



# BEAUMONT

## Consolidated Financial Statements

Year ended December 31, 2022



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Year ended December 31, 2022



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# Management's Responsibility for Financial Reporting

Year ended December 31, 2022



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

A handwritten signature in black ink, appearing to read "Mike Schwirtz".

Mike Dowler  
Chief Financial Officer  
Deputy CAO, Internal Services

A handwritten signature in blue ink, appearing to read "Mike Dowler".



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# 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, 2022, 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, 2022, 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 25, 2023



Chartered Professional Accountants

## Consolidated Statement of Financial Position

As at December 31, 2022



	2022	2021
Financial Assets		
Cash & Cash Equivalents (Note 2)	\$ 36,882,146	\$ 37,279,222
Receivables (Note 3)	13,718,253	12,120,535
<b>Total Financial Assets</b>	<b>50,600,399</b>	<b>49,399,757</b>
Liabilities		
Payables and Accruals (Note 4)	9,297,610	7,480,635
Deposits	4,556,691	3,265,395
Deferred Revenue (Note 5)	15,790,411	15,678,478
Long-term Debt (Notes 6 & 7)	40,833,075	43,195,651
<b>Total Liabilities</b>	<b>70,477,787</b>	<b>69,620,159</b>
<b>Net debt</b>	<b>(19,877,388)</b>	<b>(20,220,402)</b>
Non-financial Assets		
Tangible Capital Assets (Schedule II)	399,787,139	394,827,398
Inventory for Consumption	123,220	99,417
Prepays	403,880	381,763
<b>Total Non-financial Assets</b>	<b>400,314,239</b>	<b>395,308,578</b>
<b>Accumulated surplus (Schedule I, Note 8)</b>	<b>\$ 380,436,851</b>	<b>\$ 375,088,176</b>

Commitments (Note 15)

Contingencies (Note 16)



## Consolidated Statement of Operations

Year ended December 31, 2022



	Budget	2022	2021
Revenue			
Net Municipal Taxes (Schedule III)	\$ 23,420,700	\$ 23,427,670	\$ 21,964,981
Sales & User Charges	14,402,500	14,211,233	12,565,517
Franchise Fees (Note 14)	3,575,800	3,589,548	3,326,553
Government Transfers - Operating (Schedule IV)	2,311,800	2,621,001	2,841,372
Licenses, Permits, & Fines	1,812,300	1,824,561	1,393,604
Rentals	1,834,700	1,559,454	959,328
Investment Income	400,000	924,592	124,253
Penalties & Cost on Taxes	510,000	553,334	505,351
Contributions from Other Groups - Operating	22,900	35,358	29,886
<b>Total Revenue</b>	<b>48,290,700</b>	<b>48,746,751</b>	<b>43,710,845</b>
Expenses			
Council	538,900	511,812	521,396
CAO Office	1,129,000	1,363,556	1,236,439
Corporate Transactions	12,210,300	11,716,438	10,713,457
Communications	698,700	665,821	684,221
Corporate Analytics & Technology	2,107,500	2,128,279	1,384,003
Finance	1,143,400	1,112,633	926,958
Legal & Legislative	823,800	959,758	650,873
People Services	1,189,200	1,441,359	971,898
Community & Social Development	2,975,900	2,771,151	2,623,885
Economic Development	1,035,000	832,663	1,169,050
Infrastructure	7,610,300	9,816,359	7,594,562
Planning & Development	2,601,400	2,412,394	2,086,675
Protective Services	4,909,600	4,615,405	4,330,628
Recreation	5,083,300	5,669,835	4,193,872
Library	896,100	896,819	849,741
Utilities	9,214,800	8,361,840	8,150,522
<b>Total Expenses</b>	<b>54,167,200</b>	<b>55,276,122</b>	<b>48,088,180</b>
<b>Deficiency of Revenue Before Capital &amp; Other</b>	<b>(5,876,500)</b>	<b>(6,529,371)</b>	<b>(4,377,335)</b>
Capital & Other			
Government Transfers - Capital (Schedule IV)	8,177,500	4,942,198	9,084,639
Contributions from Other Groups - Capital	115,000	227,347	602,915
Developer Contribution & Levies	-	5,545,429	8,351,918
Recoverable Contributions to Developers	-	476,889	(12,265)
Developer Contributions	-	708,775	1,097,735
Loss on Disposal of Capital Assets	-	(22,592)	(227,814)
<b>Excess of Revenue over Expenses</b>	<b>2,416,000</b>	<b>5,348,675</b>	<b>14,519,793</b>
Accumulated surplus, Beginning of Year	375,088,176	375,088,176	360,568,383
<b>Accumulated surplus, End of Year</b>	<b>\$ 377,504,176</b>	<b>\$ 380,436,851</b>	<b>\$ 375,088,176</b>



