

Alberta Beach
Financial Statements
December 31, 2022

Alberta Beach

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Alberta Beach (the "Organization") is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Organization's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Organization Council carries out its responsibilities for review of the financial statements principally through its meeting with management. This Council meets regularly with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Council with and without the presence of management. The Organization Council has approved the financial statements.

The financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Organization. The accompanying independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Organization's financial statements.

Kathy Skwarchuk

Chief Administrative Officer

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITOR'S REPORT

To the Members of Council

Opinion

We have audited the financial statements of **Alberta Beach (the "Organization")**, which comprise the statement of financial position as at December 31, 2022, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, the results of its operations, change in its net financial assets 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 Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT - continued

- 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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

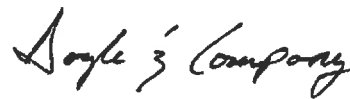
Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Organization's debt limit can be found in note 6.

Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 11.

April 18, 2023
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

Alberta Beach
Statement of Financial Position
As at December 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	586,822	171,828
Restricted cash (Note 3)	947,007	974,556
Receivables		
Taxes and grants in place of taxes (Note 4)	249,931	199,864
Trade and other receivables (Note 4)	326,762	436,432
Supplies for resale inventory	11,943	9,984
	2,122,465	1,792,664
LIABILITIES		
Accounts payable and accrued liabilities	101,544	81,307
Deposit liabilities	17,942	18,892
Deferred revenue (Note 5)	178,612	40,797
	298,098	140,996
NET FINANCIAL ASSETS	1,824,367	1,651,668
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	7,033,782	7,103,854
Prepaid expenses	58,388	47,685
	7,092,170	7,151,539
ACCUMULATED OPERATING SURPLUS (Schedule 1, Note 9)	8,916,537	8,803,207

Commitments - Note 12

The accompanying notes form part of these financial statements

Alberta Beach
Statement of Operations
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	1,901,888	1,900,380	1,858,616
Campground user fees	314,000	304,547	266,697
Other user fees and sale of goods	4,800	18,960	7,172
Sales to other governments	15,970	26,567	22,836
Franchise fees	84,000	98,654	89,166
Government transfers for operating (Schedule 4)	77,549	77,681	45,268
Local government transfers	10,000	11,000	83,077
Licenses and permits	6,600	4,535	10,065
Fines	33,500	33,522	39,140
Penalties and costs of taxes	60,000	72,302	60,206
Investment income	8,500	42,679	9,468
Rental	105,800	116,248	107,241
Other	10,000	10,519	36,198
Total Revenue	2,632,607	2,717,594	2,635,150
EXPENSES			
General government			
Administration	498,840	493,116	494,668
Assessment services	26,000	23,995	23,520
Legislative	98,925	91,389	81,200
Protective services			
Ambulance	8,200	7,535	6,534
Bylaws enforcement	151,165	144,684	178,601
Fire department	115,517	119,553	116,480
Transportation services			
Public works	399,373	395,177	388,444
Roads, streets, walks, lighting	157,000	165,440	173,411
Planning and development			
Planning and development	58,211	54,385	25,560
Recreation and culture			
Alberta Beach boat launch and wharf	5,000	6,183	16,330
Campground	118,000	131,314	122,885
Recreation & facilities	136,876	110,493	99,276
Environmental services			
Water supply & distribution	66,728	54,538	59,098
Wastewater treatment and disposal	579,553	579,554	573,682
Waste management	113,019	122,499	131,952
Total Expenses	2,532,407	2,499,855	2,491,641
EXCESS OF REVENUE OVER EXPENSES			
BEFORE OTHER REVENUE AND EXPENSES	100,200	217,739	143,509
OTHER REVENUE AND EXPENSES			
Amortization of tangible capital assets	(65,000)	(356,154)	(345,787)
Loss on sale of tangible capital assets	-	-	(164)
Government transfers for capital (Schedule 4)	210,000	251,745	653,062
EXCESS OF REVENUE OVER EXPENSES	245,200	113,330	450,620
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		8,803,207	8,352,587
ACCUMULATED OPERATING SURPLUS, END OF YEAR		8,916,537	8,803,207

The accompanying notes form part of these financial statements

Alberta Beach
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
EXCESS OF REVENUES OVER EXPENSES	245,200	113,330	450,620
Acquisition of tangible capital assets	(245,200)	(286,082)	(857,474)
Proceeds on disposal of tangible capital assets	-	-	115,004
Amortization of tangible capital assets	-	356,154	345,787
(Gain) loss on sale of tangible capital assets	-	-	164
Decrease (increase) in prepaid expenses	-	(10,703)	2,147
	(245,200)	59,369	(394,372)
INCREASE (DECREASE) IN NET ASSETS	-	172,699	56,248
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	1,651,668	1,595,420
NET FINANCIAL ASSETS, END OF YEAR	-	1,824,367	1,651,668

