



Town of Beaumont

Financial Statements

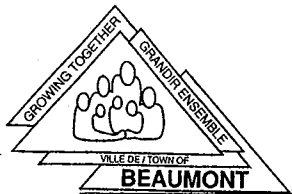
For the Year Ended December 31st, 2007



Town of Beaumont
Financial Statements
For the Year Ended December 31st, 2007

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VILLE DE/TOWN OF
BEAUMONT
MANAGEMENT'S REPORT

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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 11, 2008

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

* Operates as a Professional Corporation

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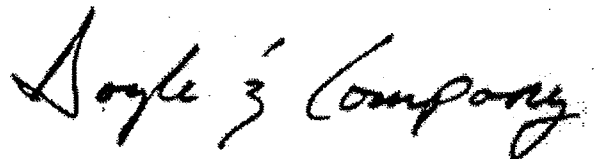
AUDITORS' REPORT

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, 2007 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, 2007 and the results of its operations and cash flows for the year ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta
April 11, 2008

Chartered Accountants

**TOWN OF BEAUMONT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

	<u>2007</u>	<u>2006</u> (Note 16)
	\$	\$
Assets		
Financial Assets		
Cash and Cash Equivalents	11,712,352	9,054,580
Temporary Investments	12,136,519	7,000,000
Receivables (Note 2)		
Taxes	214,868	337,598
Trade and Other	1,742,182	1,297,532
Other Financial Assets	75,278	56,034
	<u>25,881,199</u>	<u>17,745,744</u>
Physical Assets		
Inventory for Consumption (Note 1d)	191,800	148,400
Tangible Capital Assets (Note 3)	48,015,924	41,027,920
	<u>48,207,724</u>	<u>41,176,320</u>
Total Assets	<u><u>74,088,923</u></u>	<u><u>58,922,064</u></u>
Liabilities & Municipal Equity		
Liabilities		
Accounts Payable and Accrued Liabilities	2,084,187	1,941,955
Other Liabilities (Note 4)	12,891,944	7,922,452
Long-term Debt (Note 5)	10,498,045	6,823,893
	<u>25,474,176</u>	<u>16,688,300</u>
Municipal Equity		
Equity in Physical Assets	37,517,878	34,204,027
Accumulated Funds from Operations:		
General (Page 6)	287,600	286,662
Utilities (Note 6)	80,944	184,314
	<u>368,544</u>	<u>470,976</u>
Appropriated Reserves (Note 7)	10,728,325	7,558,761
	<u>48,614,747</u>	<u>42,233,764</u>
	<u><u>74,088,923</u></u>	<u><u>58,922,064</u></u>

**TOWN OF BEAUMONT
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>BUDGET</u>	<u>2007</u>	<u>2006</u> (Note 16)
	\$	\$	\$
REVENUES			
Net taxes (Page 9)	6,277,400	6,295,518	5,169,682
Library taxes	324,800	325,475	282,537
Allowance for uncollectible taxes	27,400	-	83,739
Sales and user charges	3,787,600	3,955,221	3,163,508
Government transfers	7,625,100	2,205,203	1,662,016
Investment income	281,300	525,157	416,839
Penalties and costs on taxes	101,200	105,194	96,333
Franchise and concession contracts	260,100	304,324	281,322
Rentals	518,700	599,498	574,220
Licences, permits and fines	661,000	859,045	962,722
Developers contributions	2,532,800	3,074,793	2,627,441
Contributions from other groups	-	-	15,561
Disposal of capital properties	17,500	349,500	8,100
	<u>22,414,900</u>	<u>18,598,928</u>	<u>15,344,020</u>
EXPENDITURES			
Operating Expenditures			
Legislative	318,500	294,525	286,320
Administration	1,191,100	1,036,528	730,084
Protective services	1,623,200	1,603,989	1,278,784
Transportation, roads and streets	1,466,800	1,488,102	1,209,605
Water supply and distribution	887,300	1,218,938	1,042,486
Sewer	1,184,600	777,806	755,069
Waste management	519,700	603,786	416,102
Public health and welfare	1,408,100	1,294,761	1,104,608
Planning and development	935,300	933,958	723,735
Recreation and parks	2,029,600	2,024,220	1,841,235
Library	477,700	468,629	429,254
	<u>12,041,900</u>	<u>11,745,242</u>	<u>9,817,282</u>
Capital Expenditures			
Administration	8,000	7,536	49,125
Protective services	62,200	3,878,715	523,684
Transportation, roads and streets	5,158,100	2,120,134	1,133,398
Utilities	-	9,979	20,277
Public health and welfare	-	139,486	53,949
Planning and development	29,000	23,573	27,437
Recreation and parks	10,763,400	877,712	907,799
Library	-	-	2,710
	<u>16,020,700</u>	<u>7,057,135</u>	<u>2,718,379</u>
	<u>28,062,600</u>	<u>18,802,377</u>	<u>12,535,661</u>
Revenues over (under) expenditures	(5,647,700)	(203,449)	2,808,359
Transfer from (to) Utility Operating Fund	99,400	103,370	(27,235)
New debt issued	5,700,400	3,915,629	554,984
Debt repayment	(675,500)	(645,048)	(602,315)
Change in Reserve fund balances	523,400	(3,169,564)	(2,893,741)
Change in General Operating and Capital fund balances	<u>-</u>	<u>938</u>	<u>(159,948)</u>

