



**GREGORY,
HARRIMAN
& ASSOCIATES
PROFESSIONAL ACCOUNTANTS**

Karen A. Gregory
B.A., B.Comm., C.A.
Professional Corporation

Shelley Harriman
Certified General Accountant
Professional Corporation

Village of Beiseker

Financial Statements

For the Year Ended December 31, 2003

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Association of two Professional Corporations that are in the practice of accountancy

Village of Beiseker

December 31, 2003

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AUDITORS' REPORT

To the Mayor and Council of the
Village of Beiseker

We have audited the Consolidated Statement of Financial Position of the Village of Beiseker as at December 31, 2003 and the Consolidated Statement of Financial Activities and Change in Fund Balance and Consolidated Statement of Changes in Financial Position for the year then ended. These consolidated financial statements are the responsibility of the Village'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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Village of Beiseker as at December 31, 2003 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 1.

Strathmore, Alberta
February 13, 2004

Shelley Harriman Assoc.
Gregory, Harriman & Associates
Professional Accountants

Village of Beiscker
Consolidated Statement of Financial Activities and Change in Fund Balance
For the Year Ended December 31, 2003

	<i>Budget</i> <i>(Unaudited)</i>	2003	2002
REVENUE			
Net municipal property taxes (Schedule 4)	\$ 598,635	599,533	\$ 593,226
Sale of goods and user charges	222,850	236,895	239,228
Fines	1,760	4,153	1,450
Franchise and concession contracts	11,000	11,325	10,257
Government transfers (Schedule 5)	145,108	82,422	141,567
Insurance proceeds	-	7,728	-
Investment income	7,905	11,907	8,447
Licenses and permits	8,750	20,260	11,427
Other revenues	31,900	34,060	19,484
Penalties and costs on taxes	9,510	20,518	29,439
Proceeds from disposition of physical assets	-	10,300	-
Rent	16,725	17,746	19,028
TOTAL REVENUE	<u>1,054,143</u>	<u>1,056,847</u>	<u>1,073,553</u>
EXPENDITURES (Schedule 6)			
Operating			
Legislative	16,400	17,630	13,871
Administration	139,825	129,566	133,353
Police, fire and bylaw enforcement	79,350	65,962	71,184
Roads, streets, walks and lighting	205,339	203,592	174,414
Water and wastewater	147,878	134,157	119,218
Waste management	60,312	51,793	50,225
Subdivision, planning and economic development	38,714	36,693	33,391
Recreation, parks and culture	83,458	76,477	73,133
Public health and welfare	32,257	35,379	28,958
Total operating expenditures	<u>803,533</u>	<u>751,249</u>	<u>697,747</u>
Capital			
Buildings	36,850	6,020	-
Engineering structures	154,750	94,690	229,021
Machinery and equipment	58,085	52,888	20,948
Vehicles	-	35,983	-
Other	-	7,728	-
Unamortized cost of disposed property	-	20,000	-
Total capital expenditures	<u>249,685</u>	<u>217,309</u>	<u>249,969</u>
TOTAL EXPENDITURES	<u>1,053,218</u>	<u>968,558</u>	<u>947,716</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>925</u>	<u>88,289</u>	<u>125,837</u>
Transferred from (to) Reserves	9,825	(12,778)	7,471
Transferred (from) to Accumulated Surplus	35,000	6,341	-
Internal interfund transfer from equity in capital	-	20,000	-
Debt issued	46,000	57,049	76,180
Debt repayment	(91,750)	(91,990)	(97,695)
	<u>(925)</u>	<u>(21,378)</u>	<u>(14,044)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>66,911</u>	<u>\$ 111,793</u>

The accompanying notes form an integral part of these financial statements.
 Gregory, Harriman & Associates, Professional Accountants

Village of Beiseker
Consolidated Statement of Changes in Financial Position
For the Year Ended December 31, 2003

