196,190
Contracted and general services	2,030,140	3,228,988	2,114,221	762,754	173,364	425,077	1,353,045	4,949,908	15,037,497
Materials, goods, supplies and utilities	87,196	133,084	1,126,588	146,898	148,909	15,741	911,767	653,033	3,223,216
Bank charges and short term interest	14,557	-	141	-	-	-	34,765	-	49,463
Interest on long term debt	316,003	-	-	139,002	-	203,919	-	460,308	1,119,232
Other expenditures	918,984	20,722	404,630	465,350	40,077	48,455	339,545	-	2,237,762
Transfers to organizations and others	136,767	39,500	304,714	84,500	-	2,459,894	1,068,285	-	4,093,660
Amortization of tangible capital assets	504,510	342,737	1,988,676	1,221,671	20,023	-	2,779,790	2,395,299	9,252,706
Loss on disposal of tangible capital assets	115,879	-	135,577	22,546	-	-	278,752	43,018	595,772
	8,869,100	6,859,698	7,346,931	4,120,166	1,403,888	5,445,934	11,258,215	8,501,566	53,805,498
Excess (deficiency) of revenue over expenses before other	26,009,233	(5,485,723)	(7,341,693)	11,208,331	(596,370)	(3,157,240)	(9,217,784)	(8,501,566)	2,917,188
Other									
Government transfers for capital	-	297,644	16,466,390	6,064,063	-	-	250,636	-	23,078,733
Contributed tangible capital assets	-	-	3,391,210	3,119,177	-	4,601	46,283	-	6,561,271
	-	297,644	19,857,600	9,183,240	-	4,601	296,919	-	29,640,004
Excess (deficiency) of revenue over expenses	\$ 26,009,233	\$ (5,188,079)	\$ 12,515,907	\$ 20,391,571	\$ (596,370)	\$ (3,152,639)	\$ (8,920,865)	\$ (8,501,566)	\$ 32,557,192