



Town of Beaumont

Financial Statements

For the Year Ended December 31st, 2009



Town of Beaumont
Financial Statements
For the Year Ended December 31st, 2009

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MANAGEMENT'S REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the Town of Beaumont.

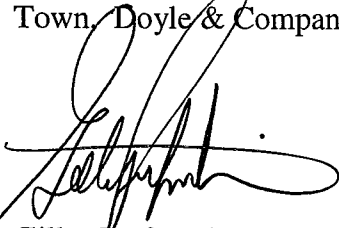
These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented 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 the Town's assets are appropriately accounted for and adequately safeguarded.

The elected Council of the Town of Beaumont are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council meets annually with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council reviews the quarterly financial reports.

The consolidated financial statements have been audited by Doyle & Company, Chartered Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Town. Doyle & Company has full and free access to Town Council.



Gilles Prefontaine, CMA
Manager of Finance and Administration
Town of Beaumont
April 1, 2010

Allan J. Grykuliak, C.A.*
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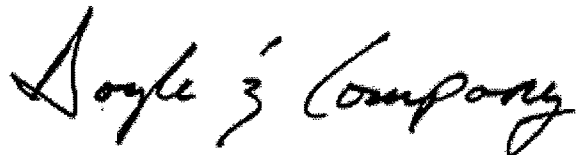
AUDITORS' REPORT

To the Members of Council Town of Beaumont

We have audited the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets (Debit) and the Consolidated Statement of Cash Flows of the Town of Beaumont as at December 31, 2009. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2009 and the results of its operations and cash flows for the year ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta
April 1, 2010

Chartered Accountants

**TOWN OF BEAUMONT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u> (Note 16)
	\$	\$
FINANCIAL ASSETS		
Cash and Cash Equivalents	1,150,328	5,873,426
Temporary Investments (Note 4)	11,428,476	12,279,434
Receivables (Note 3)		
Taxes	840,534	364,311
Trade and Other	7,002,728	3,331,060
Other Financial Assets	150,185	133,967
	<u>20,572,251</u>	<u>21,982,198</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	3,204,215	3,041,303
Other Liabilities	6,548,506	7,638,597
Long-term Debt (Note 6)	14,910,095	10,051,890
	<u>24,662,816</u>	<u>20,731,790</u>
NET FINANCIAL ASSETS (DEBT)	<u>(4,090,565)</u>	<u>1,250,408</u>
NON-FINANCIAL ASSETS		
Inventory for Consumption (Note 1f) iv)	128,500	66,941
Tangible Capital Assets (Note 5)	129,576,773	112,677,599
	<u>129,705,273</u>	<u>112,744,540</u>
ACCUMULATED SURPLUS (Note 8)	<u>125,614,708</u>	<u>113,994,948</u>

**TOWN OF BEAUMONT
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u> (Note 16)
	\$	\$	\$
REVENUES			
Net taxes (Schedule 2)	8,805,900	8,849,984	8,188,774
Library taxes	440,100	441,933	377,871
Sales and user charges	6,387,300	6,566,026	4,600,624
Government transfers (Schedule 3)	1,460,100	1,754,336	1,415,830
Investment income	491,000	599,058	721,804
Penalties and costs on taxes	140,700	263,730	149,759
Franchise and concession contracts	471,100	596,220	378,625
Rentals	649,100	681,434	619,713
Licenses, permits and fines	490,900	942,614	562,450
Developers contributions	-	1,144,298	1,313,570
Contributions from other groups	333,300	54,136	609,018
Gain (Loss) on disposal of capital	-	-	27,000
	<u>19,669,500</u>	<u>21,893,769</u>	<u>18,965,038</u>
EXPENSES			
Legislative	394,800	368,393	326,363
Administration	1,493,425	1,434,768	1,311,999
Protective services	2,411,425	2,817,208	2,316,526
Transportation, roads and streets	2,585,750	4,108,909	3,184,693
Water supply and distribution	1,450,400	1,563,876	1,471,401
Sewer	1,527,100	1,444,463	1,013,538
Waste management	1,023,900	806,657	725,263
Public health and welfare	2,662,400	2,635,316	1,615,282
Planning and development	1,289,500	1,187,033	1,139,246
Recreation and parks	2,609,700	3,136,254	2,661,190
Library	571,400	593,613	577,430
	<u>18,019,800</u>	<u>20,096,490</u>	<u>16,342,931</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	1,649,700	1,797,279	2,622,107
OTHER			
Contributed assets	-	3,368,146	16,952,639
Government transfers for capital (Schedule 3)	8,304,530	6,454,335	5,384,635
	<u>8,304,530</u>	<u>9,822,481</u>	<u>22,337,274</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	9,954,230	11,619,760	24,959,381
ACCUMMULATED SURPLUS, BEGINNING OF YEAR	113,994,948	113,994,948	89,035,567
ACCUMMULATED SURPLUS, END OF YEAR	<u>123,949,178</u>	<u>125,614,708</u>	<u>113,994,948</u>

