

**Alberta Beach**  
**Financial Statements**  
**December 31, 2025**

# Alberta Beach

## CONTENTS

	<u>Page</u>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2 - 3
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Schedule of Changes in Accumulated Operating Surplus - Schedule 1	8
Schedule of Tangible Capital Assets - Schedule 2	9
Schedule of Property and Other Taxes - Schedule 3	10
Schedule of Government Transfers - Schedule 4	11
Schedule of Expenses by Object - Schedule 5	12
Schedule of Segmented Disclosure - Schedule 6	13
Notes to Financial Statements	14 - 23

## 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, 2025 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.

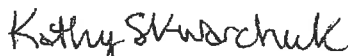
These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

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\*  
Steven M. Kim, CPA\*  
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, 2025, 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, 2025, 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

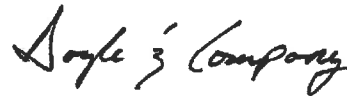
#### Debt Limit Regulation

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 21, 2026  
11210 - 107 Avenue NW  
Edmonton, Alberta T5H 0Y1



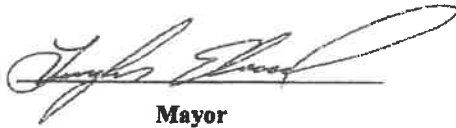
Chartered Professional Accountants

**Alberta Beach**  
**Statement of Financial Position**  
**As at December 31, 2025**

	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	303,116	216,536
Restricted cash (Note 2)	1,736,363	1,594,879
Receivables		
Taxes and grants in place of taxes (Note 3)	326,057	280,675
Trade and other receivables (Note 3)	477,560	592,878
Supplies for resale inventory	13,174	13,479
	<b>2,856,270</b>	<b>2,698,447</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	69,079	151,335
Deposit liabilities	18,492	18,742
Deferred revenue (Note 4)	401,368	268,726
Asset retirement obligation (Note 5)	228,196	215,279
	<b>717,135</b>	<b>654,082</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,139,135</b>	<b>2,044,365</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	7,171,912	7,229,179
Prepaid expenses	49,994	49,543
	<b>7,221,906</b>	<b>7,278,722</b>
<b>ACCUMULATED OPERATING SURPLUS (Schedule 1, Note 9)</b>	<b>9,361,041</b>	<b>9,323,087</b>

Commitments - Note 12

Approved on behalf of the Council

  
**Mayor**

  
**Councilor**

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Statement of Operations**  
For the year ended December 31, 2025

	2025 Budget (Unaudited) \$	2025 Actual \$	2024 Actual \$
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	2,062,603	2,061,430	2,001,143
Campground user fees	339,800	334,315	331,740
Other user fees and sale of goods	76,467	36,772	28,839
Sales to other governments	22,200	18,267	25,177
Franchise fees	90,000	103,844	104,271
Government transfers for operating (Schedule 4)	72,561	77,190	67,561
Local government transfers	137,000	41,900	11,000
Licenses and permits	4,100	5,520	5,420
Fines	60,870	64,350	57,766
Penalties and costs of taxes	75,000	83,224	86,445
Investment income	70,000	62,294	89,802
Rental	124,200	123,411	134,336
Other	35,191	11,792	11,317
<b>Total Revenue</b>	<b>3,169,992</b>	<b>3,024,309</b>	<b>2,954,817</b>
<b>EXPENSES</b>			
General government			
Administration	601,060	575,865	550,389
Assessment services	25,400	25,437	24,847
Legislative	122,165	112,503	96,541
Protective services			
Ambulance	9,500	8,558	12,266
Bylaws enforcement	220,365	207,882	216,975
Fire department	142,126	143,800	161,391
Transportation services			
Public works	480,365	457,354	494,733
Roads, streets, walks, lighting	178,000	164,671	170,607
Planning and development			
Planning and development	28,700	26,167	26,549
Recreation and culture			
Alberta Beach boat launch and wharf	25,000	800	2,473
Campground	131,900	123,213	134,136
Recreation & facilities	173,629	167,833	122,416
Environmental services			
Water supply & distribution	79,756	79,756	79,518
Wastewater treatment and disposal	631,026	631,026	612,906
Waste management	131,000	127,104	104,920
<b>Total Expenses</b>	<b>2,979,992</b>	<b>2,851,969</b>	<b>2,810,667</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE AND EXPENSES</b>	<b>190,000</b>	<b>172,340</b>	<b>144,150</b>
<b>OTHER REVENUE AND (EXPENSES)</b>			
Amortization of tangible capital assets	(65,000)	(408,525)	(384,393)
Gain on sale of tangible capital assets	-	31,445	19,835
Government transfers for capital (Schedule 4)	350,000	255,611	227,790
Accretion expense	-	(12,917)	(10,779)
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<b>475,000</b>	<b>37,954</b>	<b>(3,397)</b>
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>		<b>9,323,087</b>	<b>9,326,484</b>
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>		<b>9,361,041</b>	<b>9,323,087</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, 2025**

