

Alberta Beach
Financial Statements
December 31, 2024

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, 2024 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, 2024, 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, 2024, 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

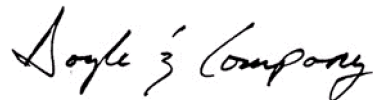
Debt Limit Regulation

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 15, 2025
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

Alberta Beach
Statement of Financial Position
As at December 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	216,536	884,250
Restricted cash (Note 2)	1,594,879	945,674
Receivables		
Taxes and grants in place of taxes (Note 3)	280,675	328,286
Trade and other receivables (Note 3)	592,878	224,172
Supplies for resale inventory	13,479	12,368
	2,698,447	2,394,750
LIABILITIES		
Accounts payable and accrued liabilities	151,335	109,101
Deposit liabilities	18,742	19,622
Deferred revenue (Note 4)	268,726	60,591
Asset retirement obligation (Note 5)	215,279	204,500
	654,082	393,814
NET FINANCIAL ASSETS	2,044,365	2,000,936
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	7,229,179	7,274,502
Prepaid expenses	49,543	51,046
	7,278,722	7,325,548
ACCUMULATED OPERATING SURPLUS (Schedule 1, Note 9)	9,323,087	9,326,484

Commitments - Note 12

The accompanying notes form part of these financial statements.

Alberta Beach

Statement of Operations

For the year ended December 31, 2024

	2024 Budget (Unaudited) \$	2024 Actual \$	2023 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	2,002,251	2,001,143	1,984,075
Campground user fees	339,800	331,740	312,315
Other user fees and sale of goods	7,800	28,839	31,193
Sales to other governments	28,000	25,177	28,270
Franchise fees	90,000	104,271	95,942
Government transfers for operating (Schedule 4)	67,561	67,561	67,290
Local government transfers	113,164	11,000	11,000
Licenses and permits	3,500	5,420	3,480
Fines	65,337	57,766	68,648
Penalties and costs of taxes	73,000	86,445	84,833
Investment income	75,000	89,802	92,809
Rental	133,300	134,336	125,599
Other	35,000	11,317	10,000
Total Revenue	3,033,713	2,954,817	2,915,454
EXPENSES			
General government			
Administration	559,500	550,389	525,960
Assessment services	24,850	24,847	24,447
Legislative	109,910	96,541	93,620
Protective services			
Ambulance	14,000	12,266	11,935
Bylaws enforcement	268,515	216,975	228,197
Fire department	169,625	161,391	142,761
Transportation services			
Public works	540,200	494,733	371,244
Roads, streets, walks, lighting	171,000	170,607	170,984
Planning and development			
Planning and development	29,150	26,549	23,126
Recreation and culture			
Alberta Beach boat launch and wharf	25,000	2,473	1,057
Campground	132,500	134,136	117,840
Recreation & facilities	129,039	122,416	116,831
Environmental services			
Water supply & distribution	79,518	79,518	85,770
Wastewater treatment and disposal	612,906	612,906	577,230
Waste management	128,000	104,920	110,366
Total Expenses	2,993,713	2,810,667	2,601,368
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE AND EXPENSES	40,000	144,150	314,086
OTHER REVENUE AND (EXPENSES)			
Amortization of tangible capital assets	(65,000)	(384,393)	(389,178)
Gain on sale of tangible capital assets	25,000	19,835	116,285
Government transfers for capital (Schedule 4)	320,000	227,790	372,764
Accretion expense	-	(10,779)	(4,010)
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	320,000	(3,397)	409,947
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		9,326,484	8,916,537
ACCUMULATED OPERATING SURPLUS, END OF YEAR		9,323,087	9,326,484

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, 2024

	2024 Budget (Unaudited) \$	2024 Actual \$	2023 Actual \$
EXCESS OF REVENUES OVER EXPENSES	320,000	(3,397)	409,947
Acquisition of tangible capital assets	(320,000)	(469,709)	(692,018)
Proceeds on disposal of tangible capital assets	-	150,474	178,405
Amortization of tangible capital assets	-	384,393	389,178
(Gain) loss on sale of tangible capital assets	-	(19,835)	(116,285)
Decrease (increase) in prepaid expenses	-	1,503	7,342
	(320,000)	46,826	(233,378)
INCREASE (DECREASE) IN NET ASSETS	-	43,429	176,569
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	2,000,936	1,824,367
NET FINANCIAL ASSETS, END OF YEAR	-	2,044,365	2,000,936

The accompanying notes form part of these financial statements.

