

TOWN OF BEAUMONT
Consolidated Financial Statements

For the year ended December 31, 2014

TOWN OF BEAUMONT
Consolidated Financial Statements

For the year ended December 31, 2014

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**Town of Beaumont
2014 Financial Statements
Management 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.

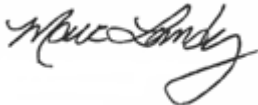
These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented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

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



Chief Administrative Officer
Town of Beaumont
April 28, 2015



Manager of Corporate Services

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

* Operates as a Professional Corporation

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Edmonton, Alberta T5H 0Y1
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Independent Auditor's Report

**To the Mayor and Council of the
Town of Beaumont**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Town of Beaumont which comprise of the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, change in net assets and the statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

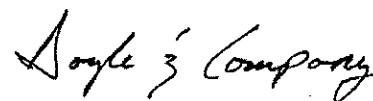
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian audit standards. Those standards require that we comply with ethical standards and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Beaumont as at December 31, 2014 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Edmonton, Alberta
April 28, 2015

Chartered Accountants

Town of Beaumont
Consolidated Statement of Financial Position

December 31	2014	2013
Financial Assets		
Cash and Cash Equivalents (Note 1)	\$ 37,342,899	\$ 31,796,414
Receivables (Note 2)	6,067,747	4,884,981
Other Financial Assets	156,813	110,893
	43,567,459	36,792,288
Liabilities		
Accounts Payable and Accrued Liabilities (Note 3)	5,072,088	6,077,419
Security Deposits	4,474,740	3,313,053
Deferred Revenue (Note 4)	9,481,565	8,136,002
Long-term Debt (Notes 5 and 6)	16,811,340	18,568,909
	35,839,733	36,095,383
Net Financial Assets	7,727,726	696,905
Non-financial Assets		
Tangible Capital Assets (Note 7, Schedule I)	226,048,308	210,974,078
Inventory for Consumption	121,674	152,723
	226,169,982	211,126,801
Accumulated Surplus (Note 8, Schedule II)	\$233,897,708	\$211,823,706
Contingent Liabilities (Note 12)		

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Town of Beaumont
Consolidated Statement of Operations

For the Year Ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenue			
Taxation-net (Schedule III)	\$ 13,780,700	\$ 13,829,930	\$ 12,568,450
Library Taxes	529,000	531,749	502,556
Sales and User Charges	8,644,600	9,591,761	8,730,691
Government Transfers (Schedule IV)	1,281,900	1,556,612	1,369,461
Interest Income	250,000	553,368	511,696
Penalties and Cost on Taxes	271,600	308,765	287,099
Franchise Fees	998,900	1,093,735	995,382
Rentals	892,500	790,809	846,590
Licenses, Permits and Fines	1,667,600	1,958,225	1,605,279
Developers Contributions	5,891,614	8,960,959	1,860,560
Contributions from Other Groups	14,000	26,323	24,233
Gain (Loss) on Disposal of Capital	-	27,246	(29,494)
	<u>34,222,414</u>	<u>39,229,482</u>	<u>29,272,503</u>
Expense (Schedule V)			
Legislative	853,000	1,023,102	614,721
Administration	2,384,700	1,829,846	1,854,511
Protective Services	4,254,200	4,121,748	3,759,060
Transportation Services	9,111,800	7,637,180	6,837,357
Public Health and Welfare Services	2,933,400	2,722,905	2,567,668
Planning and Development	1,490,300	1,313,638	1,282,894
Recreation and Cultural Services	6,578,700	6,448,463	6,143,357
Library	692,500	697,663	615,339
Waste Management	1,597,300	1,653,298	1,563,071
Water	2,500,200	2,329,188	2,316,163
Wastewater	1,726,300	1,613,012	1,453,271
	<u>34,122,400</u>	<u>31,390,043</u>	<u>29,007,412</u>
Excess (Shortfall) of Revenue over Expenses before Other	100,014	7,839,439	265,091
Other			
Developer Contributed Tangible Capital Assets	-	9,609,770	12,001,821
Government Transfers for Capital (Schedule IV)	8,356,700	4,624,793	9,190,369
	<u>8,456,714</u>	<u>22,074,002</u>	<u>21,457,281</u>
Excess (Shortfall) of Revenues over Expenses	8,456,714	22,074,002	21,457,281
Accumulated Surplus, Beginning of Year,	211,823,706	211,823,706	190,366,425
Accumulated Surplus, End of Year	\$220,280,420	\$233,897,708	\$211,823,706