## Consolidated Statement of Changes in Net Debt

Year ended December 31, 2022



	Budget	2022	2021
<b>Excess of Revenue over Expenditures</b>	\$ 2,416,000	\$ 5,348,675	\$ 14,519,793
Acquisition of Tangible Capital Assets	(34,986,100)	(10,351,068)	(25,159,753)
Contributed Tangible Capital Assets	-	(5,414,726)	(5,539,811)
Proceeds on Disposal of Tangible Capital Assets	-	147,648	-
Amortization of Tangible Capital Assets	10,499,100	10,635,813	9,926,022
Loss on Disposal of Tangible Capital Assets	-	22,592	48,576
<b>Total Capital Activities</b>	<b>(24,487,000)</b>	<b>(4,959,741)</b>	<b>(20,724,966)</b>
Net (Acquisition) Use of Inventory for Consumption	-	(23,803)	16,319
Net (Acquisition) Use of Prepays	-	(22,117)	130,555
<b>Net Inventory &amp; Prepays</b>	<b>-</b>	<b>(45,920)</b>	<b>146,874</b>
<b>Change in Net Debt</b>	<b>(22,071,000)</b>	<b>343,014</b>	<b>(6,058,299)</b>
<b>Net Debt, Beginning of Year</b>	<b>(20,220,402)</b>	<b>(20,220,402)</b>	<b>(14,162,103)</b>
<b>Net Debt, End of Year</b>	<b>\$ (42,291,402)</b>	<b>\$ (19,877,388)</b>	<b>\$ (20,220,402)</b>





## Consolidated Statement of Cash Flows

Year ended December 31, 2022



	2022	2021
<b>Operating Transactions</b>		
Excess of Revenue over Expense	\$ 5,348,675	\$ 14,519,793
Items not involving Cash		
Contributed Tangible Capital Assets	(5,414,726)	(5,539,811)
Amortization of Tangible Capital Assets	10,635,813	9,926,022
Loss on Disposal of Tangible Capital Assets	22,592	48,576
Changes in Non-cash Assets & Liabilities		
Receivables	(1,597,718)	783,029
Payables & Accruals	1,816,975	2,028,007
Deposits	1,291,296	1,757,679
Deferred Revenue	111,933	(1,928,568)
Inventory for Consumption	(23,803)	16,319
Prepays	(22,117)	130,555
<b>Total Operating Transactions</b>	<b>12,168,920</b>	<b>21,741,601</b>
<b>Capital Activities</b>		
Acquisition of Tangible Capital Assets	(10,351,068)	(25,159,753)
Proceeds on Sale of Tangible Capital Assets	147,648	-
<b>Total Capital Activities</b>	<b>(10,203,420)</b>	<b>(25,159,753)</b>
<b>Financing Transactions</b>		
Issue of Long-term Debt	-	10,000,000
Repayment of Long-term Debt	(2,362,576)	(2,055,777)
<b>Total Financing Transactions</b>	<b>(2,362,576)</b>	<b>7,944,223</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>(397,076)</b>	<b>4,526,071</b>
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	<b>37,279,222</b>	<b>32,753,151</b>
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>\$ 36,882,146</b>	<b>\$ 37,279,222</b>



