

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Financial Statements**  
**Year Ended December 31, 2023**

# SUMMER VILLAGE OF MEWATHA BEACH

## Index to Financial Statements

Year Ended December 31, 2023

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management, in accordance with Canadian Public Sector Accounting Standards. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the financial statements.

Management reports directly to Council on an ongoing basis, carrying out its audit program to ensure internal controls and their application are reviewed and financial information is tested and independently verified.

Prior to their submission to Council, the financial statements have been reviewed and recommended for approval by management. The financial statements have been audited by the independent firm of Seniuk and Company, Chartered Professional Accountants. Their report to the Council, stating their opinion, basis for opinion, other information, responsibilities of management and those charged with governance for the financial statements, and auditors' responsibilities for the audit of the financial statements, follows.

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Ms. Tina George, CAO

Plamondon, Alberta  
April 24, 2024

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council of Summer Village of Mewatha Beach

### *Opinion*

We have audited the financial statements of Summer Village of Mewatha Beach (the "municipality"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year 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 municipality as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *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 municipality in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of Council of Summer Village of Mewatha Beach  
(continued)

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 municipality'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 municipality'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 municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, 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.

Edmonton, Alberta  
April 24, 2024

*Seniuk & Company*  
**Seniuk and Company,**  
**Chartered Professional Accountants**

**SUMMER VILLAGE OF MEWATHA BEACH****Statement of Financial Position****December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 193,511	\$ 176,262
Restricted portion of cash (Note 2)	20,335	240,656
Term deposits (Notes 2, 3)	194,857	190,326
Taxes and grants in place of taxes receivable (Note 4)	4,019	7,046
Grants and receivables from other governments (Note 5)	366,247	383,507
Trade and other receivables	4,475	2,009
<b>TOTAL FINANCIAL ASSETS</b>	<b>783,444</b>	<b>999,806</b>
<b>LIABILITIES</b>		
Accounts payable	37,952	24,777
Deferred revenue (Note 7)	367,392	625,122
<b>TOTAL LIABILITIES</b>	<b>405,344</b>	<b>649,899</b>
<b>NET FINANCIAL ASSETS</b>	<b>378,100</b>	<b>349,907</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	2,666	2,604
Tangible capital assets (Note 6)	1,711,935	1,610,020
	<b>1,714,601</b>	<b>1,612,624</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 2,092,700</b>	<b>\$ 1,962,531</b>

**APPROVED ON BEHALF OF COUNCIL**\_\_\_\_\_  
*Mayor*\_\_\_\_\_  
*Councilor*

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Statement of Operations and Accumulated Surplus**  
**Year Ended December 31, 2023**

	Budget (Unaudited) 2023	2023	2022
<b>REVENUES</b>			
Net municipal taxes (Schedule 1)	\$ 134,890	\$ 134,912	\$ 120,077
Government transfers for operating (Schedule 2)	15,418	146,211	74,400
Investment income	3,000	26,902	5,425
Penalties and costs of taxes	3,570	1,526	3,809
Licenses and permits	1,900	672	2,209
Franchise fees & concession contracts	9,000	9,958	9,799
	167,778	320,181	215,719
<b>EXPENSES</b>			
Administration and Legislative	66,172	64,969	60,098
Protective services	19,510	29,650	18,972
Transportation services	19,500	105,968	88,323
Environmental services	28,000	27,264	26,730
Planning and development	4,000	98,250	38,896
Recreation and culture	30,596	42,116	50,936
	167,778	368,217	283,955
<b>DEFICIT FROM OPERATIONS</b>	-	(48,036)	(68,236)
<b>OTHER INCOME (EXPENSES)</b>			
Government transfers for capital (Schedule 2)	-	178,205	94,369
<b>ANNUAL SURPLUS</b>	-	130,169	26,133
ACCUMULATED SURPLUS - BEGINNING OF YEAR	1,962,531	1,962,531	1,936,398
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 1,962,531	\$ 2,092,700	\$ 1,962,531