	<b>2025 Budget (Unaudited) \$</b>	<b>2025 Actual \$</b>	<b>2024 Actual \$</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>475,000</b>	<b>37,954</b>	<b>(3,397)</b>
Acquisition of tangible capital assets	(475,000)	(351,258)	(469,709)
Proceeds on disposal of tangible capital assets	-	31,445	150,474
Amortization of tangible capital assets	-	408,525	384,393
(Gain) loss on sale of tangible capital assets	-	(31,445)	(19,835)
Decrease (increase) in prepaid expenses	-	(451)	1,503
	<b>(475,000)</b>	<b>56,816</b>	<b>46,826</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>-</b>	<b>94,770</b>	<b>43,429</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>-</b>	<b>2,044,365</b>	<b>2,000,936</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>-</b>	<b>2,139,135</b>	<b>2,044,365</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Statement of Cash Flows**  
**For the year ended December 31, 2025**

	2025	2024
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (deficit) of revenue over expenses	37,954	(3,397)
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	408,525	384,393
(Gain) loss on sale of tangible capital assets.	(31,445)	(19,835)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(45,382)	47,611
Decrease (increase) in trade and other receivables	115,318	(368,706)
Decrease (increase) in supplies for resale inventory	305	(1,111)
Decrease (increase) in prepaid expenses	(451)	1,503
Increase (decrease) in accounts payables and accrued liabilities	(82,256)	42,234
Increase (decrease) in deposit liabilities	(250)	(880)
Increase (decrease) in deferred revenue	132,642	208,135
<b>Cash provided by operating transactions</b>	<b>534,960</b>	<b>289,947</b>
<b>CAPITAL</b>		
Proceeds on sale of tangible capital assets	31,445	150,474
Acquisition of tangible capital assets	(351,258)	(469,709)
Asset retirement obligation recognized	12,917	10,779
<b>Cash applied to capital transactions</b>	<b>(306,896)</b>	<b>(308,456)</b>
<b>INVESTING</b>		
Decrease (increase) in restricted cash	(141,484)	(649,205)
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>86,580</b>	<b>(667,714)</b>
<b>CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR</b>	<b>216,536</b>	<b>884,250</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>303,116</b>	<b>216,536</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, 2025**

	Unrestricted Surplus \$	Internally Restricted Surplus \$	Equity in Tangible Capital Assets \$	2025 \$	2024 \$
<b>Balance, Beginning of Year</b>	<b>681,838</b>	<b>1,627,349</b>	<b>7,013,900</b>	<b>9,323,087</b>	<b>9,326,484</b>
Excess of revenue over expenses	37,954	-	-	37,954	-
Unrestricted funds designated for future use	(168,138)	168,138	-	-	(3,397)
Restricted funds used for tangible capital assets	-	(60,000)	60,000	-	-
Current years funds used for tangible capital assets	(291,258)	-	291,258	-	-
Disposal of tangible capital assets	58,500	-	(58,500)	-	-
Annual amortization expenses	408,525	-	(408,525)	-	-
Accumulated amortization on disposed tangible capital assets	(58,500)	-	58,500	-	-
Asset retirement obligation recognized	12,917	-	(12,917)	-	-
<b>Change in accumulated surplus</b>	<b>-</b>	<b>108,138</b>	<b>(70,184)</b>	<b>37,954</b>	<b>(3,397)</b>
<b>Balance, End of Year</b>	<b>681,838</b>	<b>1,735,487</b>	<b>6,943,716</b>	<b>9,361,041</b>	<b>9,323,087</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, 2025

