

Alberta Beach
Financial Statements
December 31, 2021

Alberta Beach

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Alberta Beach (the "Organization") is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Organization's financial position as at December 31, 2021 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

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
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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, 2021, 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, 2021, 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 Consolidated 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 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 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

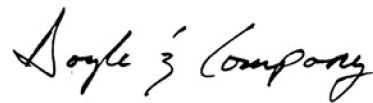
Debt Limit Regulation

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 11.

Edmonton, Alberta
April 19, 2022



Chartered Professional Accountants

Alberta Beach
Statement of Financial Position
As at December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	171,828	211,792
Restricted cash (Note 3)	974,556	1,215,392
Receivables		
Taxes and grants in place of taxes (Note 4)	199,864	163,942
Trade and other receivables (Note 4)	436,432	265,610
Supplies for resale inventory	9,984	11,097
	1,792,664	1,867,833
LIABILITIES		
Accounts payable and accrued liabilities	81,307	39,874
Deposit liabilities	18,892	19,292
Deferred revenue (Note 5)	40,797	213,247
	140,996	272,413
NET FINANCIAL ASSETS	1,651,668	1,595,420
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	7,103,854	6,707,335
Prepaid expenses	47,685	49,832
	7,151,539	6,757,167
ACCUMULATED OPERATING SURPLUS (Schedule 1, Note 9)	8,803,207	8,352,587

Significant Event - Note 17

Commitments - Note 12

Alberta Beach
Statement of Operations
For the year ended December 31, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
REVENUE			
Net municipal taxes (Schedule 3)	1,860,494	1,858,616	1,857,257
Campground user fees	245,100	266,697	242,295
Other user fees and sale of goods	6,900	7,172	22,038
Sales to other governments	15,100	22,836	22,470
Franchise fees	65,000	89,166	63,269
Government transfers for operating (Schedule 4)	45,268	45,268	221,921
Local government transfers	12,000	83,077	1,600
Licenses and permits	39,805	10,065	7,080
Fines	40,700	39,140	31,892
Penalties and costs of taxes	52,000	60,206	25,946
Investment income	12,000	9,468	14,597
Rental	110,000	107,241	100,703
Other	35,850	36,198	37,971
Total Revenue	2,540,217	2,635,150	2,649,039
EXPENSES			
General government			
Administration	491,397	494,668	537,472
Assessment services	25,570	23,520	22,120
Legislative	82,127	81,200	73,662
Protective services			
Ambulance	7,800	6,534	8,180
Bylaws enforcement	166,515	178,601	98,565
Fire department	114,459	116,480	130,143
Transportation services			
Public works	374,725	388,444	403,823
Roads, streets, walks, lighting	157,600	173,411	145,851
Planning and development			
Planning and development	58,456	25,560	21,698
Recreation and culture			
Alberta Beach boat launch and wharf	25,850	16,330	35,736
Campground	117,700	122,885	111,746
Recreation & facilities	106,488	99,276	94,350
Environmental services			
Water supply & distribution	59,097	59,098	59,250
Wastewater treatment and disposal	573,683	573,682	574,506
Waste management	105,250	131,952	107,333
Total Expenses	2,466,717	2,491,641	2,424,435
EXCESS OF REVENUE OVER EXPENSES			
BEFORE OTHER REVENUE AND EXPENSES	73,500	143,509	224,604
OTHER REVENUE AND EXPENSES			
Amortization of tangible capital assets	(65,000)	(345,787)	(322,529)
Loss on sale of tangible capital assets	-	(164)	-
Government transfers for capital (Schedule 4)	690,700	653,062	557,962
EXCESS OF REVENUE OVER EXPENSES	699,200	450,620	460,037
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		8,352,587	7,892,550
ACCUMULATED OPERATING SURPLUS, END OF YEAR		8,803,207	8,352,587