**TOWN OF BEAUMONT
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	<u>9,954,230</u>	<u>11,619,760</u>	<u>24,959,381</u>
Acquisition of tangible capital assets	(5,951,500)	(16,470,336)	(10,105,931)
Contributed tangible capital assets	-	(3,368,147)	(16,952,639)
Amortization of tangible capital assets	-	2,939,309	2,395,630
(Gain) loss on sale of tangible capital assets	-	-	27,000
	<u>(5,951,500)</u>	<u>(16,899,174)</u>	<u>(24,635,940)</u>
Change in supplies inventories	<u>-</u>	<u>(61,559)</u>	<u>124,859</u>
(INCREASE) DECREASE IN NET FINANCIAL ASSETS (DEBT)	4,002,730	(5,340,973)	448,300
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,250,408	1,250,408	802,108
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>5,253,138</u>	<u>(4,090,565)</u>	<u>1,250,408</u>

**TOWN OF BEAUMONT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
	\$	\$
Cash flows from operating activities		
Cash received from residents and customers	24,198,781	32,407,005
Cash paid to suppliers and employees	(14,861,765)	(13,492,056)
Interest received	600,790	702,715
Interest on long term debt	(531,584)	(562,290)
	<u>9,406,222</u>	<u>19,055,374</u>
Cash flows from investing activities		
Purchase of capital assets	(19,838,483)	(27,058,570)
(Increase) in temporary investments	850,958	(142,915)
	<u>(18,987,525)</u>	<u>(27,201,485)</u>
Cash flows from financing activities		
Repayment of long term debt	(788,293)	(821,155)
New debentures	5,646,498	375,000
Capital funding received	-	2,726,340
Proceeds from disposal	-	27,000
	<u>4,858,205</u>	<u>2,307,185</u>
Net (decrease)/increase in cash and cash equivalents	(4,723,098)	(5,838,926)
Opening cash and cash equivalents	<u>5,873,426</u>	<u>11,712,352</u>
Closing cash and cash equivalents	<u>1,150,328</u>	<u>5,873,426</u>

TOWN OF BEAUMONT
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
Schedule 1

	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY & EQUIPMENT	VEHICLES	2009	(Restated) 2008
	\$	\$	\$	\$	\$	\$	\$
COST:							
BALANCE, BEGINNING OF YEAR	35,420,931	24,900,997	84,522,635	2,038,662	1,395,241	152,158,613	108,147,404
Acquisition of tangible capital assets	1,045,591	7,413,293	8,891,818	149,978	44,976	19,838,482	44,011,209
Disposal of tangible capital assets	-	-	-	-	(11,050)	(11,050)	-
BALANCE, END OF YEAR	36,466,522	32,314,291	93,414,453	2,188,640	1,429,167	171,986,046	152,158,613
ACCUMULATED AMORTIATION:							
BALANCE, BEGINNING OF YEAR	-	(6,096,757)	(30,308,155)	(816,484)	(313,348)	(39,481,014)	(37,085,384)
Annual amortization	-	(501,866)	(2,039,619)	(159,860)	(86,126)	(2,939,309)	(2,395,630)
Accumulate amortization on disposals	-	-	-	-	11,050	11,050	-
BALANCE, END OF YEAR	(2,098,107)	(6,598,623)	(32,347,774)	(976,345)	(388,424)	(42,409,273)	(39,481,014)
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	36,466,522	25,715,667	61,066,679	1,212,295	1,040,743	129,576,773	112,677,599
2008 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (Restated)	35,420,931	18,804,240	54,214,480	1,222,178	1,081,892	112,677,599	