	Land \$	Land Improvements \$	Buildings \$	Engineered Structures \$	Machinery and Equipment \$	Vehicles \$	2025 \$	2024 \$
<b>COST:</b>								
Balance, Beginning of Year	1,349,990	684,575	3,247,709	7,476,760	1,025,600	71,850	13,856,484	13,635,017
Acquisition of tangible capital assets	-	-	-	255,611	95,647	-	351,258	469,709
Disposal of tangible capital assets	-	-	-	-	(58,500)	-	(58,500)	(248,242)
<b>Balance, End of Year</b>	<b>1,349,990</b>	<b>684,575</b>	<b>3,247,709</b>	<b>7,732,371</b>	<b>1,062,747</b>	<b>71,850</b>	<b>14,149,242</b>	<b>13,856,484</b>
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	-	559,122	1,112,480	4,184,713	760,541	10,449	6,627,305	6,360,515
Annual amortization	-	13,153	64,728	285,101	38,358	7,185	408,525	384,393
Accumulated amortization on disposals	-	-	-	-	(58,500)	-	(58,500)	(117,603)
<b>Balance, End of Year</b>	<b>-</b>	<b>572,275</b>	<b>1,177,208</b>	<b>4,469,814</b>	<b>740,399</b>	<b>17,634</b>	<b>6,977,330</b>	<b>6,627,305</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,349,990</b>	<b>112,300</b>	<b>2,070,501</b>	<b>3,262,557</b>	<b>322,348</b>	<b>54,216</b>	<b>7,171,912</b>	<b>7,229,179</b>
<b>2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,349,990</b>	<b>125,453</b>	<b>2,135,229</b>	<b>3,292,047</b>	<b>265,059</b>	<b>61,401</b>	<b>7,229,179</b>	<b>7,229,179</b>

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, 2025**

	<b>2025 Budget (Unaudited) \$</b>	<b>2025 Actual \$</b>	<b>2024 Actual \$</b>
<b>TAXATION</b>			
Real property taxes	2,410,530	2,409,200	2,307,642
Sewer revitalization levy	243,600	243,600	244,800
	<b>2,654,130</b>	<b>2,652,800</b>	2,552,442
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	544,506	544,506	503,166
Designated Industrial	157	-	-
Lac Ste Anne Foundation	46,864	46,864	48,133
	<b>591,527</b>	<b>591,370</b>	551,299
<b>NET MUNICIPAL TAXES</b>	<b>2,062,603</b>	<b>2,061,430</b>	2,001,143

**Alberta Beach**  
**Schedule of Government Transfers - Schedule 4**  
**For the year ended December 31, 2025**

	<b>2025 Budget (Unaudited) \$</b>	<b>2025 Actual \$</b>	<b>2024 Actual \$</b>
<b><u>TRANSFERS FOR OPERATING</u></b>			
Provincial Government - LGFF Grant	42,420	42,420	42,420
Provincial Government - FCSS Grant	25,141	25,141	25,141
Other Local Government	5,000	9,629	-
	<b>72,561</b>	<b>77,190</b>	<b>67,561</b>
<b><u>TRANSFERS FOR CAPITAL</u></b>			
Provincial Government - LGFF Grant	350,000	255,611	227,790
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>422,561</b>	<b>332,801</b>	<b>295,351</b>

