



BEAUMONT

Consolidated Financial Statements

Year ended December 31, 2021



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Year ended December 31, 2021



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Management's Responsibility for Financial Reporting

Year ended December 31, 2021



The accompanying consolidated financial statements and other information contained in this financial report are the responsibility of the management of the City 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 judgements. 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 City 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 City's assets are appropriately accounted for and adequately safeguarded.

The elected Council of the City 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.

The consolidated financial statements have been audited by Grant Thornton LLP, Chartered Professional Accountants, the external auditors, in accordance with Canadian auditing standards on behalf of the Council, residents and ratepayers of the City. Grant Thornton LLP has full and free access to City Council.

Mike Schwirtz
Chief Administrative Officer

Mike Dowler
Chief Financial Officer Deputy
CAO, Internal Services



Independent Auditor's Report

To the Mayor and Members of Council of the City of Beaumont

Opinion

We have audited the consolidated financial statements of the City of Beaumont ("the City"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net assets and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City of Beaumont as at December 31, 2021, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada

April 27, 2022



Chartered Professional Accountants

Consolidated Statement of Financial Position

As at December 31, 2021



	2021	2020
Financial Assets		
Cash & Cash Equivalents (Note 2)	\$ 37,279,222	\$ 32,753,151
Receivables (Note 3)	12,120,535	12,903,564
Total Financial Assets	49,399,757	45,656,715
Liabilities		
Payables and Accruals (Note 4)	7,480,635	5,452,628
Deposits	3,265,395	1,507,716
Deferred Revenue (Note 5)	15,678,478	17,607,046
Long-term Debt (Notes 6 & 7)	43,195,651	35,251,428
Total Liabilities	69,620,159	59,818,818
Net debt	(20,220,402)	(14,162,103)
Non-financial Assets		
Tangible Capital Assets (Schedule II)	394,827,398	374,102,432
Inventory for Consumption	99,417	115,736
Prepays	381,763	512,318
Total Non-financial Assets	395,308,578	374,730,486
Accumulated surplus (Schedule I, Note 8)	\$ 375,088,176	\$ 360,568,383

Commitments (Note 13)

Contingencies (Note 14)



Consolidated Statement of Operations

Year ended December 31, 2021



	Budget	2021	2020
Revenue			
Net Municipal Taxes (Schedule III)	\$ 22,011,600	\$ 21,964,981	\$ 21,245,419
Sales & User Charges	12,452,000	12,565,517	10,094,412
Franchise Fees	3,311,100	3,326,553	3,204,354
Government Transfers - Operating (Schedule IV)	2,238,000	2,841,372	3,792,797
Licenses, Permits, & Fines	2,095,600	1,393,604	1,187,311
Rentals	2,006,500	959,328	845,393
Investment Income	813,600	124,253	524,912
Penalties & Cost on Taxes	455,000	505,351	369,735
Developers Contributions	-	1,097,735	835,903
Contributions from Other Groups - Operating	29,100	29,886	17,018
Total Revenue	45,412,500	44,808,580	42,117,254
Expenses			
Council	595,900	521,396	538,731
CAO Office	970,200	1,236,439	1,142,953
Corporate Transactions	9,617,500	10,713,457	9,463,157
Communications	695,000	684,221	510,487
Corporate Analytics & Technology	1,384,900	1,384,003	1,352,651
Finance	955,300	926,958	793,219
Legal & Legislative	368,400	650,873	375,665
People Services	837,200	971,898	726,570
Community & Social Development	2,745,500	2,623,885	2,316,657
Economic Development	1,440,200	1,169,050	1,096,841
Infrastructure	8,650,600	7,692,795	9,608,704
Planning & Development	2,375,000	2,164,817	2,195,093
Protective Services	4,566,700	4,330,628	4,228,976
Recreation	4,989,200	4,193,872	2,270,530
Library	898,600	849,741	827,452
Utilities	7,711,500	7,974,147	7,714,333
Total Expenses	48,801,700	48,088,180	45,162,019
Deficiency of Revenue Before Other	(3,389,200)	(3,279,600)	(3,044,765)
Capital & Other			
Government Transfers - Capital (Schedule IV)	13,692,900	9,084,639	2,756,569
Contributions from Other Groups - Capital	1,150,000	602,915	150,000
Developer Contribution & Levies	4,830,300	8,351,918	7,506,997
Recoverable Contributions to Developers	-	(12,265)	(464,624)
Loss on Disposal of Capital Assets	-	(227,814)	10,600
Excess of Revenue over Expenses	16,284,000	14,519,793	6,914,777
Accumulated surplus, Beginning of Year	360,568,383	360,568,383	353,653,606
Accumulated surplus, End of Year	\$ 376,852,383	\$ 375,088,176	\$ 360,568,383