	2003	2002
Operations		
Excess of revenue over expenditures	\$ 88,289	\$ 125,837
Adjustments for Non Cash Items:		
Unamortized cost of disposed property	20,000	-
	<u>108,289</u>	<u>125,837</u>
Net changes in non-cash working capital balances		
Decrease (Increase) in taxes and grants-in-lieu receivable	(44,103)	102,986
Decrease (Increase) in trade and other receivables	25,080	(32,107)
Decrease (Increase) in GST receivable	5,371	(247)
Decrease (Increase) in prepaid expenses	(7,311)	(3,578)
Decrease (Increase) in other assets	(419)	(464)
Decrease (Increase) in other receivables	25,250	2,500
Increase (Decrease) in accounts payable and accrued liabilities	10,417	(53,017)
Increase (Decrease) in deposit liabilities	521	(3,819)
Increase (Decrease) in prepaid local improvement charges	(199)	(283)
Increase (Decrease) in deferred revenue	27,977	(3,915)
Increase (Decrease) in other long term liabilities	-	5,727
	<u>42,584</u>	<u>13,783</u>
Net Cash Provided from Operating Activities	<u>150,873</u>	<u>139,620</u>
Investing Activities		
Decrease (Increase) in long term investments	-	-
	<u>-</u>	<u>-</u>
Financing		
Issuance of new long term debt	57,049	76,180
Repayment of long term debt	(91,990)	(97,695)
	<u>(34,941)</u>	<u>(21,515)</u>
Change in Cash and Cash Equivalents, during the year <i>Cash in bank @ Dec. 31/03.</i>	115,932	118,105
Net Cash and Temporary Investments, beginning of year	461,034	342,929
Net Cash and Temporary Investments, end of year	<u>\$ 576,966</u>	<u>\$ 461,034</u>
Cash position represented by:		
Cash and temporary investments	<u>\$ 576,966</u>	<u>\$ 461,034</u>

The accompanying notes form an integral part of these financial statements.
 Gregory, Harriman & Associates, Professional Accountants

Village of Beiseker
Schedule of Financial Activities and Change in Fund Balance - Operating
For the Year Ended December 31, 2003
(Schedule 1)

	<i>Budget (Unaudited)</i>	2003	2002
REVENUE			
Net municipal property taxes (Schedule 4)	\$ 598,635	\$ 599,533	\$ 593,226
Sale of goods and user charges	222,850	236,895	239,228
Fines	1,760	4,153	1,450
Franchise and concession contracts	11,000	11,325	10,257
Government transfers	36,048	36,035	34,708
Investment income	7,905	11,907	8,447
Licenses and permits	8,750	20,260	11,427
Other revenues	22,900	23,835	18,484
Penalties and costs on taxes	9,510	20,518	29,439
Rent	16,725	17,746	19,028
	<u>936,083</u>	<u>982,207</u>	<u>965,694</u>
EXPENDITURES			
Legislative	16,400	17,630	13,871
Administration	139,825	129,566	133,353
Police, fire and bylaw enforcement	79,350	65,962	71,184
Roads, streets, walks and lighting	205,339	203,592	174,414
Water and wastewater	147,878	134,157	119,218
Waste management	60,312	51,793	50,225
Subdivision, planning and economic development	38,714	36,693	33,391
Recreation, parks and culture	83,458	76,477	73,133
Public health and welfare	32,257	35,379	28,958
TOTAL EXPENDITURES	<u>803,533</u>	<u>751,249</u>	<u>697,747</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>132,550</u>	<u>230,958</u>	<u>267,947</u>
NET INTERFUND TRANSFERS			
From (To) Reserves	(7,625)	(12,778)	7,471
From (To) Capital Fund	(159,925)	(157,610)	(163,625)
Appropriated from Opening Balance	35,000	6,341	-
CHANGE IN FUND BALANCE	-	66,911	111,793
FUND BALANCE, beginning of year	321,854	361,148	249,355
Appropriated to Operating Surplus	(35,000)	(6,341)	-
FUND BALANCE, end of year	<u>\$ 286,854</u>	<u>\$ 421,718</u>	<u>\$ 361,148</u>

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates, Professional Accountants

Village of Beiseker
Schedule of Financial Activities and Change in Fund Balance - Capital
For the Year Ended December 31, 2003
(Schedule 2)

