

TOWN OF BEAUMONT
Consolidated Financial Statements

For the year ended December 31, 2012

TOWN OF BEAUMONT
Consolidated Financial Statements

For the year ended December 31, 2012

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**Town of Beaumont
2012 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 9, 2013


Manger of Corporate Services

Allan J. Grykuliak, C.A.*
Scott T. Mockford, C.A.*
* Operates as a Professional Corporation

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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, 2012, 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.

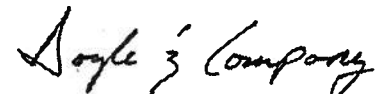
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2012 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta
April 9, 2013


Chartered Accountants

Town of Beaumont
Consolidated Statement of Financial Position

December 31	2012	2011 (Note 20)
Financial Assets		
Cash and Cash Equivalents (Note 1)	\$ 30,495,068	\$ 28,940,317
Receivables (Note 2)	7,123,682	5,354,745
Other Financial Assets	107,313	133,582
	37,726,063	34,428,644
Liabilities		
Accounts Payable and Accrued Liabilities (Note 3)	4,654,972	3,937,130
Security Deposits	3,760,938	4,523,569
Deferred Revenue (Note 4)	10,039,000	10,066,993
Long-term Debt (Notes 5 and 6)	19,907,095	20,353,791
	38,362,005	38,881,483
Net Financial Assets	(635,942)	(4,452,839)
Non-financial Assets		
Tangible Capital Assets (Note 7, Schedule I)	190,863,779	173,678,972
Inventory for Consumption	138,588	127,484
	191,002,367	173,806,456
Accumulated Surplus (Note 8, Schedule II)	\$190,366,425	\$169,353,617
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	2012 Budget	2012 Actual	2011 Actual (Note 20)
Revenue			
Taxation-net (Schedule III)	\$ 11,411,901	\$ 11,426,737	\$ 10,331,438
Library Taxes	487,200	488,642	460,474
Sales and User Charges	7,404,825	8,025,578	6,910,960
Government Transfers (Schedule IV)	1,405,700	1,548,477	1,370,799
Interest Income	412,000	580,345	623,575
Penalties and Cost on Taxes	270,600	262,343	288,694
Franchise and Concession Contracts	703,300	805,065	724,367
Rentals	728,800	798,322	783,570
Licenses, Permits and Fines	1,137,980	1,575,610	1,406,193
Developers Contributions	3,022,400	1,628,169	3,349,031
Contributions from Other Groups	63,000	55,455	123,721
Gain (Loss) on Disposal of Capital	-	(92,060)	(48,920)
	<u>27,047,706</u>	<u>27,102,683</u>	<u>26,323,902</u>
Expense (Schedule V)			
Legislative	551,492	516,998	453,193
Administration	1,887,212	1,645,491	1,437,253
Protective Services	3,284,080	3,326,752	2,989,082
Transportation Services	6,215,520	6,173,256	5,016,483
Public Health and Welfare Services	2,665,152	2,542,021	2,358,522
Planning and Development	1,040,348	1,257,473	1,025,438
Recreation and Cultural Services	5,820,556	5,552,055	5,611,374
Library	651,840	582,494	611,036
Waste Management	1,238,608	1,281,906	1,085,666
Water	2,315,214	2,207,565	2,113,219
Wastewater	1,572,770	1,404,540	1,400,620
	<u>27,242,792</u>	<u>26,490,551</u>	<u>24,101,886</u>
Excess (Shortfall) of Revenue over Expenses before Other	(195,086)	612,132	2,222,016
Other			
Developer Contributed Tangible Capital Assets	-	8,103,911	18,779,754
Government Transfers for Capital (Schedule IV)	18,234,686	12,296,765	12,018,326
Excess (Shortfall) of Revenues over Expenses	18,039,600	21,012,808	33,020,096
Accumulated Surplus, Beginning of Year,	<u>169,353,617</u>	<u>169,353,617</u>	<u>136,333,521</u>
Accumulated Surplus, End of Year	<u>\$187,393,217</u>	<u>\$190,366,425</u>	<u>\$169,353,617</u>