The accompanying notes form part of these financial statements

Alberta Beach
Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	113,330	450,620
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	356,154	345,787
(Gain) loss on sale of tangible capital assets.	-	164
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(50,067)	(35,922)
Decrease (increase) in trade and other receivables	109,670	(170,822)
Decrease (increase) in supplies for resale inventory	(1,959)	1,113
Decrease (increase) in prepaid expenses	(10,703)	2,147
Increase (decrease) in accounts payables and accrued liabilities	20,237	41,433
Increase (decrease) in deposit liabilities	(950)	(400)
Increase (decrease) in deferred revenue	137,815	(172,450)
Cash provided by operating transactions	673,527	461,670
CAPITAL		
Acquisition of tangible capital assets	(286,082)	(857,474)
Sale of tangible capital assets	-	115,004
Cash applied to capital transactions	(286,082)	(742,470)
INVESTING		
Decrease (increase) in restricted cash	27,549	240,836
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	414,994	(39,964)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	171,828	211,792
CASH AND CASH EQUIVALENTS, END OF YEAR	586,822	171,828

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Changes in Accumulated Operating Surplus - Schedule 1
For the year ended December 31, 2022

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
	\$	\$	\$	\$	\$
Balance, Beginning of Year	493,840	1,205,513	7,103,854	8,803,207	8,352,587
Excess of revenue over expenses	113,330	-	-	113,330	450,620
Unrestricted funds designated for future use	(138,000)	138,000	-	-	-
Current years funds used for tangible capital assets	(286,082)	-	286,082	-	-
Annual amortization expenses	356,154	-	(356,154)	-	-
Change in accumulated surplus	45,402	138,000	(70,072)	113,330	450,620
Balance, End of Year	539,242	1,343,513	7,033,782	8,916,537	8,803,207

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2022

	Land \$	Land Improvements \$	Buildings \$	Engineered Structures \$	Machinery and Equipment \$	Vehicles \$	2022 \$	2021 \$
COST:								
Balance, Beginning of Year	1,349,990	684,575	2,946,239	6,712,204	909,454	334,945	12,937,407	12,212,142
Acquisition of tangible capital assets	-	-	100,980	154,838	30,264	-	286,082	857,474
Disposal of tangible capital assets	-	-	-	-	-	-	-	(132,209)
Balance, End of Year	1,349,990	684,575	3,047,219	6,867,042	939,718	334,945	13,223,489	12,937,407
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	515,205	927,325	3,418,097	678,867	294,059	5,833,553	5,504,807
Annual amortization	-	16,746	55,699	236,693	40,721	6,295	356,154	345,787
Accumulated amortization on disposals	-	-	-	-	-	-	-	(17,041)
Balance, End of Year	-	531,951	983,024	3,654,790	719,588	300,354	6,189,707	5,833,553
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	152,624	2,064,195	3,212,252	220,130	34,591	7,033,782	7,103,854
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	169,370	2,018,914	3,294,107	230,587	40,886		7,103,854

The accompanying notes form part of these financial statements

Alberta Beach

Schedule of Property and Other Taxes - Schedule 3

For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
TAXATION			
Real property taxes	2,178,317	2,176,663	2,111,638
Sewer revitalization levy	245,100	245,100	245,700
	2,423,417	2,421,763	2,357,338
REQUISITIONS			
Alberta School Foundation Fund	481,928	481,928	471,875
Designated Industrial	146	-	-
Lac Ste Anne Foundation	39,455	39,455	38,704
Requisition Underlevy (Overlevy)	-	-	(11,857)
	521,529	521,383	498,722
NET MUNICIPAL TAXES	1,901,888	1,900,380	1,858,616

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
<u>TRANSFERS FOR OPERATING</u>			
Provincial Government - MSI Grant	21,210	21,210	21,210
Provincial Government - FCSS Grant	24,058	24,058	24,058
Other Provincial Government	32,281	32,413	-
	77,549	77,681	45,268
<u>TRANSFERS FOR CAPITAL</u>			
Provincial Government - MSI Grant	210,000	251,745	653,062
TOTAL GOVERNMENT TRANSFERS	287,549	329,426	698,330

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Expenses by Object - Schedule 5
For the year ended December 31, 2022

	2022 Budget (Unaudited) \$	2022 Actual \$	2021 Actual \$
EXPENSES BY OBJECT			
Salaries, wages and benefits	797,682	765,097	769,669
Contracted and general services	825,719	685,185	684,916
Materials, goods, and utilities	480,056	412,613	406,025
Transfers to local boards and agencies	674,150	636,960	631,195
Amortization of tangible capital assets	65,000	356,154	345,787
TOTAL EXPENSES	2,842,607	2,856,009	2,837,592