	<i>Budget (Unaudited)</i>	2003	2002
REVENUE			
Government transfers	\$ 109,060	\$ 46,387	\$ 106,859
Proceeds from disposition of physical assets	-	10,300	-
Insurance proceeds	-	7,728	-
Other	9,000	10,225	1,000
	<u>118,060</u>	<u>74,640</u>	<u>107,859</u>
EXPENDITURES			
Buildings	36,850	6,020	-
Engineering structures	154,750	94,690	229,021
Land	-	-	-
Machinery and equipment	58,085	52,888	20,948
Vehicles	-	35,983	-
Unamortized cost of disposed property	-	20,000	-
Other	-	7,728	-
	<u>249,685</u>	<u>217,309</u>	<u>249,969</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(131,625)</u>	<u>(142,669)</u>	<u>(142,110)</u>
NET INTERFUND TRANSFERS			
From (To) Operating	159,925	157,610	163,625
From (To) Reserves	17,450	-	-
Internal interfund transfer from equity in capital	-	20,000	-
Debt issued	46,000	57,049	76,180
Debt repayment	(91,750)	(91,990)	(97,695)
	<u>131,625</u>	<u>142,669</u>	<u>142,110</u>
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Village of Beiseker
Consolidated Schedule of Reserves and Change in Fund Balance
For the Year Ended December 31, 2003
(Schedule 3)

	2003	2002
FUND BALANCE, beginning of year	<u>\$ 189,066</u>	<u>\$ 196,537</u>
Add (Deduct):		
Transfer from Operating Fund	12,778	(7,471)
Transfer to Operating Fund	<u>-</u>	<u>-</u>
	<u>12,778</u>	<u>(7,471)</u>
Transfer from Capital Fund	-	-
Transfer to Capital Fund	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>12,778</u>	<u>(7,471)</u>
FUND BALANCE, end of year (Note 11)	<u><u>\$ 201,844</u></u>	<u><u>\$ 189,066</u></u>

Schedule of Capital Equity
For the Year Ended December 31, 2003
(Schedule 3)

	2003	2002
EQUITY, beginning of year	<u>\$ 7,571,654</u>	<u>\$ 7,300,170</u>
Add (Deduct):		
Capital purchases	189,581	249,969
Unamortized cost of disposed property	(20,000)	-
Debenture and long term debt principal payments	91,990	97,695
Long term debt issued	<u>(57,049)</u>	<u>(76,180)</u>
CHANGE IN FUND BALANCE	<u>204,522</u>	<u>271,484</u>
EQUITY, end of year	<u><u>\$ 7,776,176</u></u>	<u><u>\$ 7,571,654</u></u>

Village of Beiseker
Schedule of Property Taxes Levied and Grants-in-Lieu
For the Year Ended December 31, 2003
(Schedule 4)

	<i>Budget</i> <i>(Unaudited)</i>	2003	2002
TAXATION			
Real property taxes	\$ 754,314	\$ 753,149	\$ 729,787
Linear property taxes	64,711	64,711	64,767
Government grants-in-lieu of taxes	10,365	10,365	11,541
Special assessments and local improvement taxes	25,710	27,772	25,462
TOTAL TAXES AND GRANTS-IN-LIEU	<u>855,100</u>	<u>855,997</u>	<u>831,557</u>
REQUISITIONS			
Alberta School Foundation Fund	252,210	252,210	235,571
Rockyview Foundation	4,255	4,254	2,760
	<u>256,465</u>	<u>256,464</u>	<u>238,331</u>
NET TAXES FOR GENERAL MUNICIPAL PURPOSES	<u>\$ 598,635</u>	<u>\$ 599,533</u>	<u>\$ 593,226</u>

Village of Beiseker
Schedule of Government Transfers
For the Year Ended December 31, 2003
(Schedule 5)

	<i>Budget</i> <i>(Unaudited)</i>	2003	2002
FEDERAL TRANSFERS			
Shared-cost agreements and grants	<u>\$ 5,220</u>	<u>\$ 5,050</u>	<u>\$ 40,777</u>
 PROVINCIAL TRANSFERS			
Shared-cost agreements and grants	139,888	75,421	98,193
Debt interest rebates	-	1,951	2,597
	<u>139,888</u>	<u>77,372</u>	<u>100,790</u>
	<u>\$ 145,108</u>	<u>\$ 82,422</u>	<u>\$ 141,567</u>

Village of Beiseker
Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2003
(Schedule 6)