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	2012 Budget	2012 Actual	2011 Actual
Annual Surplus	\$ 18,039,600	\$ 21,012,808	\$ 33,020,096
Acquisition of Tangible Capital Assets	(22,132,729)	(13,568,224)	(16,889,778)
Contributed Tangible Capital Assets	-	(8,103,911)	(18,779,754)
Proceeds on Sale of Tangible Capital Assets	-	-	8,000
Amortization of Tangible Capital Assets	4,181,900	4,395,268	3,667,232
(Gain) Loss on Sale of Tangible Capital Assets	-	92,060	48,920
	<u>(17,950,829)</u>	<u>(17,184,807)</u>	<u>(31,945,380)</u>
Acquisition of Prepaid Expenses and Inventory of Supplies	-	(11,104)	(31,890)
Net Change in Assets (Debt)	88,771	3,816,897	1,042,826
Net Assets (Debt), Beginning of Year	<u>(4,452,839)</u>	<u>(4,452,839)</u>	<u>(5,495,665)</u>
Net Assets (Debt), End of Year	<u>\$ (4,364,068)</u>	<u>\$ (635,942)</u>	<u>\$ (4,452,839)</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	2012	2011
Operating Transactions		
Annual Surplus	\$ 21,012,808	\$ 33,020,096
Items Not Involving Cash		
Amortization	4,395,268	3,667,232
(Gain) Loss on Disposal of Tangible Capital Assets	92,060	48,920
Contributed Capital Assets	(8,103,911)	(18,779,754)
Changes in Non-cash Assets and Liabilities		
Receivables	(1,768,937)	1,063,578
Other Financial Assets	26,269	7,276
Inventory for Consumption	(11,104)	(31,890)
Accounts Payable and Accrued Liabilities	717,842	1,199,783
Security Deposits	(762,631)	2,268,168
Deferred Revenue	(27,993)	3,042,619
	<u>15,569,671</u>	<u>25,506,028</u>
Capital Activities		
Acquisition of Tangible Capital Assets	(13,568,224)	(16,889,778)
Proceeds on Sale of Tangible Capital Assets	-	8,000
	<u>(13,568,224)</u>	<u>(16,881,778)</u>
Financing Transactions		
Issue of Long-term Debt	1,080,900	2,673,000
Repayment of Long-term Debt	(1,527,596)	(1,051,309)
	<u>(446,696)</u>	<u>1,621,691</u>
Net Change in Cash and Cash Equivalents	1,554,751	10,245,941
Cash and Cash Equivalents, Beginning of Year	28,940,317	18,694,376
Cash and Cash Equivalents, End of Year	\$ 30,495,068	\$ 28,940,317

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, 2012

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, 2012

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, 2012

1. Cash and Cash Equivalents

	2012	2011
Cash	\$ 24,967,905	\$ 18,506,709
Cash Equivalents	5,527,163	10,433,608
	\$ 30,495,068	\$ 28,940,317

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

2. Accounts Receivable

	2012	2011
Current Taxes	\$ 472,404	\$ 524,146
Arrear Taxes	206,692	269,215
Taxes Receivables	679,096	793,361
Due from Other Governments	4,800,796	2,942,128
Trade Receivables	792,975	831,197
Utilities Receivable	850,815	788,059
	\$ 7,123,682	\$ 5,354,745

3. Accounts Payable and Accrued Liabilities

	2012	2011
Accrued Wages and Benefits	\$ 801,555	\$ 745,851
Trade Payables	3,853,417	3,191,279
	\$ 4,654,972	\$ 3,937,130

4. Deferred Revenue

	2012	2011
Deferred Capital Grants	\$ 9,830,545	\$ 9,888,740
Bylaw	525	637
Lot Grading	11,068	-
Development	8,602	5,718
Recreation Fees	186,314	148,088
Youth Programs	1,946	23,810
	\$ 10,039,000	\$ 10,066,993

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2012

5. Long-term Debt

	2012	2011
<u>Tax Supported</u>		
Town Office	\$ 151,898	\$ 169,874
Police Building	3,484,925	3,641,604
Fire Building	132,063	165,974
Operations Building	2,750,902	2,855,689
Roads	4,858,188	4,124,058
Storm Drainage	126,308	143,764
Ken Nichol Regional Recreation Centre 1	13,286	26,566
Ken Nichol Regional Recreation Centre 2	1,373,398	1,502,216
Library	750,142	798,217
	13,641,110	13,427,962
<u>Utility Supported</u>		
Water Reservoir	5,819,380	6,423,461
Sewage Collection	446,605	502,368
	6,265,985	6,925,829
	\$ 19,907,095	\$ 20,353,791