**TOWN OF BEAUMONT
SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Schedule 2

	<u>BUDGET</u> \$	<u>2009</u> \$	<u>2008</u> \$
LEVIES FOR REVENUE			
Residential taxes	11,604,500	11,649,990	10,589,932
Commercial taxes	744,400	748,491	654,247
Farmland taxes	1,200	1,232	1,294
Real property taxes	<u>12,350,100</u>	<u>12,399,713</u>	<u>11,245,473</u>
Power, pipe, cable T.V. and other taxes	126,500	129,847	122,170
Total taxes	<u>12,476,600</u>	<u>12,529,560</u>	<u>11,367,643</u>
Local Improvements	13,600	1,587	142,489
Total taxes and local improvements	<u>12,490,200</u>	<u>12,531,147</u>	<u>11,510,132</u>
REQUISITIONS FOR OTHER AUTHORITIES			
Alberta School Foundation Fund	3,199,600	3,194,445	2,905,006
Leduc Foundation	44,600	44,785	38,481
Library taxes	440,100	441,933	377,871
Allowance for uncollectible taxes	-	-	-
Requisition transfers	<u>3,684,300</u>	<u>3,681,163</u>	<u>3,321,358</u>
Net Taxes	<u>8,805,900</u>	<u>8,849,984</u>	<u>8,188,774</u>

**TOWN OF BEAUMONT
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2009
Schedule 3**

	<u>Budget</u>	<u>2009</u>	<u>2008</u> (Note 16)
	\$	\$	\$
TRANSFERS FOR OPERATING			
Provincial Government	1,221,300	1,482,928	1,179,866
Federal Government	11,900	34,415	18,891
Other Local Governments	226,900	236,993	217,073
	<u>1,460,100</u>	<u>1,754,336</u>	<u>1,415,830</u>
TRANSFERS FOR CAPITAL			
Provincial Government	8,304,530	6,404,387	5,378,918
Federal Government	-	49,948	-
Other Local Governments	-	-	5,717
	<u>8,304,530</u>	<u>6,454,335</u>	<u>5,384,635</u>
	<u><u>9,764,630</u></u>	<u><u>8,208,671</u></u>	<u><u>6,800,465</u></u>

**TOWN OF BEAUMONT
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2009
Schedule 4**

	<u>Budget</u>	<u>2009</u>	<u>2008</u> (Note 16)
	\$	\$	\$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	7,184,600	6,966,363	5,909,873
Contracted and general services	5,648,700	5,057,399	3,454,762
Materials, goods and utilities	3,318,400	3,178,764	2,786,827
Purchases from other governments	809,100	809,100	765,028
Transfers to local boards and other organizations	520,300	514,448	459,483
Interest on long-term debt	533,100	561,022	555,075
Amortization of tangible capital assets	-	2,939,309	2,395,630
Other expenditures	5,600	70,084	16,253
	<u>18,019,800</u>	<u>20,096,490</u>	<u>16,342,931</u>

Town of Beaumont
Notes to Financial Statements
December 31, 2009

1. Significant Accounting Policies

The Town of Beaumont is a municipality incorporated under the laws of the Province of Alberta. These financial statements are the representations of management, prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, and change in financial position of the reporting entity. This entity is comprised of the municipal operations.

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.

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. 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.