## Schedule I - Schedule of Changes in Accumulated Surplus

Year ended December 31, 2022



	Unrestricted (Deficit) Surplus	Restricted Surplus (Reserves)	Equity in Tangible Capital Assets	2022	2021
<b>Balance, Beginning of Year</b>	\$ (1,562,540)	\$ 24,061,026	\$ 352,589,690	\$ 375,088,176	\$ 360,568,383
Excess of Revenue over Expenses	5,348,675	-	-	5,348,675	14,519,793
Unrestricted Funds Designated for Future Use	(5,007,264)	5,007,264	-	-	-
Restricted Funds Used for Operations	1,430,486	(1,430,486)	-	-	-
Restricted Funds Used for Tangible Capital Assets	-	(4,860,964)	4,860,964	-	-
Current Year Funds Used for Tangible Capital Assets	(5,323,478)	-	5,323,478	-	-
Contributed Tangible Capital Assets	(5,414,726)	-	5,414,726	-	-
Amortization	10,635,813	-	(10,635,813)	-	-
Long-term debt Repaid	(2,362,576)	-	2,362,576	-	-
<b>Net Change in Accumulated Surplus</b>	<b>(693,070)</b>	<b>(1,284,186)</b>	<b>7,325,931</b>	<b>5,348,675</b>	<b>14,519,793</b>
<b>Balance, End of Year</b>	\$ <b>(2,255,610)</b>	\$ <b>22,776,840</b>	\$ <b>359,915,621</b>	\$ <b>380,436,851</b>	\$ <b>375,088,176</b>



## Schedule II - Schedule of Tangible Capital Assets

Year ended December 31, 2022



	Land	Land Improvements	Buildings	Machinery & Equipment	Vehicles	Engineered Structures	Construction in Progress	2022	2021
<b>Cost</b>									
Balance, Beginning 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
Additions	475,827	4,821,366	629,651	1,273,623	511,863	7,194,623	858,841	15,765,794	30,699,564
Disposals	(90,000)	-	-	(178,306)	(80,302)	-	-	(348,608)	-
Transfers	-	4,524,660	-	9,955	-	2,241,642	(6,776,257)	-	-
<b>Balance, End of Year</b>	<b>164,509,297</b>	<b>27,922,482</b>	<b>87,141,156</b>	<b>9,447,473</b>	<b>5,987,827</b>	<b>231,410,161</b>	<b>1,383,756</b>	<b>527,802,152</b>	<b>512,384,966</b>
<b>Accumulated Amortization</b>									
Balance, Beginning of Year	-	7,261,587	17,112,814	3,455,616	1,893,928	87,833,623	-	117,557,568	107,582,970
Amortization	-	768,711	1,868,806	582,850	271,219	7,144,227	-	10,635,813	9,974,598
Disposals	-	-	-	(98,066)	(80,302)	-	-	(178,368)	-
<b>Balance, End of Year</b>	<b>-</b>	<b>8,030,298</b>	<b>18,981,620</b>	<b>3,940,400</b>	<b>2,084,845</b>	<b>94,977,850</b>	<b>-</b>	<b>128,015,013</b>	<b>117,557,568</b>
<b>Net Book Value, End of Year</b>	<b>\$164,509,297</b>	<b>\$ 19,892,184</b>	<b>\$ 68,159,536</b>	<b>\$ 5,507,073</b>	<b>\$ 3,902,982</b>	<b>\$136,432,311</b>	<b>\$ 1,383,756</b>	<b>\$ 399,787,139</b>	<b>\$ 394,827,398</b>