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

	Principal	Interest
2013	\$ 1,716,700	\$ 822,681
2014	1,713,765	752,331
2015	1,727,032	682,615
2016	1,708,303	612,581
2017	1,705,779	543,423
2018 and onwards	11,335,516	3,072,979
	\$ 19,907,095	\$ 6,486,610

Debenture debt is repayable to the Alberta Capital Finance Authority \$16,354,493 and the Beaumont Credit Union Ltd \$3,552,602 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 \$865,593 (2011 - \$845,228).

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2012

6. Debt Limits

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

	2012	2011
Debt Limit		
Total Debt Limit	\$ 40,654,025	\$ 39,485,700
Total Debt	19,907,095	20,353,791
Loan Guarantees - Centre Communautaire Beaumont Community Centre	4,551,000	-
	\$ 16,195,930	\$ 19,131,909
Service on Debt		
Debt Servicing Limit	\$ 6,775,671	\$ 6,580,950
Debt Servicing	2,539,381	2,861,208
	\$ 4,236,290	\$ 3,719,742

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

	2012	2011
Machinery and Equipment	\$ 1,752,841	\$ 1,684,526
Vehicles	1,241,719	914,708
	2,994,560	2,599,234
Land	54,651,888	49,489,743
Land Improvements	4,785,127	4,961,934
Buildings	25,749,464	26,033,758
Engineering Structures		
Roads	57,986,288	48,888,335
Storm Sewers	17,496,705	15,390,685
Wastewater System	9,914,190	9,154,696
Water System	17,285,557	17,160,587
	\$ 190,863,779	\$ 173,678,972

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2012

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:

	2012	2011
Town Office Maintenance	\$ 53,175	\$ 48,175
Youth Centre Building Maintenance	27,367	26,367
Ken Nichol Regional Recreation Centre Building Maintenance	287,000	123,000
Library Building Maintenance	130,540	128,540
Police Building Maintenance	15,000	10,000
Protective Services Building Maintenance	43,778	40,778
Operation Facility Maintenance	12,000	8,000
Aquafit Centre Building Maintenance	39,000	26,000
Technology Replacement	51,014	(19,557)
Equipment Replacement	544,557	350,177
Fours Seasons Park	10,500	139,354
Roads Off-site Levies	3,182,304	3,068,751
Sewer Off-site Levies	584,830	438,781
Infrastructure Maintenance	2,116,329	1,847,916
Downtown Redevelopment	250,106	225,106
Sidewalk Replacement	174,800	174,800
General Capital Growth	1,922,866	2,175,359
Marketing	-	25,000
Policing	11,091	41,091
Snow Removal	225,300	260,300
Minor Capital	-	5,508
Contingency	798,765	577,282
Mill Rate Stabilization	2,059,425	2,109,425
Future Utilities	1,376,305	1,341,282
Range Road 243	11,816	11,816
Asset Management System	50,000	-
Municipal Reserve	468,236	137,839
	14,446,104	13,321,090
<u>Equity in Tangible Capital Assets</u>		
Tangible Capital Assets	239,856,994	219,301,074
Accumulated Amortization	(48,993,215)	(45,622,102)
Long-term Debt	(16,354,493)	(16,282,757)
Recoverable Off-site Levies	(3,912,627)	(3,990,478)
	170,596,659	153,405,737
<u>Unrestricted Surplus</u>		
Operations	4,486,517	2,304,178
Solid Waste	(117,439)	135,768
Water	516,702	19,721
Wastewater	437,882	167,123
	5,323,662	2,626,790
	\$ 190,366,425	\$ 169,353,617

