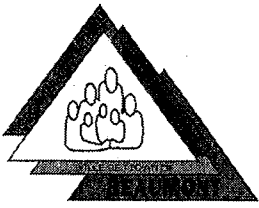


**Town of Beaumont**

**Financial Statements**

**For the Year Ended December 31<sup>st</sup>, 2008**



**Town of Beaumont**  
**Financial Statements**  
**For the Year Ended December 31<sup>st</sup>, 2008**

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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.

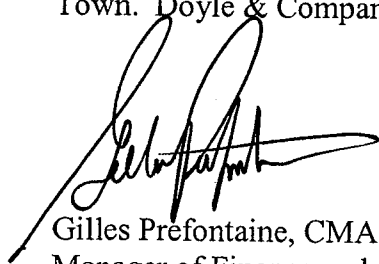
These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented 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 7, 2009

Allan J. Grykuliak, C.A.\*  
Scott T. Mockford, C.A.\*

\* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

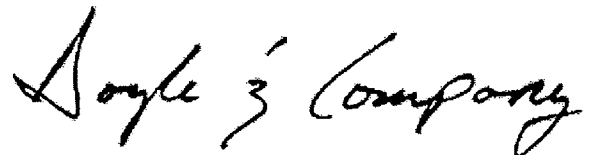
## AUDITORS' REPORT

### To the Members of Council Town of Beaumont

We have audited the Consolidated Statement of Financial Position of the Town of Beaumont as at December 31, 2008 and the Consolidated Statement of Revenue, Expenditures and Changes in Fund Balance, Statement of Cash Flows, Schedules of Operating Fund Activities, Capital Fund Activities, Reserves, Consolidated Expenditures By Object and Taxes Levied for the year then ended. 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, 2008 and the results of its operations and cash flows for the year ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta  
April 7, 2009

Chartered Accountants

**TOWN OF BEAUMONT  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and Cash Equivalents	5,873,426	11,712,352
Temporary Investments	12,279,434	12,136,519
Receivables (Note 2)		
Taxes	364,311	214,868
Trade and Other	3,331,060	1,742,182
Other Financial Assets	133,967	75,278
	<u>21,982,198</u>	<u>25,881,199</u>
<b>Physical Assets</b>		
Inventory for Consumption (Note 1e)	66,941	191,800
Tangible Capital Assets (Note 3)	58,074,459	48,015,924
	<u>58,141,400</u>	<u>48,207,724</u>
<b>Total Assets</b>	<u>80,123,598</u>	<u>74,088,923</u>
<b>Liabilities &amp; Municipal Equity</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	3,041,303	2,084,187
Other Liabilities (Note 4)	7,638,597	12,891,944
Long-term Debt (Note 5)	10,051,890	10,498,045
	<u>20,731,790</u>	<u>25,474,176</u>
<b>Municipal Equity</b>		
Equity in Physical Assets	48,022,567	37,517,878
Accumulated Funds from Operations:		
General (Page 6)	288,229	287,600
Utilities (Note 6)	47,368	80,944
	<u>335,597</u>	<u>368,544</u>
Appropriated Reserves (Note 7)	11,033,644	10,728,325
	<u>59,391,808</u>	<u>48,614,747</u>
	<u>80,123,598</u>	<u>74,088,923</u>