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2023**

	Budget (Unaudited) 2023	2023	2022
<b>ANNUAL SURPLUS</b>	\$ -	\$ 130,169	\$ 26,133
Amortization of tangible capital assets	-	76,291	64,893
Purchase of tangible capital assets	-	(178,205)	(49,899)
Decrease (increase) in prepaid expenses	-	(63)	(15)
	-	(101,977)	14,979
<b>INCREASE IN NET FINANCIAL ASSETS</b>	-	28,192	41,112
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	349,907	349,907	308,795
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 349,907	\$ 378,099	\$ 349,907

The accompanying notes form an integral part of these financial statements



**SUMMER VILLAGE OF MEWATHA BEACH****Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	\$ 130,169	\$ 26,133
Item not affecting cash:		
Amortization of tangible capital assets	76,291	64,893
	<b>206,460</b>	<b>91,026</b>
Changes in non-cash working capital:		
Grants and receivables from other governments	17,257	(52,716)
Current taxes and grants in place of taxes	3,027	8,873
Prepaid expenses	(62)	(14)
Trade and other receivables	(2,466)	(1,000)
Prepaid property taxes	659	248
Deferred revenue	(258,389)	43,960
Accounts payable	13,177	8,823
	<b>(226,797)</b>	<b>8,174</b>
Cash flow from (used by) operating activities	<b>(20,337)</b>	<b>99,200</b>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	<b>(178,205)</b>	<b>(49,899)</b>
Cash flow used by capital activities	<b>(178,205)</b>	<b>(49,899)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash	220,321	11,060
Decrease (increase) in term deposits	(4,531)	(664)
Cash flow from investing activities	<b>215,790</b>	<b>10,396</b>
<b>INCREASE IN CASH FLOW</b>	<b>17,248</b>	<b>59,697</b>
Cash - beginning of year	176,262	116,565
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 193,510</b>	<b>\$ 176,262</b>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Schedule of Property and Other Taxes (Schedule 1)**  
**Year Ended December 31, 2023**

	Budget (Unaudited) 2023	2023	2022
<b>TAXATION</b>			
Real property tax	\$ 288,754	\$ 288,486	\$ 274,272
Linear taxes	1,442	1,442	1,414
	290,196	289,928	275,686
<b>REQUISITIONS</b>			
Alberta school foundation	147,551	147,551	149,420
Greater North Foundation	6,313	7,465	6,189
	153,864	155,016	155,609
<b>NET MUNICIPAL TAXES</b>	\$ 136,332	\$ 134,912	\$ 120,077

**Schedule of Government Transfers (Schedule 2)**

	Budget (Unaudited) 2023	2023	2022
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 15,418	\$ 146,211	\$ 74,400
	15,418	146,211	74,400
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	-	178,205	94,369
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 15,418	\$ 324,416	\$ 168,769

**Schedule of Expenditures by Object (Schedule 3)**  
**Year Ended December 31, 2023**

	Budget (Unaudited) 2023	2023	2022
<b>EXPENSES</b>			
Salaries, wages & benefits	\$ 36,388	\$ 36,385	\$ 33,050
Contracted and general services	124,460	254,104	184,527
Materials, goods and utilities	3,430	1,037	1,285
Transfer to local boards and agencies	-	400	200
Amortization	-	76,291	64,893
<b>Total Expenditures by Object</b>	\$ 164,278	\$ 368,217	\$ 283,955

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2023**

*(Schedule 4)*

	Unrestricted Surplus	Equity in Tangible Capital Assets	<b>Total 2023</b>	Total 2022
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 352,511	\$ 1,610,020	\$ <b>1,962,531</b>	\$ 1,936,398
Excess (deficiency) of revenues over expenses	130,169	-	<b>130,169</b>	26,133
Current year funds used to purchase of tangible capital assets	(178,205)	178,205	-	-
Annual amortization expense	76,291	(76,291)	-	-
	28,255	101,914	<b>130,169</b>	26,133
<b>BALANCE, END OF YEAR</b>	\$ 380,766	\$ 1,711,934	\$ <b>2,092,700</b>	\$ 1,962,531

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF MEWATHA BEACH**  
**Schedule of Segmented Disclosure**  
**Year Ended December 31, 2023**

