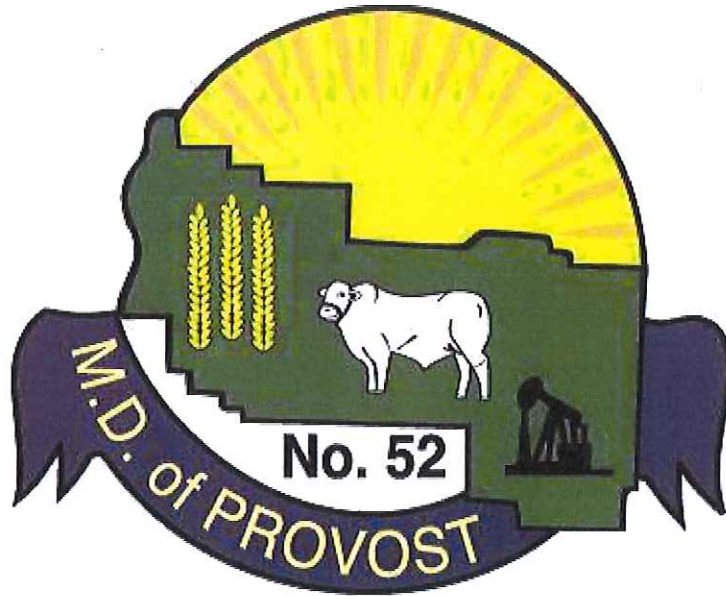


MD OF PROVOST NO. 52



FINANCIAL STATEMENT

**FOR THE YEAR ENDING
DECEMBER 31, 2022**

REEVES REPORT 2022

As our annual report is provided to our ratepayers, I encourage everyone to read the report and examine our financial reports. As a municipality we remain in a strong financial position in spite of continued non payment of taxes of several energy companies. In some cases repayment plans have been negotiated and some companies have made the effort to get current. Our use of reserves to finance the yearly activities allow us to maintain services till taxes are collected at the end of October. Budget planning has been done knowing that we are unlikely to collect the full amount that has been assessed.

Our main focus continues to be investment in the infrastructure of the municipality. Houser Construction has continued to provide our major road rehabilitation. Weather has often prevented the full road program from being accomplished as it always seems to rain where the construction is taking place. The construction season started with its challenges but in the end only ½ a mile was not completed. With this program we are nearing 300 mile of road rehabilitation throughout the MD. This has provided roads with clear sight lines, ditches that don't pool water, roads that can support the industrial traffic that we have throughout the MD, and roads that give agricultural machinery the ability to be moved more conveniently. When benchmarking with other municipalities it becomes apparent that the MD is making more progress than many of our neighbors.

We continue to make use of other methods to lessen road maintenance with a contract program for mulching in the ditches, use of Soil cement, MG30, Seal Coating. Our gravelling program was finished early as the stock piling of product during the late fall and early winter allows for more trips during gravelling season with the product nearby. We have secured several decades of gravel sources to ensure that we do not run short of this valuable resource. Where we have mined, we also stay current with our reclamation of the sites reducing future liabilities.

Where there has been road construction, reclamation is done in a timely manner so affected fields can be returned to production as soon as possible although weather has not always been favorable for grass regrowth and reseeding is sometimes done in following years.

In this past year we have invested nearly 16.4 million in our core services such as roads, utilities, and ASB. We continue to spend on capital items to improve service to our ratepayers. 2022 was a year where ½ our grader fleet was replaced and spending continues on our truck and gravel fleet. Capital items are replaced as needed or on a rotation which helps in budget planning.

Our leafy spurge spraying program continue with another year of the bulk of the spraying being done by helicopter which meant it is done in a timely manner, with more accuracy of the product being used and with much less wear and tear on our spraying equipment. The program will continue for another year.

We continue to invest in our communities in the form of recreation, in our lakes, doctor retention and recruitment, waste management, senior housing, FCSS, and with the opening the new medical centre built with the Town of Provost.

The past year was the first year after elections for most of our council and I wish to thank them for the contributions they have made and the effort they put into learning council duties. Most of all I would like to thank administration for all the work they have done in the past year as well as all the employees in public works as well as ASB for all that they have accomplished in meeting and surpassing the goals that were planned and budgeted for.

Lastly I would like to thank Irwin Bethge for his many years of service to the MD. Irwin retired in the past year and deserves a lot of credit for the planning of the road projects in the past few years as he served as head of the public works department.

Respectfully submitted



Allan Murray

Reeve MD of Provost

**MUNICIPAL DISTRICT
OF PROVOST NO. 52**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of the Municipal District of Provost No. 52

Opinion

We have audited the accompanying consolidated financial statements of the Municipal District of Provost No. 52 (the "Municipal District"), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipal District as at December 31, 2022, the results of its operations, changes in net debt, 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipal District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipal District'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 Municipal District or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 consolidated 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 consolidated 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 Municipal District's internal control.
- Evaluate the appropriateness of accounting policies 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 Municipal District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Municipal District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 27, 2023



Municipal District of Provost No. 52

4504 - 53 Avenue; P.O. Box 300; Provost, Alberta T0B 3S0
Telephone: (780) 753-2434; 857-2434 Fax: (780) 753-6432
Email: mdprovost@mdprovost.ca
Website: www.mdprovost.ca


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Municipal District are the responsibility of management and have been approved by the Municipal District's Council. The consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards established by the Canadian Institute of Chartered Accountants, using management's best estimates and judgments, where appropriate. In the opinion of management, these financial statements reflect fairly the financial position, the results of its financial activities and changes in financial position of the Municipal District within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. Council carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These consolidated financial statements have been audited, in accordance with Canadian generally accepted auditing standards by Metrix Group LLP, who were appointed by Council. Metrix Group LLP have full and unrestricted access to management and Council to discuss their audit and related findings. The Auditors' Report outlining the scope of their examination and their opinion on the financial statements is presented on the preceding page.