Consolidated Statement of Changes in Net Debt

Year ended December 31, 2021



	Budget	2021	2020
Excess of Revenue over Expenditures	\$ 16,284,000	\$ 14,519,793	\$ 6,914,777
Acquisition of Tangible Capital Assets	(34,986,100)	(25,159,753)	(17,395,431)
Contributed Tangible Capital Assets	-	(5,539,811)	(7,506,997)
Proceeds on Disposal of Tangible Capital Assets	-	-	10,600
Amortization of Tangible Capital Assets	8,775,900	9,926,022	8,953,131
Loss (Gain) on Disposal of Tangible Capital Assets	-	48,576	(10,600)
Total Capital Activities	(26,210,200)	(20,724,966)	(15,949,297)
Net Use (Acquisition) of Inventory for Consumption	-	16,319	(54,883)
Net Use (Acquisition) of Prepays	-	130,555	(308,207)
Net Inventory & Prepays	-	146,874	(363,090)
Change in Net Debt	(9,926,200)	(6,058,299)	(9,397,610)
Net Debt, Beginning of Year	(14,162,103)	(14,162,103)	(4,764,493)
Net Debt, End of Year	\$ (24,088,303)	\$ (20,220,402)	\$ (14,162,103)



Consolidated Statement of Cash Flows

Year ended December 31, 2021



	2021	2020
Operating Transactions		
Excess of Revenue over Expense	\$ 14,519,793	\$ 6,914,777
Items not involving Cash		
Contributed Tangible Capital Assets	(5,539,811)	(7,506,997)
Amortization of Tangible Capital Assets	9,926,022	8,953,131
Loss (Gain) on Disposal of Tangible Capital Assets	48,576	(10,600)
Changes in Non-cash Assets & Liabilities		
Receivables	783,029	(3,302,645)
Payables & Accruals	2,028,007	(2,889,502)
Deposits	1,757,679	(415,618)
Deferred Revenue	(1,928,568)	2,679,671
Inventory for Consumption	16,319	(54,883)
Prepays	130,555	(308,207)
Total Operating Transactions	21,741,601	4,059,127
Capital Activities		
Acquisition of Tangible Capital Assets	(25,159,753)	(17,395,431)
Proceeds on Sale of Tangible Capital Assets	-	10,600
Total Capital Activities	(25,159,753)	(17,384,831)
Financing Transactions		
Issue of Long-term Debt	10,000,000	8,423,410
Repayment of Long-term Debt	(2,055,777)	(6,966,243)
Total Financing Transactions	7,944,223	1,457,167
Net Change in Cash & Cash Equivalents	4,526,071	(11,868,537)
Cash & Cash Equivalents, Beginning of Year	32,753,151	44,621,688
Cash & Cash Equivalents, End of Year	\$ 37,279,222	\$ 32,753,151



