

**Alberta Beach**  
**Financial Statements**  
**December 31, 2023**

# 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, 2023 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

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## **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, 2023, 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, 2023, 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

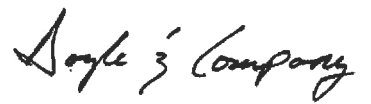
#### Debt Limit Regulation

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 10.

April 16, 2024  
11210 - 107 Avenue NW  
Edmonton, Alberta T5H 0Y1

  
Chartered Professional Accountants

**Alberta Beach**  
**Statement of Financial Position**  
**As at December 31, 2023**

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	884,250	586,822
Restricted cash (Note 2)	945,674	947,007
Receivables		
Taxes and grants in place of taxes (Note 3)	328,286	249,931
Trade and other receivables (Note 3)	224,172	326,762
Supplies for resale inventory	12,368	11,943
	<b>2,394,750</b>	<b>2,122,465</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	109,101	101,544
Deposit liabilities	19,622	17,942
Deferred revenue (Note 4)	60,591	178,612
Asset retirement obligation (Note 5)	204,500	-
	<b>393,814</b>	<b>298,098</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,000,936</b>	<b>1,824,367</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	7,274,502	7,033,782
Prepaid expenses	51,046	58,388
	<b>7,325,548</b>	<b>7,092,170</b>
<b>ACCUMULATED OPERATING SURPLUS (Schedule 1, Note 9)</b>	<b>9,326,484</b>	<b>8,916,537</b>

Commitments - Note 12

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Statement of Operations**  
For the year ended December 31, 2023

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	1,985,083	1,984,075	1,900,380
Campground user fees	307,200	312,315	304,547
Other user fees and sale of goods	6,500	31,193	18,960
Sales to other governments	24,070	28,270	26,567
Franchise fees	94,000	95,942	98,654
Government transfers for operating (Schedule 4)	66,478	67,290	77,681
Local government transfers	31,000	11,000	11,000
Licenses and permits	4,000	3,480	4,535
Fines	57,225	68,648	33,522
Penalties and costs of taxes	71,900	84,833	72,302
Investment income	35,000	92,809	42,679
Rental	126,700	125,599	116,248
Other	15,000	10,000	10,519
<b>Total Revenue</b>	<b>2,824,156</b>	<b>2,915,454</b>	<b>2,717,594</b>
<b>EXPENSES</b>			
General government			
Administration	533,232	525,960	493,116
Assessment services	26,000	24,447	23,995
Legislative	99,673	93,620	91,389
Protective services			
Ambulance	8,500	11,935	7,535
Bylaws enforcement	208,295	228,197	144,684
Fire department	147,255	142,761	119,553
Transportation services			
Public works	424,100	371,244	395,177
Roads, streets, walks, lighting	168,000	170,984	165,440
Planning and development			
Planning and development	29,400	23,126	54,385
Recreation and culture			
Alberta Beach boat launch and wharf	20,000	1,057	6,183
Campground	124,000	117,840	131,314
Recreation & facilities	144,601	116,831	110,493
Environmental services			
Water supply & distribution	85,770	85,770	54,538
Wastewater treatment and disposal	577,230	577,230	579,554
Waste management	123,100	110,366	122,499
<b>Total Expenses</b>	<b>2,719,156</b>	<b>2,601,368</b>	<b>2,499,855</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE AND EXPENSES</b>	<b>105,000</b>	<b>314,086</b>	<b>217,739</b>
<b>OTHER REVENUE AND (EXPENSES)</b>			
Amortization of tangible capital assets	(65,000)	(389,178)	(356,154)
Gain on sale of tangible capital assets	-	116,285	-
Government transfers for capital (Schedule 4)	300,000	372,764	251,745
Accretion expense	-	(4,010)	-
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>340,000</b>	<b>409,947</b>	<b>113,330</b>
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>		<b>8,916,537</b>	<b>8,803,207</b>
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>		<b>9,326,484</b>	<b>8,916,537</b>

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, 2023**

	<b>2023 Budget (Unaudited) \$</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>340,000</b>	<b>409,947</b>	113,330
Acquisition of tangible capital assets	(340,000)	(692,018)	(286,082)
Proceeds on disposal of tangible capital assets	-	178,405	-
Amortization of tangible capital assets	-	389,178	356,154
(Gain) loss on sale of tangible capital assets	-	(116,285)	-
Decrease (increase) in prepaid expenses	-	7,342	(10,703)
	<b>(340,000)</b>	<b>(233,378)</b>	59,369
<b>INCREASE (DECREASE) IN NET ASSETS</b>	-	<b>176,569</b>	172,699
<b>NET FINANCIAL ASSETS , BEGINNING OF YEAR</b>	-	<b>1,824,367</b>	1,651,668
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	-	<b>2,000,936</b>	1,824,367

The accompanying notes form part of these financial statements.