**TOWN OF BEAUMONT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>2007</u>	<u>2006</u>
	\$	\$
Cash flows from operating activities		
Cash received from residents and customers	13,884,709	11,518,166
Cash paid to suppliers and employees	(11,409,864)	(10,119,941)
Interest received	462,205	375,820
Interest on long term debt	(399,337)	(417,787)
	<u>2,537,714</u>	<u>1,356,258</u>
Cash flows from investing activities		
Purchase of capital assets	(7,057,135)	(2,718,378)
(Increase) decrease in temporary investments	(5,136,519)	(2,482,452)
	<u>(12,193,654)</u>	<u>(5,200,830)</u>
Cash flows from financing activities		
Repayment of long term debt	(645,048)	(602,315)
New debentures	4,319,200	573,499
Capital funding received	8,290,060	5,530,563
Proceeds from disposal	349,500	8,100
	<u>12,313,712</u>	<u>5,509,847</u>
Net increase in cash and cash equivalents	2,657,772	1,665,275
Opening cash and cash equivalents	<u>9,054,580</u>	<u>7,389,305</u>
Closing cash and cash equivalents	<u><u>11,712,352</u></u>	<u><u>9,054,580</u></u>

**TOWN OF BEAUMONT
STATEMENT OF OPERATING FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET	2007	2006 (Note 16)
	\$	\$	\$
REVENUES			
Net taxes (Page 9)	6,277,400	6,295,518	5,169,682
Library taxes	324,800	325,475	282,537
Allowance for uncollectible taxes	27,400	-	83,739
Sales and user charges	3,787,600	3,955,221	3,163,508
Government transfers	1,006,100	1,052,698	996,476
Investment income	281,300	525,157	416,839
Penalties and costs on taxes	101,200	105,194	96,333
Franchise and concession contracts	260,100	304,324	281,322
Rentals	518,700	599,498	574,220
Licences, permits and fines	661,000	859,045	962,721
	<u>13,245,600</u>	<u>14,022,130</u>	<u>12,027,377</u>
EXPENDITURES			
Legislative	318,500	294,525	286,320
Administration	1,191,100	1,036,528	730,084
Protective services	1,623,200	1,603,989	1,278,784
Transportation, roads and streets	1,466,800	1,488,102	1,209,605
Water supply and distribution	887,300	1,218,938	1,042,486
Sewer	1,184,600	777,806	755,069
Waste management	519,700	603,786	416,102
Public health and welfare	1,408,100	1,294,761	1,104,608
Planning and development	935,300	933,958	723,735
Recreation and parks	2,029,600	2,024,220	1,841,235
Library	477,700	468,629	429,254
	<u>12,041,900</u>	<u>11,745,242</u>	<u>9,817,282</u>
Revenues over expenditures	1,203,700	2,276,888	2,210,095
Net interfund transfers			
To Capital Fund	(43,900)	(20,513)	(26,736)
To Reserves	(583,700)	(1,713,759)	(1,713,757)
Transfer from (to) Utility Operating Fund	99,400	103,370	(27,235)
Debt repayment	(675,500)	(645,048)	(602,315)
Change in operating fund	<u>-</u>	<u>938</u>	<u>(159,948)</u>
Opening balance	538,362	286,662	538,010
Prior period adjustment (Note 16)	-	-	(91,400)
Closing balance	<u>538,362</u>	<u>287,600</u>	<u>286,662</u>