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, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
EXCESS OF REVENUES OVER EXPENSES	699,200	450,620	460,037
Acquisition of tangible capital assets	(754,000)	(857,474)	(889,729)
Proceeds on disposal of tangible capital assets	54,800	115,004	57,938
Amortization of tangible capital assets	-	345,787	322,529
(Gain) loss on sale of tangible capital assets	-	164	(7,464)
Prepaid expenses	-	2,147	(7,361)
	(699,200)	(394,372)	(524,087)
INCREASE (DECREASE) IN NET ASSETS	-	56,248	(64,050)
NET FINANCIAL ASSETS , BEGINNING OF YEAR	-	1,595,420	1,659,470
NET FINANCIAL ASSETS, END OF YEAR	-	1,651,668	1,595,420

The accompanying notes form part of these financial statements

Alberta Beach
Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenditures	450,620	460,037
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	345,787	322,529
(Gain) loss on sale of tangible capital assets.	164	(7,464)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(35,922)	(24,819)
Decrease (increase) in trade and other receivables	(170,822)	(190,496)
Decrease (increase) in supplies for resale inventory	1,113	(2,128)
Decrease (increase) in prepaid expenses	2,147	(7,359)
Increase (decrease) in accounts payables and accrued liabilities	41,433	9,425
Increase (decrease) in deposit liabilities	(400)	(3,600)
Increase (decrease) in deferred revenue	(172,450)	25,134
Cash provided by operating transactions	461,670	581,259
CAPITAL		
Acquisition of tangible capital assets	(857,474)	(889,729)
Sale of tangible capital assets	115,004	57,936
Cash applied to capital transactions	(742,470)	(831,793)
INVESTING		
Decrease (increase) in restricted cash	240,836	76,911
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(39,964)	(173,623)
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	211,792	385,415
CASH AND CASH EQUIVALENTS, END OF YEAR	171,828	211,792

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, 2021

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
	\$	\$	\$	\$	\$
Balance, Beginning of Year	429,860	1,215,392	6,707,335	8,352,587	7,892,550
Excess of revenue over expenses	450,620	-	-	450,620	460,037
Unrestricted funds designated for future use	(26,043)	26,043	-	-	-
Restricted funds use for operations	28,388	(28,388)	-	-	-
Restricted funds used for tangible capital assets	-	(7,534)	7,534	-	-
Current years funds used for tangible capital assets	(849,940)	-	849,940	-	-
Disposal of tangible capital assets	132,209	-	(132,209)	-	-
Annual amortization expenses	345,787	-	(345,787)	-	-
Accumulated amortization on disposed tangible capital assets	(17,041)	-	17,041	-	-
Change in accumulated surplus	63,980	(9,879)	396,519	450,620	460,037
Balance, End of Year	493,840	1,205,513	7,103,854	8,803,207	8,352,587

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Tangible Capital Assets - Schedule 2
For the year ended December 31, 2021

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021 \$	2020 \$
COST:								
Balance, Beginning of Year	1,349,990	652,758	2,935,650	6,004,670	947,279	321,795	12,212,142	11,375,543
Acquisition of tangible capital assets	-	31,817	10,589	707,534	79,684	27,850	857,474	889,729
Disposal of tangible capital assets	-	-	-	-	(117,509)	(14,700)	(132,209)	(53,130)
Balance, End of Year	1,349,990	684,575	2,946,239	6,712,204	909,454	334,945	12,937,407	12,212,142
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	496,542	872,742	3,189,142	652,260	294,121	5,504,807	5,184,934
Annual amortization	-	18,663	54,583	228,955	38,683	4,903	345,787	322,529
Accumulated amortization on disposals	-	-	-	-	(12,076)	(4,965)	(17,041)	(2,656)
Balance, End of Year	-	515,205	927,325	3,418,097	678,867	294,059	5,833,553	5,504,807
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	169,370	2,018,914	3,294,107	230,587	40,886	7,103,854	6,707,335
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,349,990	156,216	2,062,908	2,815,528	295,019	27,674		6,707,335

