

Alberta Beach
Consolidated Financial Statements
December 31, 2020

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Alberta Beach

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Alberta Beach is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly Alberta Beach's financial position as at December 31, 2020 and the results of its operations for the year then ended.

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

The consolidated 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 consolidated 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 requirement 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 consolidated financial statements.

The Alberta Beach Council carries out its responsibilities for review of the consolidated financial statements principally through its meeting with management. This Council meets 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 Alberta Beach Council has approved the consolidated financial statements.

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

Kathy Skwarchuk

Chief Administrative Officer

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
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INDEPENDENT AUDITOR'S REPORT

To the Members of Council

Opinion

We have audited the consolidated financial statements of **Alberta Beach**, which comprise the consolidated statement of financial position as at December 31, 2020, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Alberta Beach as at December 31, 2020, the results of its operations, changes 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 Consolidated Financial Statements section of our report. We are independent of the Entity 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Entity'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 Entity's financial reporting process

Auditor's Responsibility for the Audit of the Consolidated 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 controls.

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 Entity'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 Entity'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 Entity 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

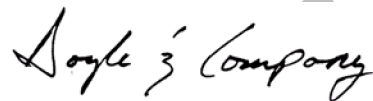
In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 6.

Supplementary Accounting Principles and Standards Regulation

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

The engagement partner on the audit resulting in this independent auditor's report is Allen Lee, CPA, CMA.

Edmonton, Alberta
April 20, 2021



Chartered Professional Accountants

Alberta Beach
Consolidated Statement of Financial Position
As at December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	1,213,937	1,489,605
Restricted cash (Note)	213,247	188,113
Receivables		
Taxes and grants in place of taxes (Note 4)	163,942	139,123
Trade and other receivables (Note 4)	265,610	75,114
Supplies for resale inventory	11,097	8,969
	1,867,833	1,900,924
LIABILITIES		
Accounts payable and accrued liabilities	39,874	30,449
Deposit liabilities	19,292	22,892
Deferred revenue (Note 5)	213,247	188,113
	272,413	241,454
NET FINANCIAL ASSETS	1,595,420	1,659,470
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	6,707,335	6,190,609
Prepaid expenses	49,832	42,471
	6,757,167	6,233,080
ACCUMULATED SURPLUS (Schedule 1, Note 9)	8,352,587	7,892,550

Significant Event - Note 17

Commitments - Note 12

Alberta Beach
Consolidated Statement of Operations
For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	1,871,340	1,857,257	1,851,833
Campground user fees	205,600	242,295	236,784
Other user fees and sale of goods	4,394	22,038	15,088
Sales to other governments	15,400	22,470	17,677
Franchise fees	58,000	63,269	67,360
Government transfers for operating (Schedule 4)	97,589	221,921	105,470
Local government transfers	6,460	3,954	12,000
Licenses and permits	500	7,080	8,285
Fines	26,155	31,892	48,334
Penalties and costs of taxes	26,000	25,946	41,740
Investment income	20,000	14,597	26,321
Rental	98,000	100,703	114,133
Other	-	36,223	1,488
	2,429,438	2,649,645	2,546,513
EXPENSES			
Legislative	78,829	73,662	88,325
Administration	636,038	537,420	531,535
Bylaws enforcement	129,290	122,260	134,823
Roads, streets, walks, lighting	953,600	145,851	129,781
Water supply & distribution	59,184	59,250	59,184
Wastewater treatment and disposal	574,506	574,506	562,698
Waste management	91,000	107,333	109,143
Fire department	107,271	130,143	107,998
Public works	405,000	403,823	361,909
Planning & development	22,600	21,698	22,364
Campground	90,350	111,746	98,266
Ambulance	8,500	8,180	7,582
Assessment services	-	22,120	21,660
Recreation & facilities	94,341	94,350	102,222
Alberta Beach boat launch and wharf	51,085	35,736	1,300
	3,301,594	2,448,078	2,338,790
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER	(872,156)	201,567	207,723
OTHER			
Amortization of tangible capital assets	(65,000)	(322,529)	(338,336)
Government transfers for capital (Schedule 4)	644,000	657,962	360,128
Other capital funds for road repairs	-	-	378,509
Transfer to/(from) reserves	-	(76,963)	-
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(293,156)	460,037	608,024
ACCUMULATED SURPLUS, BEGINNING OF YEAR		7,892,550	7,284,526
ACCUMULATED SURPLUS, END OF YEAR		8,352,587	7,892,550

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, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	(293,156)	460,037	608,024
Acquisition of tangible capital assets	-	(889,729)	(816,306)
Proceeds on disposal of tangible capital assets	-	57,938	52,651
Amortization of tangible capital assets	65,000	322,529	338,336
(Gain) loss on sale of tangible capital assets	-	(7,464)	(2,178)
Prepaid expenses	-	(7,361)	(4,850)
	65,000	(524,087)	(432,347)
INCREASE (DECREASE) IN NET ASSETS	(228,156)	(64,050)	175,677
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	1,659,470	1,483,793
NET FINANCIAL ASSETS, END OF YEAR	-	1,595,420	1,659,470

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Alberta Beach
Consolidated Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
	\$	\$
OPERATING		
Excess of revenue over expenditures	460,037	608,024
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	322,529	338,336
(Gain) loss on sale of tangible capital assets.	(7,464)	(2,180)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(24,819)	(39,643)
Decrease (increase) in trade and other receivables	(190,496)	(7,264)
Decrease (increase) in supplies for resale inventory	(2,128)	(1,082)
Decrease (increase) in accounts prepaid expenses	(7,361)	(4,850)
Increase (decrease) in payables and accrued liabilities	9,425	(12,130)
Increase (decrease) in deposit liabilities	(3,600)	8,800
Increase (decrease) in deferred revenue	25,134	(284,774)
Cash provided by operating transactions	581,257	603,237
CAPITAL		
Proceeds on sale of tangible capital assets	57,936	52,653
Acquisition of tangible capital assets	(889,729)	(816,306)
Cash applied to capital transactions	(831,793)	(763,653)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	(25,134)	284,774
CHANGE IN CASH EQUIVALENTS DURING THE YEAR	(275,670)	124,358
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	1,489,605	1,365,247
CASH AND CASH EQUIVALENTS, END OF YEAR	1,213,935	1,489,605

The accompanying notes form part of these financial statements

Alberta Beach

Schedule of Changes in Accumulated Surplus - Schedule 1

For the year ended December 31, 2020

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2020 \$	2019 \$
Balance, Beginning of Year	409,638	1,292,303	6,190,608	7,892,549	7,284,526
Excess (deficiency) of revenue over expenses	460,037	-	-	460,037	608,024
Unrestricted funds designated for future use	76,910	(76,910)	-	-	-
Current years funds used for tangible capital assets	(889,729)	-	889,729	-	-
Disposal of tangible capital assets	53,130	-	(53,130)	-	-
Annual amortization expenses	322,529	-	(322,529)	-	-
Accumulated amortization on disposed tangible capital assets	(2,656)	-	2,656	-	-
Change in accumulated surplus	20,221	(76,910)	516,726	460,037	608,024
Balance, End of Year	429,859	1,215,393	6,707,334	8,352,586	7,892,550

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Alberta Beach

Schedule of Tangible Capital Assets - Schedule 2

For the year ended December 31, 2020

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2020 \$	2019 \$
COST:								
Balance, Beginning of Year	1,349,990	630,439	2,759,249	5,446,543	867,527	321,795	11,375,543	10,612,367
Acquisition of tangible capital assets	-	22,319	176,401	558,127	132,882	-	889,729	816,306
Disposal of tangible capital assets	-	-	-	-	(53,130)	-	(53,130)	(53,130)
Balance, End of Year	1,349,990	652,758	2,935,650	6,004,670	947,279	321,795	12,212,142	11,375,543
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	477,846	820,029	2,984,953	612,877	289,229	5,184,934	4,849,255
Annual amortization	-	18,696	52,713	204,189	42,039	4,892	322,529	338,336
Accumulated amortization on disposals	-	-	-	-	-	(2,656)	(2,656)	(2,657)
Balance, End of Year	-	496,542	872,742	3,189,142	654,916	291,465	5,504,807	5,184,934
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	1,349,990	156,216	2,062,908	2,815,528	292,363	30,330	6,707,335	6,190,609
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	1,349,990	152,593	1,939,220	2,461,590	254,650	32,566		6,190,609

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, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
TAXATION			
Real property taxes	2,115,013	2,112,274	2,084,857
Linear property taxes	24,690	23,376	25,818
Sewer revitalization levy	245,700	245,700	245,700
	2,385,403	2,381,350	2,356,375
REQUISITIONS			
Alberta School Foundation Fund	475,928	463,268	476,630
Designated Industrial	-	-	160
Lac Ste Anne Foundation	38,135	38,135	38,585
Requisition Underlevy	-	22,690	(10,833)
	514,063	524,093	504,542
NET MUNICIPAL TAXES	1,871,340	1,857,257	1,851,833

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Alberta Beach
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
<u>TRANSFERS FOR OPERATING</u>			
Provincial Government - MSI Grant	22,446	130,467	25,774
Provincial Government - FCSS Grant	24,058	24,058	24,058
Revenue deferred from prior period	51,085	67,396	55,638
	97,589	221,921	105,470
<u>TRANSFERS FOR CAPITAL</u>			
Provincial Government - MSI Grant	644,000	657,962	360,128
TOTAL GOVERNMENT TRANSFERS	741,589	879,883	465,598

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Schedule of Consolidated Expenditures by Object - Schedule 5

For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	747,734	749,638	790,841
Contracted and general services	1,510,829	702,392	622,863
Materials, goods, and utilities	412,633	365,651	306,588
Transfers to local boards and agencies	630,398	630,398	618,498
Amortization of tangible capital assets	65,000	322,528	338,336
TOTAL EXPENSES	3,366,594	2,770,607	2,677,126

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Alberta Beach

Schedule of Consolidated Segmented Disclosure - Schedule 6

For the year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2020 \$
REVENUE							
Net municipal taxes	1,611,557	-	-	-	-	245,700	1,857,257
Government transfers	57,458	14,170	538,007	-	49,794	-	659,429
User fees and sales of goods	18,937	29,000	436	-	242,295	-	290,668
Investment income	14,597	-	-	-	-	-	14,597
Other revenue	217,221	41,227	46,449	73,841	10,000	19,955	408,693
	1,919,770	84,397	584,892	73,841	302,089	265,655	3,230,644
EXPENSES							
Salaries, wages and benefits	377,321	56,425	262,138	-	-	53,754	749,638
Contracted and general services	166,017	176,284	81,109	88,996	113,561	63,373	689,340
Materials, goods and utilities	22,469	27,874	206,428	98	113,302	8,533	378,704
Transfers to local boards and agencies	-	-	-	-	14,969	615,429	630,398
Balance, End of Year	565,807	260,583	549,675	89,094	241,832	741,089	2,448,080
EXCESS (SHORTFALL) OF REVENUE OVER							
EXPENSES BEFORE AMORTIZATION	1,353,963	(176,186)	35,217	(15,253)	60,257	(475,434)	782,564
Amortization	3,178	15,172	295,084	-	9,095	-	322,529
NET REVENUE	1,350,785	(191,358)	(259,867)	(15,253)	51,162	(475,434)	460,035

The accompanying notes form part of these financial statements

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2020

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 consolidated 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 consolidated 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.

The statements exclude trust assets that are administered for the benefit of external parties. 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 record 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. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible assets are acquired.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Cash and Cash Equivalents

Cash and cash equivalents consists of bank deposits and savings accounts with a term of three months or less.

(e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective instruments. 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.

(f) 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.

(g) Inventories for Resale

Land and supplies held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

(h) 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.

(i) 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.

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 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 consolidated 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.

iv) Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2020

2. CASH AND TEMPORARY INVESTMENTS

Council has designated funds of \$1,215,392 (2019 - \$1,114,401) for operating and capital reserves. See (Note 9) for details.

	2020	2019
	\$	\$
Unrestricted cash	1,213,937	1,489,605
Restricted cash	213,247	188,113
	1,427,184	1,677,718

3. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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 Consolidated Financial Statements
December 31, 2020

4. RECEIVABLES

	2020	2019
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	123,659	108,466
Arrears taxes	40,283	30,657
	163,942	139,123
ii) Trade and other receivables		
Trade and other receivables	249,854	36,811
GST receivable	31,776	31,633
Requisition under levy	(11,857)	10,833
	269,773	79,277
Less: Allowance for doubtful accounts	4,163	4,163
	265,610	75,114

5. DEFERRED REVENUE

	2020	2019
	\$	\$
Municipal Sustainability Initiative (MSI) - Capital	-	19,059
Municipal Stimulus Program	114,509	-
Basic Municipal Transportation Grant (BMTG)	1,255	14,598
Canadian Heritage	32,075	-
Donation for Trail System	1,000	1,000
FCSS	2,014	-
LSA Recreation and Cultural Grant	4,500	3,500
Alberta Community Partnership Grant (ACP)	32,056	98,871
Wharf Transfer Agreement	25,838	51,085
	213,247	188,113

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2020

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 be disclosed as follow:

	2020	2019
	\$	\$
Total Debt Limit	3,974,468	3,819,770
Total Debt	-	-
Amount of debt limit unused	3,974,468	3,819,770
Debt Service Limit	662,411	636,628
Debt Service	-	-
Amount of debt service limit unused	662,411	636,628

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue excluding government capital transfers. 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.

7. TANGIBLE CAPITAL ASSETS

	2020	2019
	\$	\$
Net Book Value		
Land	1,349,990	1,349,990
Land improvements	156,216	152,593
Buildings	2,062,908	1,939,220
Engineering structures	2,815,528	2,461,590
Machinery and equipment	292,363	254,650
Vehicles	30,330	32,566
	6,707,335	6,190,609

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
	\$	\$
Tangible capital assets (Schedule 2)	12,212,142	11,375,543
Accumulated amortization (Schedule 2)	(5,504,807)	(5,184,934)
	6,707,335	6,190,609

Alberta Beach

Notes to the Consolidated Financial Statements

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9. ACCUMULATED SURPLUS

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

	2020	2019
	\$	\$
Unrestricted surplus	429,860	409,638
Internally restricted surplus		
Operating reserves		
Economic development - 100 Year	2,019	2,625
Tax rate stabilization	187,907	187,907
Insurance proceeds - Hayland	44,537	44,537
Provincial police	23,695	-
Capital reserves		
Administrative - equipment	6,803	6,803
Building replacement	28,623	28,623
General capital	810,985	910,985
Parks and recreation	34,494	34,494
Police	25,164	25,164
Public works	40,960	40,960
Waste management	10,205	10,205
	1,215,392	1,292,303
Equity in Tangible Capital Assets (TCA)	6,707,335	6,190,609
	8,352,587	7,892,550

10. SEGMENTED DISCLOSURE

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

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

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2020

11. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Months	2020		2019	
		Salary (1) \$	Benefits & Allowances (2) \$	Total \$	Total \$
Mayor					
J. Benedict	12	14,425	-	14,425	14,850
Deputy Mayor					
A. Duncan	12	12,703	-	12,703	12,253
Councillors					
J. Valiquette	12	9,367	-	9,367	10,067
D. Weber	12	9,367	-	9,367	13,492
B. Love	12	9,442	-	9,442	10,567
Chief Administrative Officer					
K. Skwarchuk	12	121,289	-	121,289	120,428

- (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
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12. COMMITMENTS

Alberta Beach is also responsible for 63.43% of the annual operating costs of Tri Village Regional Sewer Services Commission. The operating costs this year were \$242,980 (2019 - \$231,172).

Alberta Beach is part of the West Inter Lake District (WILD) Regional Water Services Commission and is committed to debenture principal and interest payments in the amount of \$12,381.97 each June and December until the debenture matures in 2039. This debenture was issued as part of the funding of phase 1 of the pipeline construction project from the Town of Stony Plain to the Village of Wabamun. The debenture payment this year was \$40,923 (2019 - \$40,923), the payments include principal and interest.

Alberta Beach is also responsible for 16.4% of the annual operating costs of West Inter Lake District (WILD) Regional Water Services Commission. The operating costs this year were \$18,327 (2019 - \$18,261).

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:

	2020	2019
	\$	\$
Service fees	242,980	231,172
Debentures	331,526	331,526
	574,506	562,698

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 Consolidated Financial Statements
December 31, 2020

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. COMPARATIVE FIGURES

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

16. BUDGET FIGURES

Budget figures for 2020, as approved by Council, are included in the financial statements for information purposes and are unaudited.

17. SIGNIFICANT EVENT

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus) which was declared a pandemic by the World Health Organization. This has an impact on municipal government operations through the restrictions put in place by the Canadian and provincial governments as well as the Alberta Health Services regarding travel, isolation/quarantine orders, closure of municipal facilities, cancellation or postponement of programs, and deferral of property tax and utility payments. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on Alberta Beach as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of facility closures, program and service disruptions, and isolation/quarantine measures that are currently or maybe put in place by Canada and other countries to fight the virus.

18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.