## Schedule III - Schedule of Property & Other Taxes

Year ended December 31, 2022



	Budget	2022	2021
Property Taxes			
Residential	\$ 28,564,100	\$ 28,615,885	\$ 26,899,110
Commercial	2,891,600	2,891,622	2,849,852
Linear	267,100	266,715	261,227
Agricultural	6,600	6,672	7,492
<b>Total Property Taxes</b>	<b>31,729,400</b>	<b>31,780,894</b>	<b>30,017,681</b>
Requisition Taxes			
Alberta School Foundation Fund	7,858,700	7,903,255	7,604,099
Separate School Board	370,100	370,051	369,434
Leduc Regional Housing Foundation	78,400	78,390	77,700
Designated Industrial Property	1,500	1,528	1,467
<b>Total Requisition Taxes</b>	<b>8,308,700</b>	<b>8,353,224</b>	<b>8,052,700</b>
<b>Net Municipal Taxes</b>	<b>\$ 23,420,700</b>	<b>\$ 23,427,670</b>	<b>\$ 21,964,981</b>



## Schedule IV - Schedule of Government Transfers

Year ended December 31, 2022



	Budget	2022	2021
Government Transfers - Operating			
Provincial Government	\$ 1,361,200	\$ 1,505,322	\$ 1,969,216
Other Local Governments	839,300	937,940	846,956
Federal Government	111,300	177,739	25,200
<b>Total Government Transfers - Operating</b>	<b>2,311,800</b>	<b>2,621,001</b>	<b>2,841,372</b>
Government Transfers - Capital			
Federal Government	1,000,000	1,097,590	27,684
Provincial Government	7,177,500	3,763,762	9,056,955
Other Local Governments	-	80,846	-
<b>Total Government Transfers - Capital</b>	<b>8,177,500</b>	<b>4,942,198</b>	<b>9,084,639</b>
<b>Total Government Transfers</b>	<b>\$ 10,489,300</b>	<b>\$ 7,563,199</b>	<b>\$ 11,926,011</b>



## Schedule V - Schedule of Expenses by Object

Year ended December 31, 2022



	Budget	2022	2021
Personnel	\$ 20,100,100	\$ 20,466,057	\$ 17,529,239
Contracted & General Services	11,901,000	12,931,775	10,164,440
Materials & Supplies	7,674,700	6,848,126	6,967,719
Utility & Network Expenses	2,052,200	2,657,426	2,104,370
Grants	445,500	368,705	276,881
Interest on Long-term Debt	1,096,300	1,249,410	999,078
Amortization	10,499,100	10,635,813	9,926,022
Other Expenses	40,300	118,810	120,431
<b>Total Expenses</b>	<b>\$ 53,809,200</b>	<b>\$ 55,276,122</b>	<b>\$ 48,088,180</b>