	<i>Budget</i> <i>(Unaudited)</i>	2003	2002
EXPENDITURES			
Salaries, wages and benefits	\$ 311,170	\$ 294,827	\$ 275,711
Contracted and general services	237,043	218,911	208,504
Materials, goods, supplies and utilities	177,525	159,607	146,662
Transfers to local boards and agencies	31,370	27,704	25,977
Transfers to individuals and organizations	-	-	-
Bank charges and short term interest	800	536	514
Interest on capital long term debt	40,975	38,101	38,239
Physical assets acquired	249,685	189,581	249,969
Other expenditures	4,650	19,291	2,140
Unamortized cost of disposed capital property	-	20,000	-
	<u>\$ 1,053,218</u>	<u>\$ 968,558</u>	<u>\$ 947,716</u>

Village of Beiseker
Notes to Financial Statements
December 31, 2003

1) Significant Accounting Policies

The Village of Beiseker (Municipality) is a Municipality in the Province of Alberta. The consolidated financial statements are the representation of management and have been prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of these accounting policies are as follows:

A. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of all the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial resources.

The following activities are included in these consolidated financial statements:

- 1) General Municipal Operations
- 2) Water and Sewer Utility Funds

The schedule of taxes levied also includes operating requisitions for educational, and other external organizations that are not controlled by the municipal council.

B. Fund Accounting

For reporting purposes, established funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from sales of land held for resale are recorded as operating fund revenues.

The operating and capital funds are further segregated by functions, which relate to specific areas of activity.

C. Basis of Accounting

The accrual basis of accounting is followed in the financial statement presentation. This basis includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenses are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

D. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

E. Taxes and Grants-in-Lieu Receivable

Taxes and grants-in-lieu receivable consist of current tax levies, which remain outstanding at December 31.

F. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments.

Village of Beiseker
Notes to Financial Statements
December 31, 2003

1) Significant Accounting Policies (Continued)

G. Physical Assets

Physical assets are reported as expenditures in the period they are acquired. Physical assets are recorded at cost except for donated assets, which are recorded at estimated fair value when received.

Government contributions for the acquisition of physical assets are recorded as capital revenue and do not reduce the related physical asset costs.

Physical assets for government purposes are not depreciated.

H. Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special property 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 deferred revenue. Deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

I. Reserves for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from operating reserves are reflected as an adjustment to the operating fund while transfers to and/or from capital reserves are shown as an adjustment to capital fund.

J. Equity in Physical Assets

Equity in physical assets represents the Village of Beiseker's net investment in its total fixed assets, after deducting the portion financed by third parties through debenture, bond, and mortgage debts, long term capital borrowing, capitalized leases, and other capital liabilities.

K. Excess Collections and Under-levies

Over-levies and under-levies arise from the difference between the actual 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.

L. Measurement Uncertainty

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 amount of revenues and expenses during the period. Actual results could differ from those estimates.

**Village of Beiseker
Notes to Financial Statements
December 31, 2003**

2) Cash and Temporary Investments	2003	2002
Petty cash	\$ 200	\$ 150
Mountain View Credit Union	576,766	460,884
	<u>\$ 576,966</u>	<u>\$ 461,034</u>

Included in the above funds are \$14,598 principal plus \$366 interest from public auction proceeds. These funds are restricted for ten (10) years from the date of public auction. The auctions were held between 1995 and 2002.

Included in the above funds are two T-Bills totalling \$63,190. Interest is earned at a rate of 2.57% and is added to the T-Bills monthly.

3) Taxes and Grants-in-Lieu Receivable	2003	2002
Current taxes and grants-in-lieu	\$ 93,966	\$ 49,799
Tax arrears and grants-in-lieu	15,459	15,523
	<u>\$ 109,425</u>	<u>\$ 65,322</u>

4) Loan Receivable	2003	2002
Wild Rose Economic Development Corporation	\$ -	\$ 5,000
Trouth Agencies Ltd.	1,500	21,750
Blue-Con Construction	7,500	7,500
	<u>\$ 9,000</u>	<u>\$ 34,250</u>

The loan to the Wild Rose Economic Development Corporation represents funds that were advanced to be used exclusively for the revitalization, refurbishment and beautification of the Village of Beiseker's local business community. The loan was repaid in 2003.