Alberta Beach
Statement of Cash Flows
For the year ended December 31, 2024

	2024	2023
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	(3,397)	409,947
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	384,393	389,178
(Gain) loss on sale of tangible capital assets.	(19,835)	(116,285)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	47,611	(78,355)
Decrease (increase) in trade and other receivables	(368,706)	102,590
Decrease (increase) in supplies for resale inventory	(1,111)	(425)
Decrease (increase) in prepaid expenses	1,503	7,342
Increase (decrease) in accounts payables and accrued liabilities	42,234	7,557
Increase (decrease) in deposit liabilities	(880)	1,680
Increase (decrease) in deferred revenue	208,135	(118,021)
Cash provided by operating transactions	289,947	605,208
CAPITAL		
Proceeds on sale of tangible capital assets	150,474	178,405
Acquisition of tangible capital assets	(469,709)	(692,018)
Asset retirement obligation recognized	10,779	204,500
Cash applied to capital transactions	(308,456)	(309,113)
INVESTING		
Decrease (increase) in restricted cash	(649,205)	1,333
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(667,714)	297,428
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	884,250	586,822
CASH AND CASH EQUIVALENTS, END OF YEAR	216,536	884,250

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, 2024

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
	\$	\$	\$	\$	\$
Balance, Beginning of Year	681,469	1,575,013	7,070,002	9,326,484	8,916,537
Excess of revenue over expenses	(3,397)	-	-	(3,397)	409,947
Unrestricted funds designated for future use	(155,500)	155,500	-	-	-
Restricted funds used for tangible capital assets	-	(103,164)	103,164	-	-
Current years funds used for tangible capital assets	(366,545)	-	366,545	-	-
Disposal of tangible capital assets	248,242	-	(248,242)	-	-
Annual amortization expenses	384,393	-	(384,393)	-	-
Accumulated amortization on disposed tangible capital assets	(117,603)	-	117,603	-	-
Asset retirement obligation recognized	10,779	-	(10,779)	-	-
Change in accumulated surplus	369	52,336	(56,102)	(3,397)	409,947
Balance, End of Year	681,838	1,627,349	7,013,900	9,323,087	9,326,484

The accompanying notes form part of these financial statements.

Alberta Beach
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2024

	Land	Land	Buildings	Engineered	Machinery and	Vehicles	2024	2023
	\$	Improvements	\$	Structures	Equipment	\$	\$	\$
COST:								
Balance, Beginning of Year	1,349,990	684,575	3,247,709	7,248,970	976,236	127,537	13,635,017	13,223,489
Acquisition of tangible capital assets	-	-	-	227,790	192,919	49,000	469,709	692,018
Disposal of tangible capital assets	-	-	-	-	(143,555)	(104,687)	(248,242)	(280,490)
Balance, End of Year	1,349,990	684,575	3,247,709	7,476,760	1,025,600	71,850	13,856,484	13,635,017
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	544,969	1,047,752	3,914,184	754,369	99,241	6,360,515	6,189,707
Annual amortization	-	14,153	64,728	270,529	30,248	4,735	384,393	389,178
Accumulated amortization on disposals	-	-	-	-	(24,076)	(93,527)	(117,603)	(218,370)
Balance, End of Year	-	559,122	1,112,480	4,184,713	760,541	10,449	6,627,305	6,360,515
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	125,453	2,135,229	3,292,047	265,059	61,401	7,229,179	7,274,502
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	139,606	2,199,957	3,334,786	221,867	28,296		7,274,502

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, 2024

	2024 Budget (Unaudited) \$	2024 Actual \$	2023 Actual \$
TAXATION			
Real property taxes	2,308,915	2,307,642	2,255,679
Sewer revitalization levy	244,800	244,800	244,800
	2,553,715	2,552,442	2,500,479
REQUISITIONS			
Alberta School Foundation Fund	503,166	503,166	477,125
Designated Industrial	165	-	-
Lac Ste Anne Foundation	48,133	48,133	39,279
	551,464	551,299	516,404
NET MUNICIPAL TAXES	2,002,251	2,001,143	1,984,075

The accompanying notes form part of these financial statements.