**TOWN OF BEAUMONT  
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$
<b>REVENUES</b>			
Net taxes (Page 9)	7,996,300	8,188,774	6,295,518
Library taxes	374,700	377,871	325,475
Allowance for uncollectible taxes	29,400	-	-
Sales and user charges	5,073,900	4,600,624	3,955,221
Government transfers	11,556,900	6,800,465	2,205,203
Investment income	426,600	721,804	525,157
Penalties and costs on taxes	115,600	149,759	105,194
Franchise and concession contracts	291,400	378,625	304,324
Rentals	579,700	619,713	599,498
Licenses, permits and fines	1,153,400	562,450	859,045
Developers contributions	1,956,000	1,313,570	3,074,793
Contributions from other groups	4,169,000	609,018	-
Disposal of capital properties	-	27,000	349,500
	<u>33,722,900</u>	<u>24,349,673</u>	<u>18,598,928</u>
<b>EXPENDITURES</b>			
<b>Operating Expenditures</b>			
Legislative	344,500	326,363	294,525
Administration	1,662,000	1,208,614	1,036,528
Protective services	2,176,900	2,153,152	1,603,989
Transportation, roads and streets	2,427,700	1,690,605	1,488,102
Water supply and distribution	1,462,900	1,306,823	1,218,938
Sewer	993,400	892,058	777,806
Waste management	655,300	725,263	603,786
Public health and welfare	2,202,600	1,608,601	1,294,761
Planning and development	1,250,600	1,129,239	933,958
Recreation and parks	2,068,200	2,360,768	2,024,220
Library	529,500	545,816	468,629
	<u>15,773,600</u>	<u>13,947,302</u>	<u>11,745,242</u>
<b>Capital Expenditures</b>			
Administration	152,900	61,583	7,536
Protective services	104,600	791,163	3,878,715
Transportation, roads and streets	5,987,600	2,229,450	2,120,134
Utilities	5,555,700	154,436	9,979
Public health and welfare	-	279,208	139,486
Planning and development	-	-	23,573
Recreation and parks	14,362,000	6,590,091	877,712
Library	8,600	-	-
	<u>26,171,400</u>	<u>10,105,931</u>	<u>7,057,135</u>
	<u>41,945,000</u>	<u>24,053,233</u>	<u>18,802,377</u>
<b>Revenues (under)/over expenditures</b>	(8,222,100)	296,440	(203,449)
Transfer from/(to) Utility Operating Fund	50,800	33,576	103,370
New debt issued	5,761,000	797,087	3,915,629
Debt repayment	(817,700)	(821,155)	(645,048)
Change in Reserve fund balances	3,228,000	(305,319)	(3,169,564)
<b>Change in General Operating and Capital fund balances</b>	<u>-</u>	<u>629</u>	<u>938</u>

**TOWN OF BEAUMONT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash received from residents and customers	15,454,367	13,884,709
Cash paid to suppliers and employees	(13,492,056)	(11,409,864)
Interest received	702,715	462,206
Interest on long term debt	(562,290)	(399,337)
	<u>2,102,735</u>	<u>2,537,714</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(10,105,931)	(7,057,135)
(Increase) in temporary investments	(142,915)	(5,136,519)
	<u>(10,248,846)</u>	<u>(12,193,654)</u>
<b>Cash flows from financing activities</b>		
Repayment of long term debt	(821,155)	(645,048)
New debentures	375,000	4,319,200
Capital funding received	2,726,340	8,290,060
Proceeds from disposal	27,000	349,500
	<u>2,307,185</u>	<u>12,313,712</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,838,926)</b>	<b>2,657,772</b>
<b>Opening cash and cash equivalents</b>	<u><b>11,712,352</b></u>	<u><b>9,054,580</b></u>
<b>Closing cash and cash equivalents</b>	<u><u><b>5,873,426</b></u></u>	<u><u><b>11,712,352</b></u></u>