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Town of Beaumont
Consolidated Statement of Change in Net Assets (Debt)

For the Year Ended December 31	2014 Budget	2014 Actual	2013 Actual
Annual Surplus	\$ 8,456,714	\$ 22,074,002	\$ 21,457,281
Acquisition of Tangible Capital Assets	(25,087,822)	(10,948,990)	(13,324,416)
Contributed Tangible Capital Assets	-	(9,609,770)	(12,001,821)
Proceeds on Sale of Tangible Capital Assets	-	65,905	-
Amortization of Tangible Capital Assets	6,106,400	5,445,871	5,186,444
(Gain) Loss on Sale of Tangible Capital Assets	-	(27,246)	29,494
	<u>(18,981,422)</u>	<u>(15,074,230)</u>	<u>(20,110,299)</u>
Acquisition of Prepaid Expenses and Inventory of Supplies	-	31,049	(14,135)
Net Change in Assets (Debt)	(10,524,708)	7,030,821	1,332,847
Net Assets (Debt), Beginning of Year	<u>696,905</u>	<u>696,905</u>	<u>(635,942)</u>
Net Assets (Debt), End of Year	<u>\$ (9,827,803)</u>	<u>\$ 7,727,726</u>	<u>\$ 696,905</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Town of Beaumont
Consolidated Statement of Cash Flows

For the Year Ended December 31	2014	2013
Operating Transactions		
Annual Surplus	\$ 22,074,002	\$ 21,457,281
Items Not Involving Cash		
Amortization	5,445,871	5,186,444
(Gain) Loss on Disposal of Tangible Capital Assets	(27,246)	29,494
Contributed Capital Assets	(9,609,770)	(12,001,821)
Changes in Non-cash Assets and Liabilities		
Receivables	(1,182,766)	2,238,701
Other Financial Assets	(45,920)	(3,580)
Inventory for Consumption	31,049	(14,135)
Accounts Payable and Accrued Liabilities	(1,005,331)	1,422,447
Security Deposits	1,161,687	(447,885)
Deferred Revenue	1,345,563	(1,902,998)
	<u>18,187,139</u>	<u>15,963,948</u>
Capital Activities		
Acquisition of Tangible Capital Assets	(10,948,990)	(13,324,416)
Proceeds on Sale of Tangible Capital Assets	65,905	-
	<u>(10,883,085)</u>	<u>(13,324,416)</u>
Financing Transactions		
Repayment of Long-term Debt	(1,757,569)	(1,338,186)
Net Change in Cash and Cash Equivalents	5,546,485	1,301,346
Cash and Cash Equivalents, Beginning of Year	<u>31,796,414</u>	<u>30,495,068</u>
Cash and Cash Equivalents, End of Year	<u>\$ 37,342,899</u>	<u>\$ 31,796,414</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Town of Beaumont

Summary of Significant Accounting Policies

December 31, 2014

Management's Responsibility for the Consolidated Financial Statements

The Town of Beaumont is a municipality incorporate under the laws of the Province of Alberta and operates under the provisions of the Municipal Government Act. These financial statements are the representation 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:

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.

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.

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Town of Beaumont Summary of Significant Accounting Policies

December 31, 2014

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:

Land Improvements	15 to 30 years
Buildings	20 to 50 years
Engineered Structures	
Water System	35 to 75 years
Wastewater System	35 to 75 years
Other	20 to 75 years
Machinery & Equipment	5 to 20 years
Vehicles	10 to 25 years

No amortization is taken in the first year of acquisition and a full year of amortization 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.

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 Town.

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 Town.