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, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
TAXATION			
Real property taxes	2,113,658	2,111,638	2,112,274
Linear property taxes	-	-	23,376
Sewer revitalization levy	245,700	245,700	245,700
	2,359,358	2,357,338	2,381,350
REQUISITIONS			
Alberta School Foundation Fund	471,875	471,875	463,268
Designated Industrial	142	-	-
Lac Ste Anne Foundation	38,704	38,704	38,135
Requisition Underlevy (Overlevy)	(11,857)	(11,857)	22,690
	498,864	498,722	524,093
NET MUNICIPAL TAXES	1,860,494	1,858,616	1,857,257

Alberta Beach
Schedule of Government Transfers - Schedule 4
For the year ended December 31, 2021

	2021 Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
<u>TRANSFERS FOR OPERATING</u>			
Provincial Government - MSI Grant	21,210	21,210	130,467
Provincial Government - FCSS Grant	24,058	24,058	24,058
Revenue deferred from prior period	-	-	67,396
	45,268	45,268	221,921
<u>TRANSFERS FOR CAPITAL</u>			
Provincial Government - MSI Grant	690,700	653,062	557,962
TOTAL GOVERNMENT TRANSFERS	735,968	698,330	779,883

The accompanying notes form part of these financial statements

Alberta Beach
Schedule of Expenses by Object - Schedule 5
For the year ended December 31, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	787,999	769,669	749,638
Contracted and general services	1,183,147	684,916	678,697
Materials, goods, and utilities	618,375	406,025	365,703
Transfers to local boards and agencies	631,196	631,195	630,398
Amortization of tangible capital assets	65,000	345,787	322,528
TOTAL EXPENSES	3,285,717	2,837,592	2,746,964

Alberta Beach

Schedule of Segmented Disclosure - Schedule 6

For the year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2021 \$
REVENUE							
Net municipal taxes	1,612,916	-	-	-	-	245,700	1,858,616
Operating government transfers	70,487	-	-	-	57,858	-	128,345
User fees and sales of goods	9,667	32,572	551	-	266,697	-	309,487
Investment income	9,468	-	-	-	-	-	9,468
Other revenue	159,757	58,297	62,890	9,490	38,964	-	329,398
	1,862,295	90,869	63,441	9,490	363,519	245,700	2,635,314
EXPENSES							
Salaries, wages and benefits	389,006	81,098	248,918	-	-	50,647	769,669
Contracted and general services	188,367	191,583	82,009	24,266	108,946	89,745	684,916
Materials, goods and utilities	22,015	27,852	232,174	1,294	112,955	9,735	406,025
Transfers to local boards and agencies	-	-	-	-	16,590	614,605	631,195
Balance, End of Year	599,388	300,533	563,101	25,560	238,491	764,732	2,491,805
NET REVENUE, BEFORE							
AMORTIZATION AND OTHER	1,262,907	(209,664)	(499,660)	(16,070)	125,028	(519,032)	143,509
Gain (loss) on disposal of tangible capital assets	-	1,082	(1,246)	-	-	-	(164)
Capital government transfers	3,055	-	439,397	-	-	210,610	653,062
Amortization	(5,853)	(13,361)	(305,474)	-	(12,819)	(8,280)	(345,787)
NET REVENUE	1,260,109	(221,943)	(366,983)	(16,070)	112,209	(316,702)	450,620

The accompanying notes form part of these financial statements

Alberta Beach

Notes to the Financial Statements

December 31, 2021

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. Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided or the tangible assets are acquired.

(c) Cash and Temporary Investments

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

Alberta Beach
Notes to the Financial Statements
December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Investments

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 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.

(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) 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.

(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) 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.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. 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.

(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 Financial Statements
December 31, 2021

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 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, 2021

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.

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.