**(Schedule 5)**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	2023
<b>REVENUE</b>							
Net municipal taxes	\$ 134,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,912
Government transfers	20,726	-	11,733	92,943	20,810	-	146,212
Investment income	26,902	-	-	-	-	-	26,902
Other revenues	12,156	-	-	-	-	-	12,156
	<u>194,696</u>	<u>-</u>	<u>11,733</u>	<u>92,943</u>	<u>20,810</u>	<u>-</u>	<u>320,182</u>
<b>EXPENSES</b>							
Contract and general services	29,358	29,650	38,046	98,250	31,539	27,264	254,107
Salaries and wages	34,384	-	-	-	2,000	-	36,384
Materials, goods and utilities	1,037	-	-	-	-	-	1,037
Transfers to local boards	-	-	-	-	400	-	400
Amortization	192	-	67,923	-	8,176	-	76,291
	<u>64,971</u>	<u>29,650</u>	<u>105,969</u>	<u>98,250</u>	<u>42,115</u>	<u>27,264</u>	<u>368,219</u>
<b>Excess (deficiency) of revenue over expenses before other</b>	129,725	(29,650)	(94,236)	(5,307)	(21,305)	(27,264)	(48,037)
<b>OTHER</b>							
Government transfers for capital	-	-	149,011	-	29,195	-	178,206
	<u>\$ 129,725</u>	<u>\$ (29,650)</u>	<u>\$ 54,775</u>	<u>\$ (5,307)</u>	<u>\$ 7,890</u>	<u>\$ (27,264)</u>	<u>\$ 130,169</u>

The accompanying notes form an integral part of these financial statements

**SUMMER VILLAGE OF MEWATHA BEACH**
**Schedule of Tangible Capital Assets**
**(Schedule 6)**
**Year Ended December 31, 2023**

	Opening Balance	Additions and Transfers	Disposals, Impairments and Transfers	Closing Balance
<b>For the year ended December 31, 2023</b>				
<b>Cost</b>				
Land	\$ 1,118,100	\$ -	\$ -	\$ 1,118,100
Land improvements	94,776	7,209	-	101,985
Engineered structures	893,976	149,010	-	1,042,986
Buildings	29,369	-	-	29,369
Machinery and equipment	62,892	16,393	-	79,285
Assets under construction	-	5,594	-	5,594
	2,199,113	178,206	-	2,377,319
<b>Accumulated Amortization</b>				
Land improvements	(6,364)	(2,256)	-	(8,620)
Engineered structures	(535,626)	(67,923)	-	(603,549)
Buildings	(7,536)	(587)	-	(8,123)
Machinery and equipment	(39,567)	(5,525)	-	(45,092)
	(589,093)	(76,291)	-	(665,384)
<b>Net Book Value</b>	\$ 1,610,020	\$ 101,915	\$ -	\$ 1,711,935

**For the year ended December 31, 2022**

<b>Cost</b>				
Land	\$ 1,118,100	\$ -	\$ -	\$ 1,118,100
Land improvements	94,776	-	-	94,776
Engineered structures	844,077	49,899	-	893,976
Buildings	29,369	-	-	29,369
Machinery and equipment	62,892	-	-	62,892
	2,149,214	49,899	-	2,199,113
<b>Accumulated Amortization</b>				
Land improvements	(4,469)	(1,896)	-	(6,365)
Engineered structures	(477,127)	(58,498)	-	(535,625)
Buildings	(6,949)	(587)	-	(7,536)
Machinery and equipment	(35,655)	(3,912)	-	(39,567)
	(524,200)	(64,893)	-	(589,093)
<b>Net Book Value</b>	\$ 1,625,014	\$ (14,994)	\$ -	\$ 1,610,020

Additions to assets under construction are reported net of those tangible capital assets placed in service during the year which are shown in their respective asset classifications.

# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Summer Village of Mewatha Beach (the Municipality) are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). It is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act, R.S.A., 2000, c. M-26, as amended (MGA). Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

#### Tax Revenue

Annually, the Municipality bills and collects property tax revenues for municipal purposes. Tax revenues are based on market value assessments determined in accordance with the Municipal Government Act (MGA) and annually established tax rates. Municipal tax rates are set each year by the Municipality Council in accordance with legislation and the Municipality Council approved policies to raise the tax revenue required to meet the Municipality's budget requirements. Tax revenues are recorded at the time tax billings are issued. Property assessments are subject to tax appeal. Expenses related to tax appeals and allowances are separately disclosed in the Schedule of Property and Other Taxes.