Schedule I - Schedule of Changes in Accumulated Surplus

Year ended December 31, 2021



	Unrestricted Surplus (Deficit)	Restricted Surplus (Reserves)	Equity in Tangible Capital Assets	2021	2020
Balance, Beginning of Year	\$ (999,060)	\$ 22,716,439	\$ 338,851,004	\$ 360,568,383	\$ 353,653,606
Excess of Revenue over Expenses	14,519,793	-	-	14,519,793	6,914,777
Unrestricted Funds Designated for Future Use	(6,054,972)	6,054,972	-	-	-
Restricted Funds Used for Operations	999,269	(999,269)	-	-	-
Restricted Funds Used for Tangible Capital Assets	-	(3,711,116)	3,711,116	-	-
Current Year Funds Used for Tangible Capital Assets	(9,545,897)	-	9,545,897	-	-
Contributed Tangible Capital Assets	(8,351,918)	-	8,351,918	-	-
Amortization	9,926,022	-	(9,926,022)	-	-
Long-term debt Repaid	(2,055,777)	-	2,055,777	-	-
Net Change in Accumulated Surplus	(563,480)	1,344,587	13,738,686	14,519,793	6,914,777
Balance, End of Year	\$ (1,562,540)	\$ 24,061,026	\$ 352,589,690	\$ 375,088,176	\$ 360,568,383



Schedule II - Schedule of Tangible Capital Assets

Year ended December 31, 2021



	Land	Land Improvements	Buildings	Machinery & Equipment	Vehicles	Engineered Structures	Construction in Progress	2021	2020
Cost									
Balance, Beginning of Year	\$153,418,562	\$ 15,616,255	\$ 83,717,157	\$ 7,851,437	\$ 5,025,035	\$213,406,322	\$ 2,650,634	\$ 481,685,402	\$ 456,808,930
Additions	10,704,908	2,960,201	2,794,348	490,764	531,231	8,567,574	4,650,538	30,699,564	24,902,428
Disposals	-	-	-	-	-	-	-	-	(25,956)
Balance, End of Year	164,123,470	18,576,456	86,511,505	8,342,201	5,556,266	221,973,896	7,301,172	512,384,966	481,685,402
Accumulated Amortization									
Balance, Beginning of Year	-	6,612,699	15,370,430	2,861,750	1,653,700	81,084,391	-	107,582,970	98,655,795
Amortization	-	648,888	1,742,384	593,866	240,228	6,749,232	-	9,974,598	8,953,131
Disposals	-	-	-	-	-	-	-	-	(25,956)
Balance, End of Year	-	7,261,587	17,112,814	3,455,616	1,893,928	87,833,623	-	117,557,568	107,582,970
Net Book Value, End of Year	\$164,123,470	\$ 11,314,869	\$ 69,398,691	\$ 4,886,585	\$ 3,662,338	\$134,140,273	\$ 7,301,172	\$ 394,827,398	\$ 374,102,432



Schedule III - Schedule of Property & Other Taxes

Year ended December 31, 2021



	Budget	2021	2020
Property Taxes			
Residential	\$ 26,897,600	\$ 26,899,110	\$ 26,266,735
Commercial	2,862,000	2,849,852	2,771,422
Linear	261,300	261,227	240,731
Agricultural	8,000	7,492	7,327
Total Property Taxes	30,028,900	30,017,681	29,286,215
Requisition Taxes			
Alberta School Foundation Fund	7,568,700	7,604,099	7,214,713
Separate School Board	369,400	369,434	745,208
Leduc Regional Housing Foundation	77,700	77,700	79,475
Designated Industrial Property	1,500	1,467	1,401
Total Requisition Taxes	8,017,300	8,052,700	8,040,797
Net Municipal Taxes	\$ 22,011,600	\$ 21,964,981	\$ 21,245,418