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 expenditure 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

Temporary investments consist of term deposits that have maturity dates, which are more than 90 days from the year end, and are recorded at the lower of cost and market value.

e) Government Transfers

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

Town of Beaumont
Notes to Financial Statements
December 31, 2009

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.

f) Non-Financial Assets (Physical Assets)

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

i. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less residual value of the tangible capital assets, is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land Improvements	15-30
Buildings	20-50
Engineered Structures	
Water System	35-75
Wastewater System	35-75
Other engineered structures	20-75
Machinery & Equipment	5-20
Vehicles	10-25

No depreciation is taken in the first year of acquisition and a full year of depreciation is calculated in the year of disposal.

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 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.

g) Reserves for Future Expenditures

Reserves are established at the discretion of the Council to set aside funds for future operating and capital expenditures. The reserve funds are reflected as a component of the accumulated surplus of the municipality.

Town of Beaumont
Notes to Financial Statements
December 31, 2009

h) Equity in Capital Assets

Equity in capital assets represents the net investment in total capital assets after deducting the portion financed by third parties. The equity in capital assets is reflected as a component of the accumulated surplus of the municipality.

2. Cash and Cash Equivalents

	<u>2009</u>	<u>2008</u>
Cash	\$ 472,799	\$ 5,195,897
Temporary Investments	<u>677,529</u>	<u>677,529</u>
	<u>\$ 1,150,328</u>	<u>\$ 5,873,426</u>

Temporary investments are short-term deposits with original maturities of three months or less.

3. Taxes and Accounts Receivable

Taxes and accounts receivable are comprised of the following:

	<u>2009</u>	<u>2008</u>
Current Taxes	\$ 697,998	\$ 315,651
Arrears Taxes	<u>142,536</u>	<u>48,660</u>
	<u>840,534</u>	<u>364,311</u>
Due from other Governments	5,600,246	2,158,911
Other Receivables	<u>1,402,482</u>	<u>1,172,149</u>
	<u>7,002,728</u>	<u>3,331,060</u>
	<u>\$ 7,843,262</u>	<u>\$ 3,695,371</u>

4. Investments

	<u>2009</u>	<u>2008</u>
Term Deposits	<u>\$ 11,428,476</u>	<u>\$12,279,434</u>

Short term notes and deposits have effective interest rates of 4.25% to 5.50% (2008 - 4.25% to 5.50%) and mature in less than one year.

5. Tangible Capital Assets

Tangible Capital assets are comprised of the following:

	<u>2009</u>	<u>Restated 2008</u>
Land	\$ 36,466,522	\$ 35,420,930
Land Improvements	4,074,867	1,933,879
Buildings	25,715,667	18,804,240
Engineering Structures	61,066,679	54,214,480
Machinery & Equipment	1,212,295	1,222,178
Vehicles	<u>1,040,743</u>	<u>1,081,892</u>
	<u>\$ 129,576,773</u>	<u>\$ 112,677,599</u>

Town of Beaumont
Notes to Financial Statements
December 31, 2009

6. Long Term Debt Obligations

Principal and interest payments on long term debt in the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,128,096	\$ 664,133
2011	1,141,625	611,746
2012	1,056,984	558,367
2013	1,066,307	513,629
2014	1,052,700	468,438
Balance to Maturity	<u>9,464,383</u>	<u>2,612,958</u>
	<u>\$ 14,910,095</u>	<u>\$ 5,429,271</u>

Debenture debt is repayable to the Alberta Capital Finance Authority (\$11,853,597) and the Beaumont Credit Union Ltd (\$3,056,498) and bears interest at rates ranging from 4.00% to 10.375% per annum, and matures in periods 2010 through 2029.

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

Interest on long-term debt amounted to \$ 531,583 (2008 - \$562,597).

7. Debt Limits

The municipality's debt limit as per the Municipal Government Act is as follows:

I. Debt Limit

	<u>2009</u>	<u>2008</u>
Total debt limit	\$32,840,654	\$ 28,456,131
Total debt	<u>14,910,095</u>	<u>10,051,890</u>
Total debt limit remaining	<u>\$ 17,930,559</u>	<u>\$ 18,404,241</u>

II. Service on Debt

	<u>2009</u>	<u>2008</u>
Debt servicing limit	\$ 5,473,442	\$ 4,742,689
Debt servicing	<u>1,792,229</u>	<u>1,319,876</u>
Total debt servicing remaining	<u>\$ 3,681,213</u>	<u>\$ 3,422,813</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.

