

Alberta Beach
Consolidated Financial Statements
December 31, 2017

Alberta Beach

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MANAGEMENT'S REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of Alberta Beach.

These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Alberta Beach maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Alberta Beach's assets are appropriately accounted for and adequately safeguarded.

The elected Council of Alberta Beach are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council meets annually with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Doyle & Company, Chartered Professional Accountants, the external auditors, in accordance with Canadian public sector accounting standards on behalf of the Council, residents and ratepayers of Alberta. Doyle & Company has full and free access to Alberta Beach's Council.



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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Alberta Beach**, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

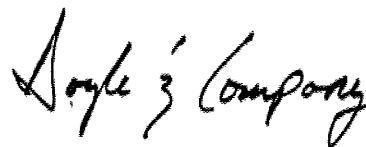
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the Consolidated financial position of Alberta Beach as at December 31, 2017, 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.



Edmonton, Alberta
April 30, 2018

Chartered Professional Accountants

Alberta Beach
Consolidated Statement of Financial Position
As at December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	1,871,424	1,418,473
Receivables		
Taxes and grants in place of taxes (Note 4)	118,080	92,763
Trade and other receivables (Note 5)	100,630	116,235
Supplies for resale inventory	6,306	7,925
	2,096,440	1,635,396
LIABILITIES		
Accounts payable and accrued liabilities	25,253	78,843
Deposit liabilities	10,600	6,200
Deferred revenue (Note 6)	633,996	367,987
	669,849	453,030
NET FINANCIAL ASSETS	1,426,591	1,182,366
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	5,298,873	5,483,867
Prepaid expenses	38,371	37,843
	5,337,244	5,521,710
ACCUMULATED SURPLUS (Schedule 1, Note 10)	6,763,835	6,704,076

Commitments - Note 13

The accompanying notes form part of these financial statements

Alberta Beach

Consolidated Statement of Operations

For the year ended December 31, 2017

	2017 Budget (Unaudited) \$	2017 Actual \$	2016 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	1,766,199	1,765,047	1,711,034
Campground user fees	244,200	250,554	244,556
Other user fees and sale of goods	14,750	9,704	10,134
Sales to other governments	9,800	18,232	21,279
Franchise fees	45,000	59,116	42,463
Government transfers for operating (Schedule 4)	52,007	159,899	94,894
Local government transfers	1,500	48,066	6,800
Licenses and permits	1,200	1,105	1,315
Fines	58,765	50,773	50,381
Penalties and costs of taxes	34,000	41,370	34,762
Investment income	3,000	4,860	3,742
Rental	39,050	52,305	77,364
Other	43,200	42,439	11,847
	2,312,671	2,503,470	2,310,571
EXPENSES			
Legislative	94,334	84,881	77,435
Administration	635,200	486,359	500,112
Bylaws enforcement	151,574	131,459	158,269
Roads, streets, walks, lighting	719,217	380,615	209,284
Water supply & distribution	38,924	38,924	28,490
Wastewater treatment and disposal	561,098	555,398	585,970
Waste management	90,800	120,868	82,237
Fire department	90,138	90,008	105,901
Public works	340,700	303,643	336,495
Planning & development	43,000	41,888	16,305
Campground	106,700	95,870	94,130
Ambulance	9,800	9,249	3,821
Recreation & facilities	104,903	97,151	104,725
Alberta Beach boat launch and wharf	38,000	1,096	5,437
	3,024,388	2,437,409	2,308,611
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER	(711,717)	66,061	1,960
OTHER			
Amortization of tangible capital assets	(65,000)	(274,900)	(271,495)
Government transfers for capital (Schedule 4)	349,717	268,598	69,295
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(427,000)	59,759	(200,240)
Transfer to/(from) reserves	160,000	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR		6,704,076	6,904,316
ACCUMULATED SURPLUS, END OF YEAR		6,763,835	6,704,076

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, 2017

	2017 Budget (Unaudited) \$	2017 Actual \$	2016 Actual \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	(427,000)	59,759	(200,240)
Acquisition of tangible capital assets	(81,017)	(137,413)	(129,037)
Proceeds on disposal of tangible capital assets	-	49,567	45,431
Amortization of tangible capital assets	65,000	274,900	271,495
(Gain) loss on sale of tangible capital assets	-	(2,060)	2,742
Prepaid expenses	-	(528)	610
	(16,017)	184,466	191,241
INCREASE (DECREASE) IN NET ASSETS	(443,017)	244,225	(8,999)
NET FINANCIAL ASSETS , BEGINNING OF YEAR	1,182,366	1,182,366	1,191,365
NET FINANCIAL ASSETS, END OF YEAR	739,349	1,426,591	1,182,366

The accompanying notes form part of these financial statements

Alberta Beach
Consolidated Statement of Cash Flows
For the year ended December 31, 2017

	2017	2016
	\$	\$
OPERATING		
Excess (shortfall) of revenue over expenditures	59,759	(200,240)
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	274,900	271,495
(Gain) loss on sale of tangible capital assets.	(2,060)	2,742
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(25,317)	(20,276)
Decrease (increase) in trade and other receivables	15,605	2,097
Decrease (increase) in supplies for resale inventory	1,619	(1,383)
(Decrease) increase in accounts prepaid expenses	(528)	610
(Increase) decrease in payables and accrued liabilities	(53,590)	64,807
(Increase) decrease in deposit liabilities	4,400	800
(Increase) decrease in deferred revenue	266,009	(113,942)
Cash provided by operating transactions	540,797	6,710
CAPITAL		
Proceeds on sale of tangible capital assets	49,567	45,431
Acquisition of tangible capital assets	(137,413)	(129,037)
Cash applied to capital transactions	(87,846)	(83,606)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	871	5,214
CHANGE IN CASH EQUIVALENTS DURING THE YEAR	453,822	(71,682)
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	1,364,393	1,436,075
CASH AND CASH EQUIVALENTS, END OF YEAR	1,818,215	1,364,393
Cash and cash equivalents consist of:		
Cash and temporary investments (Note 2)	1,871,424	1,418,473
Less: restricted portion of cash and temporary investments (Note 2)	53,209	54,080
	1,818,215	1,364,393

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, 2017

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2017 \$	2016 \$
Balance, Beginning of Year	294,574	925,635	5,483,867	6,704,076	6,904,316
Excess (deficiency) of revenue over expenses	59,759	-	-	59,759	(200,240)
Restricted funds used for operations	(136,145)	136,145	-	-	-
Current years funds used for tangible capital assets	(137,413)	-	137,413	-	-
Disposal of tangible capital assets	49,745	-	(49,745)	-	-
Annual amortization expenses	274,900	-	(274,900)	-	-
Accumulated amortization on disposed tangible capital assets	(2,238)	-	2,238	-	-
Change in accumulated surplus	108,608	136,145	(184,994)	59,759	(200,240)
Balance, End of Year	403,182	1,061,780	5,298,873	6,763,835	6,704,076

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2017

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2017	2016
							\$	\$
COST:								
Balance, Beginning of Year	1,349,990	575,674	2,664,431	4,058,662	785,767	335,345	9,769,869	9,693,769
Acquisition of tangible capital assets	-	-	48,182	-	89,231	-	137,413	129,037
Disposal of tangible capital assets	-	-	-	-	(49,745)	-	(49,745)	(52,937)
Balance, End of Year	1,349,990	575,674	2,712,613	4,058,662	825,253	335,345	9,857,537	9,769,869
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	390,692	653,537	2,470,571	514,947	256,255	4,286,002	4,019,271
Annual amortization	-	27,226	54,271	133,371	17,283	42,749	274,900	271,495
Accumulated amortization on disposals	-	-	-	-	(2,238)	-	(2,238)	(4,764)
Balance, End of Year	-	417,918	707,808	2,603,942	529,992	299,004	4,558,664	4,286,002
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	157,756	2,004,805	1,454,720	295,261	36,341	5,298,873	5,483,867
2016 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	184,982	2,010,894	1,588,091	270,820	79,090	5,298,873	5,483,867

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, 2017

	2017 Budget (Unaudited) \$	2017 Actual \$	2016 Actual \$
TAXATION			
Real property taxes	1,976,828	2,000,528	1,903,751
Linear property taxes	24,852	-	23,977
Local improvement taxes	-	-	-
Sewer revitalization levy	246,000	246,000	246,300
	2,247,680	2,246,528	2,174,028
REQUISITIONS			
Alberta School Foundation Fund	444,800	444,800	427,655
Lac Ste Anne Foundation	36,681	36,681	35,339
	481,481	481,481	462,994
NET MUNICIPAL TAXES	1,766,199	1,765,047	1,711,034

The accompanying notes form part of these financial statements

Alberta Beach

Schedule of Government Transfers - Schedule 4

For the year ended December 31, 2017

	2017 Budget (Unaudited) \$	2017 Actual \$	2016 Actual \$
<u>TRANSFERS FOR OPERATING</u>			
Provincial Government - MSI Grant	21,387	118,622	21,597
Provincial Government - FCSS Grant	24,058	24,058	27,566
Provincial Government - STEP Grant	6,562	6,150	6,375
Revenue deferred from prior period	-	11,069	39,356
	52,007	159,899	94,894
<u>TRANSFERS FOR CAPITAL</u>			
Provincial Government	349,717	268,598	69,295
TOTAL GOVERNMENT TRANSFERS	401,724	428,497	164,189

The accompanying notes form part of these financial statements

Alberta Beach

Schedule of Consolidated Expenditures by Object - Schedule 5

For the year ended December 31, 2017

	2017 Budget (Unaudited) \$	2017 Actual \$	2016 Actual \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	727,060	731,061	758,341
Contracted and general services	1,078,596	837,030	673,284
Materials, goods, and utilities	618,650	274,937	274,054
Transfers to local boards and agencies	600,082	594,381	600,190
Amortization of tangible capital assets	65,000	274,900	271,495
Loss on disposal of tangible capital assets	-	-	2,742
TOTAL EXPENSES	3,089,388	2,712,309	2,580,106

The accompanying notes form part of these financial statements

Alberta Beach

Schedule of Consolidated Segmented Disclosure - Schedule 6

For the year ended December 31, 2017

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2017 \$
REVENUE							
Net municipal taxes	1,519,047	-	-	-	-	246,000	1,765,047
Government transfers	121,122	6,800	264,258	-	24,058	-	416,238
User fees and sales of goods	9,651	39,244	2,792	-	250,554	2,119	304,360
Investment income	4,860	-	-	-	-	-	4,860
Other revenue	143,481	50,872	29,080	11,069	47,061	-	281,563
	1,798,161	96,916	296,130	11,069	321,673	248,119	2,772,068
EXPENSES							
Salaries, wages and benefits	360,886	90,452	231,003	-	-	48,718	731,059
Contracted and general services	180,656	109,190	299,998	51,384	113,492	82,310	837,030
Materials, goods and utilities	18,630	34,647	149,683	1,573	66,406	4,000	274,939
Transfers to local boards and agencies	-	-	-	-	14,220	580,161	594,381
Balance, End of Year	560,172	234,289	680,684	52,957	194,118	715,189	2,437,409
NET REVENUE, BEFORE AMORTIZATION	1,237,989	(137,373)	(384,554)	(41,888)	127,555	(467,070)	334,659
Amortization	4,409	21,047	230,315	-	19,129	-	274,900
NET REVENUE	1,233,580	(158,420)	(614,869)	(41,888)	108,426	(467,070)	59,759

The accompanying notes form part of these financial statements

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2017

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 Canadian Public Sector Accounting Standards 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) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and cash instruments with a maturity date of less than 90 days deposited in a Canadian financial institution.

(d) Investments

Investments are recorded at cost. 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.

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 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.

i) 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.

ii) 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.

iii) Cultural and Historical Tangible Capital Assets

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

(k) Financial Instruments

(i) Measurement of financial instruments

Alberta Beach initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

Alberta Beach subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, trade and other receivables and long term investments.

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, accrued interest and long term debt.

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(k) Financial Instruments - continued

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. 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.

3. CASH AND TEMPORARY INVESTMENTS

	2017	2016
	\$	\$
Unrestricted cash	1,818,215	1,364,393
Restricted cash	53,209	54,080
	1,871,424	1,418,473

Restricted funds were received from the provincial government for various approved projects (Note 6).

Council has designated funds of \$1,061,776 (2016 - \$925,635) included in the above amounts for operating and capital reserves. See (Note 10) for details.

Alberta Beach
Notes to the Consolidated Financial Statements
December 31, 2017

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2017	2016
	\$	\$
Current taxes and grants in place of taxes	91,432	66,221
Arrears taxes	26,648	26,542
	118,080	92,763

5. TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Trade and other receivables	86,609	106,260
GST receivable	22,384	14,175
	108,993	120,435
Less: Allowance for doubtful accounts	8,363	4,200
	100,630	116,235

6. DEFERRED REVENUE

	2017	2016
	\$	\$
Municipal Sustainability Initiative (MSI) - Capital	580,787	124,820
Basic Municipal Transportation Grant (BMTG)	-	24,700
Donation for Trail System	-	1,000
LSA Recreation and Cultural Grant	-	1,500
Alberta Community Partnership Grant (ACP)	-	161,887
Wharf Transfer Agreement	53,209	54,080
	633,996	367,987

Included in deferred revenue is an amount of \$53,209 (2016 - \$54,080) whose use of these funds is restricted for the use of the redevelopment of the Alberta Beach boat launch and wharf.

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2017

7. DEBT LIMIT

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Alberta Beach be disclosed as follow:

	2017	2016
	\$	\$
Total Debt Limit	3,755,205	3,465,857
Total Debt	-	-
Debt Limit Available	3,755,205	3,465,857
Debt Service Limit	625,868	577,643
Debt Service	-	-
Debt Service Limit Available	625,868	577,643

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) 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.

8. TANGIBLE CAPITAL ASSETS

	2017	2016
	\$	\$
Net Book Value		
Land	1,349,990	1,349,990
Land improvements	157,756	184,982
Buildings	2,004,805	2,010,894
Engineering structures	1,454,720	1,588,091
Machinery and equipment	295,261	270,820
Vehicles	36,341	79,090
	5,298,873	5,483,867

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2017	2016
	\$	\$
Tangible capital assets (Schedule 2)	9,857,537	9,769,869
Accumulated amortization (Schedule 2)	(4,558,664)	(4,286,002)
	5,298,873	5,483,867

Alberta Beach

Notes to the Consolidated Financial Statements

December 31, 2017

10. ACCUMULATED SURPLUS

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

	2017	2016
	\$	\$
Unrestricted surplus	403,182	294,574
Restricted surplus		
Operating reserves		
Administrative	-	5,628
Tax rate stabilization	187,911	90,675
Insurance proceeds - Hayland	44,537	-
Capital reserves		
Administrative - equipment	6,803	6,803
Building replacement	28,623	28,623
General capital	683,083	683,083
Parks and recreation	34,494	34,494
Police	25,164	25,164
Public works	40,960	40,960
Waste management	10,205	10,205
	1,061,780	925,635
Equity in tangible capital assets	5,298,873	5,483,867
	6,763,835	6,704,076

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).

Alberta Beach

Notes to the Consolidated Financial Statements

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12. 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	2017			2016
		Salary (1)	Benefits & Allowances (2)	Total	Total
		\$	\$	\$	\$
J. Benedict	12	14,369	4,885	19,254	15,889
Councillors					
A. Duncan	12	12,866	4,375	17,241	12,322
T. Elwood	10	9,487	3,226	12,713	12,245
J. Valiquette	3	2,179	740	2,919	-
D. Weber	3	2,104	715	2,819	-
Bill Love	10	8,114	2,759	10,873	11,528
Bud Love	3	2,329	792	3,121	-
D. McNair	10	8,212	2,792	11,004	9,800
Chief Administrative Officer					
K. Skwarchuk	12	106,518	5,961	112,479	109,704

(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.

13. 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 \$229,271 (2016 - \$248,144).

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 \$24,764 (2016 - \$24,764), 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 \$14,160 (2016 - \$3,726).

Alberta Beach
Notes to the Consolidated Financial Statements

December 31, 2017

14. RELATED PARTY TRANSACTIONS

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

	2017	2016
	\$	\$
Service fees	229,272	248,144
Debentures	326,126	337,826
	555,398	585,970

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.

15. FINANCIAL INSTRUMENTS

Alberta Beach's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and deposit liabilities. It is management's opinion that Alberta Beach is not exposed to significant interest or currency risks arising from these financial instruments.

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. Any receivables from a government

Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

16. COMPARATIVE FIGURES

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

17. BUDGET FIGURES

Budget figures for 2017, as approved by Council, are included in the financial statements for information purposes and are unaudited.

18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.