Schedule IV - Schedule of Government Transfers

Year ended December 31, 2021



	Budget	2021	2020
Government Transfers - Operating			
Federal Government	\$ 6,400	\$ 25,200	\$ -
Provincial Government	1,371,500	1,969,216	2,575,250
Other Local Governments	860,100	846,956	1,217,547
Total Government Transfers - Operating	2,238,000	2,841,372	3,792,797
Government Transfers - Capital			
Federal Government	-	27,684	722,316
Provincial Government	13,692,900	9,056,955	1,654,253
Other Local Governments	-	-	380,000
Total Government Transfers - Capital	13,692,900	9,084,639	2,756,569
Total Government Transfers	\$ 15,930,900	\$ 11,926,011	\$ 6,549,366



Schedule V - Schedule of Expenses by Object

Year ended December 31, 2021



	Budget	2021	2020
Personnel	\$ 18,062,300	\$ 17,529,239	\$ 16,531,023
Contracted & General Services	11,545,700	10,164,440	9,562,198
Materials & Supplies	6,862,800	6,967,719	6,885,047
Utility & Network Expenses	1,973,900	2,104,370	1,940,752
Grants	530,000	276,881	213,692
Interest on Long-term Debt	989,900	999,078	983,348
Amortization	8,775,900	9,926,022	8,953,131
Other Expenses	61,200	120,431	92,828
Total Expenses	\$ 48,801,700	\$ 48,088,180	\$ 45,162,019



Schedule VI - Schedule of Segmented Disclosure

Year ended December 31, 2021



	General Government	Community & Social Development	Economic Development	Infrastructure	Planning & Development	Protective Services	Recreation	Library	Utilities	2021
Revenue										
Net Municipal Taxes	\$ 21,964,981	-	-	-	-	-	-	-	-	\$ 21,964,981
Sales & User Charges	108,071	1,041,107	1	203,983	574,988	18,867	717,769	15,060	9,885,671	12,565,517
Franchise Fees	3,326,553	-	-	-	-	-	-	-	-	3,326,553
Government Transfers	1,068,829	704,770	-	84,049	7,667	608,721	249,250	118,086	-	2,841,372
Licenses, Permits & Fines	-	-	116,065	38,130	843,959	390,926	-	4,524	-	1,393,604
Rental	2,986	400	74,868	164,849	-	-	716,224	1	-	959,328
Penalties & Costs on Taxes	441,829	-	-	-	-	-	-	-	63,522	505,351
Investment Income	124,253	-	-	-	-	-	-	-	-	124,253
Developer Contributions	30,000	-	-	606,749	(182)	-	-	-	461,168	1,097,735
Contributions From Others	30,000	1,500	-	-	-	-	17,045	11,341	-	59,886
Total Revenue	27,097,502	1,747,777	190,934	1,097,760	1,426,432	1,018,514	1,700,288	149,012	10,410,361	44,838,580
Expenses										
Personnel	4,561,047	2,330,651	426,675	2,756,480	1,718,720	1,493,234	3,209,567	614,365	418,500	17,529,239
Contracted & General Services	2,106,826	188,636	702,280	1,563,026	404,979	2,618,453	538,718	155,422	1,886,100	10,164,440
Materials & Supplies	46,466	34,080	19,121	1,569,137	10,201	189,997	244,736	32,414	4,821,567	6,967,719
Utility & Network Expenses	43,343	21,288	20,286	1,773,092	20,405	28,945	34,558	39,409	123,044	2,104,370
Grants	68,869	47,642	-	-	-	-	160,370	-	-	276,881
Interest on Long-term Debt	911,654	-	-	30,749	-	-	-	-	56,675	999,078
Amortization	9,250,048	-	-	-	-	-	-	7,716	668,258	9,926,022
Other Expenses	100,989	1,588	687	312	10,513	-	5,923	416	3	120,431
Total Expenses	17,089,242	2,623,885	1,169,049	7,692,796	2,164,818	4,330,629	4,193,872	849,742	7,974,147	48,088,180
Net Surplus (Deficit)	\$ 10,008,260	(876,108)	(978,115)	(6,595,036)	(738,386)	(3,312,115)	(2,493,584)	(700,730)	2,436,214	\$ (3,249,600)

The City of Beaumont provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.