## Schedule VI - Schedule of Segmented Disclosure

Year ended December 31, 2022



	General Government	Community & Social Development	Economic Development	Infrastructure	Planning & Development	Protective Services	Recreation	Library	Utilities	2022
Revenue										
Net Municipal Taxes	\$ 23,427,670	-	-	-	-	-	-	-	-	\$ 23,427,670
Sales & User Charges	123,065	1,208,180	5,563	194,709	542,190	42,908	1,779,706	19,639	10,295,273	14,211,233
Franchise Fees	3,589,548	-	-	-	-	-	-	-	-	3,589,548
Government Transfers	513,544	833,425	-	169,692	75,000	585,721	328,683	114,936	-	2,621,001
Licenses, Permits & Fines	-	-	116,815	46,500	1,112,625	541,842	-	6,779	-	1,824,561
Rental	3,168	1,150	36,060	66,684	-	-	1,452,239	153	-	1,559,454
Penalties & Costs on Taxes	493,166	-	-	-	-	-	-	-	60,168	553,334
Investment Income	924,592	-	-	-	-	-	-	-	-	924,592
Contributions From Others	-	2,100	-	-	-	-	25,846	7,412	-	35,358
<b>Total Revenue</b>	<b>29,074,753</b>	<b>2,044,855</b>	<b>158,438</b>	<b>477,585</b>	<b>1,729,815</b>	<b>1,170,471</b>	<b>3,586,474</b>	<b>148,919</b>	<b>10,355,441</b>	<b>48,746,751</b>
Expenses										
Personnel	5,856,363	2,443,179	411,104	3,052,960	1,655,482	1,663,821	4,252,370	655,258	475,520	20,466,057
Contracted & General Services	2,632,814	236,126	393,873	3,426,305	680,953	2,742,189	788,433	165,958	1,865,124	12,931,775
Materials & Supplies	71,550	42,562	12,385	999,369	64,689	179,427	314,493	31,262	5,132,389	6,848,126
Utility & Network Expenses	29,409	23,852	15,301	2,336,379	11,270	29,968	44,982	33,879	132,386	2,657,426
Grants	83,495	25,432	-	-	-	-	263,807	-	(4,029)	368,705
Interest on Long-term Debt	1,197,846	-	-	-	-	-	-	-	51,564	1,249,410
Amortization	9,916,201	-	-	-	-	-	-	10,461	709,151	10,635,813
Other Expenses	111,978	-	-	1,346	-	-	5,750	1	(265)	118,810
<b>Total Expenses</b>	<b>19,899,656</b>	<b>2,771,151</b>	<b>832,663</b>	<b>9,816,359</b>	<b>2,412,394</b>	<b>4,615,405</b>	<b>5,669,835</b>	<b>896,819</b>	<b>8,361,840</b>	<b>55,276,122</b>
<b>Net Surplus (Deficit)</b>	<b>\$ 9,175,097</b>	<b>(726,296)</b>	<b>(674,225)</b>	<b>(9,338,774)</b>	<b>(682,579)</b>	<b>(3,444,934)</b>	<b>(2,083,361)</b>	<b>(747,900)</b>	<b>1,993,601</b>	<b>\$ (6,529,371)</b>



## 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
Contributions From Others	-	1,500	-	-	-	-	17,045	11,341	-	29,886
<b>Total Revenue</b>	<b>27,037,502</b>	<b>1,747,777</b>	<b>190,934</b>	<b>491,011</b>	<b>1,426,614</b>	<b>1,018,514</b>	<b>1,700,288</b>	<b>149,012</b>	<b>9,949,193</b>	<b>43,710,845</b>
Expenses										
Personnel	4,561,047	2,330,651	426,675	2,737,513	1,649,199	1,493,234	3,209,567	614,365	506,988	17,529,239
Contracted & General Services	2,106,826	188,636	702,280	1,508,700	397,539	2,618,453	538,718	155,422	1,947,866	10,164,440
Materials & Supplies	46,466	34,080	19,121	1,544,813	10,201	189,997	244,736	32,414	4,845,891	6,967,719
Utility & Network Expenses	43,343	21,288	20,286	1,772,474	19,223	28,945	34,558	39,409	124,844	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
<b>Total Expenses</b>	<b>17,089,242</b>	<b>2,623,885</b>	<b>1,169,049</b>	<b>7,594,561</b>	<b>2,086,675</b>	<b>4,330,629</b>	<b>4,193,872</b>	<b>849,742</b>	<b>8,150,525</b>	<b>48,088,180</b>
<b>Net Surplus (Deficit)</b>	<b>\$ 9,948,260</b>	<b>(876,108)</b>	<b>(978,115)</b>	<b>(7,103,550)</b>	<b>(660,061)</b>	<b>(3,312,115)</b>	<b>(2,493,584)</b>	<b>(700,730)</b>	<b>1,798,668</b>	<b>\$ (4,377,335)</b>





## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 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 Bibliothèque 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, 2022



### 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. As at December 31, 2022 the City has not recognized a contaminated sites liability.