8. Accumulated Surplus

Accumulated surplus consists of reserves, equity in tangible capital assets, and unrestricted surpluses as follows:

Town of Beaumont
Notes to Financial Statements
December 31, 2009

a) Reserve Funds

Reserve funds are funds committed and set aside for future expenditures. The balance is comprised of the following specific reserves:

	<u>2009</u>	<u>2008</u>
Town Office	\$ 38,175	\$ 33,175
Youth Centre Building Repair	24,367	22,367
BRAC Building Maintenance	82,052	28,385
Library Building Repair	57,804	52,804
Protective Services Building Repair	34,778	29,778
Technology Replacement	84,134	98,207
Equipment Replacement	350,518	245,398
Four Seasons	170,969	168,969
Roads Off-Site Reserve	1,388,706	2,331,683
Infrastructure Maintenance	1,319,816	847,416
Police Facility Reserve	104,214	-
Sidewalk Replacement	138,300	129,268
General Capital Growth	2,571,179	2,832,938
Aquatic & Fitness Centre	-	422,655
Marketing	25,000	25,000
Policing	101,091	131,091
Snow Removal	209,700	181,100
Minor Capital	18,824	18,824
Contingency	121,999	150,244
Mill Rate Stabilization	1,879,125	2,690,325
Future Utilities	548,692	395,148
Annexation - Range Road 243	34,416	29,439
Emergency Services	93,262	-
Playgrounds - Equipment	174,220	148,930
Child Care	-	20,500
	<u>\$9,571,341</u>	<u>\$ 11,033,644</u>

b) Equity in Tangible Capital Assets

	<u>2009</u>	<u>Restated 2008</u>
Tangible Capital Assets	\$ 171,986,046	\$ 152,158,613
Accumulated Amortization	(42,409,273)	(39,481,013)
Long Term Debt	(11,853,597)	(10,051,890)
Recoverable Off-Site Levies	(2,318,259)	-
	<u>\$ 115,404,917</u>	<u>\$ 102,625,710</u>

Town of Beaumont
Notes to Financial Statements
December 31, 2009

c) Unrestricted Surplus

	<u>2009</u>	<u>Restated 2008</u>
Unrestricted Surplus (Deficit)		
General	\$ 345,514	\$ 288,192
Water	(109,370)	4,274
Sewer	141,886	37,102
Garbage	260,420	5,991
	\$ 638,450	\$ 335,560

9. Bibliothèque de Beaumont Library

The Town of Beaumont makes an annual grant to the Bibliothèque de Beaumont Library to finance its operations. The grant is funded in large part by a specific requisition of taxes in the amount of \$441,933 (\$377,871 - 2008) for the Library. The total grant for 2009 was \$502,900 (\$445,958 - 2008).

Accounting and technology charges of \$11,126 (\$11,585 - 2008) are for services provided by the Town of Beaumont.

Building lease and maintenance charges of \$157,920 (\$160,823 - 2008) were paid to the Town of Beaumont under the terms of its lease with the Town.

9. Contingencies

The Town of Beaumont is a member of the Leduc & District Regional Waste Management Authority. Because of the Authority's legal status as an organization, its members are potentially liable if the Authority is unable to meet its obligations.

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites.

The liability recorded at December 31, 2008 by the Authority is \$667,741 and represents the Authority's estimate of the present value of the closure and post-closure costs. Closure will involve covering the site with topsoil, vegetation, and the installation of groundwater monitoring wells. Post-closure care activities are expected to occur for twenty-five years, and will involve surface and ground water monitoring, and landfill cover maintenance.

An Originating Notice was served on the Town in 2008, alleging that the Town's Off-Site Levy Bylaw does not apply to certain undeveloped lands within the Town. Although no damages have been claimed under the Originating Notice, an affidavit was filed asking for an order to make the said lands exempt under the Town's Off-Site Levy Bylaw. Liability and quantum are undeterminable at this time.