**TOWN OF BEAUMONT**  
**STATEMENT OF OPERATING FUND ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$
<b>REVENUES</b>			
Net taxes (Page 9)	7,996,300	8,188,774	6,295,518
Library taxes	374,700	377,871	325,475
Allowance for uncollectible taxes	29,400	-	-
Sales and user charges	5,073,900	4,600,624	3,955,221
Government transfers	1,225,400	1,415,830	1,052,698
Investment income	426,600	703,268	525,157
Penalties and costs on taxes	115,600	149,759	105,194
Franchise and concession contracts	291,400	378,625	304,324
Rentals	579,700	619,713	599,498
Licenses, permits and fines	1,153,400	562,450	859,045
	<u>17,266,400</u>	<u>16,996,914</u>	<u>14,022,130</u>
<b>EXPENDITURES</b>			
Legislative	344,500	326,363	294,525
Administration	1,662,000	1,208,614	1,036,528
Protective services	2,176,900	2,153,152	1,603,989
Transportation, roads and streets	2,427,700	1,690,605	1,488,102
Water supply and distribution	1,462,900	1,306,823	1,218,938
Sewer	993,400	892,058	777,806
Waste management	655,300	725,263	603,786
Public health and welfare	2,202,600	1,608,601	1,294,761
Planning and development	1,250,600	1,129,239	933,958
Recreation and parks	2,068,200	2,360,768	2,024,220
Library	529,500	545,816	468,629
	<u>15,773,600</u>	<u>13,947,302</u>	<u>11,745,242</u>
<b>Revenues over expenditures</b>	1,492,800	3,049,612	2,276,888
Net interfund transfers			
To Capital Fund	(14,700)	(225,400)	(20,513)
To Reserves	(711,200)	(2,036,004)	(1,713,759)
Transfer from/(to) Utility Operating Fund	50,800	33,576	103,370
Debt repayment	(817,700)	(821,155)	(645,048)
<b>Change in operating fund</b>	-	629	938
Opening balance	<u>287,600</u>	<u>287,600</u>	<u>286,662</u>
<b>Closing balance</b>	<u>287,600</u>	<u>288,229</u>	<u>287,600</u>



**TOWN OF BEAUMONT  
SCHEDULE OF CAPITAL FUND ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$
<b>REVENUES</b>			
Government transfers	10,331,500	5,384,635	1,152,505
Developers contributions	1,956,000	1,313,570	3,074,793
Investment Income	-	18,537	-
Transfers from other groups	4,169,000	609,018	-
Proceeds from disposals	-	27,000	349,500
	<u>16,456,500</u>	<u>7,352,760</u>	<u>4,576,798</u>
<b>EXPENDITURES</b>			
Capital additions	26,171,400	10,105,932	7,057,135
<b>Revenues (under)/over expenditures</b>	<u>(9,714,900)</u>	<u>(2,753,172)</u>	<u>(2,480,337)</u>
Net interfund transfers			
From/(to) reserves	3,939,200	1,730,685	(1,455,805)
From operating	14,700	225,400	20,513
Debt issued	5,761,000	797,087	3,915,629
	<u>9,714,900</u>	<u>2,753,172</u>	<u>2,480,337</u>
Change in fund balance	-	-	-
<b>Opening and closing balance</b>	<u>-</u>	<u>-</u>	<u>-</u>

**SCHEDULE OF RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$
<b>Balance at beginning of year</b>	<u>10,728,325</u>	<u>10,728,325</u>	<u>7,558,761</u>
Add/(deduct)			
Transfer from operating fund	799,800	2,124,624	1,777,472
Transfer to operating fund	(88,600)	(88,620)	(63,713)
Net transfer from operating fund	<u>711,200</u>	<u>2,036,004</u>	<u>1,713,759</u>
Transfer from capital fund	1,956,000	984,761	3,266,793
Transfer to capital fund	(5,895,200)	(2,715,446)	(1,810,988)
Net transfer (to)/from capital fund	<u>(3,939,200)</u>	<u>(1,730,685)</u>	<u>1,455,805</u>
Change in fund balance	<u>(3,228,000)</u>	<u>305,319</u>	<u>3,169,564</u>
<b>Balance at end of year</b>	<u>7,500,325</u>	<u>11,033,644</u>	<u>10,728,325</u>