The Municipality also bills and collects education tax on behalf of the Province of Alberta (the Province). Education tax rates are established by the Province each year in order to fund the cost of education on a province-wide basis. Education taxes collected are remitted to the Province and are excluded from revenues and expenses in the Schedule of Property and Other Taxes (Schedule 1).

#### Segment disclosures

The Schedule of Segment Disclosures – Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

- a) Transportation Services includes roadway and parking services.
- b) Protective Services is comprised of police, traffic safety, bylaw enforcement and fire rescue.
- c) Recreation and Culture includes parks and recreation, community and family services, planning and corporate properties and public housing.
- d) General Government includes municipal administration and council governance.
- e) Planning and Development includes related services for the betterment of the municipality.
- f) Environmental Services include water, sewage, and garbage services.

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# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Cash and Short Term Investments

Cash and cash equivalents consist of cash on deposit, bankers' acceptances, treasury bills and commercial paper, at cost, which approximates market value. These cash equivalents generally mature within 90 days from the date of purchase, are capable of reasonably prompt liquidation and may be used to manage the Municipality's cash position throughout the year.

#### 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 investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

#### Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from other orders of government that are not the result of an exchange transaction and for which there is no expectation of repayment or direct financial return to the transferor in the future. The Municipality receives government transfers from the Federal and Provincial governments to fund operating and capital expenditures. These transfers to the Municipality are recognized as revenues when the transfers are authorized and all the eligibility criteria, if any, has been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient. Prior to that time, any amounts received along with restricted interest thereon are recorded as deferred revenue.

#### 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include:

- Estimated accrued receivables.
- Useful lives for tangible capital assets.
- Assessment of impairment of long term assets.
- Estimated accrued payables.
- Prepaid Expenses

#### Deferred Revenue

Deferred revenue comprises funds received in advance of services performed or where the use of funds is externally restricted. These amounts are recognized as revenue in the period the service is performed or when the funds are used for the purpose specified. When agreements stipulate that interest earned on contributions should be restricted for a specific purpose that interest is treated as a contribution received and recorded as an addition to deferred revenue.

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# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Debt Charges Recoverable

Debt recoverable consists of long term debt amounts borrowed that are recoverable under loans or other financial arrangements made to non-profit organizations. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long term debt balances as at December 31. Loans are recorded at the lower of cost and net recoverable value. A valuation allowance in the debt recoverable is recognized when there is no longer any reasonable assurance of collection.

#### 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.

#### Land for Resale

Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

#### Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the MGA to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owners' share of the improvement is recognized as revenue and established as a receivable in the period that the project expenditures are completed.

#### Deposits

Deposits are held for the purposes of securing the compliance of a third party to contractual stipulations. Deposits are returned when compliance with contractual stipulations are determined. Deposits are recognized as revenue when a third party defaults on the contractual stipulations that the deposits were securing against.

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# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Contaminated Sites Liability

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Municipality recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Municipality is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Municipality's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Municipality's best estimate, as of December 31, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Municipality will measure the liability using present value techniques. This liability is reported in the Statement of Financial Position.

#### Asset Retirement Obligations

Asset retirement obligations are a result of obligations associated with the retirement of tangible capital assets controlled by the municipality. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

#### Non-Financial Assets

Non-financial assets are not available to discharge 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. Non-financial assets include tangible capital assets, inventory of materials and supplies, and other assets.

#### Tangible Capital Assets

Tangible capital assets are stated at cost which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less accumulated amortization of the tangible capital assets, is amortized on a straight-line basis at the following rates:

Buildings	50 years
Machinery and equipment	5-10 years
Engineered structures	10 - 20 years

The municipality regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

*(continues)*

# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Impairment of Long Lived Assets

The municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### 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.

#### Cultural and Historical Tangible Capital Assets

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

#### 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 operating leases and the related lease payments are charged to expenses as incurred.

#### Reserves and Equity in Tangible Capital Assets

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets after deducting the portion financed by long term debt.