**Alberta Beach**  
**Schedule of Expenses by Object - Schedule 5**  
**For the year ended December 31, 2025**

	<b>2025 Budget (Unaudited) \$</b>	<b>2025 Actual \$</b>	<b>2024 Actual \$</b>
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	945,641	900,919	920,504
Contracted and general services	1,331,437	872,667	784,286
Materials, goods, and utilities	458,298	371,684	414,159
Transfers to local boards and agencies	719,616	719,616	702,497
Amortization of tangible capital assets	65,000	408,525	384,393
<b>TOTAL EXPENSES</b>	<b>3,519,992</b>	<b>3,273,411</b>	<b>3,205,839</b>

# Alberta Beach

## Schedule of Segmented Disclosure - Schedule 6

For the year ended December 31, 2025

	General Government \$	Protective Services \$	Transportation Services \$	Planning & Development \$	Recreation & Culture \$	Environmental Services \$	2025 \$
<b>REVENUE</b>							
Net municipal taxes	1,817,830	-	-	-	-	243,600	2,061,430
Operating government transfers	42,420	-	-	-	76,670	-	119,090
User fees and sales of goods	15,352	49,870	1,900	-	337,228	15,825	420,175
Investment income	62,294	-	-	-	-	-	62,294
Other revenue	199,496	61,917	78,576	5,150	16,181	-	361,320
	<b>2,137,392</b>	<b>111,787</b>	<b>80,476</b>	<b>5,150</b>	<b>430,079</b>	<b>259,425</b>	<b>3,024,309</b>
<b>EXPENSES</b>							
Salaries, wages and benefits	455,459	115,044	323,914	-	-	6,500	900,917
Contracted and general services	244,673	209,947	83,696	26,167	181,259	116,004	861,746
Materials, goods and utilities	26,590	35,249	214,415	-	93,030	13,322	382,606
Transfers to local boards and agencies	-	-	-	-	17,556	702,060	719,616
Balance, End of Year	726,722	360,240	622,025	26,167	291,845	837,886	2,864,885
<b>NET REVENUE, BEFORE AMORTIZATION AND OTHER</b>	<b>1,410,670</b>	<b>(248,453)</b>	<b>(541,549)</b>	<b>(21,017)</b>	<b>138,234</b>	<b>(578,461)</b>	<b>159,424</b>
Gain on disposal of tangible capital assets	-	-	31,445	-	-	-	31,445
Capital government transfers	-	-	255,611	-	-	-	255,611
Amortization	(10,742)	(12,435)	(355,970)	-	(17,583)	(11,795)	(408,525)
<b>NET REVENUE</b>	<b>1,399,928</b>	<b>(260,888)</b>	<b>(610,463)</b>	<b>(21,017)</b>	<b>120,651</b>	<b>(590,256)</b>	<b>37,955</b>

The accompanying notes form part of these financial statements.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2025**

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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, 2025**

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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, 2025**

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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, 2025**

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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**

	2025	2024
	\$	\$
Cash and temporary investments	303,116	216,536
Restricted cash	1,736,363	1,594,879
	2,039,479	1,811,415

Council has designated funds of \$1,567,349 (2024 - \$1,627,349) for operating and capital reserves. See (Note 9) for details.

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2025**

**3. RECEIVABLES**

	2025 \$	2024 \$
<b>i) Taxes and grants in place of taxes</b>		
Current taxes and grants in place of taxes	151,304	150,271
Arrears taxes	174,753	130,404
	<b>326,057</b>	<b>280,675</b>
<b>ii) Trade and other receivables</b>		
Trade and other receivables	458,886	583,731
Goods and services tax receivable	24,984	15,457
	<b>483,870</b>	<b>599,188</b>
Less: Allowance for doubtful accounts	6,310	6,310
	<b>477,560</b>	<b>592,878</b>