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Segmented Disclosure - Schedule 6
For the year ended December 31, 2022

	General Government \$	Protective Services \$	Transportation Services \$	Planning & Development \$	Recreation & Culture \$	Environmental Services \$	2022 \$
REVENUE							
Net municipal taxes	1,655,280	-	-	-	-	245,100	1,900,380
Operating government transfers	21,210	-	-	32,413	35,058	-	88,681
User fees and sales of goods	23,455	28,779	3,455	-	304,547	-	360,236
Investment income	42,679	-	-	-	-	-	42,679
Other revenue	186,754	58,645	66,769	3,450	10,000	-	325,618
	1,929,378	87,424	70,224	35,863	349,605	245,100	2,717,594
EXPENSES							
Salaries, wages and benefits	399,811	61,074	256,551	-	-	47,661	765,097
Contracted and general services	187,444	174,530	70,911	54,385	122,059	75,856	685,185
Materials, goods and utilities	21,245	36,168	233,155	-	109,394	12,651	412,613
Transfers to local boards and agencies	-	-	-	-	16,537	620,423	636,960
Balance, End of Year	608,500	271,772	560,617	54,385	247,990	756,591	2,499,855
NET REVENUE, BEFORE AMORTIZATION AND OTHER							
Capital government transfers	1,320,878	(184,348)	(490,393)	(18,522)	101,615	(511,491)	217,739
Amortization	-	-	144,745	-	100,000	7,000	251,745
	(6,238)	(11,741)	(314,307)	-	(14,071)	(9,797)	(356,154)
NET REVENUE	1,314,640	(196,089)	(659,955)	(18,522)	187,544	(514,288)	113,330

The accompanying notes form part of these financial statements

Alberta Beach
Notes to the Financial Statements
December 31, 2022

DESCRIPTION OF OPERATIONS

Alberta Beach is a local government authority providing municipal services. Alberta Beach is empowered through bylaws and policies approved by Council and pursuant to the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Alberta Beach 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 Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by Alberta Beach are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and changes in financial position of the reporting entity.

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

Interdepartmental and organizational transactions and balances are eliminated.

(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 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 or goods have yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided or the tangible capital assets are acquired.

(c) 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 expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Valuation of Financial Assets and Liabilities

The financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash and temporary investments	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost

Alberta Beach
Notes to the Financial Statements
December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Cash and Temporary Investments

Cash and temporary investments consists of bank deposits and savings accounts with a term of three (3) months or less.

(f) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments.

When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(g) 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.

(h) Supplies for Resale Inventory

Supplies held for resale is recorded at the lower of cost or net realizable value. The inventory is accounted for by using the first-in-first-out (FIFO) method.

(i) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(j) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when Alberta Beach has the authority to claim or retain an inflow of economic resource and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

Alberta Beach
Notes to the Financial Statements
December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(k) 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.

(l) 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 (Debt) for the year.

(j) Non-Financial Assets

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:

	Years
Buildings	25-50
Engineered structures	10-75
Land Improvements	10-25
Machinery and equipment	5-20
Vehicles	10

One-half 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) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operation leases and the related lease payments are charged to expenses as incurred.

Alberta Beach
Notes to the Financial Statements
December 31, 2022

2. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. CASH AND TEMPORARY INVESTMENTS

	2022	2021
	\$	\$
Cash and temporary investments	586,822	171,828
Restricted cash	947,007	974,556
	1,533,829	1,146,384

Included in cash and temporary investments is a restricted amount of \$146,623 received from the Municipal Sustainability Initiative Capital and \$3,188 received from the Gas Tax Fund held for approved projects (Note 5).

Council has designated funds of \$947,007 (2021 - \$974,556) for operating and capital reserves. See (Note 9) for details.

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Notes to the Financial Statements
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4. RECEIVABLES

	2022	2021
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	149,242	138,542
Arrears taxes	100,689	61,322
	249,931	199,864
ii) Trade and other receivables		
Trade and other receivables	321,261	423,985
Goods and services tax receivable	11,811	16,610
	333,072	440,595
Less: Allowance for doubtful accounts	6,310	4,163
	326,762	436,432

5. DEFERRED REVENUE

	2022	2021
	\$	\$
Municipal Sustainability Initiative (MSI) - Capital	146,623	-
Canada Community Building Fund (CCBF)	3,188	-
Donation for Trail System	1,000	1,000
FCSS	-	6,016
LSA Recreation and Cultural Grant	1,500	1,500
Alberta Community Partnership Grant (ACP)	26,301	32,281
	178,612	40,797

Municipal Sustainability Initiative (MSI)

Funding in the amount of \$176,388 was received in the current year from the Municipal Sustainability Initiative. Of the \$176,388 received, \$155,178 was from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement. The remaining \$21,210 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement.