**TOWN OF BEAUMONT
SCHEDULE OF CAPITAL FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>BUDGET</u>	<u>2007</u>	<u>2006</u>
	\$	\$	\$
REVENUES			
Government transfers	6,619,000	1,152,505	665,540
Developers contributions	2,532,800	3,074,793	2,627,441
Transfers from local boards	-	-	15,561
Proceeds from disposals	17,500	349,500	8,100
	<u>9,169,300</u>	<u>4,576,798</u>	<u>3,316,642</u>
EXPENDITURES			
Capital additions	16,020,700	7,057,135	2,718,378
Revenues over (under) expenditures	<u>(6,851,400)</u>	<u>(2,480,337)</u>	<u>598,264</u>
Net interfund transfers			
From (to) reserves	1,107,100	(1,455,805)	(1,179,984)
From operating	43,900	20,513	26,736
Debt issued	5,700,400	3,915,629	554,984
	<u>6,851,400</u>	<u>2,480,337</u>	<u>(598,264)</u>
Change in fund balance	-	-	-
Opening and closing balance	<u>-</u>	<u>-</u>	<u>-</u>

**SCHEDULE OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>BUDGET</u>	<u>2007</u>	<u>2006</u>
	\$	\$	\$
Balance at beginning of year	<u>7,558,761</u>	<u>7,558,761</u>	<u>4,665,020</u>
Add/(deduct)			
Transfer from operating fund	1,011,600	1,777,472	1,785,717
Transfer to operating fund	(427,900)	(63,713)	(71,961)
Net transfer from operating fund	<u>583,700</u>	<u>1,713,759</u>	<u>1,713,756</u>
Transfer from capital fund	1,227,500	3,266,793	2,627,441
Transfer to capital fund	(2,334,600)	(1,810,988)	(1,447,456)
Net transfer from (to) capital fund	<u>(1,107,100)</u>	<u>1,455,805</u>	<u>1,179,985</u>
Change in fund balance	<u>(523,400)</u>	<u>3,169,564</u>	<u>2,893,741</u>
Balance at end of year	<u>7,035,361</u>	<u>10,728,325</u>	<u>7,558,761</u>

**TOWN OF BEAUMONT
STATEMENT OF CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budget</u>	<u>2007</u>	<u>2006</u> (Note 16)
	\$	\$	\$
Expenditures			
Salaries, wages and benefits	4,950,900	4,822,520	4,086,704
Contracted and general services	3,233,700	3,012,731	2,387,876
Materials, goods and utilities	2,441,700	2,436,695	2,119,569
Purchases from other governments	603,300	634,098	444,282
Transfers to local boards and other organizations	406,900	398,338	362,898
Interest on long-term debt	401,000	400,071	410,032
Physical assets acquired	16,020,700	7,057,135	2,718,378
Other expenditures	4,400	40,789	5,922
	<u>28,062,600</u>	<u>18,802,377</u>	<u>12,535,661</u>

**TOWN OF BEAUMONT
SCHEDULE OF TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>BUDGET</u> \$	<u>2007</u> \$	<u>2006</u> \$
LEVIES FOR REVENUE			
Residential taxes	8,604,600	8,603,023	7,339,931
Commercial taxes	533,000	533,041	455,779
Farmland taxes	2,200	2,196	3,380
Real property taxes	<u>9,139,800</u>	<u>9,138,260</u>	<u>7,799,090</u>
Power, pipe, cable T.V. and other taxes	120,800	120,803	110,631
Total taxes	<u>9,260,600</u>	<u>9,259,063</u>	<u>7,909,721</u>
Local Improvements	16,800	16,786	16,786
Total taxes and local improvements	<u>9,277,400</u>	<u>9,275,849</u>	<u>7,926,507</u>
REQUISITIONS FOR OTHER AUTHORITIES			
Alberta School Foundation Fund	2,612,500	2,619,412	2,353,642
Leduc Foundation	35,300	35,444	36,907
Library taxes	324,800	325,475	282,537
Allowance for uncollectible taxes	27,400	0	83,739
Requisition transfers	<u>3,000,000</u>	<u>2,980,331</u>	<u>2,756,825</u>
Net Taxes	<u>6,277,400</u>	<u>6,295,518</u>	<u>5,169,682</u>

Town of Beaumont

Notes to Financial Statements

December 31, 2007

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.