**Alberta Beach**  
**Statement of Cash Flows**  
**For the year ended December 31, 2023**

	2023	2022
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenses	409,947	113,330
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	389,178	356,154
(Gain) loss on sale of tangible capital assets.	(116,285)	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(78,355)	(50,067)
Decrease (increase) in trade and other receivables	102,590	109,670
Decrease (increase) in supplies for resale inventory	(425)	(1,959)
Decrease (increase) in prepaid expenses	7,342	(10,703)
Increase (decrease) in accounts payables and accrued liabilities	7,557	20,237
Increase (decrease) in deposit liabilities	1,680	(950)
Increase (decrease) in deferred revenue	(118,021)	137,815
<b>Cash provided by operating transactions</b>	<b>605,208</b>	<b>673,527</b>
<b>CAPITAL</b>		
Proceeds on sale of tangible capital assets	178,405	-
Acquisition of tangible capital assets	(692,018)	(286,082)
Asset retirement obligation recognized	204,500	-
<b>Cash applied to capital transactions</b>	<b>(309,113)</b>	<b>(286,082)</b>
<b>INVESTING</b>		
Decrease (increase) in restricted cash	1,333	27,549
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>297,428</b>	<b>414,994</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>586,822</b>	<b>171,828</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>884,250</b>	<b>586,822</b>

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, 2023**

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
	\$	\$	\$	\$	\$
<b>Balance, Beginning of Year</b>	539,242	1,343,513	7,033,782	8,916,537	8,803,207
Excess of revenue over expenses	409,947	-	-	409,947	113,330
Unrestricted funds designated for future use	(231,500)	231,500	-	-	-
Current years funds used for tangible capital assets	(692,018)	-	692,018	-	-
Disposal of tangible capital assets	280,490	-	(280,490)	-	-
Annual amortization expenses	389,178	-	(389,178)	-	-
Accumulated amortization on disposed tangible capital assets	(218,370)	-	218,370	-	-
Asset retirement obligation recognized	204,500	-	(204,500)	-	-
<b>Change in accumulated surplus</b>	<b>142,227</b>	<b>231,500</b>	<b>36,220</b>	<b>409,947</b>	<b>113,330</b>
<b>Balance, End of Year</b>	<b>681,469</b>	<b>1,575,013</b>	<b>7,070,002</b>	<b>9,326,484</b>	<b>8,916,537</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Schedule of Tangible Capital Assets - Schedule 2**  
**For the year ended December 31, 2023**

	Land	Land	Buildings	Engineered	Machinery and	Vehicles	2023	2022
	\$	Improvements	\$	Structures	Equipment	\$	\$	\$
<b>COST:</b>								
Balance, Beginning of Year	1,349,990	684,575	3,047,219	6,867,042	939,718	334,945	13,223,489	12,937,407
Acquisition of tangible capital assets	-	-	200,490	381,928	109,600	-	692,018	286,082
Disposal of tangible capital assets	-	-	-	-	(73,082)	(207,408)	(280,490)	-
Balance, End of Year	1,349,990	684,575	3,247,709	7,248,970	976,236	127,537	13,635,017	13,223,489
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	-	531,951	983,024	3,654,790	719,588	300,354	6,189,707	5,833,553
Annual amortization	-	13,018	64,728	259,394	45,743	6,295	389,178	356,154
Accumulated amortization on disposals	-	-	-	-	(10,962)	(207,408)	(218,370)	-
Balance, End of Year	-	544,969	1,047,752	3,914,184	754,369	99,241	6,360,515	6,189,707
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,349,990</b>	<b>139,606</b>	<b>2,199,957</b>	<b>3,334,786</b>	<b>221,867</b>	<b>28,296</b>	<b>7,274,502</b>	<b>7,033,782</b>
2022 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

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, 2023**

	<b>2023 Budget (Unaudited) \$</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<b>TAXATION</b>			
Real property taxes	2,256,841	2,255,679	2,176,663
Sewer revitalization levy	244,800	244,800	245,100
	<b>2,501,641</b>	<b>2,500,479</b>	<b>2,421,763</b>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	477,279	477,125	481,928
Lac Ste Anne Foundation	39,279	39,279	39,455
	<b>516,558</b>	<b>516,404</b>	<b>521,383</b>
<b>NET MUNICIPAL TAXES</b>	<b>1,985,083</b>	<b>1,984,075</b>	<b>1,900,380</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Schedule of Government Transfers - Schedule 4**  
**For the year ended December 31, 2023**