3. CASH AND TEMPORARY INVESTMENTS

	2021	2020
	\$	\$
Cash and temporary investments	171,828	211,792
Restricted cash	974,556	1,215,392
	1,146,384	1,427,184

Council has designated funds of \$974,556 (2020 - \$1,215,392) for operating and capital reserves. See (Note 9) for details.

Alberta Beach
Notes to the Financial Statements
December 31, 2021

4. RECEIVABLES

	2021 \$	2020 \$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	138,542	123,659
Arrears taxes	61,322	40,283
	199,864	163,942
ii) Trade and other receivables		
Trade and other receivables	423,985	249,854
Goods and services tax receivable	16,610	31,776
Requisition under levy	-	(11,857)
	440,595	269,773
Less: Allowance for doubtful accounts	4,163	4,163
	436,432	265,610

5. DEFERRED REVENUE

	2021 \$	2020 \$
Municipal Stimulus Program	-	114,509
Basic Municipal Transportation Grant (BMTG)	-	1,255
Canadian Heritage	-	32,075
Donation for Trail System	1,000	1,000
FCSS	6,016	2,014
LSA Recreation and Cultural Grant	1,500	4,500
Alberta Community Partnership Grant (ACP)	32,281	32,056
Wharf Transfer Agreement	-	25,838
	40,797	213,247

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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:

	2021	2020
	\$	\$
Total Debt Limit	3,952,725	3,973,559
Total Debt	-	-
Amount of debt limit unused	3,952,725	3,973,559
Debt Service Limit	658,788	662,260
Debt Service	-	-
Amount of debt service limit unused	658,788	662,260

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.

7. TANGIBLE CAPITAL ASSETS

	2021	2020
	\$	\$
Net Book Value		
Land	1,349,990	1,349,990
Land improvements	169,370	156,216
Buildings	2,018,914	2,062,908
Engineering structures	3,294,107	2,815,528
Machinery and equipment	230,587	292,363
Vehicles	40,886	30,330
	7,103,854	6,707,335

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2021	2020
	\$	\$
Tangible capital assets (Schedule 2)	12,937,407	12,212,142
Accumulated amortization (Schedule 2)	(5,833,553)	(5,504,807)
	7,103,854	6,707,335

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9. ACCUMULATED OPERATING SURPLUS

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

	2021	2020
	\$	\$
Unrestricted surplus	493,840	429,860
Internally restricted surplus		
Operating reserves		
Economic development - 100 Year	7,296	2,019
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	44,695	28,623
General capital	803,451	810,985
Parks and recreation	34,495	34,494
Police	25,164	25,164
Public works	40,960	40,960
Waste management	10,205	10,205
	1,205,513	1,215,392
Equity in Tangible Capital Assets (TCA)	7,103,854	6,707,335
	8,803,207	8,352,587

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).

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.

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Notes to the Financial Statements
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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	2021		2020
		Salary (1) \$	Benefits & Allowances (2) \$	Total \$
Mayor				
J. Benedict	10	10,358	-	10,358
B. Love	3	2,574	-	2,574
Deputy Mayor				
A. Duncan	12	12,551	493	13,044
Councilors				
J. Valiquette	10	7,947	242	8,189
D. Weber	12	12,872	511	13,383
D. Durocher	3	2,725	-	2,725
B. Love	9	7,723	-	7,723
T. Elwood	3	2,725	-	2,725
Chief Administrative Officer				
K. Skwarchuk	12	113,840	9,600	123,440

- (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.

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Notes to the Financial Statements
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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 \$242,156 (2020 - \$242,980).

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 (2020 - \$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 \$18,174 (2020 - \$18,327).

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:

	2021	2020
	\$	\$
Service fees	242,156	242,980
Debentures	331,526	331,526
	573,682	574,506

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.

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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. COMPARATIVE FIGURES

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

16. BUDGET FIGURES

Budget figures for 2021, as approved by Council, are included in the financial statements for information purposes and are unaudited.

17. SIGNIFICANT EVENT

As of the date of the financial statements, 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.