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.

f) **Physical Assets**

i) **Tangible Capital Assets**

Effective January 1st, 2009, the Municipality will adopt Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect in January 1st, 2009.

Town of Beaumont
Notes to Financial Statements
December 31, 2007

f) Physical Assets - Continued

Tangible Capital Assets - Continued

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.

During 2007, the Municipality continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31st, 2007, the Municipality had obtained a complete listing for all land, buildings, machinery, equipment and vehicles. A complete listing of assets for engineering structures are currently underway and expected to be completed by December 31st, 2008.

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

- ii) As of January 1st, 2007, amortization for all asset classes has not been 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
December 31, 2007

2. Taxes and Accounts Receivable

Taxes and accounts receivable are comprised of the following:

	<u>2007</u>	<u>2006</u>
Current Taxes	\$ 193,299	\$ 306,244
Arrears Taxes	21,569	31,354
Due from other Governments	757,097	47,472
Other Receivables	<u>985,085</u>	<u>1,250,060</u>
	<u>\$ 1,957,050</u>	<u>\$ 1,635,130</u>

3. Tangible Capital Assets

Tangible Capital assets are comprised of the following:

	<u>2007</u>	<u>2006</u>
Land	\$ 767,341	\$ 361,618
Buildings	17,420,860	13,058,579
Engineering Structures	23,769,565	22,210,894
Equipment/Furnishings	4,521,405	4,016,124
Vehicles	<u>1,536,753</u>	<u>1,380,705</u>
	<u>\$ 48,015,924</u>	<u>\$ 41,027,920</u>

4. Other Liabilities

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

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>
2008	\$ 821,155	\$ 562,597
2009	757,135	516,848
2010	708,360	472,543
2011	716,816	431,342
2012	626,876	389,376
Balance to Maturity	<u>6,867,703</u>	<u>2,347,552</u>
	<u>\$ 10,498,045</u>	<u>\$ 4,720,258</u>

Debenture debt is repayable to the Alberta Capital Finance Authority (\$10,423,597) and the Beaumont Credit Union Ltd. (\$74,448) bears interest at rates ranging from 4.115% to 10.375% per annum, and mature in periods 2008 to 2027.

6. Utilities Accumulated Funds from Operations

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

	<u>2007</u>	<u>2006</u>
Balance at beginning of year	\$ 184,314	\$ 157,080
Excess (deficiency) of revenues over expenditures	<u>(103,370)</u>	<u>27,234</u>
Balance at end of year	<u>\$ 80,944</u>	<u>\$ 184,314</u>

Town of Beaumont
Notes to Financial Statements
December 31, 2007

7. Reserve Funds

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

	<u>2007</u>	<u>2006</u>
Town Office	\$ 28,175	\$ 30,711
Youth Centre Building Repair	20,367	18,367
BRAC Building Maintenance	36,296	37,364
Library Building Repair	47,804	42,804
Protective Services Building Repair	24,778	22,378
Technology Replacement	46,876	40,039
Equipment Replacement	96,380	78,726
Four Seasons	194,939	44,557
Signalization	294,835	79,435
Arterial roads	1,994,612	1,228,791
Infrastructure Maintenance	522,396	522,295
Police Facility Reserve	373,845	186,899
Sidewalk Replacement	121,053	21,836
Emergency Services Reserve	-	35,417
General Capital Growth	3,094,736	2,989,100
Aquatic & Fitness Centre	977,770	-
Marketing	25,000	25,000
Policing	-	17,000
Snow Removal	181,100	161,900
Minor Capital	18,824	18,824
Contingency	76,670	16,683
Mill Rate Stabilization	2,154,925	1,871,925
Future Utilities	154,792	-
Annexation - Range Road 243	40,739	21,940
Playgrounds - Equipment	180,913	26,270
Child Care	<u>20,500</u>	<u>20,500</u>
	<u>\$ 10,728,325</u>	<u>\$ 7,558,761</u>

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 \$325,475 (\$282,537 - 2006) for the Library. The total grant for 2007 was \$383,980 (\$342,554 - 2006).