<b>Budget</b>	<b>2023 Actual (Unaudited) \$</b>	<b>2023 Actual \$</b>	<b>2022 \$</b>
<b><u>TRANSFERS FOR OPERATING</u></b>			
Provincial Government - MSI Grant	42,420	42,420	21,210
Provincial Government - FCSS Grant	24,058	24,870	24,058
Revenue deferred from prior period	-	-	32,413
	<b>66,478</b>	<b>67,290</b>	<b>77,681</b>
<b><u>TRANSFERS FOR CAPITAL</u></b>			
Provincial Government - MSI Grant	300,000	372,764	251,745
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>366,478</b>	<b>440,054</b>	<b>329,426</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Schedule of Expenses by Object - Schedule 5**  
**For the year ended December 31, 2023**

	2023 Budget (Unaudited) \$	2023 Actual \$	2022 Actual \$
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	836,055	886,669	765,097
Contracted and general services	1,114,270	658,085	685,185
Materials, goods, and utilities	415,653	392,446	412,613
Transfers to local boards and agencies	693,178	668,178	636,960
Amortization of tangible capital assets	65,000	389,178	356,154
<b>TOTAL EXPENSES</b>	<b>3,124,156</b>	<b>2,994,556</b>	<b>2,856,009</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Schedule of Segmented Disclosure - Schedule 6**  
**For the year ended December 31, 2023**

	General Government \$	Protective Services \$	Transportation Services \$	Planning & Development \$	Recreation & Culture \$	Environmental Services \$	2023 \$
<b>REVENUE</b>							
Net municipal taxes	1,739,275	-	-	-	-	244,800	1,984,075
Operating government transfers	42,420	-	-	-	35,870	-	78,290
User fees and sales of goods	34,541	56,432	5,242	-	312,315	-	408,530
Investment income	92,809	-	-	-	-	-	92,809
Other revenue	203,905	66,826	68,269	2,750	10,000	-	351,750
	<b>2,112,950</b>	<b>123,258</b>	<b>73,511</b>	<b>2,750</b>	<b>358,185</b>	<b>244,800</b>	<b>2,915,454</b>
<b>EXPENSES</b>							
Salaries, wages and benefits	422,115	103,239	285,244	-	-	76,071	886,669
Contracted and general services	207,074	221,211	36,241	23,126	126,651	43,782	658,085
Materials, goods and utilities	18,848	58,443	220,743	-	90,812	3,600	392,446
Transfers to local boards and agencies	-	-	-	-	18,265	649,913	668,178
Balance, End of Year	648,037	382,893	542,228	23,126	235,728	773,366	2,605,378
<b>NET REVENUE, BEFORE AMORTIZATION AND OTHER</b>							
	1,464,913	(259,635)	(468,717)	(20,376)	122,457	(528,566)	310,076
Gain on disposal of tangible capital assets	-	-	116,285	-	-	-	116,285
Capital government transfers	-	-	247,544	-	-	125,220	372,764
Amortization	(19,607)	(11,507)	(329,296)	-	(18,069)	(10,699)	(389,178)
<b>NET REVENUE</b>	<b>1,445,306</b>	<b>(271,142)</b>	<b>(434,184)</b>	<b>(20,376)</b>	<b>104,388</b>	<b>(414,045)</b>	<b>409,947</b>

The accompanying notes form part of these financial statements.

# Alberta Beach

## Notes to the Financial Statements

December 31, 2023

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### 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 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.



**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**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

**(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.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**(j) Revenue Recognition - continued**

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.

**(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, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**(m) Asset Retirement**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the municipality to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the municipality reviews the carrying amount of the liability. The municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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.

**(n) Deferred Revenues**

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investing earnings monthly.