**4. DEFERRED REVENUE**

	Opening \$	Received \$	Recognized \$	2025 \$	2024 \$
Alberta Community Partnership Grant (ACP)	28,556	911	-	29,467	28,556
Beachwave Park Funds	21,849	19,186	21,849	19,186	21,849
Canada Community Building Fund (CCBF)	-	102,476	-	102,476	-
Donation for Trail System	1,000	-	-	1,000	1,000
Family and Community Support Services (FCSS)	3,518	-	3,518	-	3,518
LSA Drainage Funds Grant	10,303	329	-	10,632	10,303
LSA Recreation and Cultural Grant	1,500	1,000	-	2,500	1,500
Local Government Fiscal Framework - C (LGFF)	173,127	206,313	173,127	206,313	173,127
Tax Sale Surplus	28,873	29,794	28,873	29,794	28,873
	<b>268,726</b>	<b>360,009</b>	<b>227,367</b>	<b>401,368</b>	<b>268,726</b>

**Local Government Fiscal Framework (LGFF)**

Funding in the amount of \$331,217 was received in the current year from the Local Government Fiscal Framework. The \$288,797 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, 2025**

**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.

	2025	2025 January 1
	\$	\$
Balance, beginning of year	215,279	204,500
Accretion expense	12,917	10,779
<b>Estimated total liability</b>	<b>228,196</b>	<b>215,279</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:

	2025	2024
	\$	\$
Total Debt Limit	4,583,631	4,461,978
Total Debt	-	-
<b>Amount of debt limit unused</b>	<b>4,583,631</b>	<b>4,461,978</b>
Debt Service Limit	763,939	743,663
Debt Service	-	-
<b>Amount of debt service limit unused</b>	<b>763,939</b>	<b>743,663</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, 2025**

**7. TANGIBLE CAPITAL ASSETS**

	2025	2024
	\$	\$
<b>Net Book Value</b>		
Land	1,349,990	1,349,990
Land improvements	112,300	125,453
Buildings	2,070,501	2,135,229
Engineering structures	3,262,557	3,292,047
Machinery and equipment	322,348	265,059
Vehicles	54,216	61,401
	<b>7,171,912</b>	<b>7,229,179</b>

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2025	2024
	\$	\$
Tangible capital assets (Schedule 2)	14,149,242	13,856,484
Accumulated amortization (Schedule 2)	(6,977,330)	(6,627,305)
Asset retirement obligation (Note 5)	(228,196)	(215,279)
	<b>6,943,716</b>	<b>7,013,900</b>

**9. ACCUMULATED OPERATING SURPLUS**

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

	2025	2024
	\$	\$
Unrestricted surplus	681,838	681,838
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	1,075,089	994,451
Parks and recreation	34,495	34,495
Police	22,500	15,000
Public works	37,960	37,960
Waste management	130,205	110,205
Community and recreation facility	50,000	50,000
Boat launch	25,000	25,000
Roadwork	65,000	65,000
	<b>1,735,487</b>	<b>1,627,349</b>
Equity in Tangible Capital Assets (TCA)	<b>6,943,716</b>	<b>7,013,900</b>
	<b>9,361,041</b>	<b>9,323,087</b>

**Alberta Beach**  
**Notes to the Financial Statements**  
**December 31, 2025**

**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	2025		2024
		Salary (1) \$	Benefits & Allowances (2) \$	Total \$
<b>Mayor</b>				
T. Elwood	3	3,660	-	-
K. Muir	9	12,060	-	14,645
<b>Deputy Mayor</b>				
D. Durocher	3	3,533	-	-
B. Love	9	9,291	-	11,932
<b>Councilors</b>				
D. Weber	12	13,691	-	13,128
D. Durocher	9	10,494	-	13,128
K. Muir	3	2,032	-	-
T. Elwood	9	11,194	-	14,553
D. Burns	3	3,148	-	-
<b>Chief Administrative Officer</b>				
K. Skwarchuk	12	130,404	10,759	141,163
<b>Designated Officers (Contract Services)</b>				
Assessor	-	24,250	-	24,847

- (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, 2025**

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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 \$301,600 (2024 - \$282,280).

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 (2024 - \$71,034), 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 \$8,722 (2024 - \$8,484).

**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>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Service fees	<b>301,600</b>	282,280
Debentures	<b>329,426</b>	330,626
	<b>631,026</b>	612,906

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, 2025**

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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 2025, 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.