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

1. Cash and Cash Equivalents

	2014	2013
Cash	\$ 36,182,332	\$ 26,869,822
Cash Equivalents	1,160,567	4,926,592
	\$ 37,342,899	\$ 31,796,414

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

2. Accounts Receivable

	2014	2013
Current Taxes	\$ 611,438	\$ 569,898
Arrear Taxes	161,705	289,949
	773,143	859,847
Taxes Receivable	1,455,462	2,277,803
Due from Other Governments	2,885,469	837,165
Trade Receivables	953,673	910,166
Utilities Receivable	\$ 6,067,747	\$ 4,884,981

3. Accounts Payable and Accrued Liabilities

	2014	2013
Accrued Wages and Benefits	\$ 902,434	\$ 874,048
Trade Payables	4,169,654	5,203,371
	\$ 5,072,088	\$ 6,077,419

4. Deferred Revenue

	2014	2013
Deferred Capital Grants	\$ 9,087,438	\$ 7,933,090
Bylaw	-	1,146
Lot Grading	169,804	7,963
Development	188	4,017
Recreation Fees	222,286	189,443
Youth Programs	1,849	343
	\$ 9,481,565	\$ 8,136,002

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

5. Long-term Debt

	2014	2013
<u>Tax Supported</u>		
Town Office	\$ 113,367	\$ 133,076
Police Building	3,148,736	3,320,756
Fire Building	59,267	96,520
Operations Building	2,528,000	2,641,735
Roads	4,015,000	4,429,122
Storm Drainage	88,529	107,913
Ken Nichol Regional Recreation Centre 2	1,090,684	1,236,394
Library	645,575	699,314
	11,689,158	12,664,830
<u>Utility Supported</u>		
Water Reservoir	4,787,863	5,516,616
Sewage Collection	334,319	387,463
	5,122,182	5,904,079
	\$ 16,811,340	\$ 18,568,909

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

	Principal	Interest
2015	\$ 1,675,555	\$ 708,439
2016	1,656,825	637,281
2017	1,654,301	567,098
2018	1,688,661	496,185
2019	1,668,301	423,841
2020 and onwards	8,467,697	2,197,227
	\$ 16,811,340	\$ 5,030,071

Debenture debt is repayable to the Alberta Capital Finance Authority \$14,108,228 and the Beaumont Credit Union Ltd \$2,703,112 and bears interest at rates ranging from 2.177% to 6.375% per annum, and matures in periods 2012 through 2041. The debenture debt is issued on the credit and security of the Town at large.

Interest on long-term debt amounted to \$774,005 (2013 - \$833,846).

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

6. Debt Limits

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

	2014	2013
Debt Limit		
Total Debt Limit	\$ 58,844,223	\$ 43,908,755
Total Debt	16,811,340	18,568,909
Loan Guarantees - Centré Communautaire Beaumont Community Centre	6,133,300	4,551,000
	\$ 35,899,583	\$ 20,788,846
Service on Debt		
Debt Servicing Limit	\$ 9,807,371	\$ 7,318,126
Debt Servicing	2,383,994	2,541,799
	\$ 7,423,377	\$ 4,776,327
Total Debt Servicing Remaining		

The debt limit is calculated at 1.5 times the 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.

7. Tangible Capital Assets

	2014	2013
Machinery and Equipment	\$ 2,044,367	\$ 1,588,747
Vehicles	1,130,325	1,204,815
	3,174,691	2,793,562
Land	67,524,876	61,670,586
Land Improvements	5,262,058	5,183,409
Buildings	26,252,702	26,137,741
Engineering Structures		
Roads	75,030,440	68,339,680
Storm Sewers	19,176,662	18,163,690
Water System	18,970,324	18,436,350
Wastewater System	10,656,555	10,249,060
	\$226,048,308	\$210,974,078

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

8. Accumulated Surplus

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

Reserve Funds

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

	2014	2013
Town Office Maintenance	\$ 40,500	\$ 35,500
Youth Centre Building Maintenance	29,367	28,367
Ken Nichol Regional Recreation Centre Building Maintenance	180,000	161,000
Library Building Maintenance	134,540	132,540
Police Building Maintenance	6,431	20,000
Protective Services Building Maintenance	49,778	46,778
Operation Facility Maintenance	20,000	16,000
Aquafit Centre Building Maintenance	51,162	52,000
Technology Replacement	141,153	188,653
Equipment Replacement	881,311	783,715
Fours Seasons Park	31,500	21,000
Roads Off-site Levies	4,832,324	2,928,354
Sewer Off-site Levies	732,328	717,564
Infrastructure Maintenance	2,263,339	2,069,720
Downtown Redevelopment	250,106	250,106
Sidewalk Replacement	174,800	174,800
General Capital Growth	1,208,243	1,979,688
Transit Reserve	270,656	-
Election Reserve	5,000	-
Snow Removal	427,962	299,181
Tax Allowance	93,262	93,262
Contingency	239,662	269,501
Mill Rate Stabilization	2,339,899	2,490,642
Future Utilities	2,977,196	2,240,465
Range Road 243	7,762	7,762
Asset Management System	250,000	250,000
Municipal Reserve for Parkland	468,236	468,236
Future Growth	295,796	367,956
Communication Reserve	7,000	-
	18,409,313	16,092,790
<u>Equity in Tangible Capital Assets</u>		
Tangible Capital Assets	285,466,680	265,142,971
Accumulated Amortization	(59,418,372)	(54,168,893)
Long-term Debt	(14,108,228)	(15,229,892)
Recoverable Off-site Levies	(3,307,874)	(4,227,634)
	208,632,206	191,516,552
<u>Unrestricted Surplus</u>		
Operations	5,641,836	3,633,808
Solid Waste	-	(90,995)
Water	870,443	318,319
Wastewater	343,910	353,232
	6,856,189	4,214,364
	\$ 233,897,708	\$ 211,823,706