A remediation plan for an old nuisance ground located on property owned by the Town has been requested by Alberta Environment based on a recently completed study. The Town is working with the province to formulate a remediation plan. The costs have estimated in an order of magnitude of \$2,000,000.

Town of Beaumont
Notes to Financial Statements
December 31, 2009

10. Financial Instruments

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

11. Contractual Commitments

The Town contracts with the Government of Canada for the employment of the Royal Canadian Mounted Police to provide policing services until March 31, 2012. The related agreement may be terminated on March 31 in any year by either party giving notice 24 months prior to the date of the intended termination. Future annual costs under the terms of the Agreement are estimated to be \$901,900.

In addition, the Town has lease and rental commitments with Toshiba Finance for photocopying and office equipment. The six lease and rental contracts provide for quarterly payments of \$6,376 and expire in October 2011, November 2011, January 2012, June 2012, November 2012 and January 2013. The total lease commitment over the remaining life of the contracts amounts to \$50,465.

12. Budget Figures

The 2009 Budget figures that appear in the financial statements have not been audited.

13. Local Authorities Pension Plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 189,149 people, and 411 employers. The LAPP is financed by employer and employee contributions, and by investment earnings of the LAPP Fund.

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

For 2009, the Town was required to make current service contributions to the LAPP of 8.46% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan, and 11.66% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.46% of pensionable salary up to the year's maximum pensionable salary, and 10.66% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2009 were \$431,013 (\$323,568 - 2008). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2009 were \$383,520 (\$284,858 - 2008).

At December 31, 2008, the LAPP disclosed an actuarial deficiency of approximately \$4,414 million. The actuarial deficiency at December 31, 2009 was not available at the time we finalized the financial statements.

Town of Beaumont
Notes to Financial Statements
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14. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officers and the Chief Administrative Officer as required by Alberta provincial regulation 313/2000 is as follows:

<u>Mayor & Council</u>	<u>2009</u>		<u>2008</u>	
	<u>Benefits & Salary ⁽¹⁾</u>	<u>Allowances</u>	<u>Benefits & Salary ⁽¹⁾</u>	<u>Allowances</u>
Mayor Camille Bérubé	\$ 29,930	\$ 7,656	\$ 29,221	\$ 5,720
Councillor Keith Gylander	14,669	1,330	14,124	1,574
Councillor Louise White-Gibbs	15,928	4,546	15,279	2,212
Councillor Jay Archibald	15,299	3,416	14,859	2,051
Councillor Jacqueline Biollo	15,046	5,455	15,384	3,696
Councillor Larry Goodhope	15,346	3,480	13,819	1,449
Councillor Bruce LeCren	15,928	4,907	15,909	1,880

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration paid by the Town of Beaumont.

<u>Chief Administrative Officer</u>	<u>2009</u>	<u>2008</u>
Salary	\$ 136,125	\$ 125,000
Pension	14,136	12,053
General Benefits Package	5,736	6,360
Car Allowance	6,114	5,400
Contract	-	10,100

15. Prior Period Adjustments

The Town has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

<u>Adjustments to opening accumulated surplus:</u>	<u>2008</u>
As previously reported	\$ 59,391,808
Adjustment to net book value of tangible capital assets	54,603,140
As restated:	<u>\$113,994,948</u>

<u>Adjustments to shortfall of revenues over expenses:</u>	<u>2008</u>
As previously reported	\$629
Tangible capital assets recorded but previously expensed	10,105,931
Contributed assets	16,952,639
Contributions to reserve and capital funds previously expenses	295,812
Annual amortization expense	(2,395,630)
As restated:	<u>\$24,959,381</u>

Town of Beaumont
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Adjustments to tangible capital assets:	<u>2008</u>
As previously reported	\$ 58,074,459
Adjustment to historical cost of tangible capital assets	94,084,154
Accumulated amortization recorded	(39,481,014)
As restated:	<u>\$112,677,599</u>

16. Approval of Financial Statements

Council and Management have approved these financial statements.

Town of Beaumont
Notes to Financial Statements
December 31, 2009

cm/zb
File: 0140-A01
2009 Financial Statements Notes