**TOWN OF BEAUMONT  
STATEMENT OF CONSOLIDATED EXPENDITURES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$
<b>Expenditures</b>			
Salaries, wages and benefits	6,612,900	5,909,873	4,822,520
Contracted and general services	4,280,500	3,454,762	3,012,731
Materials, goods and utilities	3,136,100	2,786,827	2,436,695
Purchases from other governments	714,200	765,028	634,098
Transfers to local boards and other organizations	458,200	459,483	398,338
Interest on long-term debt	566,100	555,075	400,071
Physical assets acquired	26,171,400	10,105,932	7,057,135
Other expenditures	5,600	16,253	40,789
	<u>41,945,000</u>	<u>24,053,233</u>	<u>18,802,377</u>

**TOWN OF BEAUMONT  
SCHEDULE OF TAXES LEVIED  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>BUDGET</b>	<b>2008</b>	<b>2007</b>
	\$	\$	\$
<b>LEVIES FOR REVENUE</b>			
Residential taxes	10,532,700	<b>10,589,932</b>	8,603,023
Commercial taxes	650,000	<b>654,247</b>	533,041
Farmland taxes	1,300	<b>1,294</b>	2,196
<b>Real property taxes</b>	<u>11,184,000</u>	<u><b>11,245,473</b></u>	<u>9,138,260</u>
Power, pipe, cable T.V. and other taxes	122,200	<b>122,170</b>	120,803
<b>Total taxes</b>	<u>11,306,200</u>	<u><b>11,367,643</b></u>	<u>9,259,063</u>
Local Improvements	16,800	<b>142,489</b>	16,786
<b>Total taxes and local improvements</b>	<u>11,323,000</u>	<u><b>11,510,132</b></u>	<u>9,275,849</u>
<b>REQUISITIONS FOR OTHER AUTHORITIES</b>			
Alberta School Foundation Fund	2,884,700	<b>2,905,006</b>	2,619,412
Leduc Foundation	37,900	<b>38,481</b>	35,444
Library taxes	374,700	<b>377,871</b>	325,475
Allowance for uncollectible taxes	29,400	<b>0</b>	0
<b>Requisition transfers</b>	<u>3,326,700</u>	<u><b>3,321,358</b></u>	<u>2,980,331</u>
<b>Net Taxes</b>	<u><u>7,996,300</u></u>	<u><u><b>8,188,774</b></u></u>	<u><u>6,295,518</u></u>

**TOWN OF BEAUMONT**  
**SCHEDULE OF OPERATING REVENUES AND EXPENDITURES BY FUNCTION**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	OPERATING REVENUES	OPERATING EXPENDITURES	2008 NET (COST) OPERATIONS	2008 NET BUDGET OPERATIONS	2007 NET (COST) OPERATIONS
Legislative	\$ -	\$ 326,363	\$ (326,363)	\$ (344,500)	\$ (294,525)
Administration	199,578	1,208,614	(1,009,036)	(1,465,900)	(931,514)
Police	402,866	1,194,097	(791,231)	(791,500)	(458,711)
By-law enforcement	75,586	355,624	(280,038)	(281,900)	(184,476)
Fire department	680	417,880	(417,200)	(434,100)	(349,246)
Disaster Services	943	11,979	(11,036)	(32,800)	(7,953)
Ambulance	129,683	173,571	(43,888)	(43,200)	(41,768)
Transportation	147,756	1,690,605	(1,542,848)	(2,360,100)	(1,359,690)
Water	1,823,637	1,306,823	516,814	525,200	(136,283)
Sewer	976,764	892,069	84,695	12,900	346,188
Garbage	631,354	725,263	(93,910)	(9,700)	3,974
Family Support Services	208,403	413,429	(205,026)	(291,300)	(120,532)
Child care	973,780	1,376,593	(402,813)	(431,700)	(240,447)
Youth Centre	61,690	211,575	(149,885)	(149,900)	(120,927)
Cemeteries	4,005	-	4,005	(2,000)	3,792
Development	671,178	1,129,239	(458,061)	13,800	244
Recreation and parks	824,646	2,153,189	(1,328,543)	(1,329,900)	(1,110,850)
Library	228,810	545,816	(317,006)	(319,600)	(268,178)
	<u>\$ 7,361,360</u>	<u>\$ 14,132,730</u>	<u>(6,771,370)</u>	<u>(7,736,200)</u>	<u>(5,270,902)</u>
 <b>MUNICIPAL REVENUES</b>					
Net taxes for general municipal purposes			<b>8,566,645</b>	8,354,200	6,604,225
Allowance from requisitioning authorities for uncollected taxes			-	29,400	-
Subtotal			<u>8,566,645</u>	<u>8,383,600</u>	<u>6,604,225</u>
Penalties on taxes			136,145	109,600	96,321
Franchises			378,625	291,400	304,324
Return on Investments			721,804	426,600	525,157
Provincial unconditional grants			17,763	17,800	17,763
			<u>9,820,982</u>	<u>9,229,000</u>	<u>7,547,790</u>
Net operating fund surplus			<u>3,049,612</u>	<u>1,492,800</u>	<u>2,276,888</u>
Reduction of debt principal			(821,155)	(817,700)	(645,048)
Reserve transfers (net)			(2,036,004)	(711,200)	(1,713,759)
Transfers from/(to) utilities working capital			33,576	50,800	103,370
Capital expenditures from operating			(225,400)	(14,700)	(20,513)
<b>Addition to general working capital</b>			<u>\$ 629</u>	<u>-</u>	<u>\$ 938</u>