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2012

9. Cost Sharing Functions

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

	2012 Budget	2012 Actual	2011 Actual
<u>Eligible Costs</u>			
Ken Nichol Regional Recreation Centre	\$ 399,914	\$ 530,456	\$ 470,208
Debenture and Interest	14,439	14,439	14,654
Programs	224,520	135,734	192,151
Athletic Fields and Outdoor Rinks (29.2%)	296,688	303,554	199,718
Parks and Recreation Administration	158,400	254,785	338,283
Ken Nichol Regional Recreation Centre (Expansion)	171,975	172,169	209,045
Library	470,966	410,386	416,856
	\$ 1,736,902	\$ 1,821,523	\$ 1,840,915
Cost Share Percentage	13.04%	13.04%	13.66%
Aquafit Centre	\$ 226,492	\$ 237,527	\$ 251,469
	25,000	25,000	25,000
	\$ 251,492	\$ 262,527	\$ 276,469

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, 2012

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, 2012

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	2012 Total
Revenue												
Taxation	\$ 11,426,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,642	\$ -	\$ -	\$ -	\$ 11,915,379
Sales and User Charges	46,061	29,980	56,697	293,296	1,075,440	207,108	1,286,499	-	1,028,700	2,272,950	1,728,847	8,025,578
Government Transfers	52,219	66,453	613,940	33,479	563,969	-	218,417	-	-	-	-	1,548,477
Investment Income	-	580,345	-	-	-	-	-	-	-	-	-	580,345
Penalties and Costs on Taxes	-	234,540	-	-	-	-	-	-	-	27,800	-	262,343
Franchise Fees	-	805,065	-	-	-	-	-	-	-	-	-	805,065
Rentals	-	-	40,453	-	13,583	-	744,286	-	-	-	-	798,322
Licenses, Permits and Fines	-	-	735,482	-	-	840,128	-	-	-	-	-	1,575,610
Developers Contributions	-	-	-	842,340	-	436,115	-	-	-	213,580	136,128	1,628,169
Contributions from Others	200	-	3,550	-	12,205	-	39,500	-	-	-	-	55,455
(Loss) on Disposal of Capital	-	-	-	(15,989)	-	-	(8,502)	-	-	(64,577)	(2,992)	(92,060)
	11,525,217	1,716,383	1,450,122	1,153,126	1,665,197	1,483,351	2,280,200	488,642	1,028,700	2,449,760	1,861,983	27,102,683
Expenses												
Salaries and Benefits	163,701	1,666,260	1,009,573	1,299,873	1,946,668	777,418	2,541,339	9,437	11,039	237,210	72,172	9,734,693
Contract Services	63,375	374,947	1,642,625	786,852	43,150	354,440	633,340	439	1,195,606	16,700	28,042	5,139,519
Materials and Goods	43,764	229,407	261,203	550,432	224,278	30,410	747,559	7,183	12,761	1,214,330	1,062,859	4,384,192
Utilities	1,089	80,512	100,467	438,388	38,523	7,650	534,512	-	-	92,540	2,828	1,296,514
Internal Support	240,700	(784,400)	(77,500)	(7,800)	185,400	15,300	264,000	3,900	62,500	50,000	47,900	-
Community Grants	-	-	-	-	86,234	-	32,054	484,499	-	-	-	602,787
Interest on Long-term Debt	-	7,663	177,411	268,264	-	-	95,749	45,422	-	240,510	30,569	865,593
Amortization	4,369	69,638	199,491	2,855,524	18,694	4,115	703,502	31,614	-	356,400	151,915	4,395,268
Other Expenses	-	1,464	13,482	(18,277)	(926)	68,140	-	-	-	(150)	8,255	71,985
	516,998	1,645,491	3,326,752	6,173,256	2,542,021	1,257,473	5,552,055	582,494	1,281,906	2,207,560	1,404,540	26,490,551
Net Surplus (Deficit)	\$ 11,008,219	\$ 70,892	\$ (1,876,630)	\$ (5,020,130)	\$ (876,824)	\$ 225,878	\$ (3,271,855)	\$ (93,852)	\$ (253,206)	\$ 242,190	\$ 457,443	\$ 612,132