The loan to Trouth Agencies Ltd. is a result of a sale of land held for resale in 1999 and was due April 2003. The balance owing of \$1,500 is being negotiated with third parties.

The Blue Con Construction advance is for the deposit of \$1,500 on five (5) lots in the Village of Beiseker. Upon the lot sales, the note is due and payable.

5) Physical Assets	2003	2002
	Cost & Net Book Value	Cost & Net Book Value
Land	\$ 86,555	\$ 86,555
Buildings	551,740	545,720
Engineering structures	6,805,552	6,710,862
Machinery, equipment and furnishings	591,390	538,502
Vehicles	190,357	174,374
	<u>\$ 8,225,594</u>	<u>\$ 8,056,013</u>

**Village of Beiseker
Notes to Financial Statements
December 31, 2003**

6) Accounts Payable and Accrued Liabilities	2003	2002
Accounts payable	\$ 56,719	\$ 43,825
Accrued interest	7,606	10,083
	<u>\$ 64,325</u>	<u>\$ 53,908</u>
 7) Deposit Liabilities	 2003	 2002
Utility deposits	\$ 21,796	\$ 21,175
Hall rental deposits	200	300
Contractor's holdback	6,500	6,500
	<u>\$ 28,496</u>	<u>\$ 27,975</u>
 8) Deferred Revenue	 2003	 2002
2003 SIP Grant	\$ 46,007	\$ 17,441
2003 Municipal Sponsorship Program	13,600	16,200
Fire Services Training Grant	2,000	-
Cat/Dog licences	305	-
Prepaid leases	-	94
Economic development programs	-	200
	<u>\$ 61,912</u>	<u>\$ 33,935</u>
 9) Other Long Term Liabilities	 2003	 2002
Public auction proceeds (<i>Note 2</i>)	<u>\$ 14,598</u>	<u>\$ 14,598</u>

Village of Beiseker
Notes to Financial Statements
December 31, 2003

10) Long Term Debt	2003	2002
Tax supported debentures	\$ 152,172	\$ 219,352
Mountainview Credit Union loans are as follows:		
#3 Sewer Lagoon - Interest @ 6.60%, repayable in monthly payments of \$618.14 including interest, maturing June 1, 2011.	43,840	48,207
#5 9th Street Storm - Interest @ 6.60%, repayable in monthly payments of \$607.49 including interest, maturing June 1, 2011.	43,070	47,362
#6 2000 1/2 Ton Truck - Interest @ 6.95%, repayable in monthly payments of \$1,109.70, maturing February 1, 2003. The truck, with a book value of \$25,505.00 has been pledged as collateral.	-	2,194
#7 1st Avenue Rebuild Phase #1 - Interest @ 6.60%, repayable in monthly payments of \$1,127.54 including interest, maturing December 1, 2011.	83,312	91,065
#8 1st Avenue Rebuild Phase #2 - Interest @ 5.50%, repayable in monthly payments of \$826.76, maturing December 4, 2012.	69,975	76,179
#9 Beacon Heights Road Paving - Interest @ 5.85%, repayable in monthly payments of \$519.24, maturing December 1, 2008.	26,951	-
#10 508 7th Street Water and Sewer - Interest @ 5.85%, repayable in monthly payments of \$580.10, maturing January 1, 2009.	30,098	-
	449,418	484,359
Less: Current portion	(108,417)	(91,682)
	\$ 341,001	\$ 392,677

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2004	\$ 108,417	\$ 34,379	\$ 142,796
2005	88,622	23,247	111,869
2006	42,347	15,135	57,482
2007	45,106	12,375	57,481
2008	47,893	9,425	57,318
Thereafter	117,033	12,345	129,378
	\$ 449,418	\$ 106,906	\$ 556,324

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 10.50% to 12.0% per annum, before Provincial Subsidy, and mature in periods 2004 through 2010. The average annual interest rate is 11.405% for 2003 (11.375% for 2002). For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9% and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Village of Beiseker at large.

Bank loans #3, #5, #7, #8, #9 and #10 are issued on the credit and security of the Village of Beiseker at large.