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

9. Cost Sharing Functions

The County of Leduc cost shares specific costs for certain recreation and culture services.

	2014 Budget	2014 Actual	2013 Actual
<u>Eligible Costs</u>			
Ken Nichol Regional Recreation Centre	\$ 599,052	\$ 244,503	\$ 471,307
Debenture and Interest	-	-	13,960
Programs	212,200	141,696	131,484
Athletic Fields and Outdoor Rinks (29.2%)	370,395	401,905	314,303
Parks and Recreation Administration	289,800	303,859	204,809
Ken Nichol Regional Recreation Centre (Expansion)	168,225	167,313	167,367
Library	513,761	526,214	463,226
	\$ 2,153,433	\$ 1,785,490	\$ 1,766,456
Cost Share Percentage	13.51%	12.77%	13.51%
	\$ 290,929	\$ 228,007	\$ 238,648
Aquafit Centre	25,000	25,000	25,000
	\$ 315,929	\$ 253,007	\$ 263,648

10. Segmented Information

The Town of Beaumont is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses and equity in government business enterprises and government business partnerships that are directly attributable to a particular segment are allocated to that segment. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation: Allocated to Administration.
 Sale of Service: Allocated to segment based on service and to general government if not specific.
 Grants: Allocated to segment based on service provided and to general government if not specific.
 Interest: Allocated to water, wastewater and general government.

Legislative

Responsible for Council activities.

Administration

Responsible for administration services, including economic development, communication, safety, human resources, accounting, finance, general administration and record services.

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

10. Segmented Information (Continued)

Protective Services

Responsible for bylaw enforcement, policing, and fire services.

Transportation Services

Responsible for maintaining the roads, bridges, storm drainage systems, sidewalks and extended shoulders for pedestrian and bike travel.

Solid Waste Management

Responsible for curbside garbage and recycling collection

Water

Responsible for water distribution and storage.

Wastewater

Responsible for sewer collection system.

Public Health and Welfare

Responsible for family, youth and childcare services plus cemetery.

Planning and Development Services

Responsible for planning, development services and building inspection services.

Recreation and Cultural Services

Responsible for recreational services, including programming.