Schedule VI - Schedule of Segmented Disclosure

Year ended December 31, 2020



	General Government	Community & Social Development	Economic Development	Infrastructure	Planning & Development	Protective Services	Recreation	Library	Utilities	2020
Revenue										
Net Municipal Taxes	\$ 21,245,419	-	-	-	-	-	-	-	-	\$ 21,245,419
Sales & User Charges	97,750	758,724	207	191,866	260,804	20,237	243,954	11,772	8,509,098	10,094,412
Franchise Fees	3,204,354	-	-	-	-	-	-	-	-	3,204,354
Government Transfers	1,966,613	705,455	-	215,300	29,667	604,439	148,827	122,496	-	3,792,797
Licenses, Permits & Fines	-	-	102,700	26,170	661,714	392,735	-	3,992	-	1,187,311
Rental	3,937	250	52,235	685,427	-	-	103,544	-	-	845,393
Penalties & Costs on Taxes	334,817	-	-	-	-	-	-	-	34,918	369,735
Investment Income	524,912	-	-	-	-	-	-	-	-	524,912
Developer Contributions	-	-	-	743,240	(1,435)	-	-	-	94,098	835,903
Contributions From Others	-	6,427	-	-	-	-	1,186	9,405	-	17,018
Total Revenue	27,377,802	1,470,856	155,142	1,862,003	950,750	1,017,411	497,511	147,665	8,638,114	42,117,254
Expenses										
Personnel	3,958,939	2,025,928	661,591	3,957,327	1,797,375	1,583,223	1,517,571	572,681	456,388	16,531,023
Contracted & General Services	1,680,610	196,123	386,905	1,948,002	340,722	2,370,318	365,425	141,540	2,132,553	9,562,198
Materials & Supplies	53,796	40,000	30,324	2,033,979	19,309	234,022	131,320	86,544	4,255,753	6,885,047
Utility & Network Expenses	47,701	19,276	16,600	1,617,551	16,016	32,776	47,433	26,113	117,286	1,940,752
Grants	-	24,570	-	-	-	-	189,122	-	-	213,692
Interest on Long-term Debt	894,480	-	-	18,731	-	-	-	-	70,137	983,348
Amortization	8,260,374	-	-	31,614	-	-	-	-	661,143	8,953,131
Other Expenses	7,532	10,759	1,421	1,501	21,671	8,638	19,659	574	21,073	92,828
Total Expenses	14,903,432	2,316,656	1,096,841	9,608,705	2,195,093	4,228,977	2,270,530	827,452	7,714,333	45,162,019
Net Surplus (Deficit)	\$ 12,474,370	(845,800)	(941,699)	(7,746,702)	(1,244,343)	(3,211,566)	(1,773,019)	(679,787)	923,781	\$ (3,044,765)



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



1. Basis of Presentation & Significant Accounting Policies

Management's Responsibility for the Consolidated Financial Statements

The City of Beaumont (City) is a municipality incorporated 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 as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the City are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balances, and change in financial position of the reporting entity. This entity is comprised of the municipal operations that are owned or controlled by the City, which includes the Bibliotheque de Beaumont Library.

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 expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. The schedule of taxes levied also includes requisitions for the Leduc Foundation, and for both Black Gold and St. Thomas Aquinas School Districts. As they are not part of the municipal reporting entity these requisitions have been netted out of the tax revenue as they are a flow through and are therefore excluded from municipal revenue.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



Prepaid Local Improvement Charges

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act. Property tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality. Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as revenue when received.