Village of Beiseker
Notes to Financial Statements
December 31, 2003

11) Reserves

Reserves for operating and capital activities changed as follows:

Operating Reserves	2002	Increases	Decreases	2003
Water servicing	\$ 26,951	\$ -	\$ -	\$ 26,951
Subdivision lands	18,033	-	-	18,033
Administration	4,186	-	811	3,375
Fire fighting	13,940	2,000	15,500	440
Economic development	2,211	6,048	1,286	6,973
Office RSP	3,703	3,125	3,375	3,453
Campground	5,952	3,597	1,881	7,668
Public works RSP	2,335	2,000	1,667	2,668
Transportation	-	-	-	-
Planning	1,051	-	-	1,051
Cash-in-lieu	587	2,900	-	3,487
F.C.S.S.	800	2,290	-	3,090
Tourism	1,920	914	-	2,834
	<u>\$ 81,669</u>	<u>\$ 22,874</u>	<u>\$ 24,520</u>	<u>\$ 80,023</u>
Capital Reserves	2002	Increases	Decreases	2003
Sewer	\$ 46,275	\$ -	\$ -	\$ 46,275
Industrial park	24,113	-	-	24,113
Airport	22,056	-	6,898	15,158
C.P.R. Station	3,700	-	-	3,700
Common services - Vehicles	-	2,000	-	2,000
Recreation	-	75	-	75
Tourism capital	500	-	-	500
Transportation - Sidewalks	-	30,000	-	30,000
Common services - MIMS Project	10,753	-	10,753	-
	<u>\$ 107,397</u>	<u>\$ 32,075</u>	<u>\$ 17,651</u>	<u>\$ 121,821</u>
Total Reserves	<u><u>\$ 189,066</u></u>	<u><u>\$ 54,949</u></u>	<u><u>\$ 42,171</u></u>	<u><u>\$ 201,844</u></u>

Village of Beiseker
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12) Salary and Benefits Disclosure

Disclosure of salaries and benefits for elected municipal officials, the Village Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	2003		2002	
	Salary (1)	Benefits & Allowances (2)	Total	
Mayor Fegan	\$ 1,725	\$ 1,097	\$ 2,822	\$ 1,904
Deputy Mayor Courtman	1,200	119	1,319	1214
Councillor Priestman	285	3,055	3,340	2881
Councillor Rowe	255	3,055	3,310	2881
Councillor Witt	240	40	280	1359
Councillor Hnybida	345	1,527	1,872	-
Chief Administrative Officer	40,575	2,503	43,078	40,464
Total	\$ 44,625	\$ 11,396	\$ 56,021	\$ 50,703

(1) Salary includes regular base pay and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada pension plan (CPP), employment insurance (EI), 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) 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 Village of Beiseker be disclosed as follows:

	2003	2002
Total debt limit (1.5 * total eligible revenues)	\$ 1,515,690	\$ 1,448,540
Total long term debt (Note 10)	449,418	484,359
Unused total debt limit capacity	\$ 1,066,272	\$ 964,181
Service on debt limit (0.25 * total eligible revenues)	\$ 252,615	\$ 241,423
Service on debt (next years principal and interest due) (Note 10)	142,796	132,575
Unused service on debt limit capacity	\$ 109,819	\$ 108,848

The debt limit is calculated at 1.5 times 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 consolidated financial statements must be interpreted as a whole.

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14) Contingencies

The Village of Beiseker is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Village 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.

15) Commitments

The Village of Beiseker has entered into an Energy Purchase Agreement with Nexen Marketing for the purchase of natural gas and electricity. It is a five (5) year contract and becomes effective January 1, 2004.

16) Financial Instruments

The Village's financial instruments consist of cash and temporary investments, receivables, payables, deposit liabilities, other long term liabilities, and long term debt.

a) Interest Rate Risk

The Village of Beiseker has fixed interest rates through the debenture financing with Alberta Municipal Affairs. The Village's exposure to interest rate risk is related to its ability to collect taxes and utility receivables.

b) Credit Risk

The Village of Beiseker, as part of its operations, carries a number of financial instruments. It is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximates their carrying values.

c) Fair Value

Unless otherwise noted, the fair values of these financial instruments approximates their carrying value.

17) Approval of Financial Statements

Council and Management approved these financial statements.