Town of Beaumont

Notes to Consolidated Financial Statements

December 31, 2014

10. Segmented Information - continued

For the year ended December 31	Legislative	Administration	Protective Services	Transportation Services	Public Health and Welfare Services	Planning and Development	Recreation and Cultural Services	Library	Solid Waste Management	Water	Wastewater	2014 Total
Revenue	\$ 13,829,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 531,749	\$ -	\$ -	\$ -	\$ 14,361,679
Taxation	109,215	30,200	22,777	68,047	1,160,088	326,164	1,696,707	8,035	1,635,351	2,522,514	2,012,663	9,591,761
Sales and User Charges	202,794	67,000	544,315	2,789	468,554	-	203,963	67,197	-	-	-	1,556,612
Government Transfers	-	432,689	-	-	-	-	-	-	-	120,679	-	553,368
Investment Income	-	264,316	-	-	-	-	-	-	-	44,449	-	308,765
Penalties and Costs on Taxes	-	1,093,735	-	-	-	-	-	-	-	-	-	1,093,735
Franchise Fees	-	7,000	44,294	-	15,666	-	613,353	110,496	-	-	-	790,809
Rentals	-	-	1,341,731	1,119	-	615,375	-	-	-	-	-	1,958,225
Licenses, Permits and Fines	-	-	-	7,321,819	-	124,842	-	-	-	1,352,298	-	8,960,959
Developers Contributions	-	-	-	-	8,210	-	18,113	-	-	-	-	26,323
Contributions from Others	-	-	11,392	-	-	-	15,854	-	-	-	-	27,246
(Loss) on Disposal of Capital	-	-	-	-	-	-	-	-	-	-	-	-
	14,141,939	1,894,940	1,964,509	7,393,774	1,652,518	1,066,381	2,547,990	717,477	1,635,351	4,039,940	2,174,663	39,229,482
Expenses												
Salaries and Benefits	191,406	2,070,669	1,337,120	1,259,786	2,048,811	899,145	3,136,077	632	36,374	201,797	52,807	11,234,624
Contract Services	59,863	458,389	2,129,536	749,278	113,008	300,484	824,416	562	1,549,105	34,018	124,797	6,343,456
Materials and Goods	56,494	336,867	260,619	982,334	210,700	44,579	1,010,751	6,841	15,619	1,377,511	1,166,934	5,469,249
Utilities	1,949	62,664	80,709	462,672	37,581	9,065	422,277	-	-	74,700	2,362	1,153,979
Internal Support	460,596	(1,178,297)	(58,300)	78,900	208,601	54,700	212,200	7,200	52,200	91,300	70,900	-
Community Grants	252,794	-	-	-	88,350	-	47,572	611,091	-	-	-	999,807
Interest on Long-term Debt	-	5,926	158,693	252,129	-	-	77,373	39,723	-	216,552	23,609	774,005
Amortization	-	66,075	212,885	3,845,589	18,694	7,033	758,557	31,614	-	333,821	171,603	5,445,871
Other Expenses	-	7,553	486	6,492	(2,840)	(1,368)	(40,760)	-	-	(511)	-	(30,948)
	1,023,102	1,829,846	4,121,748	7,637,180	2,722,905	1,313,638	6,448,463	697,663	1,653,298	2,329,188	1,613,012	31,390,043
Net Surplus (Deficit)	\$ 13,118,837	\$ 65,094	\$ (2,157,239)	\$ (243,406)	\$ (1,070,387)	\$ (247,257)	\$ (3,900,473)	\$ 19,814	\$ (17,947)	\$ 1,710,752	\$ 561,651	\$ 7,839,439

Town of Beaumont

Notes to Consolidated Financial Statements

December 31, 2014

10. Segmented Information - continued

For the year ended December 31	Legislative	Administration	Protective Services	Transportation Services	Public Health and Welfare Services	Planning and Development	Recreation and Culture	Library	Waste Management	Water	Wastewater	2013 Total
Revenue												
Taxation	\$12,568,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 502,556	\$ -	\$ -	\$ -	\$13,071,006
Sales and User Charges	46,082	13,299	51,977	260,458	1,127,923	313,263	1,363,908	5,981	1,472,075	2,243,752	1,831,973	8,730,691
Government Transfers	-	40,123	574,505	28,444	463,125	-	196,849	66,415	-	-	-	1,369,461
Investment Income	-	383,119	-	-	-	-	-	-	-	128,577	-	511,696
Penalties and Costs on Taxes	-	242,839	-	-	-	-	-	-	-	44,260	-	287,099
Franchise Fees	-	995,382	-	-	-	-	-	-	-	-	-	995,382
Rentals	-	8,800	43,794	-	13,804	-	669,696	110,496	-	-	-	846,590
Licenses, Permits and Fines	-	-	914,367	-	-	690,912	-	-	-	-	-	1,605,279
Developer Contributions	-	-	-	1,243,246	-	119,210	-	-	-	279,399	218,705	1,860,560
Contributions from Others	200	-	2,996	-	10,935	-	10,102	-	-	-	-	24,233
(Loss) on Disposal of Capital	-	-	-	-	-	-	(5,176)	-	-	-	(24,318)	(29,494)
	12,614,732	1,683,562	1,587,639	1,532,148	1,615,787	1,123,385	2,235,379	685,448	1,472,075	2,695,988	2,026,360	29,272,503
Expenses												
Salaries and Benefits	181,921	1,807,055	1,178,308	1,371,573	1,945,069	794,694	2,887,274	-	2,120	237,840	49,005	10,454,859
Contracted Services	93,773	350,982	1,900,081	501,577	94,143	427,339	653,251	613	1,500,446	83,187	140,792	5,746,184
Materials and Goods	46,627	289,470	246,489	575,776	209,727	42,839	857,590	5,368	13,705	1,237,037	1,031,344	4,555,972
Utilities	5,813	86,771	110,470	489,568	43,771	7,972	649,842	-	-	110,596	2,901	1,517,704
Internal Support	272,900	(757,500)	(63,400)	1,900	162,100	12,800	239,100	1,900	46,800	43,300	40,100	-
Community Grants	13,687	1,235	-	-	89,321	-	27,227	533,192	-	-	-	664,662
Interest on Long-term Debt	-	6,814	168,271	271,873	-	-	86,826	42,652	-	230,230	27,180	833,846
Amortization	-	69,638	212,311	3,614,709	18,694	4,115	710,767	31,614	-	362,649	161,949	5,186,446
Other Expenses	-	46	6,530	381	4,843	(6,865)	31,480	-	-	11,324	-	47,739
	614,721	1,854,511	3,759,060	6,837,357	2,567,668	1,282,894	6,143,357	615,339	1,563,071	2,316,163	1,453,271	29,007,412
Net Surplus (Deficit)	\$12,000,011	\$ (170,949)	\$2,171,421	\$ (5,305,209)	\$ (951,881)	\$ (159,509)	\$ (3,907,978)	\$ 70,109	\$ (90,996)	\$ 379,825	\$ 573,089	\$ 265,091