Town of Beaumont
Notes to Consolidated Financial Statements

December 31, 2012

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	2011 Total
Revenue												
Taxation	\$10,331,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,474	\$ -	\$ -	\$ -	\$10,791,912
Sales and User Charges	79,415	13,032	26,457	65,524	956,872	93,190	1,130,585	-	968,467	1,997,016	1,580,402	6,910,960
Government Transfers	37,445	56,942	575,433	26,800	459,676	-	214,503	-	-	-	-	1,370,799
Investment Income	-	623,575	-	-	-	-	-	-	-	-	-	623,575
Penalties and Costs on Taxes	-	255,872	-	-	-	-	-	-	-	32,822	-	288,694
Franchise Fees	-	724,367	-	-	-	-	-	-	-	-	-	724,367
Rentals	-	-	43,794	-	6,329	-	733,447	-	-	-	-	783,570
Licenses, Permits and Fines	-	667,020	-	-	-	739,173	-	-	-	-	-	1,406,193
Developer Contributions	-	-	-	1,918,242	-	581,942	-	-	-	518,432	330,415	3,349,031
Contributions from Others	701	-	1,800	-	11,009	-	110,211	-	-	-	-	123,721
(Loss) on Disposal of Capital	-	-	(5,255)	(43,665)	-	-	-	-	-	-	-	(48,920)
	10,448,999	2,340,808	642,229	1,966,901	1,433,886	1,414,305	2,188,746	460,474	968,467	2,548,270	1,910,817	26,323,902
Expenses												
Salaries and Benefits	133,354	1,527,173	840,338	1,140,954	1,717,504	688,576	2,695,951	8,799	238	177,095	38,292	8,968,274
Contracted Services	55,568	351,506	1,522,516	723,150	59,508	188,712	557,369	-	990,184	52,499	242,648	4,743,660
Materials and Goods	41,802	268,692	263,769	380,398	254,303	35,186	721,712	5,134	12,993	1,149,753	873,087	4,006,829
Utilities	996	78,368	84,008	416,893	28,691	2,902	478,058	-	-	73,766	2,298	1,165,980
Internal Support	217,104	(866,645)	(119,000)	(33,415)	209,009	106,003	278,036	-	82,914	66,204	59,790	-
Community Grants	-	-	-	-	71,267	-	81,872	517,446	-	-	-	670,585
Interest on Long-term Debt	-	12,723	187,937	207,963	-	-	104,873	48,043	-	249,925	33,763	845,227
Amortization	4,369	61,371	200,141	2,161,197	18,694	4,115	690,045	31,614	-	344,942	150,742	3,667,230
Other Expenses	-	4,065	9,373	19,343	(454)	(56)	3,458	-	(663)	(965)	-	34,101
	453,193	1,437,253	2,989,082	5,016,483	2,358,522	1,025,438	5,611,374	611,036	1,085,666	2,113,219	1,400,620	24,101,886
Net Surplus (Deficit)	\$ 9,995,806	\$ 903,555	\$(2,346,853)	\$(3,049,582)	\$(924,636)	\$ 388,867	\$(3,422,628)	\$(150,562)	\$(117,199)	\$ 435,051	\$ 510,197	\$ 2,222,016

Town of Beaumont

Notes to Consolidated Financial Statements

December 31, 2012

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 \$488,642 (2011 - \$460,474) for the Library. The total grant for the year was \$484,499 (2011 - \$517,446).

Accounting and technology charges of \$11,520 (2011 - \$11,500) are for services provided by the Town of Beaumont.

Building lease and maintenance charges of \$128,829 (2011 - \$125,823) 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, 2011 by the Authority is \$1,598,308 (2010 - \$1,282,263) 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, 2012 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 \$2,500,000.

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.

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 \$1,097,250.

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, 2012

15. Budget Figures

The 2012 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 214,328 people, and 423 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 2012, the Town was required to make current service contributions to the LAPP of 9.91% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan, and 13.74% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.91% of pensionable salary up to the year's maximum pensionable salary, and 12.74% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2012 were \$597,344 (2011- \$539,678). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2011 were \$543,598 (2011 - \$487,154).