Alberta Beach
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2024

	2024 Budget (Unaudited) \$	2024 Actual \$	2023 Actual \$
<u>TRANSFERS FOR OPERATING</u>			
Provincial Government - MSI Grant	42,420	42,420	42,420
Provincial Government - FCSS Grant	25,141	25,141	24,870
	67,561	67,561	67,290
<u>TRANSFERS FOR CAPITAL</u>			
Provincial Government - MSI Grant	320,000	227,790	372,764
TOTAL GOVERNMENT TRANSFERS	387,561	295,351	440,054

The accompanying notes form part of these financial statements.

Alberta Beach
Schedule of Expenses by Object - Schedule 5
For the year ended December 31, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	896,710	920,504	886,669
Contracted and general services	1,138,408	784,286	658,085
Materials, goods, and utilities	576,098	414,159	392,446
Transfers to local boards and agencies	702,497	702,497	668,178
Amortization of tangible capital assets	65,000	384,393	389,178
TOTAL EXPENSES	3,378,713	3,205,839	2,994,556

The accompanying notes form part of these financial statements.

Alberta Beach
Schedule of Segmented Disclosure - Schedule 6
For the year ended December 31, 2024

	General Government \$	Protective Services \$	Transportation Services \$	Planning & Development \$	Recreation & Culture \$	Environmental Services \$	2024 \$
REVENUE							
Net municipal taxes	1,756,343	-	-	-	-	244,800	2,001,143
Operating government transfers	42,420	-	-	-	36,141	-	78,561
User fees and sales of goods	22,009	45,337	12,230	-	331,740	-	411,316
Investment income	89,802	-	-	-	-	-	89,802
Other revenue	215,428	67,576	76,741	4,250	10,000	-	373,995
	2,126,002	112,913	88,971	4,250	377,881	244,800	2,954,817
EXPENSES							
Salaries, wages and benefits	446,199	117,683	350,122	-	-	6,500	920,504
Contracted and general services	216,475	221,686	86,875	26,058	128,988	104,204	784,286
Materials, goods and utilities	19,882	51,263	228,343	491	111,480	2,700	414,159
Transfers to local boards and agencies	-	-	-	-	18,557	683,940	702,497
Balance, End of Year	682,556	390,632	665,340	26,549	259,025	797,344	2,821,446
NET REVENUE, BEFORE AMORTIZATION AND OTHER	1,443,446	(277,719)	(576,369)	(22,299)	118,856	(552,544)	133,371
Gain on disposal of tangible capital assets	-	9,000	10,835	-	-	-	19,835
Capital government transfers	-	-	209,721	-	-	18,069	227,790
Amortization	(11,388)	(12,367)	(330,894)	-	(18,069)	(11,675)	(384,393)
NET REVENUE	1,432,058	(281,086)	(686,707)	(22,299)	100,787	(546,150)	(3,397)

The accompanying notes form part of these financial statements.

Alberta Beach

Notes to the Financial Statements

December 31, 2024

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, 2024

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, 2024

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, 2024

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

	2024	2023
	\$	\$
Cash and temporary investments	216,536	884,250
Restricted cash	1,594,879	945,674
	1,811,415	1,829,924

Council has designated funds of \$1,627,349 (2023 - \$1,575,013) for operating and capital reserves. See (Note 9) for details.