Tyler Lawrason, Chief Administrative Officer

Wendy Trenerry, Finance Manager

Provost, Alberta
April 27, 2023

MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash	\$ 2,282,365	\$ 1,957,518
Taxes and grants in place of taxes (Note 2)	4,248,504	4,864,023
Accounts receivable (Note 3)	514,695	637,310
Land inventory	94,717	94,717
Investments (Note 5)	<u>33,000,000</u>	<u>31,429,023</u>
	<u>40,140,281</u>	<u>38,982,591</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,699,041	1,554,651
Deferred revenue (Note 6)	276,654	300,189
Provision for gravel pit reclamation	<u>1,373,977</u>	<u>171,674</u>
	<u>4,349,672</u>	<u>2,026,514</u>
NET FINANCIAL ASSETS	<u>35,790,609</u>	<u>36,956,077</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	153,953,256	149,408,391
Inventory for consumption (Note 7)	4,738,821	4,060,179
Prepaid expenses	<u>302,249</u>	<u>321,472</u>
	<u>158,994,326</u>	<u>153,790,042</u>
ACCUMULATED SURPLUS (NOTE 8)	<u>\$194,784,935</u>	<u>\$190,746,119</u>

CONTINGENCIES (Note 10)

APPROVED ON BEHALF OF COUNCIL:



MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 14)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
REVENUE			
Net municipal property taxes (<i>Schedule 2</i>)	\$ 23,993,655	\$ 23,993,168	\$ 23,898,474
Penalties and costs on taxes	899,284	1,250,784	1,260,537
Government transfers (<i>Schedule 3</i>)	327,152	898,899	411,270
Interest and investment income	304,000	704,544	301,132
User fees and sales of goods	519,850	449,681	607,891
Other	229,101	188,834	316,153
Rentals	<u>164,225</u>	<u>187,572</u>	<u>181,120</u>
	<u>26,437,267</u>	<u>27,673,482</u>	<u>26,976,577</u>
EXPENSES			
Transportation services	8,926,504	17,987,306	15,729,419
Administration services	2,251,305	2,084,538	2,059,330
Agriculture and development services	1,374,239	1,280,004	1,402,861
Protective services	794,498	1,022,632	903,214
Recreation and culture services	937,195	1,011,795	931,634
Water and wastewater services	268,081	290,554	286,559
Waste management and disposal services	273,568	272,925	284,045
Council and other legislative services	190,100	188,302	163,269
Public health services	98,150	117,590	505,842
Other	<u>18,691</u>	<u>18,691</u>	<u>18,691</u>
	<u>15,132,331</u>	<u>24,274,337</u>	<u>22,284,864</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	<u>11,304,936</u>	<u>3,399,145</u>	<u>4,691,713</u>
OTHER INCOME (LOSS)			
Government transfers for capital (<i>Schedule 3</i>)	1,084,572	1,084,572	2,895,017
Loss on disposal of tangible capital assets	<u>-</u>	<u>(444,901)</u>	<u>(884,363)</u>
	<u>1,084,572</u>	<u>639,671</u>	<u>2,010,654</u>
ANNUAL SURPLUS	<u>12,389,508</u>	<u>4,038,816</u>	<u>6,702,367</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>190,746,119</u>	<u>190,746,119</u>	<u>184,043,752</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$203,135,627</u>	<u>\$194,784,935</u>	<u>\$190,746,119</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 14)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
ANNUAL SURPLUS	<u>\$ 12,389,508</u>	<u>\$ 4,038,816</u>	<u>\$ 6,702,367</u>
Acquisition of tangible capital assets	(13,293,175)	(15,870,137)	(13,866,887)
Proceeds on disposal of tangible capital assets	-	1,889,807	179,517
Amortization of tangible capital assets	-	8,990,564	8,577,872
Loss on disposal of tangible capital assets	-	444,901	884,363
	<u>(13,293,175)</u>	<u>(4,544,865)</u>	<u>(4,225,135)</u>
Net change in inventory for consumption	-	(678,642)	745,759
Net change in prepaid expenses	-	19,223	284,664
	-	<u>(659,419)</u>	<u>1,030,423</u>
INCREASE IN NET FINANCIAL ASSETS	<u>(903,667)</u>	<u>(1,165,468)</u>	<u>3,507,655</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>26,167,380</u>	<u>36,956,077</u>	<u>33,448,422</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 25,263,713</u>	<u>\$ 35,790,609</u>	<u>\$ 36,956,077</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 4,038,816	\$ 6,702,367
Non-cash items included in annual surplus:		
Loss on disposal of tangible capital assets	444,901	884,363
Amortization of tangible capital assets	8,990,564	8,577,872
Provision for gravel pit reclamation	1,202,303	(79,875)
Change in non-cash working capital balances:		
Taxes and grants in place of taxes	615,519	(1,737,240)
Accounts receivables	122,615	(4,405)
Accounts payable and accrued liabilities	1,144,390	(871,188)
Prepaid expenses	19,223	284,664
Inventory for consumption	(678,642)	745,759
Deferred revenue	<u>(23,535)</u>	<u>(26,286)</u>
	<u>15,876,154</u>	<u>14,476,031</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(15,870,137)	(13,866,887)
Proceeds on disposal of tangible capital assets	<u>1,889,807</u>	<u>179,517</u>
	<u>(13,980,330)</u>	<u>(13,687,370)</u>
FINANCING ACTIVITIES		
Net change in investments	<u>(1,570,977)</u>	<u>(19,308,050)</u>
	<u>(1,570,977)</u>	<u>(19,308,050)</u>
INCREASE (DECREASE) IN CASH	324,847	(18,519,389)
CASH, BEGINNING OF YEAR	<u>1,957,518</u>	<u>20,476,907</u>
CASH, END OF YEAR	<u>\$ 2,282,365</u>	<u>\$ 1,957,518</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 1

	<u>2022</u>	<u>2021</u>
BALANCE, BEGINNING OF YEAR	\$149,408,391	\$145,183,256
Purchase of tangible capital assets	15,870,137	13,866,887
Cost of tangible capital assets disposed of	(5,868,452)	(3,255,857)
Amortization of tangible capital assets	(8,990,564)	(8,577,872)
Accumulated amortization of tangible capital assets disposed of	<u>3,533,744</u>	<u>2,191,977</u>
BALANCE, END OF YEAR	<u>\$153,953,256</u>	<u>\$149,408,391</u>

Equity in Tangible Capital Assets is Comprised of the Following:

Net book value tangible capital assets (Schedule 5)	<u>\$153,953,256</u>	<u>\$149,408,391</u>
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MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 2

	<u>2022</u> (Budget) (Note 14)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
TAXATION			
Linear property taxes	\$ 12,551,050	\$ 12,658,208	\$ 12,551,050
Real property taxes	<u>17,119,386</u>	<u>17,192,343</u>	<u>17,010,130</u>
	<u>29,670,436</u>	<u>29,850,551</u>	<u>29,561,180</u>
REQUISITIONS			
East Central Alberta C.S.S.	70,287	70,287	70,287
Alberta School Foundation Fund	5,057,044	5,057,044	4,869,400
Provost Seniors Foundation	549,450	549,450	542,705
Designated Industrial Property	<u>-</u>	<u>180,602</u>	<u>180,314</u>
	<u>5,676,781</u>	<u>5,857,383</u>	<u>5,662,706</u>
NET MUNICIPAL TAXES	<u>\$ 23,993,655</u>	<u>\$ 23,993,168</u>	<u>\$ 23,898,474</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 3

	<u>2022</u> (Budget) (Note 14)	<u>2022</u> (Actual)	<u>2021</u> (Actual) (Restated)
TRANSFERS FOR OPERATING			
Provincial government	\$ 251,734	\$ 802,504	\$ 339,116
Local government	<u>75,418</u>	<u>96,395</u>	<u>72,154</u>
	<u>327,152</u>	<u>898,899</u>	<u>411,270</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>1,084,572</u>	<u>1,084,572</u>	<u>2,895,017</u>
	<u>1,084,572</u>	<u>1,084,572</u>	<u>2,895,017</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 1,411,724</u>	<u>\$ 1,983,471</u>	<u>\$ 3,306,287</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 4A

	Administration Services	Transportation Services	Agricultural Services	Recreation and Culture Services	Water and Waste Water Services	All Other	Total
REVENUE							
Taxation	\$ 2,001,633	\$ 9,554,313	\$ 1,102,300	\$ 789,907	\$ 138,140	\$ 10,406,875	\$ 23,993,168
Government transfers	-	-	12,393	-	-	886,506	898,899
User fees and sales of goods	9,202	107,790	-	164,436	95,337	72,916	449,681
All other	-	-	-	-	-	1,627,190	1,627,190
Investment income	-	-	-	-	-	704,544	704,544
	<u>2,010,835</u>	<u>9,662,103</u>	<u>1,114,693</u>	<u>954,343</u>	<u>233,477</u>	<u>13,698,031</u>	<u>27,673,482</u>
EXPENSES							
Materials, goods, contracted and general services	434,195	5,627,144	512,020	168,672	76,027	787,998	7,606,056
Salaries, wages and benefits	806,031	3,473,796	575,154	74,028	140,677	353,485	5,423,171
Transfers to other governments	-	37,271	-	708,957	-	632,097	1,378,325
Repairs and maintenance	58,881	319,060	12,847	-	-	22,981	413,769
Utilities	41,733	122,237	-	46,915	15,731	34,840	261,456
Insurance	67,667	83,965	14,652	9,670	421	24,621	200,996
	<u>1,408,507</u>	<u>9,663,473</u>	<u>1,114,673</u>	<u>1,008,242</u>	<u>232,856</u>	<u>1,856,022</u>	<u>15,283,773</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	602,328	(1,370)	20	(53,899)	621	11,842,009	12,389,709
Amortization	<u>41,937</u>	<u>8,353,996</u>	<u>172,474</u>	<u>56,400</u>	<u>56,270</u>	<u>309,487</u>	<u>8,990,564</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>\$ 560,391</u>	<u>\$ (8,355,366)</u>	<u>\$ (172,454)</u>	<u>\$ (110,299)</u>	<u>\$ (55,649)</u>	<u>\$ 11,532,522</u>	<u>\$ 3,399,145</u>
Government transfers for capital	-	1,084,572	-	-	-	-	1,084,572
Contributed tangible capital assets	-	-	-	-	-	-	-
Loss on disposal of capital assets	-	(444,901)	-	-	-	-	(444,901)
ANNUAL SURPLUS	<u>\$ (172,454)</u>	<u>\$ (7,715,695)</u>	<u>\$ (172,454)</u>	<u>\$ (110,299)</u>	<u>\$ (55,649)</u>	<u>\$ 11,532,522</u>	<u>\$ 4,038,816</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 4B

	Administration Services	Transportation Services	Agricultural Services	Recreation and Culture Services	Water and Waste Water Services	All Other	Total
REVENUE							
Taxation	\$ 1,975,329	\$ 7,657,001	\$ 1,168,067	\$ 663,415	\$ -	\$ 12,434,662	\$ 23,898,474
User fees and sales of goods	10,935	92,301	-	213,038	98,210	193,407	607,891
Government transfers	-	-	76,916	-	-	334,354	411,270
Investment income	-	-	-	-	-	301,132	301,132
All other	-	-	-	-	-	1,757,810	1,757,810
	<u>1,986,264</u>	<u>7,749,302</u>	<u>1,244,983</u>	<u>876,453</u>	<u>98,210</u>	<u>15,021,365</u>	<u>26,976,577</u>
EXPENSES							
Materials, goods, contracted and general services	1,036,241	3,740,257	650,394	72,282	83,074	572,952	6,155,200
Salaries, wages and benefits	775,688	3,434,411	573,156	109,301	134,067	352,151	5,378,774
Transfers to other governments	-	8,220	-	636,591	-	590,111	1,234,922
Repairs and maintenance	74,185	376,632	8,195	-	-	25,564	484,576
Utilities	36,906	99,333	-	49,767	14,817	53,990	254,813
Insurance	63,244	90,449	13,238	8,512	181	23,083	198,707
	<u>1,986,264</u>	<u>7,749,302</u>	<u>1,244,983</u>	<u>876,453</u>	<u>232,139</u>	<u>1,617,851</u>	<u>13,706,992</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	-	-	-	-	(133,929)	13,403,514	13,269,585
Amortization	<u>73,066</u>	<u>7,980,117</u>	<u>157,878</u>	<u>55,181</u>	<u>54,420</u>	<u>257,210</u>	<u>8,577,872</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>\$ (73,066)</u>	<u>\$ (7,980,117)</u>	<u>\$ (157,878)</u>	<u>\$ (55,181)</u>	<u>\$ (188,349)</u>	<u>\$ 13,146,304</u>	<u>\$ 4,691,713</u>
Government transfers for capital	26,046	2,868,971	-	-	-	-	2,895,017
Loss on disposal of capital assets	-	(884,363)	-	-	-	-	(884,363)
ANNUAL SURPLUS	<u>\$ (47,020)</u>	<u>\$ (5,995,509)</u>	<u>\$ (157,878)</u>	<u>\$ (55,181)</u>	<u>\$ (188,349)</u>	<u>\$ 13,146,304</u>	<u>\$ 6,702,367</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 5

	<u>Land</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2022</u>	<u>2021</u>
COST:							
Balance, Beginning of Year	\$ 260,426	\$12,429,393	\$222,773,193	\$16,442,275	\$ 9,012,095	\$260,917,382	\$250,306,352
Additions	-	45,799	9,859,395	5,330,406	634,537	15,870,137	13,866,887
Disposals	-	-	(1,861,377)	(3,742,523)	(264,552)	(5,868,452)	(3,255,857)
Balance, End of Year	<u>260,426</u>	<u>12,475,192</u>	<u>230,771,211</u>	<u>18,030,158</u>	<u>9,382,080</u>	<u>270,919,067</u>	<u>260,917,382</u>
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	-	2,142,913	98,522,749	7,053,461	3,789,868	111,508,991	105,123,096
Amortization Expense	-	225,549	6,869,119	1,280,354	615,542	8,990,564	8,577,872
Disposals	-	-	(1,396,033)	(1,880,209)	(257,502)	(3,533,744)	(2,191,977)
Balance, End of Year	<u>-</u>	<u>2,368,462</u>	<u>103,995,835</u>	<u>6,453,606</u>	<u>4,147,908</u>	<u>116,965,811</u>	<u>111,508,991</u>
NET BOOK VALUE, END OF YEAR	<u>\$ 260,426</u>	<u>\$10,106,730</u>	<u>\$126,775,376</u>	<u>\$11,576,552</u>	<u>\$ 5,234,172</u>	<u>\$153,953,256</u>	<u>\$149,408,391</u>

The accompanying notes are an integral part of these financial statements.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The Municipal District of Provost No. 52 (the "Municipal District") is a municipality in the Province of Alberta incorporated on March 1, 1943 and operates under the provisions of the *Municipal Government Act*.

The consolidated financial statements of the Municipal District are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipal District are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipal District, and are therefore, accountable to the Council for the administration of their financial affairs and resources.

(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.

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 are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

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

(c) Cash and Temporary Investments

Cash and temporary investments consist of cash on deposit and term deposits with original maturities of three months or less at the date of acquisition and are recorded at cost.

(d) Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

(e) Land Inventory

Land inventory 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.

(CONT'D)

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Provision for Gravel Pit Reclamation

Pursuant to the *Alberta Environmental Protection and Enforcement Act*, the Municipal District is required to fund the future reclamation of its gravel pits. Closure activities include the final top soil cover, landscaping and visual inspection. The requirement is being provided for based on the estimated length of time until all the gravel has been extracted.

(g) 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 for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Work in progress represents assets which are not available for use and therefore are not subject to amortization. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful life as follows:

	Years
Buildings	25 - 50
Engineered structures	
Roadway system	5 - 65
Water system	45 - 75
Wastewater system	45 - 75
Machinery and equipment	3 - 40
Vehicles	10 - 40

Assets under construction are not amortized until the asset is available for productive use.

Inventory for consumption

Inventory for consumption is valued at the lower of cost or net realizable value with cost determined using the average cost method.

(h) Tax Revenue

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

(CONT'D)

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Tax Revenue (Cont'd)

Constructions and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Municipal District and are recognized as revenue in the year they are levied.

(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.

(j) 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.

(k) Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

(l) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting 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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, and provision for gravel pit reclamation are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(CONT'D)

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use; and is based on management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(n) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The Municipal District will continue to assess the impact and prepare for the adoption of these standards.

i) *Financial Statement Presentation*

PS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

ii) *Foreign Currency Translation*

PS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iii) *Portfolio Investments*

PS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iv) *Financial Instruments*

PS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Future Accounting Standard Pronouncements (cont'd)

v) Asset Retirement Obligations

PS 3280, *Asset Retirement Obligations*, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PS 3270, *Solid Waste Landfill Closure and Post-Closure Liability* has been withdrawn but will remain in effect until the adoption of PS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2022.

vi) Revenue

PS 3400, *Revenue*, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable for fiscal years beginning on or after April 1, 2023.

2. TAXES AND GRANTS IN PLACE OF TAXES

	<u>2022</u>	<u>2021</u>
Current taxes and grants in place of taxes	\$ 2,590,373	\$ 3,457,918
Arrears taxes	<u>6,573,021</u>	<u>5,919,879</u>
	9,163,394	9,377,797
Less: Allowance for doubtful accounts	<u>(4,914,890)</u>	<u>(4,513,774)</u>
	<u>\$ 4,248,504</u>	<u>\$ 4,864,023</u>

A significant portion of the property taxes outstanding at December 31, 2022 relates to linear property receivable from companies in the oil and gas industry. Therefore, the Municipal District is exposed to the credit risk associated with fluctuations in that industry.

3. ACCOUNTS RECEIVABLES

	<u>2022</u>	<u>2021</u>
Trade and other accounts receivable	\$ 445,499	\$ 589,021
Goods and services tax recoverable	<u>69,196</u>	<u>48,289</u>
	<u>\$ 514,695</u>	<u>\$ 637,310</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. INVESTMENTS

Guaranteed Investment Certificates bearing interest ranging from 5.05% to 5.4%, and maturing between November 6, 2023 and November 7, 2024.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Trade payable and accrued liabilities	\$ 2,384,051	\$ 1,244,114
Employee benefit obligations	<u>314,990</u>	<u>310,537</u>
	<u>\$ 2,699,041</u>	<u>\$ 1,554,651</u>

6. DEFERRED REVENUE

Deferred revenue consists of grants received from other levels of government that have not yet been utilized. Deferred revenue is recognized as revenue in the period in which the related expenditures are incurred.

	<u>2021</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2022</u>
Alberta Transportation	\$ 223,333	\$ -	\$ (17,334)	\$ 205,999
Canadian Pacific Railway Company	48,000	-	(2,000)	46,000
Prepaid lease payments	28,856	2,751	(6,952)	24,655
Municipal Sustainability Initiative	-	2,422,512	(2,422,512)	-
Municipal Stimulus Program	-	262,106	(262,106)	-
Federal Gas Tax Fund	-	258,180	(258,180)	-
Operating ASB grant	-	123,907	(123,907)	-
Pest control officer grant	-	54,000	(54,000)	-
	<u>\$ 300,189</u>	<u>\$ 3,123,456</u>	<u>\$ (3,146,991)</u>	<u>\$ 276,654</u>

7. INVENTORY FOR CONSUMPTION

	<u>2022</u>	<u>2021</u>
Gravel	\$ 3,184,987	\$ 2,912,346
Material and supplies	<u>1,553,834</u>	<u>1,147,833</u>
	<u>\$ 4,738,821</u>	<u>\$ 4,060,179</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

8. ACCUMULATED SURPLUS

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

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 11,774,042	\$ 9,571,586
Restricted surplus:		
Operating reserves (Note 9)	9,384,872	10,922,829
Capital reserves (Note 9)	19,672,765	20,843,313
Equity in tangible capital assets	<u>153,953,256</u>	<u>149,408,391</u>
	<u>\$194,784,935</u>	<u>\$190,746,119</u>

9. RESERVES

	<u>2022</u>	<u>2021</u>
OPERATING RESERVES		
Recreation	\$ 4,753,549	\$ 4,753,549
Gravel pit reclamation	1,133,597	2,872,817
Roads	191,021	191,021
Administration building	2,997,491	2,997,491
Fire	19,999	19,999
Water and sewer	34,000	34,000
Other	77,165	48,500
Emergency management	5,000	5,000
Hillcrest Lodge	452	452
Agricultural Services Board	<u>172,598</u>	<u>-</u>
	<u>9,384,872</u>	<u>10,922,829</u>
CAPITAL RESERVES		
Roads	15,685,321	17,333,927
Fire	441,673	320,173
Water and sewer	1,131,821	945,821
Subdivision	551,768	551,768
Recreation	550,433	599,875
Administration	524,550	461,550
Agricultural services	442,883	324,383
Airport	267,579	238,579
Disaster services	30,546	30,546
Municipal planning and development	38,000	28,500
Ambulance	<u>8,191</u>	<u>8,191</u>
	<u>19,672,765</u>	<u>20,843,313</u>
Total Reserves	<u>\$ 29,057,637</u>	<u>\$ 31,766,142</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

10. CONTINGENCIES

The Municipal District is a member of the *Alberta Local Authorities Reciprocal Insurance Exchange* (the "Exchange"). Under the terms of membership, the Municipal District could become liable for its proportionate share of any claim losses in excess of the funds held by the Exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

In the ordinary course of business, various claims and lawsuits are brought against the Municipal District. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued.

The Municipal District is a member of the MD #52 Waste Management Authority (the "Authority"). Under the terms of this membership, the Municipal District could become liable for its proportionate share of any environmental liabilities if the Authority does not have sufficient reserves.

11. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipal District participate in the *Local Authorities Pension Plan* ("LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Municipal District is required to make current service contributions to the LAPP consisting of 8.45% (2021 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan ("CPP") and 12.80% (2021 - 13.84%) on pensionable earnings above this amount. Employees of the Municipal District are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 11.80% (2021 - 12.84%) on pensionable salary above this amount.

Total current service contributions made by the Municipal District to the LAPP in 2022 were \$289,875 (2021 - \$334,347). Total current service contributions made by the employees of the Municipal District to the LAPP in 2022 were \$259,528 (2021 - \$302,829).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.92 billion (2020 - \$4.96 billion actuarial surplus).

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

12. SALARY AND BENEFITS DISCLOSURE

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

	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>2022</u>	Total <u>2021</u>
Elected Officials:				
Division 1	\$ 12,932	\$ 5,128	\$ 18,060	\$ 19,113
Division 2	17,674	3,205	20,879	18,664
Division 3	-	-	-	11,667
Division 3	14,337	5,169	19,506	4,966
Division 4	-	-	-	13,752
Division 4	13,667	2,326	15,993	4,331
Division 5	-	-	-	13,559
Division 5	17,932	5,388	23,320	5,393
Division 6	20,300	787	21,087	24,431
Division 7	-	-	-	16,075
Division 7	18,704	6,344	25,048	5,557
	<u>\$ 115,546</u>	<u>\$ 28,347</u>	<u>\$ 143,893</u>	<u>\$ 137,508</u>
Designated officers (4)	<u>\$ 366,401</u>	<u>\$ 79,828</u>	<u>\$ 446,229</u>	<u>\$ 454,619</u>
Chief Administrative Officer	<u>\$ 143,480</u>	<u>\$ 26,513</u>	<u>\$ 169,993</u>	<u>\$ 170,236</u>

Executive salaries and benefit obligations have been fully funded by the Municipal District. Salary includes regular base pay, bonuses, lump sum payments, honoraria and any other direct cash remuneration.

Benefits and allowances include the 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 disability and dismemberment insurance, long and short-term disability plans, professional membership dues, and tuition.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

13. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by *Alberta Regulation 255/2000*, for the Municipal District be disclosed as follows:

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 41,510,223	\$ 40,464,866
Total debt	<u>-</u>	<u>-</u>
Amount of debt limit unused	<u>\$ 41,510,223</u>	<u>\$ 40,464,866</u>
Service on debt limit	\$ 6,918,371	\$ 6,744,144
Service on debt	<u>-</u>	<u>-</u>
Amount of service on debt limit unused	<u>\$ 6,918,371</u>	<u>\$ 6,744,144</u>

The debt limit is calculated at 1.5 times revenue of the Municipal District (as defined in *Alberta Regulation 255/00*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipal District. Rather, the financial statements must be interpreted as a whole.

14. BUDGET FIGURES

The Municipal District compiles a budget on a modified accrual basis. The budget expenses transfers to reserves and all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess revenue over expenses to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
Annual surplus	\$12,389,508	\$ 4,038,816	\$ 6,702,367
Add back:			
Amortization expense	-	8,990,564	8,577,872
Proceeds on disposal of tangible capital assets	-	1,889,807	179,517
Deduct:			
Transfers from (to) from reserves	(674,093)	2,708,505	(1,003,831)
Capital purchases	<u>(13,293,175)</u>	<u>(15,870,137)</u>	<u>(13,866,887)</u>
Results of Operations as Budgeted	<u>\$ (1,577,760)</u>	<u>\$ 1,757,555</u>	<u>\$ 589,038</u>

The budget figures presented in these financial statements are based on the budget that was approved by Council on May 26, 2022.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

15. SEGMENTED DISCLOSURE

The Municipal District 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 Information (Schedule 4A and 4B).

16. GOVERNMENT PARTNERSHIPS

Waste Management Authority

The Town of Provost, the Village of Amisk, the Village of Czar, the Village of Hughenden and the Municipal District of Provost No. 52 jointly participate in the M.D. #52 Waste Management Authority ("the Authority") to maintain, control, and manage a regional landfill site and transfer stations. The proportionate share of ownership, management, and liability of the Authority held by each member is as follows:

The Town of Provost	20%
Village of Amisk	20%
Village of Czar	20%
Village of Hughenden	20%
Municipal District of Provost No. 52	20%

The parties have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The cost sharing proportions are based on each member's population figures available from *Alberta Municipal Affairs*.

During the year, the Municipal District paid \$260,242 (2021 – \$274,103) to the Authority for annual fees. The transaction was measured at the exchange amount.

Provost Medical Centre

The Municipal District and the Town of Provost jointly developed, constructed and now operating the Provost Medical Centre. The Municipal District's initial proportionate interest in the Medical Centre is 75% (2021 - 75%).

Municipal District operates and manages the Medical Centre. The Town of Provost provides an annual contribution to support the operations of the Medical Centre. The parties have agreed to proportionately share costs associated with expenditures arising from the operation of the Medical Centre with the Municipal District's proportionate share being 50%.

During the year, the Municipal District received \$6,358 (2021 – \$9,828) from the Town for the Town's proportional share of operating costs.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

17. FINANCIAL INSTRUMENTS

The Municipal District's financial instruments consist of cash and temporary investments, trade receivables, and accounts payable and accrued liabilities. It is management's opinion that the Municipal District is not exposed to significant interest or currency risks arising from these financial instruments.

The Municipal District is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipal District 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.

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

18. COMPARATIVE FIGURES

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

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management.

MISSION STATEMENT AND OBJECTIVES

The Municipal District of Provost No. 52 continually strives to provide a rural environment where residents may enjoy an excellent quality of life.

SERVICE DELIVERY OBJECTIVES

- To conserve agricultural land.
- To maintain and develop a viable Roads Transportation Network.
- To promote a diversified agricultural industry and environmentally sound natural resource development.
- To protect residents by providing effective emergency response and crime prevention services.
- To participate in regional partnerships that promote the availability of health care, education and recreation services and facilities.
- To offer resources and support voluntary efforts to provide social programs.

2022 TRANSFER PAYMENTS TO OTHER LOCAL GOVERNMENTS, GRANTS & REQUISITIONS FROM OPERATIONS

REQUISITION / GRANT RECIPIENT	M.D. DEPARTMENT	AMOUNT
ALBERTA SCHOOL FOUNDATION FUND	TRANSFER OF REQUISITION	5,061,945.25
BODO COMMUNITY ASSOCIATION	GRANT	2,000.00
BODO ARCHAEOLOGICAL SOCIETY	GRANT	4,200.00
ALBERTA GOVERNMENT	POLICING	266,609.00
EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOL	TRANSFER OF REQUISITION	65,385.99
CAPT LAKE ASSOCIATION	DONATION	150.00
FAMILY & COMMUNITY SUPPORT SERVICES	TRANSFER OF REQUISITION	18,690.79
HUGHENDEN COMMUNITY HALL	DONATION	20,000.00
MD #52 LIBRARY BOARD	CULTURE	49,810.00
MD #52 WASTE MANAGEMENT AUTHORITY	WASTE MANAGEMENT	260,241.86
Natural Gas Co-op(Provost Co-op Loan)	OTHER: TRF	25,500.00
PARKLAND REGIONAL LIBRARY	CULTURE	18,673.20
PROVOST LIONS HANDI VAN SOCIETY	GRANT	6,500.00
PROVOST SENIOR CITIZENS HOME FOUNDATION	TRANSFER OF REQUISITION	549,450.00
PROVOST GOLF COURSE	DONATION	15,419.81
PROVOST MINOR HOCKEY	DONATION	1,500.00
ROSENHEIM HISTORICAL SOCIETY	RECREATION: PROVOST & DIST REC	5,000.00
SHORNCLIFFE PARK IMPROVEMENT ASSOCIATION	RECREATION: SHORNCLIFFE LAKE	2,150.00
CADOGAN AGRICULTURAL SOCIETY	GRANT	5,000.00
TOWN OF PROVOST	FIRE: EAST END	88,977.45
TOWN OF PROVOST	GRANT: CANADA DAY	1,000.00
TOWN OF PROVOST	OTHER GOVT: DOCTOR'S HOUSE	28,320.00
TOWN OF PROVOST	OTHER GOVT: INS - HEALTH FOUND.	1,618.08
TOWN OF PROVOST	RECREATION: PROVOST & DIST REC	336,533.57
TOWN OF PROVOST	WASTE MGMT (RECYCLING)	1,800.00
TOWN OF PROVOST	COMMUNITY BBQ	4,244.00
WEST RECREATION COUNCIL	RECREATION: WEST END	215,520.00
Total		7,056,239.00

ANNUAL MILL RATE COMPARISON- M.D. of PROVOST NO. 52					
Residential					
	2020	2021	2022		
ASFF	2.5356	2.5888	2.6041		
Municipal	3.376	3.1936	3.1259		
Uncollectibles	0.2069	0.1935	0.1926		
Fire	0.1857	0.2050	0.3336		
Recreation	0.282	0.2900	0.3031		
Waste Management	0.0651	0.0745	0.0691		
FCSS	0.0074	0.0070	0.0069		
Hillcrest	0.2154	0.2020	0.2036		
Total Residential mill rate	6.8741	6.7544	6.8389		
Farmland					
	2020	2021	2022		
ASFF	2.5356	2.5888	2.6041		
Municipal	6.752	6.3872	6.2519		
Uncollectibles	0.2069	0.1935	0.1926		
Fire	0.1857	0.205	0.3336		
Recreation	0.282	0.29	0.3031		
Waste Management	0.0651	0.0745	0.0691		
FCSS	0.0074	0.007	0.0069		
Hillcrest	0.2154	0.202	0.2036		
Total Farm mill rate	10.2501	9.9480	9.9649		
DI Property Req	0.0760	0.0766	0.0766		
Total DI Property (Farmland) mill rate	10.3261	10.0246	10.0415		
Non Residential/Industrial					
	2020	2021	2022		
ASFF	3.7953	3.7481	3.9491		
Municipal	6.752	6.3872	6.2519		
Uncollectibles	0.2069	0.1935	0.1926		
Fire	0.1857	0.205	0.3336		
Recreation	0.282	0.29	0.3031		
Waste Management	0.0651	0.0745	0.0691		
FCSS	0.0074	0.007	0.0069		
Hillcrest	0.2154	0.202	0.2036		
Special Industrial	2.2063	2.2063	2.2063		
Total Non-residential mill rate	13.7161	13.3136	13.5162		
Total Machinery & Equip mill rate	9.9208	9.5655	9.5671		
DI Property Req	0.0760	0.0766	0.0766		
Total DI Property (Non-Res) mill rate	13.7921	13.3902	13.5928		
Total DI Property (M&E) mill rate	9.9968	9.6421	9.6437		

M.D. OF PROVOST NO. 52 NEWSLETTER 2023

FIRE SAFETY REMINDER

All ratepayers are reminded that fire safety starts with you – and that all burning within the M.D. must be conducted responsibly and in accordance with the MD's fire control bylaw. Ratepayers are reminded that incinerators, fire pits and barbecue pits must:

- have a spark arrestor mesh screen of 13 mm or less to contain sparks over the fire at all times.
- be supervised at all times by a responsible adult person until such time that fire has been extinguished. A fire shall be deemed to include hot ashes and smoldering embers resulting from the fire.
- burn only Class "A" materials (clean wood, paper, twigs and garden chippings and garden debris) charcoal briquettes, propane or natural gas fuels.
- have a flame height which does not exceed 90 cm (3.38 feet) above the incinerator, barbecue or fire pit.

A fire permit is required for ALL outdoor fires, not classed as "small open fires" by Bylaw #2268, structure fires or the discharge of fireworks. For more information or to obtain a fire permit ratepayers are advised to visit our website at mdprovost.ca.

PENALTIES ON TAXES

November 1 – 10% on current
February 1 – 15% on arrears

GENERAL ASSESSMENT

The 2023 Assessment and Tax Notices will be sent together around mid-June, 2023. Assessments are now updated annually based on changes to market conditions, etc. within the municipality.

TAX NOTICES

Tax Notices are sent to the owner of the land that is stated on the registered title at the time the notice is prepared. A tax notice is deemed to have been received 7 days after it is sent. If your mailing address has changed, it is up to you to notify the MD office. **If you do not receive a tax notice for your property, it is your responsibility to contact the MD office.** Nonpayment of taxes will result in penalties added and eventually sale of land under the Municipal Government Act.

BUILDING, ELECTRICAL, GAS AND PLUMBING PERMITS

The MD of Provost No. 52 administers the Safety Codes Act of Alberta in the disciplines of Building, Electrical, Gas and Plumbing. Superior Safety Codes Inc., an accredited agency, has been contracted to provide permit issuance and inspections pursuant to the Act. Permits may be obtained from Superior Safety Codes Inc. at 1-888-358-5545.

DEVELOPMENT PERMIT APPLICATION

Control of Development

No development shall be undertaken within the municipality, other than that designated in Section 7 of the MD's Land Use Bylaw, **unless an application for it has been approved and a development permit has been issued.** For the designations in Section 7 please contact the MD office.

Application for a Development Permit

An application for development permit shall be made to the Development Officer in writing, and shall be accompanied by:

- (a) a site plan showing the legal description and the front, rear and side yards if any, and any provision for off-street vehicle parking, and entry and exit points to and from the site;
- (b) floor plans and elevations and sections of any proposed buildings;
- (c) any other reasonable information that the Development Officer/Municipal Planning Commission deems is necessary to render a decision on the application;
- (d) a development permit fee as established by resolution of Council.

UNAUTHORIZED USE OF ROAD ALLOWANCES

The M.D. of Provost No. 52 would like to remind its residents that the title to all road allowances within the M.D., **whether presently in use as a roadway or not**, is vested in the Crown in Right of Alberta and that the M.D. has the direction, control and management of all roadways within the M.D. except provincial highways. Any unauthorized use presently being made of road allowances within the M.D. by anyone does not give the user any right to continued use or to compensation in the event that a decision is made to develop the road allowance as a roadway.

SNOWPLOW POLICY

Please remember if you wish to have your lane snowplowed this winter pick up a "Custom Work" agreement at the M.D. office or from your grader operator as soon as possible. The agreements are valid for 3 years. **For those renting, both yourself and the owner are required to sign the agreement.**

If you plow your own lane, please do not leave any ridges or piles on the M.D. road as it creates a hazard to the travelling public.

The MD has the right to refuse the snowplowing and lane maintenance agreement if so deemed unfeasible after inspection of the site.

ROAD SIGNS

Traffic signs are erected to maintain safety on our roads. Please notify the M.D. office immediately if you see any signs down, missing or in need of repair. We need your help to assist us in keeping an accurate record of the signs and keep them in good condition. It is illegal to erect signs of any kind on the road allowance without receiving consent from the Municipal District.

DON'T LITTER

Dumping of garbage on road allowances, in road ditches and along unused road allowances is prohibited. This includes ROCKS. Help keep our M.D. clean. All loads to transfer sites and the landfill are to be tarped and secure.

DUST CONTROL

To assist those wanting dust control on a municipal road used by the general public which runs past their house, it is policy to offer the application of MG-30 as a means of dust control to resident ratepayers at 25% of product cost for the initial application. The application deadline will be April 15th of each year, and late requests will not be accepted. Applications will be accepted for a minimum distance of 500 feet and up to a maximum of 1000 feet per site.

The applicant will recognize roadways are subject to seasonal weather changes, traffic volume and vehicle weight. Dust controls will be maintained as required at the discretion of the MD of Provost, which may impact the effectiveness and life expectancy of the dust suppressant. Applicants may apply for a second application of MG-30 at the same rate as the initial application (25% of product cost) to be received by July 31 of the same year. Late requests will not be accepted.

The MD guarantees that the dust control will be applied in the same year in which the application is received. The MD retains the right to refuse the application of dust control if such is deemed unfeasible after inspection of the site.

Ratepayers acknowledge and agree that the MD makes no guarantee as to the life expectancy of the material process.

PROCEDURE

The applicant and Public Works staff are expected to stake distance and area applied for together at a reasonable time prior to the application taking place, such timeline to be determined by mutual agreement of the parties in question. Any variance will be signed for by the applicant.

MAINTENANCE

Maintenance will be performed at the discretion of the M.D.

USED OIL

Used oil can be disposed of at the Hughenden Transfer Site and the Landfill. Used oil filters and plastic oil containers can be disposed of at the Landfill or any manned Transfer Site.

PROVOST NEWS CIRCULATION

It is the policy of the M.D. of Provost No. 52, under Bylaw 764, to circulate the Provost News in which the M.D. reports to all **ratepayers** who do not already subscribe.

Those wishing to receive the Provost News must contact the M.D. office. It is not necessary to contact the M.D. office if you already receive a regular subscription.

DUGOUTS

Dugouts are considered as development and therefore must comply with setback regulations. As stated in the Land Use Bylaw, there is to be no development within 40 metres of the center line of any municipal road allowance. Any excavation or stockpiles within the 40 metre setback are considered non-conforming and are not permitted.

Please contact the MD office if unsure as to policy regarding development.

MOVING CATTLE

Cattle Moving Signs are available at both the Provost and Hughenden Shops. The Peace Officer may also be available to help notify traffic that a move is in process. He can be reached at 753-1981.

A SLOW DOWN REMINDER - 30 Km/hr.

School Zone Times (School Days Only)

8:00 am – 9:30 am

11:30 am – 1:30 pm

3:00 pm – 4:30 pm

Playground Zones (Everyday)

8:30 am to 1 hour after sunset

In rural and urban areas:

Red flashing lights on a school bus means **STOP** (this means traffic from both directions)

Amber flashing lights on a school bus means **SLOW DOWN AND BE PREPARED TO STOP**

Failure to follow this legislation can result in a fine plus demerits

The bus driver may take the license plate number and the registered owner can be charged

FOR MORE INFO, CHECK OUT THE MD OF PROVOST'S WEBSITE AT
www.mdprovost.com

M.D. OF PROVOST NO. 52
BOX 300
PROVOST, AB
T0B 3S0

2022-2023 COUNCILLORS FULL NAMES & ADDRESSES (October, 2022)

DIVISION 1 DEPUTY REEVE	LONNIE KOZLINSKI BOX 1317 PROVOST, AB T0B 3S0	753-6576 HOME 753-1556 CELL lkozlinski@mdprovost.ca
DIVISION 2 REEVE	ALLAN MURRAY BOX 24 HAYTER, AB T0B 1X0	753-1494 CELL 753-6531 HOME & FAX amurray@mdprovost.ca
DIVISION 3	MEL ANGELTVEDT BOX 945 PROVOST, AB T0B 3S0	753-0391 CELL 753-6184 HOME mangeltvedt@mdprovost.ca
DIVISION 4	BRYCE OLSON BOX 114 PROVOST, AB T0B 3S0	753-7862 CELL bolson@mdprovost.ca
DIVISION 5	LYANNE ALMBERG BOX 6 CZAR, AB T0B 0Z0	753-8608 CELL 780-857-2450 HOME lalMBERG@mdprovost.ca
DIVISION 6	DARRYL MOTLEY R.R.#1 CZAR, AB T0B 0Z0	209-4413 CELL 857-2131 HOME 857-0007 FAX dmotley@mdprovost.ca
DIVISION 7	GINA VETTER BOX 174 HUGHENDEN, AB T0B 2E0	856-3855 HOME 587-281-4462 CELL gvetter@mdprovost.ca
<p>Office Hours are 8:30 a.m. – 4:30 p.m. Telephone: 780-753-2434 or 780-857-2434 Fax: 780-753-6432 MD of Provost E-mail: mdprovost@mdprovost.ca MD of Provost Website: www.mdprovost.ca</p>		
TYLER LAWRASON, ADMINISTRATOR – email: tlawrason@mdprovost.ca		OFFICE 753-2434 CELL: 753-0176 HOME: 857-0003
LAUREN GROSKY-FORD, DIRECTOR OF LEGISLATIVE SERVICES – email: lgrosky@mdprovost.ca		OFFICE: 753-2434
WENDY TRENNERY, FINANCE OFFICER email: wtrenerry@mdprovost.ca		OFFICE: 753-2434
VANESSA HAHN, TAX & PAYROLL CLERK email: vhahn@mdprovost.ca		OFFICE: 753-2434
CAITLIN WOLF, AG. FIELDMAN email: cwolf@mdprovost.ca		OFFICE 753-2168 CELL: 753-4359
BRIAN CARTER, RECLAMATION MANAGER email: bcarter@mdprovost.ca		OFFICE 753-2168 CELL: 753-4035
MYRON SCHERGER, PEST CONTROL OFFICER email: mscherger@mdprovost.ca		CELL: 209-1710
JOHN DEGENSTIEN, DEVELOPMENT OFFICER email: jdegenstien@mdprovost.ca		OFFICE: 753-2434 CELL: 753-0509
BOB HAWRILIUK, ASST. DEVELOPMENT OFFICER email: bhawriliuk@mdprovost.ca		OFFICE 753-2434 CELL: 753-1865
JOSH BIRO, UTILITIES OFFICER email: jbiro@mdprovost.ca		OFFICE: 753-2434 CELL: 306-915-7775
MARILYN REINHART, ACCOUNTS COORDINATOR email: mreinhardt@mdprovost.ca		OFFICE: 753-2434
JULIANNA LAKEVOLD, EXECUTIVE ASSISTANT TO THE CAO email: jlakevold@mdprovost.ca		OFFICE: 753-2434

DANA LAYE, WASTE MANAGEMENT COORDINATOR email: dlaye@mdprovost.ca	OFFICE: 753-2168 FAX: 753-2199
JULIE JAMIESON, INVENTORY PROCUREMENT OFFICER email: jjamieson@mdprovost.ca	OFFICE: 753-2168 FAX: 753-2199
PUBLIC WORKS PROVOST SHOP	SHOP: 753-2168 FAX: 753-2199
PUBLIC WORKS HUGHENDEN SHOP	SHOP: 856-3654
LEN FOSSEN, OPERATIONS MANAGER email: lfossen@mdprovost.ca	CELL: 753-4423
MARTY BIRO, OPERATIONS MANAGER email: mbiro@mdprovost.ca	CELL: 306-873-7831
IAN GREEN, PEACE OFFICER email: igreen@mdprovost.ca	CELL: 753-1981
ANDRE GUILBAULT, ASSESSOR email: wag-andy@telus.net WAINWRIGHT ASSESSMENT GROUP	OFFICE: 753-2434 WAINWRIGHT 842-5002 CELL: 806-1134