Town of Beaumont Notes to Consolidated Financial Statements

December 31, 2014

11. 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 \$531,749 (2013 - \$502,556) for the Library. The total grant for the year was \$611,091 (2013 - \$533,192). Accounting and technology charges of \$13,900 (2013 - \$12,400) are for services provided by the Town of Beaumont. Building lease and maintenance charges of \$118,531 (2013 - \$116,477) were paid to the Town of Beaumont under the terms of its lease with the Town.

12. 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, 2012 by the Authority is \$1,927,418 (2011 - \$1,598,308) 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 liability for closure and post-closure costs estimated at December 31, 2014 was not available at the time we finalized the financial statements.

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 \$4,800,000. In addition the Town received a formal statement of action filed against the Town for environmental damage resulting from the nuisance grounds that it has forwarded to its insurer. As at the date of the financial statements no liability resulting from the claim.

The Town has guaranteed two loans held by the Centre Communautaire Beaumont Community Centre for the construction of a Community Centre in the amount of \$4,551,000 and has approved a loan in the amount of \$1,582,300.

13. 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.

14. 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, 2032. 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 \$1,445,400.

In addition, the Town has lease and rental commitments with Xerox and Toshiba Finance for photocopying and office equipment. The six lease and rental contracts provide for quarterly payments of \$5,633 and expire in May 2014 and July 2016. The total lease commitment over the remaining life of the contracts amounts to \$58,941.

Town of Beaumont Notes to Consolidated Financial Statements

December 31, 2014

15. Budget Figures

The 2014 Budget figures that appear in the financial statements have not been audited.

16. 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 230,534 people, and 418 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 2014, the Town was required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan, and 15.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary, and 14.84% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2014 were \$878,883 (2013 - \$727,796). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2014 were \$815,149 (2013 - \$671,378).

At December 31, 2013, the LAPP disclosed an actuarial deficiency of approximately \$5.561 billion. The actuarial deficiency at December 31, 2014 was not available at the time we finalized the financial statements.

17. 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:

	2014		2013	
<u>Mayor & Council</u>	<u>Benefits & Salary (1)</u>	<u>Allowances</u>	<u>Benefits & Salary (1)</u>	<u>Allowances</u>
Mayor Camille Berube	\$ 47,100	\$ 10,787	\$ 43,808	\$ 8,016
Councillor Louise White-Gibbs	24,000	6,737	22,704	6,610
Councillor Jay Archibald	-	-	17,827	355
Councillor Jacqueline Biollo	-	-	18,627	4,832
Councillor Larry Goodhope	-	-	16,927	122
Councillor Bill McNamara	23,100	2,295	21,804	1,635
Councillor John Stewart	-	-	16,827	-
Councillor Kerry Bauer	24,000	5,213	3,077	979
Councillor Kathy Barnhart	25,100	3,627	3,077	1,676
Councillor Bruce LeCren	24,200	4,146	3,077	2,288
Councillor Perry Hendriks	21,000	-	3,077	79
	\$ 188,500	\$ 32,805	\$ 170,832	\$ 26,592

(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.