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.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and the amount recognized is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Non-financial 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, is amortized on a straight-line basis over the estimated useful life as follows:

Land Improvements	15 - 30 years
Buildings	20 - 50 years
Engineered Structures	
Roads	20 - 30 years
Storm Sewers	50 - 75 years
Water Systems	35 - 75 years
Wastewater Systems	35 - 75 years
Machinery & Equipment	5 - 20 years
Vehicles	10 - 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 are recorded as contributed revenue.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



Non-financial Assets (continued)

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. Inventory for Consumption

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Prepays

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Reserves

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 City.

Equity in Tangible 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 City.

Future Accounting Pronouncements

The following summarizes upcoming changes to PSAS put forward by the Public Sector Accounting Board ("PSAB"). In the coming years, The City will assess the impact and prepare for the adoption of these standards. While the timing of adopting each new standard can vary, certain standards must be adopted concurrently.

i. Financial Statement Presentation

PS 1201 Financial statement presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for the fiscal years beginning on or after April 1, 2022.

ii. Financial Instruments

PS 3450 Financial instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

iii. Foreign Currency Translation

PS 2601 Foreign currency translation must be adopted in conjunction with PS 3450. It requires that monetary assets and liabilities be denominated in a foreign currency and non-monetary items included in the fair value category that are denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is applicable for fiscal years beginning on or after April 1, 2022.

iv. Portfolio Investments

PS 3041 Portfolio investments has removed the distinction between temporary and portfolio investments and was amended to conform to Financial instruments, PS 3450. Once PS 3450 and PS 3041 are adopted, Temporary investments PS 3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2022.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



Future Accounting Pronouncements (continued)

v. Asset Retirement Obligations

PS 3280 Asset retirement obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard will effectively replace PS 3270, Solid waste landfill closure and post-closure liability. This standard is applicable for fiscal years beginning on or after April 1, 2022.

vi. Revenue

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically in regards to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

vii. Public Private Partnerships

PS 3160 Public Private Partnerships establishes standards on how to account for public private partnerships where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire, or better infrastructure, finance the infrastructure, past the point where the infrastructure is ready for use, and operate and/or maintain the infrastructure. This standard is applicable for fiscal years beginning on or after April 1, 2023.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



2. Cash & Cash Equivalents

	2021	2020
Cash	\$ 36,372,632	\$ 31,847,014
Cash Equivalents	906,590	906,137
Total Cash & Cash Equivalents	\$ 37,279,222	\$ 32,753,151

Cash equivalents are short-term deposits with original maturities of three months or less.

3. Receivables

	2021	2020
Taxes Receivable		
Current Taxes	\$ 1,244,471	\$ 904,811
Arrears Taxes	485,700	647,976
Total Taxes Receivable	1,730,171	1,552,787
Receivable from Other Governments	5,541,136	6,863,897
Loans Receivable	2,102,826	2,028,919
Trade Receivables	2,746,402	2,457,961
Total Receivables	\$ 12,120,535	\$ 12,903,564

4. Payables & Accruals

	2021	2020
Trade Payables	\$ 6,193,599	\$ 4,461,444
Accrued Wages & Benefits	1,200,951	921,728
Accrued Interest	86,085	69,456
Total Payables & Accruals	\$ 7,480,635	\$ 5,452,628



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



5. Deferred Revenue

	2021	2020
Deferred Government Transfers - Capital		
Municipal Sustainability Initiative - Capital	\$ 3,502,309	\$ 5,300,541
Canada Community Building Fund	5,541,045	3,276,662
Municipal Stimulus Program	262	290,022
Other Deferred Government Transfers - Capital	873,107	938,107
Total Deferred Government Transfers - Capital	9,916,723	9,805,332
Offsite Levies		
Wastewater	735,821	633,441
Arterial Roads	2,860,038	5,164,110
Total Offsite Levies	3,595,859	5,797,551
Deferred Government Transfers - Operating		
Police Services Grant	92,326	92,326
Municipal Operating Support Transfer	-	488,205
Other Deferred Government Transfers - Operating	454,341	352,771
Total Deferred Government Transfers - Operating	546,667	933,302
Prepaid Permits, Licenses, & Fees	1,619,229	1,070,861
Total Deferred Revenue	\$ 15,678,478	\$ 17,607,046



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



6. Long-term Debt

	2021	2020
Tax Supported Debt	\$ 41,877,268	\$ 33,809,865
Utility Supported Debt	1,318,383	1,441,563
Total Long-term Debt	\$ 43,195,651	\$ 35,251,428

Principal and interest repayments are as follows:

	Principal	Interest	Total
2022	\$ 2,362,575	\$ 1,255,256	\$ 3,617,831
2023	2,317,052	1,179,912	3,496,964
2024	2,299,274	1,103,900	3,403,174
2025	2,372,629	1,030,544	3,403,173
2026	2,448,498	954,676	3,403,174
Thereafter	31,395,623	6,321,931	37,717,554
Totals	\$ 43,195,651	\$ 11,846,219	\$ 55,041,870

Debenture debt is repayable to the Government of Alberta Treasury Board & Finance and bears interest at rates ranging from 2.18% to 5.75% (2020 - 1.48% to 6.38%) per annum, maturing in periods 2022 through 2041. The average annual interest rate is 2.55% (2020 - 2.97%). The debenture debt is issued on the credit and security of the City at large.

Interest on long-term debt amounted to \$999,078 (2020 - \$983,348). The City's total cash payments for interest in 2021 were \$982,449 (2020 - \$1,003,686).

7. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the City of Beaumont be disclosed as follows:

Debt Limit	2021	2020
Total Debt Limit	\$ 67,212,870	\$ 63,175,881
Total Debt	43,195,651	35,251,428
Amount of Debt Limit Unused	\$ 24,017,219	\$ 27,924,453

Debt Servicing Limit	2021	2020
Debt Servicing Limit	\$ 11,202,145	\$ 10,529,314
Debt Servicing	3,617,831	3,067,307
Amount of Debt Servicing Limit Unused	\$ 7,584,314	\$ 7,462,007

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.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



8. Accumulated Surplus

	2021	2020
Unrestricted (Deficit) Surplus		
Municipal Operations - Current year	\$ 182,933	\$ 631,133
Utility Operations - Current Year	607,621	1,073,900
Library - Current Year	15,452	37,157
Developer Deficit	(2,368,546)	(2,741,250)
Total Unrestricted (Deficit) Surplus	(1,562,540)	(999,060)
Reserves (Note 10)	24,061,026	22,716,439
Equity in Tangible Capital Assets (Note 9)	352,589,690	338,851,004
Total Accumulated Surplus	\$ 375,088,176	\$ 360,568,383

9. Equity in Tangible Capital Assets

	2021	2020
Tangible Capital Assets (Schedule II)	\$ 394,827,398	\$ 374,102,433
Long-term Debt (Note 6)	(43,195,651)	(35,251,428)
Debenture Proceeds Unspent to Date	957,943	-
Equity in Tangible Capital Assets	\$ 352,589,690	\$ 338,851,005



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



10. Reserves

	2020	Additions	Draws	2021
Municipal Operating				
Financial Stabilization	\$ 3,201,499	\$ 227,166	\$ (454,469)	\$ 2,974,196
Planning	578,231	4,872	(73,800)	509,303
Total Municipal Operating	3,779,730	232,038	(528,269)	3,483,499
Capital				
Fleet & Equipment Replacement	1,918,347	441,768	(312,227)	2,047,888
Parks, Playground & Playfield Renewal	246,237	116,063	(371,361)	(9,061)
Facility Renewal	2,728,255	472,077	(554,002)	2,646,330
Transportation Renewal	3,317,360	817,022	(303,272)	3,831,110
Technology Replacement	455,550	288,725	(145,050)	599,225
Building Renewal (Library)	289,388	41,281	(146,300)	184,369
Municipal Land Reserve (Statutory)	1,129,467	541,646	-	1,671,113
Economic Development	1,307,387	643,713	(450,000)	1,501,100
Cemetery	51,000	459	-	51,459
Traffic Safety	476,210	4,205	(18,061)	462,354
Pay-as-you-go	205,419	521,725	(553,724)	173,420
Total Capital	12,124,620	3,888,684	(2,853,997)	13,159,307
Utility				
Utility Reserve	6,812,089	1,934,249	(1,328,117)	7,418,220
Total Utility	6,812,089	1,934,249	(1,328,117)	7,418,220
Total Reserves	\$22,716,439	\$ 6,054,971	\$ (4,710,383)	\$24,061,026



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



11. Salary & Benefits Disclosure

Disclosure of salaries and benefits for municipal officials, the chief administrative officer, and designated officers as required by Alberta provincial regulation 313/2000 is as follows:

	2021 Salary	2021 Benefits	2020 Salary	2020 Benefits
Elected Officials				
Mayor Bill Daneluik	\$ 51,300	\$ 10,654	\$ 40,000	\$ 1,682
Mayor John Stewart	92,299	11,794	100,597	17,713
Councillor Ashley Miller	6,154	3,400	-	-
Councillor Catherine McCook	6,154	3,434	-	-
Councillor Kathy Barnhart	40,001	4,181	40,000	1,667
Councillor Martin Stout	34,423	1,683	41,385	1,742
Councillor Rene Tessier	6,154	3,227	-	-
Councillor Perry Hendriks	33,846	1,031	40,000	1,717
Councillor Samuel Munckhof-Swain	40,463	4,260	40,000	1,467
Councillor Steven vanNieuwkerk	40,001	4,582	41,615	2,127
Total Elected Officials	\$ 350,795	\$ 48,246	\$ 343,597	\$ 28,115
Administration				
Chief Administrative Officer	\$ 252,334	\$ 34,524	\$ 251,067	\$ 29,537
Designated Officers	372,364	47,440	458,732	56,074

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration paid by the City of Beaumont. Designated officers are designated by City bylaw 969-20 and include the Deputy Chief Administrative Officer, Chief Financial Officer, and City Clerk.

Mayor John Stewart received \$7,145 (2020 - \$3,800) for volunteer fire services in 2021.

12. Local Authorities Pension Plan

Employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. 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. The City is required to make current service contributions to the LAPP of 9.39% (2020 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2020 - 13.84%) on pensionable earnings above this amount. Total current service contributions by the City to the LAPP in 2021 were \$1,189,937 (2020 - \$1,127,487). Total current service contributions by the employees of the City to the LAPP in 2021 were \$1,068,203 (2020 - \$1,014,751).

At December 31, 2020, the LAPP disclosed an actuarial surplus of approximately \$4.96 billion (2019 - \$7.91 billion). The actuarial surplus at December 31, 2021 was not available at the time the financial statements were finalized.



Notes to the Consolidated Financial Statements

Year ended December 31, 2021



13. Commitments

The City 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. Total future annual costs under the terms of the Agreement are estimated to be \$2,921,000.

The City contracts with Pacific Western Transit to provide a commuter transit system from Beaumont to Century Park LRT Station until December 31, 2022. The related agreement may be terminated provided 90 days notice is given. Total annual costs under the terms of the Agreement are estimated to be \$392,000.

In addition, the City has a lease commitment with Xerox for photocopying equipment. The lease provides for annual payments of \$14,452 and expires in August 2027. The total lease commitment over the remaining life of the contract amounts to \$72,260.

14. Contingencies

The City is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the City 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.

In the normal conduct of operations, there are other pending claims by and against the City. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of administration, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the City's financial position or results of operations.

15. Financial Instruments

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

16. Comparative Figures

The 2020 comparative figures have been reclassified to conform to financial statement presentation adopted for the current year.

17. Approval of Financial Statements

Council and Management approved these financial statements on April 26, 2022.