At December 31, 2011, the LAPP disclosed an actuarial deficiency of approximately \$4.635 billion. The actuarial deficiency at December 31, 2012 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:

	2012		2011	
<u>Mayor & Council</u>	<u>Benefits & Salary (1)</u>	<u>Allowances</u>	<u>Benefits & Salary (1)</u>	<u>Allowances</u>
Mayor Camille Bérubé	\$ 37,657	\$ 10,367	\$ 30,186	\$ 8,795
Councillor Louise White-Gibbs	19,679	5,101	16,394	7,288
Councillor Jay Archibald	18,679	2,738	14,794	1,535
Councillor Jacqueline Biollo	20,379	5,711	14,894	5,560
Councillor Larry Goodhope	18,979	2,915	15,394	4,375
Councillor Bill McNamara	20,379	2,075	15,794	6,298
Councillor John Stewart	20,179	4,705	14,894	1,512
	\$ 155,931	\$ 33,612	\$ 122,350	\$ 35,363

(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, 2012

17. Salary and Benefits Disclosure (Continued)

<u>Chief Administrative Officer</u>	<u>2012</u>	<u>2011</u>
Salary	\$ 161,513	\$ 158,092
Pension	\$ 18,329	\$ 16,900
General Benefits Package	\$ 7,213	\$ 6,931
Car Allowance	\$ 6,558	\$ 6,463

18. Approval of Financial Statements

Council and Management have approved these financial statements.

19. Subsequent Event

Subsequent to the year end the Town received a formal statement of action filed against the Town for environmental damage. The statement has been forwarded to the Town's Insurer.

20. Comparative Figures

Certain comparative figures have been reclassified to conform to financial statement presentation adopted for the current year.

Town of Beaumont
Schedule I - Schedule of Tangible Capital Assets

December 31, 2012

2012										
	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery & Equipment and Vehicles</u>	<u>Roads</u>	<u>Storm Sewers</u>	<u>Total Operating Assets</u>	<u>Water Systems</u>	<u>Wastewater</u>	<u>Totals</u>
Cost Beginning of Year	\$ 49,489,743	\$ 7,633,257	\$ 33,938,644	\$ 4,374,418	\$ 72,694,270	\$ 18,828,588	\$186,958,920	\$ 20,948,264	\$ 11,393,890	\$219,301,074
Additions	5,162,145	151,174	373,210	655,942	11,428,761	2,443,227	20,214,459	543,274	914,402	21,672,135
Disposals	-	(7,855)	-	(91,339)	(906,644)	(29,221)	(1,035,059)	(77,856)	(3,300)	(1,116,215)
Cost, End 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	239,856,994
Accumulated Amortization, Beginning of Year	-	2,671,323	7,904,886	1,775,184	23,805,935	3,437,903	39,595,231	3,787,677	2,239,194	45,622,102
Amortization	-	325,565	657,504	254,530	2,330,808	321,218	3,889,625	353,727	151,916	4,395,268
Disposals	-	(5,439)	-	(85,253)	(906,644)	(13,232)	(1,010,568)	(13,279)	(308)	(1,024,155)
Accumulated Amortization, End 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
Net Carrying Amount, End of Year	\$ 54,651,888	\$ 4,785,127	\$ 25,749,464	\$ 2,994,560	\$ 57,986,288	\$ 17,496,705	\$163,664,032	\$ 17,285,557	\$ 9,914,190	\$190,863,779
2011										
	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery & Equipment and Vehicles</u>	<u>Roads</u>	<u>Storm Sewers</u>	<u>Total Operating Assets</u>	<u>Water Systems</u>	<u>Wastewater</u>	<u>Totals</u>
Cost Beginning of the Year	\$ 40,898,298	\$ 7,371,123	\$ 32,614,247	\$ 3,684,490	\$ 71,120,677	\$ -	\$155,688,835	\$ 20,356,626	\$ 11,305,922	\$187,351,383
Additions	8,591,445	276,415	1,324,397	749,390	5,219,691	18,828,588	34,989,926	591,638	87,968	35,669,532
Disposals	-	(14,281)	-	(59,462)	(3,646,098)	-	(3,719,841)	-	-	(3,719,841)
Cost, End of Year	49,489,743	7,633,257	33,938,644	4,374,418	72,694,270	18,828,588	186,958,920	20,948,264	11,393,890	219,301,074
Accumulated Amortization, Beginning of Year	-	2,365,616	7,248,755	1,604,344	25,746,013	3,119,194	40,083,922	3,445,415	2,088,452	45,617,789
Amortization	-	316,223	656,131	217,046	1,666,119	318,709	3,174,228	342,262	150,742	3,667,232
Disposals	-	(10,516)	-	(46,206)	(3,606,197)	-	(3,662,919)	-	-	(3,662,919)
Accumulated Amortization, End of Year	-	2,671,323	7,904,886	1,775,184	23,805,935	3,437,903	39,595,231	3,787,677	2,239,194	45,622,102
Net Carrying Amount, End of Year	\$ 49,489,743	\$ 4,961,934	\$ 26,033,758	\$ 2,599,234	\$ 48,888,335	\$ 15,390,685	\$147,363,689	\$ 17,160,587	\$ 9,154,696	\$173,678,972