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash and temporary investments	884,250	586,822
Restricted cash	945,674	947,007
	<b>1,829,924</b>	<b>1,533,829</b>

Council has designated funds of \$945,674 (2022 - \$947,007) for operating and capital reserves. See (Note 9) for details.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

**3. RECEIVABLES**

	2023	2022
	\$	\$
<b>i) Taxes and grants in place of taxes</b>		
Current taxes and grants in place of taxes	213,744	149,242
Arrears taxes	114,542	100,689
	328,286	249,931
<b>ii) Trade and other receivables</b>		
Trade and other receivables	204,054	321,261
Goods and services tax receivable	26,428	11,811
	230,482	333,072
Less: Allowance for doubtful accounts	6,310	6,310
	224,172	326,762

**4. DEFERRED REVENUE**

	Opening	Received	Recognized	2023	2022
	\$	\$	\$	\$	\$
Municipal Sustainability Initiative (MSI) - Capital	146,623	155,178	270,854	30,947	146,623
Canada Community Building Fund (CCBF)	3,188	-	3,188	-	3,188
Donation for Trail System	1,000	-	-	1,000	1,000
LSA Recreation and Cultural Grant	1,500	-	-	1,500	1,500
Alberta Community Partnership Grant (ACP)	26,301	843	-	27,144	26,301
	178,612	156,021	274,042	60,591	178,612

**Municipal Sustainability Initiative (MSI)**

Funding in the amount of \$197,598 was received in the current year from the Municipal Sustainability Initiative. The \$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 \$42,420 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

**5. ASSET RETIREMENT OBLIGATION**

The municipality owns buildings which contain asbestos and, therefore, the municipality is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost in year 2048 of \$335,504. The estimated total liability of \$200,490 is based on the sum of discounted future cash flows for abatement activities using a discount rate of 6% and assuming annual inflation of 2%. It is management's opinion that these assumptions are reasonable in the circumstance as at December 31, 2023. The municipality has not designated assets for settling the abatement activities.

	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>January 1</b>
		<b>\$</b>
Balance, beginning of year	200,490	-
Increase in (discharge of) obligation	-	200,490
Accretion expense	4,010	-
<b>Estimated total liability</b>	<b>204,500</b>	<b>200,490</b>

**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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Total Debt Limit	4,547,609	4,076,391
Total Debt	-	-
<b>Amount of debt limit unused</b>	<b>4,547,609</b>	<b>4,076,391</b>
Debt Service Limit	757,935	679,399
Debt Service	-	-
<b>Amount of debt service limit unused</b>	<b>757,935</b>	<b>679,399</b>

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.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

**7. TANGIBLE CAPITAL ASSETS**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Net Book Value</b>		
Land	1,349,990	1,349,990
Land improvements	139,606	152,624
Buildings	2,199,957	2,064,195
Engineering structures	3,334,786	3,212,252
Machinery and equipment	221,867	220,130
Vehicles	28,296	34,591
	<b>7,274,502</b>	<b>7,033,782</b>

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Tangible capital assets (Schedule 2)	13,635,017	13,223,489
Accumulated amortization (Schedule 2)	(6,360,515)	(6,189,707)
Asset retirement obligation (Note 5)	(204,500)	-
	<b>7,070,002</b>	<b>7,033,782</b>

**9. ACCUMULATED OPERATING SURPLUS**

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Unrestricted surplus	681,469	539,242
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	10,803	6,803
Building replacement	44,695	44,695
General capital	866,451	866,451
Parks and recreation	34,495	34,495
Police	57,664	50,164
Public works	90,960	65,960
Waste management	90,205	10,205
Agri-plex	50,000	25,000
Boat launch	25,000	-
Roadwork	65,000	-
	<b>1,575,013</b>	<b>1,343,513</b>
Equity in Tangible Capital Assets (TCA)	<b>7,070,002</b>	<b>7,033,782</b>
	<b>9,326,484</b>	<b>8,916,537</b>

# Alberta Beach

## Notes to the Financial Statements

December 31, 2023

### 10. 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	2023		2022	
		Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
<b>Mayor</b>					
K. Muir	12	9,594	2,925	12,519	-
A. Duncan	6	5,277	2,000	7,277	14,846
<b>Deputy Mayor</b>					
B. Love	4	3,171	650	3,821	-
T. Elwood	-	-	-	-	13,344
<b>Councilors</b>					
D. Weber	12	9,274	4,225	13,499	12,443
D. Durocher	12	9,381	4,075	13,456	12,173
T. Elwood	12	9,861	6,050	15,911	-
K. Muir	-	-	-	-	7,663
B. Love	-	-	-	-	846
<b>Chief Administrative Officer</b>					
K. Skwarchuk	12	123,125	10,213	133,338	126,781
<b>Designated Officers (Contract Services)</b>					
Assessor	-	24,447	-	24,447	23,995

- (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.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

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**11. 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.

**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 \$246,604 (2022 - \$248,628).

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 \$72,683 (2022 - \$40,869), 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 \$13,087 (2022 - \$13,668).

**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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Service fees	<b>246,604</b>	248,628
Debentures	330,626	330,926
	<b>577,230</b>	579,554

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.



**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2023**

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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 2023, 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.