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2014

17. Salary and Benefits Disclosure (Continued)

<u>Chief Administrative Officer</u>	<u>2014</u>	<u>2013</u>
Salary	\$ 193,711	\$ 176,785
Pension	\$ 22,097	\$ 19,664
General Benefits Package	\$ 8,984	\$ 7,428
Car Allowance	\$ 6,883	\$ 6,719

In 2014 there were 27 pay periods compared to 2013.

18. Approval of Financial Statements

Council and Management have approved these financial statements.

Town of Beaumont

Schedule I - Schedule of Tangible Capital Assets

December 31, 2014

2014

	Land	Improvements	Buildings	Machinery & Equipment and Vehicles	Roads	Storm Sewers	Total Operating Assets	Water Systems	Wastewater	Totals
Cost, Beginning of Year	\$ 61,670,586	\$ 8,488,672	\$ 35,385,612	\$ 5,019,605	\$ 96,576,159	\$ 22,279,377	\$ 229,420,011	\$ 22,923,264	\$ 12,799,696	\$ 665,142,971
Additions	5,854,290	420,877	826,519	702,472	9,916,599	1,392,291	19,113,048	866,615	579,097	20,558,760
Disposals	-	-	-	(235,051)	-	-	(235,051)	-	-	(235,051)
Cost, End of Year	67,524,876	8,909,549	36,212,131	5,487,026	106,492,758	23,671,668	248,298,008	23,789,879	13,378,793	285,466,680
Accumulated Amortization, Beginning of Year	-	3,305,263	9,247,871	2,226,043	28,236,479	4,115,687	47,131,343	4,486,914	2,550,636	54,168,893
Amortization	-	342,228	711,558	282,684	3,225,839	379,319	4,941,628	332,641	171,602	5,445,871
Disposals	-	-	-	(196,392)	-	-	(196,392)	-	-	(196,392)
Accumulated Amortization, End of Year	-	3,647,491	9,959,429	2,312,335	31,462,318	4,495,006	51,876,579	4,819,555	2,722,238	59,418,372
Net Carrying Amount, End of Year	\$ 67,524,876	\$ 5,262,058	\$ 26,252,702	\$ 3,174,691	\$ 75,030,440	\$ 19,176,662	\$ 196,421,429	\$ 18,970,324	\$ 10,656,555	\$ 226,048,308

2013

	Land	Improvements	Buildings	Machinery & Equipment and Vehicles	Roads	Storm Sewers	Total Operating Assets	Water Systems	Wastewater	Totals
Cost, Beginning of Year	\$ 54,651,888	\$ 7,776,576	\$ 34,311,854	\$ 4,939,021	\$ 83,216,387	\$ 21,242,594	\$ 206,138,320	\$ 21,413,682	\$ 12,304,992	\$ 339,856,994
Additions	7,018,698	725,923	1,073,758	80,584	13,359,772	1,036,783	23,295,518	1,509,582	521,137	25,326,237
Disposals	-	(13,827)	-	-	-	-	(13,827)	-	(26,433)	(40,260)
Cost, End of Year	61,670,586	8,488,672	35,385,612	5,019,605	96,576,159	22,279,377	229,420,011	22,923,264	12,799,696	265,142,971
Accumulated Amortization, Beginning of Year	-	2,991,449	8,562,390	1,944,461	25,230,099	3,745,889	42,474,288	4,128,125	2,390,802	48,993,215
Amortization	-	322,465	685,481	281,582	3,006,380	369,798	4,665,706	358,789	161,949	5,186,444
Disposals	-	(8,651)	-	-	-	-	(8,651)	-	(2,115)	(10,766)
Accumulated Amortization, End of Year	-	3,305,263	9,247,871	2,226,043	28,236,479	4,115,687	47,131,343	4,486,914	2,550,636	54,168,893
Net Carrying Amount, End of Year	\$ 61,670,586	\$ 5,183,409	\$ 26,137,741	\$ 2,793,562	\$ 68,339,680	\$ 18,163,690	\$ 182,288,668	\$ 18,436,350	\$ 10,249,060	\$ 210,974,078

Town of Beaumont
Schedule II - Schedule of Changes in Accumulated Surplus

For the Year Ended December 31	Unrestricted Surplus	Restricted Surplus	Equity in Capital Assets	2014	2013
Balance, Beginning of Year	\$ 4,214,364	\$ 16,092,790	\$ 191,516,552	\$ 211,823,706	\$ 190,366,425
Excess of Revenue over Expenses	22,074,002	-	-	22,074,002	21,457,281
Unrestricted Funds Designated for Future Use	(1,978,179)	1,978,179	-	-	-
Restricted Funds Used for Operations	740,335	(740,335)	-	-	-
Restricted Funds Used for Tangible Capital Assets	-	(4,088,395)	4,088,395	-	-
Current Year Funds Used for Tangible Capital Assets	(6,860,596)	-	6,860,596	-	-
Contributed Tangible Capital Assets	(9,609,770)	-	9,609,770	-	-
Disposal of Tangible Capital Assets	38,659	-	(38,659)	-	-
Annual Amortization Expense	5,445,871	-	(5,445,871)	-	-
Long-term Debt Repaid	(1,757,569)	-	1,757,569	-	-
Restricted Funds Designated for Future Use	(5,450,928)	5,167,074	283,854	-	-
	2,641,825	2,316,523	17,115,654	22,074,002	21,457,281
	\$ 6,856,189	\$ 18,409,313	\$ 208,632,206	\$ 233,897,708	\$ 211,823,706

Town of Beaumont
Schedule III - Schedule of Property and Other Taxes

For the Year Ended December 31	2014 Budget	2014 Actual	2013 Actual
Residential Taxes	\$ 18,354,900	\$ 18,441,912	\$ 17,116,463
Commercial Taxes	1,393,500	1,394,096	1,225,590
Farm Taxes	600	622	1,886
	<hr/>	<hr/>	<hr/>
Linear Taxes	19,749,000	19,836,630	18,343,939
	169,900	173,702	164,180
	<hr/>	<hr/>	<hr/>
	19,918,900	20,010,332	18,508,119
	<hr/>	<hr/>	<hr/>
Requisition for Other Authorities			
Library	529,000	531,749	502,556
Alberta School Foundation Fund	5,029,900	5,069,385	4,876,015
Separate School Board	534,800	534,805	516,602
Leduc Foundation	44,500	44,463	44,496
	<hr/>	<hr/>	<hr/>
	6,138,200	6,180,402	5,939,669
	<hr/>	<hr/>	<hr/>
	\$ 13,780,700	\$ 13,829,930	\$ 12,568,450
	<hr/>	<hr/>	<hr/>

Town of Beaumont
Schedule IV - Schedule of Government Transfers

For the Year Ended December 31	2014 Budget	2014 Actual	2013 Actual
Transfers for Operating			
Provincial Government	\$ 995,100	\$ 1,283,339	\$ 1,079,304
Federal Government	2,300	5,404	7,857
County of Leduc	280,500	267,483	255,716
Other Government Organizations	4,000	385	26,584
	<u>1,281,900</u>	<u>1,556,611</u>	<u>1,369,461</u>
Transfers for Capital			
Provincial Government	6,274,052	3,656,682	6,438,445
Federal Government	1,866,648	752,111	2,535,924
County of Leduc	216,000	216,000	216,000
	<u>8,356,700</u>	<u>4,624,793</u>	<u>9,190,369</u>
	<u>\$ 9,638,600</u>	<u>\$ 6,181,404</u>	<u>\$ 10,559,830</u>

Town of Beaumont
Schedule V - Consolidated Schedule of Expenses by Object

For the Year Ended December 31	2014 Budget	2014 Actual	2013 Actual
Consolidated Expenses by Object			
Salaries, Wages and Benefits	\$ 11,791,000	\$ 11,234,624	\$ 10,454,859
Contracted and General Services	7,887,100	6,343,456	5,746,184
Materials and Goods	5,541,600	5,469,249	4,555,972
Utilities	1,215,100	1,153,979	1,517,704
Community Grants	790,600	999,807	664,662
Interest on Long-term Debt	790,600	774,005	833,846
Amortization	6,106,400	5,445,871	5,186,446
Other Expenses	-	(30,948)	47,739
	\$ 34,122,400	\$ 31,390,043	\$ 29,007,412