**Town of Beaumont**  
**Notes to Financial Statements**  
**December 31, 2008**

**1. Significant Accounting Policies**

The Town of Beaumont is a municipality incorporated under the laws of the Province of Alberta. These financial statements have been prepared in accordance with municipal government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of these accounting principles are:

**a) Financial Statement Presentation**

The schedule of taxes levied also includes requisitions for educational and other external organizations that are not controlled by the Municipal Council.

**b) Fund Accounting**

For reporting purposes, established funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

Capital fund debt principal payments are recorded as a transfer to the capital fund from the operating fund.

Gross recoveries represent internal operating charges between functions for the provision of goods and are excluded from the financial statements.

The impacts of the changes to Sections PS 1000, 1100 and 1200 introduced by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants will be reflected in the 2009 financial statements.

**c) Revenue Recognition**

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. 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 are recognized as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality and reasonable estimates of the amounts can be made.

**d) Temporary Investments**

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

**e) Inventory for Consumption**

Inventories consisting of water meters supplies are valued at the lower of cost or net realizable value. Inventories are accounted for using the first in first out method.

**Town of Beaumont**  
**Notes to Financial Statements**  
**December 31, 2008**

**f) Tangible Capital Assets**

Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect in January 1<sup>st</sup>, 2009. During 2008, the Municipality continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31<sup>st</sup>, 2008, the Municipality had obtained a complete listing for all land, buildings, machinery, equipment and vehicles. A complete listing of assets for engineering structures is currently underway and expected to be completed by December 31<sup>st</sup>, 2009.

Currently, the Municipality records tangible capital assets including assets held under capital leases at cost in the period they were acquired on the statement of financial position and as an expenditure within the capital fund. The assets are not amortized.

The Municipality does not capitalize interest as part of the costs of its capital assets.

As of January 1<sup>st</sup>, 2008, amortization for all asset classes is not presented in the notes to the financial statements. Amortization is not recorded as an expense. Amortization for all asset classes is expected to be presented in the 2009 financial statements and will be calculated on a straight-line basis over an asset's estimated useful life.

**g) Reserves for Future Expenditures**

Reserves are established at the discretion of the Council to set aside funds for future operating and capital expenditures. Transfers to and from the reserve fund are shown as an adjustment to the operating and capital funds respectively.

**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.

**i) Water Supply, Sanitary Sewage and Garbage Operations**

Net operating costs or net gains from operations in the water supply, sanitary sewage and garbage functions are reduced to zero annually by transferring amounts equal to those net costs or gains to the related accumulated surplus.