### 2. CASH, TEMPORARY INVESTMENTS, AND RESTRICTED CASH

	<b>2023</b>	<b>2022</b>
Cash	\$ 193,511	\$ 176,262
Term deposits	194,857	190,326
Restricted cash	20,335	240,656
	<b>\$ 408,703</b>	<b>\$ 607,244</b>

Temporary investments are short term deposits with original maturities of one year or less.

Restricted amounts received from municipal grants and are held exclusively for future approved projects (Note 7).

## SUMMER VILLAGE OF MEWATHA BEACH

### Notes to Financial Statements

Year Ended December 31, 2023

#### 3. TERM DEPOSITS

	2023 Cost	2023 Market value	2022 Cost	2022 Market value
One Year Cashable GIC maturing on April 2023 at 0.85% per annum	\$ -	\$ -	\$ 3,416	\$ 3,416
One Year Cashable GIC maturing on April 2023 at 1.90% per annum	-	-	3,600	3,600
One Year Cashable GIC maturing on April 2023 at 1.90% per annum	-	-	10,632	10,632
One Year Cashable GIC maturing on April 2023 at 1.90% per annum	-	-	9,923	9,923
One Year Cashable GIC maturing on June 2023 at 1.35% per annum	-	-	107,857	107,857
One Year Cashable GIC maturing on December 2023 at 4.70% per annum	-	-	54,898	54,898
One Year Cashable GIC maturing on April 2024 at 4.05% per annum	3,452	3,452	-	-
One Year Cashable GIC maturing on April 2024 at 4.60% per annum	3,669	3,669	-	-
One Year Cashable GIC maturing on April 2024 at 4.60% per annum	10,834	10,834	-	-
One Year Cashable GIC maturing on April 2024 at 4.60% per annum	10,112	10,112	-	-
One Year Cashable GIC maturing on June 2024 at 4.56% per annum	109,313	109,313	-	-
One Year Cashable GIC maturing on December 2024 at 4.78% per annum	57,478	57,478	-	-
	<b>\$ 194,858</b>	<b>\$ 194,858</b>	<b>\$ 190,326</b>	<b>\$ 190,326</b>

#### 4. TAXES RECEIVABLES

Taxes receivables are comprised of:

	2023	2022
Current taxes and grants in place of taxes	\$ 4,019	\$ 6,770
Arrears taxes and grants in place of taxes	-	276
	<b>\$ 4,019</b>	<b>\$ 7,046</b>

#### 5. GRANTS AND RECEIVABLES FROM OTHER GOVERNMENTS

Grants and receivables from other governments are comprised of:

	2023	2022
Canada Community-Building Fund grant receivable	\$ 71,883	\$ 61,249
Municipal Sustainability Initiative - Capital grant receivable	275,573	311,668
Subtotal	<b>347,456</b>	372,917
Goods and services tax refundable	18,791	10,590
	<b>\$ 366,247</b>	<b>\$ 383,507</b>

**SUMMER VILLAGE OF MEWATHA BEACH**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 1,118,100	\$ -	\$ 1,118,100	\$ 1,118,100
Land improvements	101,985	8,620	93,365	88,412
Engineered structures	1,042,986	603,548	439,438	358,350
Buildings	29,369	8,124	21,245	21,833
Machinery and equipment	79,285	45,092	34,193	23,325
Assets under construction	5,594	-	5,594	-
	<b>\$ 2,377,319</b>	<b>\$ 665,384</b>	<b>\$ 1,711,935</b>	<b>\$ 1,610,020</b>

For additional information, see the Schedule of Tangible Capital Assets (Schedule 6).

7. DEFERRED REVENUE

Deferred revenue is comprised of:

	2023	2022
Canada Community-Building Fund	\$ 74,056	\$ 63,422
Municipal Sustainability Initiative - Capital	264,120	433,739
Municipal Development Planning Grant	-	5,307
Alberta Community Partnership (ACP) Program	18,161	111,104
Subtotal	356,337	613,572
Prepaid property taxes	1,708	1,050
Requisition taxes over-levy	9,347	10,500
	<b>\$ 367,392</b>	<b>\$ 625,122</b>

**Municipal Sustainability Initiative - Capital**

Funding from the Provincial Government was allocated to the Municipality in the current year from the Municipal Sustainability Initiative - Capital Grant. The grant funding is restricted to eligible capital projects, as approved under the funding agreements, which are scheduled for completion in the next few years. Unexpended funds related to the advance, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

**Canada Community-Building Fund**

Funding from the Provincial Government was allocated to the Municipality in the current year from the Canada Community-Building Fund and is restricted to eligible capital projects as approved under the funding agreement. Funds from this grant are being deferred for a future project. Unexpended funds related to the advance are supported by restricted cash held exclusively for this project (refer to Note 2.).