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	2012	2011
Balance, Beginning of Year	\$ 2,626,790	\$ 13,321,090	\$153,405,737	\$169,353,617	\$136,333,521
Excess of Revenue over Expenses	21,012,808	-	-	21,012,808	33,020,096
Unrestricted Funds Designated for Future Use	(1,317,887)	1,317,887	-	-	-
Restricted Funds Used for Operations	123,300	(123,300)	-	-	-
Restricted Funds Used for Tangible Capital Assets	-	(409,900)	409,900	-	-
Current Year Funds Used for Tangible Capital Assets	(12,056,954)	-	12,056,954	-	-
Contributed Tangible Capital Assets	(8,103,911)	-	8,103,911	-	-
Disposal of Tangible Capital Assets	92,060	-	(92,060)	-	-
Annual Amortization Expense	4,395,268	-	(4,395,268)	-	-
Long-term Debt Repaid	(1,009,163)	-	1,009,163	-	-
Restricted Funds Designated for Future Use	(438,649)	340,327	98,322	-	-
	2,696,872	1,125,014	17,190,922	21,012,808	33,020,096
	\$ 5,323,662	\$ 14,446,104	\$170,596,659	\$190,366,425	\$169,353,617

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

For the Year Ended December 31	2012 Budget	2012 Actual	2011 Actual
Residential Taxes	\$ 15,200,443	\$ 15,304,817	\$ 13,804,500
Commercial Taxes	1,068,206	1,026,372	923,935
Farm Taxes	3,786	1,155	1,224
	<hr/>		
Linear Taxes	16,272,435	16,332,344	14,729,659
	137,511	137,476	129,522
	<hr/>		
Local Improvements	16,409,946	16,469,820	14,859,181
	-	-	-
	<hr/>		
	16,409,946	16,469,820	14,859,181
	<hr/>		
Requisition for Other Authorities			
Library	487,801	488,642	460,474
Alberta School Foundation Fund	4,032,856	4,077,504	3,660,737
Separate School Board	432,364	432,364	364,117
Leduc Foundation	45,024	44,573	42,415
	<hr/>		
	4,998,045	5,043,083	4,527,743
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	\$ 11,411,901	\$ 11,426,737	\$ 10,331,438
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Town of Beaumont
Schedule IV - Schedule of Government Transfers

For the Year Ended December 31	2012 Budget	2012 Actual	2011 Actual
Transfers for Operating			
Provincial Government	\$ 1,098,700	\$ 1,250,210	\$ 1,127,360
Federal Government	2,300	11,615	4,620
County of Leduc	244,000	262,609	236,276
Other Government Organizations	60,700	24,043	2,545
	<u>1,405,700</u>	<u>1,548,477</u>	<u>1,370,801</u>
Transfers for Capital			
Provincial Government	16,838,686	9,609,203	11,095,468
Federal Government	1,180,000	2,464,095	691,985
County of Leduc	216,000	223,467	230,873
	<u>18,234,686</u>	<u>12,296,765</u>	<u>12,018,326</u>
	<u>\$ 19,640,386</u>	<u>\$ 13,845,242</u>	<u>\$ 13,389,127</u>

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

For the Year Ended December 31	2012 Budget	2012 Actual	2011 Actual
Consolidated Expenses by Object			
Salaries, Wages and Benefits	\$ 9,868,548	\$ 9,734,693	\$ 8,968,274
Contracted and General Services	5,640,000	5,139,519	4,743,660
Materials and Goods	4,763,444	4,384,192	4,006,829
Utilities	1,272,300	1,296,514	1,165,980
Community Grants	653,500	602,787	670,585
Interest on Long-term Debt	863,100	865,593	845,227
Amortization	4,181,900	4,395,268	3,667,230
Other Expenses	-	71,985	34,101
	\$ 27,242,792	\$ 26,490,551	\$ 24,101,886