### 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, 2022



### 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, 2022



### 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, 2022



### 2. Cash & Cash Equivalents

	2022	2021
Cash	\$ 36,882,146	\$ 36,372,632
Cash Equivalents	-	906,590
<b>Total Cash &amp; Cash Equivalents</b>	<b>\$ 36,882,146</b>	<b>\$ 37,279,222</b>

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

### 3. Receivables

	2022	2021
Taxes Receivable		
Current Taxes	\$ 1,367,248	\$ 1,244,471
Arrears Taxes	408,724	485,700
<b>Total Taxes Receivable</b>	<b>1,775,972</b>	<b>1,730,171</b>
Receivable from Other Governments	3,688,955	5,541,136
Loans Receivable	4,504,149	2,102,826
Trade Receivables	3,749,177	2,746,402
<b>Total Receivables</b>	<b>\$ 13,718,253</b>	<b>\$ 12,120,535</b>

During the year, the City entered into an agreement with a developer to loan funds for the development of a school site, which has been presented as loans receivable. The loan bears interest at prime rate plus 2% per annum, calculated semi annually. The loan is repayable on a pro-rata basis calculated based on hectares developed. If all hectares are not developed within 15 years, any amount remaining on the loan receivable is due in full on May 11, 2037.

### 4. Payables & Accruals

	2022	2021
Trade Payables	\$ 7,871,007	\$ 6,193,599
Accrued Wages & Benefits	1,346,363	1,200,951
Accrued Interest	80,240	86,085
<b>Total Payables &amp; Accruals</b>	<b>\$ 9,297,610</b>	<b>\$ 7,480,635</b>



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 5. Deferred Revenue

	2022	2021
Deferred Government Transfers - Capital		
Municipal Sustainability Initiative - Capital	\$ 1,754,948	\$ 3,502,309
Canada Community Building Fund	6,399,863	5,541,045
Municipal Stimulus Program	262	262
Other Deferred Government Transfers - Capital	956,962	873,107
<b>Total Deferred Government Transfers - Capital</b>	<b>9,112,035</b>	<b>9,916,723</b>
Offsite Levies		
Wastewater	875,808	735,821
Arterial Roads	3,343,703	2,860,038
<b>Total Offsite Levies</b>	<b>4,219,511</b>	<b>3,595,859</b>
Deferred Government Transfers - Operating		
Police Services Grant	92,326	92,326
Municipal Operating Support Transfer	-	-
Other Deferred Government Transfers - Operating	355,588	454,341
<b>Total Deferred Government Transfers - Operating</b>	<b>447,914</b>	<b>546,667</b>
<b>Prepaid Permits, Licenses, &amp; Fees</b>	<b>2,010,951</b>	<b>1,619,229</b>
<b>Total Deferred Revenue</b>	<b>\$ 15,790,411</b>	<b>\$ 15,678,478</b>



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 6. Long-term Debt

	2022	2021
Tax Supported Debt	\$ 39,642,952	\$ 41,877,268
Utility Supported Debt	1,190,123	1,318,383
<b>Total Long-term Debt</b>	<b>\$ 40,833,075</b>	<b>\$ 43,195,651</b>

Principal and interest repayments are as follows:

	Principal	Interest	Total
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
2027	2,526,972	876,202	3,403,174
Thereafter	28,868,650	5,445,730	34,314,380
<b>Totals</b>	<b>\$ 40,833,075</b>	<b>\$ 10,590,964</b>	<b>\$ 51,424,039</b>

Debenture debt is repayable to the Government of Alberta Treasury Board & Finance and bears interest at rates ranging from 2.26% to 5.75% (2021 - 2.18% to 5.75%) per annum, maturing in periods 2023 through 2041. The average annual interest rate is 2.99% (2021 - 2.55%). The debenture debt is issued on the credit and security of the City at large.

Interest on long-term debt amounted to \$1,249,411 (2021 - \$999,078). The City's total cash payments for interest in 2022 were \$1,255,256 (2021 - \$982,449).

The City has a revolving demand facility with the Toronto-Dominion Bank ("TD") to a maximum of \$10,000,000 which has not been drawn upon as of December 31, 2022 (2021 - not drawn). The facility is secured by business insurance with TD as First Loss Payee and is available by way of:

- Prime Rate Based Loans bearing interest at prime rate less 0.75% per annum;
- Bankers Acceptances bearing interest at 0.50% per annum;
- United States Base Rate Loans (in USD) bearing interest at United States Base Rate less 0.50% per annum; or
- Stand-by Letters of Guarantee bearing interest as set out in the letter of credit indemnity agreement applicable to the issued letter of guarantee.

Under the facility agreement the City is required to maintain compliance with the debt limits described in Note 7 pursuant to Alberta Regulation 255/2000.



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 7. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the City of Beaumont be disclosed as follows:

Debt Limit	2022	2021
Total Debt Limit	\$ 73,120,127	\$ 65,566,268
Total Debt	40,833,075	43,195,651
<b>Amount of Debt Limit Unused</b>	<b>\$ 32,287,052</b>	<b>\$ 22,370,617</b>

  

Debt Servicing Limit	2022	2021
Debt Servicing Limit	\$ 12,186,688	\$ 10,927,711
Debt Servicing	3,496,964	3,617,831
<b>Amount of Debt Servicing Limit Unused</b>	<b>\$ 8,689,724</b>	<b>\$ 7,309,880</b>

The debt limit is calculated at 1.5 times the revenue of the municipality (as defined in Alberta Regulation 255/2000) 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.

### 8. Accumulated Surplus

	2022	2021
Unrestricted (Deficit) Surplus		
Municipal Operations - Current Year	\$ (875,558)	\$ 182,933
Utility Operations - Current Year	22,693	607,621
Library - Current Year	14,406	15,452
Developer Deficit	(1,417,151)	(2,368,546)
<b>Total Unrestricted (Deficit) Surplus</b>	<b>(2,255,610)</b>	<b>(1,562,540)</b>
Reserves (Note 10)	22,776,840	24,061,026
Equity in Tangible Capital Assets (Note 9)	359,915,621	352,589,690
<b>Total Accumulated Surplus</b>	<b>\$ 380,436,851</b>	<b>\$ 375,088,176</b>





## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 9. Equity in Tangible Capital Assets

	2022	2021
Tangible Capital Assets (Schedule II)	\$ 399,787,139	\$ 394,827,398
Long-term Debt (Note 6)	(40,833,075)	(43,195,651)
Debenture Proceeds Unspent to Date	961,557	957,943
<b>Equity in Tangible Capital Assets</b>	<b>\$ 359,915,621</b>	<b>\$ 352,589,690</b>

### 10. Reserves

	2021	Additions	Draws	2022
Municipal Operating				
Financial Stabilization	\$ 2,974,196	\$ 160,398	\$ (256,295)	\$ 2,878,299
Planning	509,303	7,900	(274,900)	242,303
<b>Total Municipal Operating</b>	<b>3,483,499</b>	<b>168,298</b>	<b>(531,195)</b>	<b>3,120,602</b>
Capital				
Fleet & Equipment Replacement	2,047,888	232,000	(713,801)	1,566,087
Parks, Playground & Playfield	(9,061)	837,149	(82,876)	745,212
Facility Renewal	2,646,330	228,201	(358,781)	2,515,750
Transportation Renewal	3,831,110	947,400	(1,147,012)	3,631,498
Technology Replacement	599,225	203,800	(370,887)	432,138
Building Renewal (Library)	184,369	-	(184,369)	-
Municipal Land Reserve	1,671,113	35,500	-	1,706,613
Economic Development	1,501,100	24,600	(685,131)	840,569
Cemetery	51,459	9,700	-	61,159
Traffic Safety	462,354	165,700	(353,249)	274,805
Pay-as-you-go	173,420	361,459	(469,137)	65,742
<b>Total Capital</b>	<b>13,159,307</b>	<b>3,045,509</b>	<b>(4,365,243)</b>	<b>11,839,573</b>
Utility				
Utility Reserve	7,418,220	1,730,095	(1,531,011)	7,617,304
<b>Total Utility</b>	<b>7,418,220</b>	<b>1,730,095</b>	<b>(1,531,011)</b>	<b>7,617,304</b>
Library				
Library Operating	-	60,000	(5,160)	54,840
Library Capital	-	144,521	-	144,521
<b>Total Library</b>	<b>-</b>	<b>204,521</b>	<b>(5,160)</b>	<b>199,361</b>
<b>Total Reserves</b>	<b>\$ 24,061,026</b>	<b>\$ 5,148,423</b>	<b>\$ (6,432,609)</b>	<b>\$ 22,776,840</b>