Alberta Beach

Notes to the Financial Statements

December 31, 2024

3. RECEIVABLES

	2024 \$	2023 \$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	150,271	213,744
Arrears taxes	130,404	114,542
	280,675	328,286
ii) Trade and other receivables		
Trade and other receivables	583,731	204,054
Goods and services tax receivable	15,457	26,428
	599,188	230,482
Less: Allowance for doubtful accounts	6,310	6,310
	592,878	224,172

4. DEFERRED REVENUE

	Opening \$	Received \$	Recognized \$	2024 \$	2023 \$
Alberta Community Partnership Grant (ACP)	27,144	1,412	-	28,556	27,144
Beachwave Park Funds	-	21,849	-	21,849	-
Donation for Trail System	1,000	-	-	1,000	1,000
Family and Community Support Services (FCSS)	-	3,518	-	3,518	-
LSA Drainage Funds Grant	-	10,303	-	10,303	-
LSA Recreation and Cultural Grant	1,500	-	-	1,500	1,500
Local Government Fiscal Framework - C (LGFF)	-	173,127	-	173,127	-
Municipal Sustainability Initiative (MSI) - Capital	30,947	-	30,947	-	30,947
Tax Sale Surplus	-	28,873	-	28,873	-
	60,591	239,082	30,947	268,726	60,591

Local Government Fiscal Framework (LGFF)

Funding in the amount of \$312,056 was received in the current year from the Local Government Fiscal Framework. The \$269,636 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, 2024

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 \$511,250. The estimated total liability of \$215,279 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, 2024. The municipality has not designated assets for settling the abatement activities.

	2024	2024 January 1
	\$	\$
Balance, beginning of year	204,500	200,490
Accretion expense	10,779	4,010
Estimated total liability	215,279	204,500

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:

	2024	2023
	\$	\$
Total Debt Limit	4,461,978	4,547,609
Total Debt	-	-
Amount of debt limit unused	4,461,978	4,547,609
Debt Service Limit	743,663	757,935
Debt Service	-	-
Amount of debt service limit unused	743,663	757,935

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, 2024

7. TANGIBLE CAPITAL ASSETS

	2024	2023
	\$	\$
Net Book Value		
Land	1,349,990	1,349,990
Land improvements	125,453	139,606
Buildings	2,135,229	2,199,957
Engineering structures	3,292,047	3,334,786
Machinery and equipment	265,059	221,867
Vehicles	61,401	28,296
	7,229,179	7,274,502

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
	\$	\$
Tangible capital assets (Schedule 2)	13,856,484	13,635,017
Accumulated amortization (Schedule 2)	(6,627,305)	(6,360,515)
Asset retirement obligation (Note 5)	(215,279)	(204,500)
	7,013,900	7,070,002

9. ACCUMULATED OPERATING SURPLUS

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

	2024	2023
	\$	\$
Unrestricted surplus	681,838	681,469
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	10,803
Building replacement	44,695	44,695
General capital	994,451	866,451
Parks and recreation	34,495	34,495
Police	15,000	57,664
Public works	37,960	90,960
Waste management	110,205	90,205
Community and recreation facility	50,000	50,000
Boat launch	25,000	25,000
Roadwork	65,000	65,000
	1,627,349	1,575,013
Equity in Tangible Capital Assets (TCA)	7,013,900	7,070,002
	9,323,087	9,326,484

Alberta Beach

Notes to the Financial Statements

December 31, 2024

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:

		2024			2023
	Months	Salary (1)	Benefits & Allowances (2)	Total	Total
		\$	\$	\$	\$
Mayor					
K. Muir	12	10,870	3,775	14,645	12,519
A. Duncan	-	-	-	-	7,277
Deputy Mayor					
B. Love	12	9,882	2,050	11,932	3,821
Councilors					
D. Weber	12	9,553	3,575	13,128	13,499
D. Durocher	12	9,553	3,575	13,128	13,456
T. Elwood	12	9,553	5,000	14,553	15,911
Chief Administrative Officer					
K. Skwarchuk	12	129,973	10,575	140,548	133,338
Designated Officers (Contract Services)					
Assessor	-	24,847	-	24,847	24,447

- (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, 2024

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 \$282,280 (2023 - \$246,604).

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 \$71,034 (2023 - \$72,683), 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 \$8,484 (2023 - \$13,087).

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:

	2024 \$	2023 \$
Service fees	282,280	246,604
Debentures	330,626	330,626
	612,906	577,230

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, 2024

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 2024, 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.