Unexpected funds related to the advance are supported by cash and temporary investments held exclusively for these projects. (refer to Note 3)

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Notes to the Financial Statements
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6. DEBT LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Alberta Beach are to be disclosed as follow:

	2022 \$	2021 \$
Total Debt Limit	4,076,391	3,952,725
Total Debt	-	-
Amount of debt limit unused	4,076,391	3,952,725
Debt Service Limit	679,399	658,788
Debt Service	-	-
Amount of debt service limit unused	679,399	658,788

The debt limit is calculated at 1.5 times revenue of the municipality excluding transfers from the governments of Alberta and Canada for the purposes of capital (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.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principle and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

7. TANGIBLE CAPITAL ASSETS

	2022 \$	2021 \$
Net Book Value		
Land	1,349,990	1,349,990
Land improvements	152,624	169,370
Buildings	2,064,195	2,018,914
Engineering structures	3,212,252	3,294,107
Machinery and equipment	220,130	230,587
Vehicles	34,591	40,886
	7,033,782	7,103,854

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022 \$	2021 \$
Tangible capital assets (Schedule 2)	13,223,489	12,937,407
Accumulated amortization (Schedule 2)	(6,189,707)	(5,833,553)
	7,033,782	7,103,854

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9. ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus consists of unrestricted and internally restricted amounts and equity in tangible capital assets as follows:

	2022	2021
	\$	\$
Unrestricted surplus	539,242	493,840
Internally restricted surplus		
Operating reserves		
Economic development - 100 Year	7,296	7,296
Tax rate stabilization	187,907	187,907
Insurance proceeds - Hayland	44,537	44,537
Capital reserves		
Administrative - equipment	6,803	6,803
Building replacement	44,695	44,695
General capital	866,451	803,451
Parks and recreation	34,495	34,495
Police	50,164	25,164
Public works	65,960	40,960
Waste management	10,205	10,205
Agri-plex	25,000	-
	1,343,513	1,205,513
Equity in Tangible Capital Assets (TCA)	7,033,782	7,103,854
	8,916,537	8,803,207

10. SEGMENTED DISCLOSURE

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

Refer to the Schedule of Segmented Disclosure (Schedule 6).

General government includes administration, assessment services, and legislative. Protective services includes ambulance, bylaw enforcement, and fire department. Transportation services includes public works and roads, streets, walks and lighting. Planning and development includes planning and development. Recreation and culture includes Alberta Beach boat launch and wharf, campground, and recreation and facilities. Environmental services includes water supply and distribution, wastewater treatment and disposal, and waste management.

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Notes to the Financial Statements
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11. 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:

	Months	2022		2021	
		Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
Mayor					
A. Duncan	12	10,071	4,775	14,846	-
J. Benedict	-	-	-	-	10,358
B. Love	-	-	-	-	2,574
Deputy Mayor					
A. Duncan	-	-	-	-	13,044
T. Elwood	12	8,994	4,350	13,344	-
Councilors					
J. Valiquette	-	-	-	-	8,189
D. Weber	12	8,918	3,525	12,443	13,383
D. Durocher	12	9,148	3,025	12,173	2,725
K. Muir	9	6,688	975	7,663	-
B. Love	1	846	-	846	7,723
T. Elwood	-	-	-	-	2,725
Chief Administrative Officer					
K. Skwarchuk	12	116,988	9,793	126,781	123,440

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

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12. COMMITMENTS

Alberta Beach is also responsible for 63.43% of the annual operating costs of Tri Village Regional Sewer Services Commission. The operating costs this year were \$248,628 (2021 - \$242,156).

Alberta Beach is part of the West Inter Lake District (WILD) Regional Water Services Commission and is committed to debenture principal and interest payments in the amount of \$12,381.97 each June and December until the debenture matures in 2039. This debenture was issued as part of the funding of phase 1 of the pipeline construction project from the Town of Stony Plain to the Village of Wabamun. The debenture payment this year was \$40,869 (2021 - \$40,923), the payments include principal and interest.

Alberta Beach is also responsible for 16.4% of the annual operating costs of West Inter Lake District (WILD) Regional Water Services Commission. The operating costs this year were \$13,668 (2021 - \$18,174).

13. RELATED PARTY TRANSACTIONS

Alberta Beach is a member of the Tri Village Regional Sewer Services Commission and made payments to the Commission as follows:

	2022	2021
	\$	\$
Service fees	248,628	242,156
Debentures	330,926	331,526
	579,554	573,682

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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Notes to the Financial Statements
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14. FINANCIAL INSTRUMENTS

Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. Alberta Beach is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that Alberta Beach will encounter difficulty in meeting its obligations associated with financial liabilities. Alberta Beach manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

15. BUDGET FIGURES

Budget figures for 2022, as approved by Council, are included in the financial statements for information purposes and are unaudited.

16. COMPARATIVE FIGURES

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

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.