**j) Use of Estimates**

The preparation of financial statements in conformity with 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.

**Town of Beaumont**  
**Notes to Financial Statements**  
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**2. Taxes and Accounts Receivable**

Taxes and accounts receivable are comprised of the following:

	<u>2008</u>	<u>2007</u>
Current Taxes	\$ 315,651	\$ 193,299
Arrears Taxes	48,660	21,569
Due from other Governments	2,158,911	757,097
Other Receivables	<u>1,172,149</u>	<u>985,085</u>
	<u>\$ 3,695,371</u>	<u>\$ 1,957,050</u>

**3. Tangible Capital Assets**

Tangible Capital assets are comprised of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 1,603,047	\$ 767,341
Buildings	24,901,600	17,420,860
Engineering Structures	25,014,452	23,769,565
Equipment/Furnishings	4,877,771	4,521,405
Vehicles	<u>1,677,589</u>	<u>1,536,753</u>
	<u>\$ 58,074,459</u>	<u>\$ 48,015,824</u>

**4. Other Liabilities**

Other liabilities includes various deposit amounts, deferred revenue and debenture funding for asset acquisitions subsequent to year end.

**5. 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>
2009	\$ 788,293	\$ 531,583
2010	740,781	486,016
2011	750,551	443,501
2012	661,978	400,168
2013	667,187	365,656
Balance to Maturity	<u>6,443,100</u>	<u>2,014,677</u>
	<u>\$ 10,051,890</u>	<u>\$ 4,241,601</u>

Debenture debt is repayable to the Alberta Capital Finance Authority (\$10,051,890) and bears interest at rates ranging from 4.012% to 10.375% per annum, and matures in periods 2009 to 2028.

**Town of Beaumont**  
**Notes to Financial Statements**  
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**6. Utilities Accumulated Funds from Operations**

The accumulated balance of funds from Utilities operations is as follows:

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 80,944	\$ 184,314
Deficiency of revenues over expenditures	<u>(33,576)</u>	<u>(103,370)</u>
Balance at end of year	<u>\$ 47,368</u>	<u>\$ 80,944</u>

**7. Reserve Funds**

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

	<u>2008</u>	<u>2007</u>
Town Office	\$ 33,175	\$ 28,175
Youth Centre Building Repair	22,367	20,367
BRAC Building Maintenance	28,385	36,296
Library Building Repair	52,804	47,804
Protective Services Building Repair	29,778	24,778
Technology Replacement	98,207	46,876
Equipment Replacement	245,398	96,380
Four Seasons	168,969	194,939
Signalization	0	294,835
Arterial roads	2,331,683	1,994,612
Infrastructure Maintenance	847,416	522,396
Police Facility Reserve	0	373,845
Sidewalk Replacement	129,268	121,053
General Capital Growth	2,832,938	3,094,736
Aquatic & Fitness Centre	422,655	977,770
Marketing	25,000	25,000
Policing	131,091	-
Snow Removal	181,100	181,100
Minor Capital	18,824	18,824
Contingency	150,244	76,670
Mill Rate Stabilization	2,690,325	2,154,925
Future Utilities	395,148	154,792
Annexation - Range Road 243	29,439	40,739
Playgrounds - Equipment	148,930	180,913
Child Care	<u>20,500</u>	<u>20,500</u>
	<u>\$ 11,033,644</u>	<u>\$ 10,728,325</u>



**Town of Beaumont**  
**Notes to Financial Statements**  
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**8. Bibliotheque de Beaumont Library**

The Town of Beaumont makes an annual grant to the Bibliotheque de Beaumont Library to finance its operations. The grant is funded in large part by a specific requisition of taxes in the amount of \$377,871 (\$325,475 - 2007) for the Library. The total grant for 2008 was \$445,958 (\$393,279 - 2007).

Accounting and technology charges of \$11,585 (\$10,783 - 2007) are for services provided by the Town of Beaumont.

Building lease and maintenance charges of \$160,823 (\$141,946 - 2007) were paid to the Town of Beaumont under the terms of its lease with the Town.

**9. Debt Limits**

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

**I. Debt Limit**

	<u>2008</u>	<u>2007</u>
Total debt limit	\$ 28,456,131	\$ 26,193,449
Total debt	<u>10,051,890</u>	<u>10,498,045</u>
Total debt limit remaining	<u>\$ 18,404,241</u>	<u>\$ 15,695,404</u>

**II. Service on Debt**

	<u>2008</u>	<u>2007</u>
Debt servicing limit	\$ 4,742,689	\$ 4,365,575
Debt servicing	<u>1,319,876</u>	<u>1,383,752</u>
Total debt servicing remaining	<u>\$ 3,422,813</u>	<u>\$ 2,981,823</u>

**10. Contingencies**

The Town of Beaumont is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of the membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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.

**Town of Beaumont**  
**Notes to Financial Statements**  
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**10. Contingencies continued**

The liability recorded at December 31, 2008 by the Authority is \$567,287 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.

A Statement of Claim was issued against the Town in 2008 to enforce the claimants Builders Lien in respect of land owned by the Town. A Statement of Defence was prepared. Liability and Quantum are undeterminable at this time.

An Originating Notice was served on the Town in 2008 alleging that the Town's Offsite 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 Offsite 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 recently completed study. The remediation costs have not been determined to date.

**11. 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.

**12. 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 \$809,100.

In addition, the Town has lease commitments with Toshiba Finance for photocopying and office equipment. The four lease contracts provide for quarterly payments of \$6,184 and expire in October 2011, November 2011, January 2012 and June 2012. The total lease commitment over the remaining life of the contracts amounts to \$74,552.

**13. Budget Figures**

The 2008 budget figures that appear in the financial statements have not been audited.

**Town of Beaumont**  
**Notes to Financial Statements**  
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**14. 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 179,200 people and 407 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 2008 the Town was required to make current service contributions to the LAPP of 7.75% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 10.64% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 6.75% of pensionable salary up to the year's maximum pensionable salary and 9.64% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2008 were \$323,568 (\$223,772 - 2007). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2008 were \$284,858 (\$239,755 - 2007).

At December 31, 2007, the LAPP disclosed an actuarial deficiency of approximately \$1,183 million. The actuarial deficiency at December 31, 2008 was not available at the time we finalized the financial statements.

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

Disclosure of salaries and benefits for elected officials and the Chief Administrative Officer as required by provincial regulation is as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Benefits &amp; Salary (1)</u>	<u>Allowances</u>	<u>Benefits &amp; Salary (1)</u>	<u>Allowances</u>
<b><u>Mayor &amp; Council</u></b>				
Mayor Camille Bérubé	\$ 29,221	\$ 5,720	\$ 27,137	\$ 5,762
Councillor Perry Hendriks	-	-	10,232	591
Councillor Bill McNamara	-	-	11,491	669
Councillor Graham Robbins	-	-	10,966	630
Councillor Keith Gylander	14,124	1,574	15,872	3,908
Councillor Louise White-Gibbs	15,279	2,212	14,822	2,728
Councillor Jay Archibald	14,859	2,051	4,157	840
Councillor Jacqueline Biollo	15,384	3,696	4,157	1,600
Councillor Larry Goodhope	13,819	1,449	3,741	2,082
Councillor Bruce LeCren	15,909	1,880	4,576	1,801

(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.

<b>Chief Administrative Officer</b>	<u>2008</u>	<u>2007</u>
Salary	\$ 125,000	\$ 90,942
Pension	12,053	7,190
General Benefits Package	6,360	6,170
Car Allowance	5,400	3,774
Contract	10,100	65,686

**16. Approval of financial statements**

Council and Management have approved these financial statements.