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 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:

	2022 Salary	2022 Benefits	2021 Salary	2021 Benefits
<b>Elected Officials</b>				
Mayor Bill Daneluik	\$ 102,591	\$ 28,251	\$ 51,300	\$ 10,654
Mayor John Stewart	-	-	92,299	11,794
Councillor Ashley Miller	40,770	3,271	6,154	3,400
Councillor Catherine McCook	40,770	3,106	6,154	3,434
Councillor Kathy Barnhart	42,199	7,365	40,001	4,181
Councillor Martin Stout	-	-	34,423	1,683
Councillor Rene Tessier	40,770	1,231	6,154	3,227
Councillor Perry Hendriks	-	-	33,846	1,031
Councillor Samuel Munckhof-Swain	43,339	2,786	40,463	4,260
Councillor Steven vanNieuwkerk	40,770	4,134	40,001	4,582
<b>Total Elected Officials</b>	<b>\$ 351,209</b>	<b>\$ 50,144</b>	<b>\$ 350,795</b>	<b>\$ 48,246</b>
<b>Administration</b>				
Chief Administrative Officer	\$ 260,286	\$ 34,141	\$ 252,334	\$ 34,524
Designated Officers	532,535	66,319	372,364	47,440

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 in 2021 for volunteer fire services.

### 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 8.45% (2021 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% (2021 - 13.84%) on pensionable earnings above this amount. Total current service contributions by the City to the LAPP in 2022 were \$1,236,488 (2021 - \$1,189,937). Total current service contributions by the employees of the City to the LAPP in 2022 were \$1,109,490 (2021 - \$1,068,203).

At December 31, 2021, the LAPP disclosed an actuarial surplus of approximately \$11.92 billion (2020 - \$4.96 billion). The actuarial surplus at December 31, 2022 was not available at the time the financial statements were finalized.



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 13. APEX Supplementary Pension Plan

The APEX supplementary pension plan provides supplementary pension benefits to a prescribed class of employees (approximately 3 beneficiaries). The plan supplements the Local Authorities Pension Plan.

The prescribed class of employees and the City make contributions. The City is required to make current service contributions of 3.85% (2021 - 3.85%) of pensionable earnings up to the year's maximum defined benefit limit under the plan. Total current service contributions by the City in 2022 were \$19,750 (2021 - \$14,487). Total current service contributions by the employees of the City to the plan in 2022 were \$13,389 (2021 - \$9,821).

### 14. Franchise Agreement Fees

Disclosure of revenue received from the granting of rights over the City's properties for the purpose of providing a utility service as required by Alberta provincial regulation 313/2000 is as follows:

	2022	2021
Apex Utilities Inc.	\$ 2,001,203	\$ 1,859,357
FortisAlberta Inc.	1,588,345	1,467,196
<b>Total Franchise Fees</b>	<b>\$ 3,589,548</b>	<b>\$ 3,326,553</b>

### 15. 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 \$2,672,600.

The City contracts with Pacific Western Transit to provide a commuter transit system from Beaumont to Heritage Valley Station until December 31, 2023. 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 \$327,001.

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 \$67,443.

The City has a premises lease for the space in which it operates a co-working facility. The lease provides for annual base rent of \$60,656 plus operating costs and property taxes. The lease expires in July 2024 and the total commitment over the remaining life of the agreement amounts to \$96,039 plus applicable operating costs and property taxes.



## Notes to the Consolidated Financial Statements

Year ended December 31, 2022



### 16. 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.

### 17. 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.

### 18. Comparative Figures

The 2021 comparative figures have been reclassified to conform to financial statement presentation adopted for the current year.

### 19. Approval of Financial Statements

Council and Management approved these financial statements on April 25, 2023.