Accounting and technology charges of \$10,783 (\$3,888 - 2006) are for services provided by the Town of Beaumont.

Building lease and maintenance charges of \$141,946 (\$141,779 - 2006) were paid to the Town of Beaumont under the terms of its lease with the Town.

Town of Beaumont
Notes to Financial Statements
December 31, 2007

9. Debt Limits

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

I. Debt Limit

	<u>2007</u>	<u>2006</u>
Total debt limit	\$ 26,193,449	\$ 22,460,906
Total debt	<u>10,498,045</u>	<u>6,823,893</u>
Total debt limit remaining	<u>\$ 15,695,404</u>	<u>\$ 15,637,013</u>

II. Service on Debt

	<u>2007</u>	<u>2006</u>
Debt servicing limit	\$ 4,365,575	\$ 3,743,484
Debt servicing	<u>1,383,752</u>	<u>1,044,390</u>
Total debt servicing remaining	<u>\$ 2,981,823</u>	<u>\$ 2,699,094</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.

The liability recorded at December 31, 2006 by the Authority is \$1,043,032 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.

The Town has been advised of an unregistered landfill within town boundaries. Groundwater and surface water testing is currently being performed to assess environmental impacts. The amount of the potential liability, if any, is unknown at this time.

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.

Town of Beaumont
Notes to Financial Statements
December 31, 2007

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 \$714,000.

In addition, the Town has lease commitments with Toshiba Finance for photocopying and office equipment. The two lease contracts provide for quarterly payments of \$5,142 and expire in June 2011 and October 2011. The total lease commitment over the remaining life of the contracts amounts to \$74,533.

13. Budget Figures

The 2007 budget figures that appear in the financial statements have not been audited.

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 168,300 people and 408 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 2007 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 2007 were \$223,772 (\$265,953 - 2006). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2007 were \$239,755 (\$196,487 - 2006).

At December 31, 2006, the LAPP disclosed an actuarial deficiency of approximately \$746.7 million. The actuarial deficiency at December 31, 2007 was not available at the time these financial statements were finalized.

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:

Mayor & Council	<u>2007</u>		<u>2006</u>	
	Benefits & Salary (1)	Allowances	Benefits & Salary (1)	Allowances
Mayor Camille Bérubé	\$ 27,137	\$ 5,762	\$ 26,551	\$ 4,047
Councillor Perry Hendriks	10,232	591	13,399	671
Councillor Bill McNamara	11,491	669	14,448	1,813
Councillor Gerry Patsula	-	-	13,317	1,156
Councillor Graham Robbins	10,966	630	13,818	1,260
Councillor Keith Gylander	15,872	3,908	12,559	1,187
Councillor Louise White-Gibbs	14,822	2,728	14,028	1,845
Councillor Jay Archibald	4,157	840	-	-
Councillor Jacqueline Biollo	4,157	1,600	-	-
Councillor Larry Goodhope	3,741	2,082	-	-
Councillor Bruce LeCren	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.

Chief Administrative Officer	<u>2007</u>	<u>2006</u>
Salary (2007 - 8 Months)	\$ 90,942	\$ 109,125
Pension	7,190	9,674
General Benefits Package	6,170	8,112
Car Allowance	3,774	4,800
Interim Contract Administrator (4 Months)	65,686	-

16. Prior period adjustment

A prior period adjustment was recorded to correct a misstatement of inventories and unearned revenue in prior years. The impact on the financial statements is shown below:

Accounts affected	<u>2006</u>	<u>Prior</u>
Increase in inventory for consumption	\$ 83,500	\$ 64,900
Increase in other liabilities	277,600	182,700
Reduction in accumulated general surplus	(160,300)	(91,400)
Reduction in accumulated utilities surplus	(33,800)	(26,400)
Decrease in revenues	(277,600)	(182,700)
Decrease in expenditures	(83,500)	(64,900)

The 2006 comparative figures in these financial statements have been restated to reflect the effect of these changes.

17. Approval of financial statements

Council and Management have approved these financial statements.

Town of Beaumont
Notes to Financial Statements
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2007 Financial Statements Notes