(continues)

# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

### 7. DEFERRED REVENUE (continued)

2023 2022

#### **Municipal Stimulus Program Grant**

Funding from the Provincial Government was allocated to the Summer Village from the Municipal Stimulus Program Grant for Capital infrastructure projects that will support economic recovery and provide jobs in the local communities. Unexpended funds related to the advance, less amounts receivable from the Provincial Government, are supported by restricted cash held exclusively for these projects (refer to Note 2.).

#### **Alberta Community Partnership (ACP) Program Grant**

Funding from the Provincial Government was allocated to the Summer Village from the Alberta Community Partnership (ACP) Program. The program funding is restricted to planning objectives and meditation. Unexpended funds, related to the advances from the Provincial Government, are supported by restricted cash and held exclusively for these projects (refer to Note 2.).

### 8. DEBT LIMITS

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

	2023	2022
Total debt limit	\$ 480,272	\$ 323,702
Total debt	-	-
Amount of debt limit unused	480,272	323,702
Debt servicing limit	80,045	53,950
Debt servicing	-	-
Amount of debt servicing limit unused	\$ 80,045	\$ 53,950

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. 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.

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets is comprised of:

	2023	2022
Tangible capital assets (Note 6.)	\$ 2,377,319	\$ 2,199,113
Accumulated amortization (Note 6.)	(665,384)	(589,093)
	\$ 1,711,935	\$ 1,610,020

# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

### 10. SEGMENTED DISCLOSURE

The Summer Village of Mewatha 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 4).

### 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:

				<b>2023</b>	<b>2022</b>
	Salary (1)	Benefits & allowances (2)	<b>Total</b>	<b>Total</b>	<b>Total</b>
Dennis Tomuschat - Mayor	\$ 1,500	\$ 204	\$ <b>1,704</b>	\$ 1,800	
Guy White - Deputy Mayor	1,660	100	<b>1,760</b>	2,039	
Barry Walker - Councillor	2,400	232	<b>2,632</b>	2,874	
Chief Administrative Officer	2,350	-	<b>2,350</b>	-	
Former Chief Administrative Officer	33,109	-	<b>33,109</b>	31,562	
Designated Officer	6,160	-	<b>6,160</b>	6,020	
	<b>\$ 47,179</b>	<b>\$ 536</b>	<b>\$ 47,715</b>	<b>\$ 44,295</b>	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, contracted services and any other direct cash remuneration.

2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

### 12. FINANCIAL INSTRUMENTS

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the municipality's risk exposure and concentration as of December 31, 2023.

#### Credit risk

Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides may experience financial difficulty and be unable to fulfil their obligations. The Municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade, and other receivables. The large number and diversity of taxpayers and customers minimizes the credit risk.

#### Liquidity risk

(continues)

# SUMMER VILLAGE OF MEWATHA BEACH

## Notes to Financial Statements

Year Ended December 31, 2023

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### 12. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The municipality is exposed to this risk mainly in respect of its receipt of funds from its taxpayers and other related sources, and accounts payable.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the municipality manages exposure through its normal operating and financing activities. The municipality is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

### 13. CONTAMINATED SITES LIABILITY

The Municipality has adopted PS3260 Liability for Contaminated Sites. The Municipality did not identify any financial liabilities in 2023 (2022 – Nil) as a result of this standard.

### 14. ASSET RETIREMENT OBLIGATIONS

The Municipality has adopted PS3280 Asset Retirement Obligations. The Municipality did not identify any financial liabilities in 2023 (2022 – Nil) as a result of this standard

### 15. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

### 16. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

### 17. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited.