

BEAVER COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
AND
AUDITORS' REPORT TO THE MEMBERS OF COUNCIL

(1)

YAREMCHUK & ANNICCHIARICO LLP CHARTERED ACCOUNTANTS

BEAVER COUNTY
DECEMBER 31, 2009
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AUDITORS' REPORT

To the Members of Council of **Beaver County**:

We have audited the statement of financial position, the statement of operations, the statement of changes in net financial assets and the statement of cash flows of **Beaver County** as at December 31, 2009. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the municipal administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Beaver County** as at December 31, 2009 and the results of its operations, the change in its net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
March 2, 2010

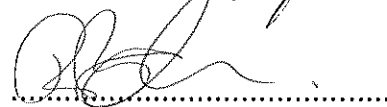
Yaremchuk & Annicchiarico LLP
Chartered Accountants

BEAVER COUNTY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u> (Restated)
FINANCIAL ASSETS:		
Cash and temporary investments (Note 2).....	\$12,685,715	\$13,637,574
Accounts receivable:		
Taxes (Note 3)	306,702	204,927
Trade and other receivables (Note 4).....	1,408,580	1,279,281
Land for resale inventory.....	896,545	559,017
Investment in subsidiary company (Note 5)	28,853	1,610
Trust asset - cash in bank.....	<u>330,182</u>	<u>-</u>
Total financial assets	<u>15,656,577</u>	<u>15,682,409</u>
LIABILITIES:		
Accounts payable and accrued liabilities.....	1,099,426	2,100,861
Deposit liabilities	163,520	4,790
Deferred revenue	2,392,661	2,563,248
Employee benefit obligations (Note 7)	272,255	275,804
Trust liability (Note 8)	<u>330,182</u>	<u>-</u>
Total liabilities	<u>4,258,044</u>	<u>4,944,703</u>
NET FINANCIAL ASSETS.....	<u>11,398,533</u>	<u>10,737,706</u>
NON-FINANCIAL ASSETS:		
Tangible capital assets (Schedule 1)	35,866,646	34,073,837
Inventory for consumption (Note 10).....	2,490,553	2,759,810
Prepaid expenses	<u>28,672</u>	<u>118,490</u>
Total non-financial assets	<u>38,385,871</u>	<u>36,952,137</u>
ACCUMULATED SURPLUS (Note 11).....	<u>\$49,784,404</u>	<u>\$47,689,843</u>
COMMITMENTS (Note 14)		

Approved by:

..... DEPUTY
Reeve

..... Chief Administrative Officer

BEAVER COUNTY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget (Unaudited)	2009	2008 (Restated)
REVENUE:			
Net municipal taxes (Schedule 2).....	\$10,483,550	\$10,490,229	\$ 9,017,903
User fees and sales of goods.....	778,590	621,678	708,712
Government transfers for operating (Schedule 3).....	1,539,450	1,349,913	1,552,053
Investment income.....	240,000	131,550	420,893
Penalties and costs on taxes.....	54,400	63,680	69,608
Land sales (net).....	-	150,006	-
Rentals.....	66,290	66,719	75,281
Other.....	<u>35,820</u>	<u>84,556</u>	<u>59,765</u>
Total revenue.....	<u>13,198,100</u>	<u>12,958,331</u>	<u>11,904,215</u>
EXPENSES:			
Legislative.....	299,100	261,418	284,432
Administration.....	1,773,620	1,633,499	1,290,448
Protective services.....	942,970	866,813	903,605
Public works.....	10,901,690	6,914,097	7,054,734
Water and wastewater.....	48,470	97,197	33,707
Waste management.....	5,010	6,966	6,725
Planning and economic development.....	1,229,420	308,095	513,099
Agricultural services.....	611,060	549,930	534,466
Recreation and parks.....	551,300	351,176	331,116
Family and community support.....	40,020	38,976	38,560
Community adult learning.....	139,620	141,510	113,102
Culture.....	151,550	137,000	124,121
Broadband.....	640,880	238,911	510,672
Amortization.....	-	2,235,409	2,434,894
(Gain) loss on disposal of tangible capital assets.....	<u>(435,000)</u>	<u>9,195</u>	<u>(345,344)</u>
Total expenses (Schedule 4).....	<u>16,899,710</u>	<u>13,790,192</u>	<u>13,828,337</u>
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE THE UNDERNOTED.....	<u>(3,701,610)</u>	<u>(831,861)</u>	<u>(1,924,122)</u>
OTHER:			
Government transfers for capital (Schedule 3).....	4,493,650	2,899,179	1,809,426
Subsidiary operations (Note 5).....	<u>-</u>	<u>27,243</u>	<u>3,853</u>
Total other.....	<u>4,493,650</u>	<u>2,926,422</u>	<u>1,813,279</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES.....	792,040	2,094,561	(110,843)
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR.....	<u>47,689,843</u>	<u>47,689,843</u>	<u>47,800,686</u>
ACCUMULATED SURPLUS AT END OF THE YEAR..	<u>\$48,481,883</u>	<u>\$49,784,404</u>	<u>\$47,689,843</u>

BEAVER COUNTY
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	2008 (Restated)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>2,094,561</u>	\$ <u>(110,843)</u>
Amortization	2,235,409	2,434,894
Acquisition of tangible capital assets.....	(4,334,148)	(2,482,592)
Proceeds on disposal of tangible capital assets.....	296,735	910,258
Loss (gain) on disposal of tangible capital assets.....	<u>9,195</u>	<u>(345,344)</u>
	<u>(1,792,809)</u>	<u>517,216</u>
Net change in inventory for consumption.....	269,257	(2,295,005)
Net change in prepaid expenses.....	<u>89,818</u>	<u>16,039</u>
	<u>359,075</u>	<u>(2,278,966)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS.	660,827	(1,872,593)
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR.....	<u>10,737,706</u>	<u>12,610,299</u>
NET FINANCIAL ASSETS AT END OF THE YEAR.....	<u>\$11,398,533</u>	<u>\$10,737,706</u>

BEAVER COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u> (Restated)
OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses.....	\$ 2,094,561	\$ (110,843)
Items not involving cash for operations:		
Amortization of tangible capital assets.....	2,235,409	2,434,894
Loss (gain) on disposal of tangible capital assets.....	9,195	(345,344)
Subsidiary operations.....	<u>(27,243)</u>	<u>(3,853)</u>
	4,311,922	1,974,854
Add (deduct):		
Change in non-cash working capital balances:		
(Increase) decrease in taxes receivable.....	(101,775)	14,214
Increase in trade and other receivables.....	(129,299)	(452,956)
Increase in land held for resale.....	(337,528)	(24,674)
Decrease (increase) in inventory for consumption.....	269,257	(2,295,005)
Decrease in prepaid expenses.....	89,818	16,039
(Decrease) increase in accounts payable and accrued liabilities.....	(1,001,435)	1,234,280
Increase in deposit liabilities.....	158,730	720
(Decrease) increase in deferred revenue.....	(170,587)	632,219
(Decrease) increase in employee benefit obligations.....	<u>(3,549)</u>	<u>18,189</u>
Net cash from operating activities.....	<u>3,085,554</u>	<u>1,117,880</u>
CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets.....	(4,334,148)	(2,482,592)
Proceeds on disposal of tangible capital assets.....	<u>296,735</u>	<u>910,258</u>
Net cash used in capital activities.....	<u>(4,037,413)</u>	<u>(1,572,334)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR.....		
	(951,859)	(454,454)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR.....		
	<u>13,637,574</u>	<u>14,092,028</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR.....		
	<u>\$12,685,715</u>	<u>\$13,637,574</u>

BEAVER COUNTY
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Land Improvements	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2009	2008 (Restated)
COST:								
Balance at beginning of the year.	\$422,615	\$204,723	\$2,089,098	\$65,778,765	\$6,862,654	\$3,694,325	\$79,052,180	\$77,942,162
Acquisition of tangible capital assets.....	33,008	981	7,775	2,940,650	1,043,192	308,542	4,334,148	2,482,592
Disposal of tangible capital assets.....	-	-	-	-	(539,096)	(23,120)	(562,216)	(1,372,574)
Balance at end of the year.....	<u>455,623</u>	<u>205,704</u>	<u>2,096,873</u>	<u>68,719,415</u>	<u>7,366,750</u>	<u>3,979,747</u>	<u>82,824,112</u>	<u>79,052,180</u>
ACCUMULATED AMORTIZATION:								
Balance at beginning of the year.	-	67,386	855,731	40,582,646	1,599,463	1,873,117	44,978,343	43,351,109
Amortization.....	-	13,359	42,086	1,321,680	627,307	230,977	2,235,409	2,434,894
Accumulated amortization on disposals.....	-	-	-	-	(233,166)	(23,120)	(256,286)	(807,660)
Balance at end of the year.....	-	<u>80,745</u>	<u>897,817</u>	<u>41,904,326</u>	<u>1,993,604</u>	<u>2,080,974</u>	<u>46,957,466</u>	<u>44,978,343</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$455,623</u>	<u>\$124,959</u>	<u>\$1,199,056</u>	<u>\$26,815,089</u>	<u>\$5,373,146</u>	<u>\$1,898,773</u>	<u>\$35,866,646</u>	<u>\$34,073,837</u>
2008 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS ...	<u>\$422,615</u>	<u>\$137,337</u>	<u>\$1,233,367</u>	<u>\$25,196,119</u>	<u>\$5,263,191</u>	<u>\$1,821,208</u>		<u>\$34,037,837</u>

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BEAVER COUNTY
SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget (Unaudited)	<u>2009</u>	<u>2008</u>
TAXATION:			
Real property taxes.....	\$ 4,315,925	\$ 4,424,090	\$ 3,899,529
Linear property taxes	6,173,575	6,207,591	5,714,280
Non-residential property taxes	2,871,082	2,767,859	2,391,535
Special assessments and local improvement taxes.....	<u>8,810</u>	<u>8,359</u>	<u>5,180</u>
Total taxation.....	<u>13,369,392</u>	<u>13,407,899</u>	<u>12,010,524</u>
REQUISITIONS:			
Alberta School Foundation Fund	2,787,729	2,818,619	2,896,721
Beaver Seniors Foundation	<u>98,113</u>	<u>99,051</u>	<u>95,900</u>
Total requisitions	<u>2,885,842</u>	<u>2,917,670</u>	<u>2,992,621</u>
NET MUNICIPAL TAXES	<u>\$10,483,550</u>	<u>\$10,490,229</u>	<u>\$ 9,017,903</u>

BEAVER COUNTY
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget (Unaudited)	<u>2009</u>	<u>2008</u> (Restated)
TRANSFERS FOR OPERATING:			
Provincial Government.....	\$1,539,450	\$1,349,913	\$1,546,018
Federal Government	<u> -</u>	<u> -</u>	<u> 6,035</u>
	<u>1,539,450</u>	<u>1,349,913</u>	<u>1,552,053</u>
TRANSFERS FOR CAPITAL:			
Provincial Government.....	3,840,315	2,576,059	1,807,677
Federal Government	<u> 653,335</u>	<u> 323,120</u>	<u> 1,749</u>
	<u>4,493,650</u>	<u>2,899,179</u>	<u>1,809,426</u>
TOTAL GOVERNMENT TRANSFERS.....	<u>\$6,033,100</u>	<u>\$4,249,092</u>	<u>\$3,361,479</u>

BEAVER COUNTY
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget (Unaudited)	<u>2009</u>	<u>2008</u>
Salaries, wages and benefits.....	\$ 4,172,400	\$ 3,544,251	\$ 3,526,579
Contracted and general services.....	9,700,880	5,588,022	4,882,689
Materials, goods, supplies and utilities	2,531,340	1,664,682	2,413,468
Provision for allowances.....	14,800	101,892	8,103
Bank charges and short-term interest	1,200	1,155	1,226
Contributed to municipal agencies and governments.....	473,260	395,118	662,288
Grants to individuals and organizations.....	440,830	250,468	244,434
Amortization of tangible assets.....	-	2,235,409	2,434,894
(Gain) loss on disposal of tangible capital assets	<u>(435,000)</u>	<u>9,195</u>	<u>(345,344)</u>
Total expenses	<u>\$16,899,710</u>	<u>\$13,790,192</u>	<u>\$13,828,337</u>

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. ACCOUNTING POLICIES:

The financial statements of Beaver County are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and include the following policies adopted by Beaver County:

a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses, changes in financial assets and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of property and other taxes also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

b) 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.

c) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. ACCOUNTING POLICIES (continued):

d) Land for resale inventory:

Inventory of land held for resale is stated at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective functions.

e) Investment in subsidiary company:

Beaver Regional Industrial Services Corp., a wholly-owned subsidiary corporation of Beaver County is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles for government business enterprises. Under the modified equity basis, the business enterprise's accounting policies are not adjusted to conform with those of the County, and inter-organizational transactions and balances are not eliminated.

f) 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.

g) Equity in tangible capital assets:

Equity in tangible capital assets represents the County's net investment in total tangible capital assets, after deducting the portion financed by third parties through debenture debt or any other long term capital borrowings or liabilities.

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. ACCOUNTING POLICIES (continued):

h) 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 change in net financial assets for the year.

i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15-20 years
Buildings	25-50 years
Engineered structures, roads and bridges	7-75 years
Machinery and equipment.....	5-15 years
Vehicles	4-25 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Inventory for consumption:

Inventory for consumption is recorded at the lower of cost or net realizable value.

2. CASH AND TEMPORARY INVESTMENTS:

	<u>2009</u>	<u>2008</u>
Cash	\$ 1,035,705	\$ 2,702,574
Temporary investments	<u>11,650,010</u>	<u>10,935,000</u>
	<u>\$12,685,715</u>	<u>\$13,637,574</u>

Temporary investments are short-term investments with original maturities of 180 days or less.

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

3. TAXES RECEIVABLE:

Taxes receivable are comprised of the following:

	<u>2009</u>	<u>2008</u>
Current taxes	\$ 265,584	\$153,334
Tax arrears.....	<u>161,278</u>	<u>126,935</u>
	426,862	280,269
Less: allowance for doubtful accounts	<u>(120,160)</u>	<u>(75,342)</u>
	<u>\$ 306,702</u>	<u>\$204,927</u>

4. TRADE AND OTHER RECEIVABLES:

Trade and other receivables are comprised of the following:

	<u>2009</u>	<u>2008</u>
Due from provincial government.....	\$ 867,953	\$ 621,686
Due from federal government.....	482,237	263,300
Trade receivables and other	<u>115,463</u>	<u>394,295</u>
	1,465,653	1,279,281
Less: allowance for doubtful accounts.....	<u>(57,073)</u>	<u>-</u>
	<u>\$1,408,580</u>	<u>\$1,279,281</u>

5. INVESTMENT IN SUBSIDIARY COMPANY:

Investment in subsidiary company represents the County's accumulated investment in its wholly-owned subsidiary company, Beaver Regional Industrial Services Corp. The amount consists of:

	<u>2009</u>	<u>2008</u>
Common shares - 100% ownership	\$ 100	\$ 100
Cumulative share of earnings	<u>28,753</u>	<u>1,510</u>
Total	<u>\$28,853</u>	<u>\$1,610</u>

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

5. INVESTMENT IN SUBSIDIARY COMPANY (continued):

Condensed financial information for the year ended December 31 is as follows:

	<u>2009</u>	<u>2008</u>
<u>Financial position</u>		
Current assets	\$ 13,962	\$ 42,071
Land.....	19,499	-
Equipment under construction	<u>170,028</u>	<u>170,028</u>
Total assets.....	<u>\$203,489</u>	<u>\$212,099</u>
Current liabilities	\$ 3,585	\$ 39,438
Deferred capital grant	171,051	171,051
Shareholders' equity.....	<u>28,853</u>	<u>1,610</u>
Total liabilities and shareholders' equity.....	<u>\$203,489</u>	<u>\$212,099</u>
<u>Operations:</u>		
Revenue	\$ 59,507	\$ 54,292
Expenses.....	<u>32,264</u>	<u>50,439</u>
Net income for the year	<u>\$ 27,243</u>	<u>\$ 3,853</u>

6. BANK INDEBTEDNESS:

The County has arranged \$1,200,000 in bank credit facilities bearing interest at the bank prime rate less 1/4% per annum. The credit facilities are secured by the taxes levied by the County. There was no balance outstanding on the credit facilities at December 31, 2009 or December 31, 2008.

7. EMPLOYEE BENEFIT OBLIGATIONS:

Employee benefit obligations consist of accrued vacation and banked time that employees have earned but have deferred to future years.

8. TRUST FUNDS:

Beaver County administers the following trust:

	<u>2009</u>	<u>2008</u>
Alberta Municipal Affairs - Beaver Emergency Services Commission:		
Balance at beginning of the year.....	\$ -	\$ -
Additions.....	335,000	-
Expenses incurred.....	<u>(4,818)</u>	<u>-</u>
Balance at end of the year	<u>\$330,182</u>	<u>\$ -</u>

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

9. DEBT LIMITS:

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

	<u>2009</u>	<u>2008</u> (Restated)
Total debt limit	\$19,437,497	\$17,856,323
Total debt.....	<u> -</u>	<u> -</u>
Amount of total debt limit unused	<u>\$19,437,497</u>	<u>\$17,856,323</u>
Service on debt limit	\$ 3,239,583	\$ 2,976,054
Service on debt.....	<u> -</u>	<u> -</u>
Amount of total debt servicing unused	<u>\$ 3,239,583</u>	<u>\$ 2,976,054</u>

The debt limit is calculated at 1.5 times revenue of the County (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.

10. INVENTORY FOR CONSUMPTION:

Inventory for consumption consists of the following:

	<u>2009</u>	<u>2008</u>
Gravel	\$2,195,224	\$2,462,438
Transportation shop - public works	249,179	281,772
Broadband materials.....	<u>46,150</u>	<u>15,600</u>
	<u>\$2,490,553</u>	<u>\$2,759,810</u>

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

11. ACCUMULATED SURPLUS:

Accumulated surplus consists of the following:

	<u>2009</u>	<u>2008</u>
Unrestricted surplus	\$ <u>2,971,572</u>	\$ <u>2,161,079</u>
Restricted surplus:		
Administration.....	775,635	683,952
Public safety.....	23,424	11,425
Disaster services.....	25,000	25,000
Fire protection.....	570,073	693,093
Ambulance.....	73,490	73,490
Public works.....	5,789,749	5,971,686
Water system.....	70,940	133,779
Parks and recreation.....	295,477	311,428
Planning and economic development.....	822,351	1,139,219
Agriculture.....	315,028	280,645
Contingency.....	<u>2,156,166</u>	<u>2,129,600</u>
Total restricted surplus.....	<u>10,917,333</u>	<u>11,453,317</u>
Equity in tangible capital assets (schedule 1)	<u>35,866,646</u>	<u>34,073,837</u>
Equity in investment in subsidiary company (Note 5).....	<u>28,853</u>	<u>1,610</u>
	<u>\$49,784,404</u>	<u>\$47,689,843</u>

BEAVER COUNTY
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12. SALARY AND BENEFITS DISCLOSURE:

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

	<u>2009</u>			<u>2008</u>
	<u>Salary</u>	<u>Benefits and Allowance</u>	<u>Total</u>	<u>Total</u>
Councillors:				
Division 1	\$ 30,158	\$ 4,252	\$ 34,410	\$ 32,659
Division 2	35,302	6,062	41,364	44,541
Division 3	34,320	5,959	40,279	49,130
Division 4	24,423	303	24,726	23,839
Division 5	<u>41,255</u>	<u>6,735</u>	<u>47,990</u>	<u>51,869</u>
	165,458	23,311	188,769	202,038
Chief Administrative Officer	119,080	23,695	142,775	124,187
Designated officers (5 positions) ...	<u>354,524</u>	<u>69,553</u>	<u>424,077</u>	<u>360,442</u>
 Total	 <u>\$639,062</u>	 <u>\$116,559</u>	 <u>\$755,621</u>	 <u>\$686,667</u>

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes the employer's share of all benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

13. LOCAL AUTHORITIES PENSION PLAN:

Employees of Beaver County participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 133,000 people and 389 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund.

Contributions for current service and past service pension benefits are recorded as expenses in the year in which they become due.

BEAVER COUNTY
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13. LOCAL AUTHORITIES PENSION PLAN (continued):

Beaver County is required to make current service contributions to LAPP of 8.46% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.66% on pensionable earnings above this amount. Employees of Beaver County are required to make current service contributions of 7.46% of pensionable salary up to the year's maximum pensionable salary and 10.66% on pensionable salary above this amount.

At December 31, 2008 the LAPP disclosed an actuarial deficit of approximately \$4.41 billion.

14. COMMITMENTS:

The County is committed to the purchase of equipment in 2010 in the amount of \$620,812 and is committed to gravel supply and hauling contracts in 2010 in the amount of \$1,914,250.

The County has committed to the sale of Broadband tangible capital assets and inventory for \$301,000 in 2010.

15. FINANCIAL INSTRUMENTS:

The County's financial instruments consist of cash and temporary investments, taxes and accounts receivable, accounts payable and accrued liabilities, employee benefit obligations and deposit liabilities. It is management's opinion that Beaver County is not exposed to significant interest on currency risks arising from these financial instruments.

The County is subject to credit risk with respect to taxes and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

The carrying values of the financial instruments approximate their fair values.

BEAVER COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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16. PRIOR PERIOD ADJUSTMENT:

Beaver County has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

Adjustments to opening accumulated surplus:	
As previously reported	\$ 31,601,947
Adjustment to net book value of tangible capital assets	<u>16,087,896</u>
As restated.....	<u>\$ 47,689,843</u>
Adjustments to deficiency of revenue over expenses:	
As previously reported	\$ 406,373
Tangible capital assets recorded but previously expensed.....	2,482,591
Annual amortization expense.....	(2,434,894)
Proceeds on sale of tangible capital assets previously recorded as revenue	(910,257)
Gain on disposal of tangible capital assets.....	<u>345,344</u>
As restated.....	<u>\$ (110,843)</u>
Adjustments to tangible capital assets:	
As previously reported	\$ 17,985,941
Adjustment to historical cost of tangible capital assets.....	61,066,239
Accumulated amortization recorded	<u>(44,978,343)</u>
As restated.....	<u>\$ 34,073,837</u>

Certain comparative figures have been restated to conform to the current year's presentation.

17. APPROVAL OF FINANCIAL STATEMENTS:

These financial statements were approved by Council and Management.