

AGENDA
COUNCIL COMMITTEE MEETING
MUNICIPAL DISTRICT OF PINCHER CREEK
April 12, 2022
3:00 pm
Council Chambers

- 1) Approval of Agenda
- 2) Delegations
 - a) 3:00 pm to 3:30 pm – Darren Adamson, AVAIL
- 3) Trade Show - Need volunteers for:
 - Friday April 29, 2022 from 3 to 8
 - Saturday April 30, 2022 from 10 to 4
- 4) Draft Bylaw 1336-22 (Tax Rate Bylaw)
- 5) Closed Session
 - a. 2022 Dust Control – Policy C-PW-009 Schedule A – FOIP Sec 17
- 6) Round Table
- 7) Adjournment

April 12, 2022

Reeve and Council
Municipal District of Pincher Creek No. 9
PO Box 279
Pincher Creek, Alberta T0K 1W0

Ladies and Gentlemen:

We have completed our audit of the financial statements of the Municipal District of Pincher Creek No. 9 for the year ended December 31, 2021. Our audit included consideration of internal control relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, our review of any given control was limited and would not disclose all weaknesses in the system or all matters which an in-depth study might indicate. As you know, the maintenance of an adequate system of internal controls is the responsibility of the Reeve and Council.

During the course of our audit for the year ended December 31, 2021, we identified no significant matters which may be of interest to the Council.

This communication is prepared solely for the information of the Council members and management of the Municipal District of Pincher Creek No. 9 and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to thank Meghan, Brendan and the finance team for their assistance during our audit. Thank you for the continuing opportunity to be of service to your organization and we look forward to serving you in the future. If you have any questions or concerns regarding our audit or any other issues with which you may require our assistance, please do not hesitate to contact us.

Thank you.

Yours truly,

AVAIL LLP



Darren Adamson, CPA, CA

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

Consolidated Financial Statements

For the year ended December 31, 2021

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Reeve and Members of Council of
the Municipal District of Pincher Creek No. 9

Opinion

We have audited the consolidated financial statements of the Municipal District of Pincher Creek No. 9 which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipal District of Pincher Creek No. 9 as at December 31, 2021, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipal District of Pincher Creek No. 9 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 28 to the financial statements which discloses the amendments made to the prior year's figures. Our audit opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the 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 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 of Pincher Creek No. 9'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 of Pincher Creek No. 9 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipal District of Pincher Creek No. 9's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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

INDEPENDENT AUDITOR'S REPORT, continued

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 of Pincher Creek No. 9'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 Municipal District of Pincher Creek No. 9'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 company 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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, we confirm that the Municipal District of Pincher Creek No. 9 is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 18.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313/2000, we confirm that the Municipal District of Pincher Creek No. 9 is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 21.

Lethbridge, Alberta

April 12, 2022



Chartered Professional Accountants

MANAGEMENT REPORT

The consolidated financial statements are the responsibility of the management of the Municipal District of Pincher Creek No. 9.

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

The Municipal District of Pincher Creek No. 9 maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Municipal District of Pincher Creek No. 9's assets are properly accounted for and adequately safeguarded.

The elected Council of the Municipal District of Pincher Creek No. 9 is responsible for ensuring that management fulfils its responsibilities for financial statements.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or re-appointment of the external auditors. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Municipal District of Pincher Creek No. 9. Avail LLP has full and free access to the Council.

Chief Administrative Officer

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020 (restated)
Financial assets		
Cash and temporary investments (note 2)	\$ 14,782,481	\$ 9,177,415
Taxes and grants in place of taxes receivable (note 3)	389,859	3,097,717
Trade and other receivables (note 4)	3,787,238	2,988,913
Investments (note 5)	9,695,941	9,364,032
Debt charges recoverable (note 6)	1,681,243	1,808,971
	30,336,762	26,437,048
Liabilities		
Accounts payable and accrued liabilities	1,812,933	2,498,260
Employee benefit obligations (note 8)	507,918	685,100
Provision for reclamation (note 9)	1,276,300	1,410,447
Deferred revenue (note 10)	9,463,722	7,848,690
Long-term debt (note 11)	3,447,641	3,816,421
	16,508,514	16,258,918
Net financial assets	13,828,248	10,178,130
Non-financial assets		
Prepaid expenses	191,214	152,020
Inventory for consumption	2,352,684	2,485,246
Tangible capital assets (schedule 2)	69,670,530	67,829,957
	72,214,428	70,467,223
Accumulated surplus (note 12 and schedule 1)	\$ 86,042,676	\$ 80,645,353

Commitment and contingencies (note 19)

Approved on behalf of Council:

Councillor _____

Councillor _____

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	Budget (Unaudited)	2021	2020 (restated)
Revenue			
Net municipal property taxes (note 15)	\$ 13,247,510	\$ 13,072,669	\$ 11,758,673
User fees and sales of goods	569,450	432,689	396,137
Government transfers for operating (note 16)	317,480	513,226	440,527
Investment income	257,000	246,309	322,858
Penalties and costs of taxes	90,900	550,102	124,285
Licenses and permits	64,300	103,271	92,443
Gain on disposal of tangible capital assets	-	-	107,408
Rental	366,290	166,723	169,355
Other	143,420	173,923	132,452
	15,056,350	15,258,912	13,544,138
Expenses (note 17)			
General government			
Legislative	266,550	165,182	146,803
Administration	2,483,739	2,315,806	2,181,860
Protective services			
Police, fire, disaster, ambulance and bylaw enforcement	1,085,031	820,344	814,391
Transportation services			
Roads, streets, walks and lighting	7,837,452	6,258,263	6,732,100
Airport	863,884	840,122	804,639
Environmental use and protection			
Water supply and distribution	1,157,334	1,077,407	384,000
Waste management	342,500	319,991	289,068
Wastewater treatment and disposal	63,300	73,752	1,169
Public health and welfare			
Family and community support services	134,000	133,514	133,514
Cemeteries and crematoriums	55,140	46,714	55,140
Planning and development			
Land use planning, zoning and development	390,160	388,605	326,577
Agricultural and environmental services	618,869	501,266	474,803
Recreation and culture			
Parks and recreation	413,082	374,931	389,674
Culture - libraries, museums, halls	406,940	581,527	767,018
	16,117,981	13,897,424	13,500,756
(Deficiency) excess of revenue over expenses before other	(1,061,631)	1,361,488	43,382
Other			
Government transfers for capital (note 16)	10,076,580	4,035,835	6,893,162
Excess of revenue over expenses	9,014,949	5,397,323	6,936,544
Accumulated surplus, beginning of year			
As previously stated	81,936,089	81,936,089	74,999,545
Prior period adjustment (note 28)	-	(1,290,736)	(1,290,736)
As restated	81,936,089	80,645,353	73,708,809
Accumulated surplus, end of year	\$ 90,951,038	\$ 86,042,676	\$ 80,645,353

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	Budget (Unaudited)	2021	2020
Excess of revenue over expenses	\$ 9,014,949	\$ 5,397,323	\$ 6,936,544
Acquisition of tangible capital assets	(11,390,574)	(5,384,678)	(7,702,828)
Amortization of tangible capital assets	3,505,851	3,505,851	3,405,240
Loss (gain) on disposal of tangible capital assets	-	38,253	(87,097)
Proceeds on disposal of tangible capital assets	-	-	156,472
	(7,884,723)	(1,840,574)	(4,228,213)
Net change in inventory for consumption	-	132,563	(296,131)
Net change in prepaid expense	-	(39,194)	(20,343)
	-	93,369	(316,474)
Increase in net financial assets	1,130,226	3,650,118	2,391,857
Net financial assets, beginning of year	10,178,130	10,178,130	7,786,273
Net financial assets, end of year	\$ 11,308,356	\$ 13,828,248	\$ 10,178,130

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2021

	2021	2020
Operating transactions		
Excess of revenue over expenses	\$ 5,397,323	\$ 6,936,544
Adjustments for items which do not affect cash		
Loss (gain) on disposal of tangible capital assets	38,253	(87,097)
Amortization of tangible capital assets	3,505,851	3,405,240
	8,941,427	10,254,687
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	2,707,858	(2,724,700)
Trade and other receivables	(798,326)	(1,481,234)
Investments	(331,909)	(271,020)
Debt charges recoverable	127,728	124,051
Inventory for consumption	132,563	(296,131)
Prepaid expenses	(39,194)	(20,343)
Accounts payable and accrued liabilities	(685,327)	507,355
Employee benefit obligations	(177,182)	64,449
Deferred revenue	1,615,032	(3,057,098)
Provision for reclamation	(134,147)	(59,653)
Cash provided by operating transactions	11,358,523	3,040,363
Capital transactions		
Proceeds on disposal of tangible capital assets	-	156,472
Acquisition of tangible capital assets	(5,384,678)	(7,702,828)
Cash applied to capital transactions	(5,384,678)	(7,546,356)
Financing transactions		
Repayment of long-term debt	(368,779)	(361,791)
Increase (decrease) in cash and temporary investments	5,605,066	(4,867,784)
Cash and temporary investments, beginning of year	9,177,415	14,045,199
Cash and temporary investments, end of year	\$ 14,782,481	\$ 9,177,415

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies

The consolidated financial statements of the Municipal District of Pincher Creek No. 9 are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipal District of Pincher Creek No. 9 are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises 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.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Use of estimates

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

(d) 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.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies, continued

- (e) Inventories for resale
Land held for resale is recorded at the lower of cost and 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 waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.
- (f) Debt charges recoverable
Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.
- (g) Gravel pit closure
Pursuant to the gravel pit contracts, the Municipal District is required to fund the reclamation work for gravel pits. Closure activities include the final clay cover landscaping, and reclamation monitoring. The requirement is being provided for over the estimated remaining life of the gravel pits based on usage.
- (h) Contaminated sites liability
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 management's estimate of the cost of post-remediation including operation, maintenance and monitoring.
- (i) Tax revenue
Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.
- Requisitions operate as a flow through and are excluded from municipal revenue.
- (j) Reserves for future expenses
Reserves are established at the discretion of Council to set aside funds for future operating and capital expenses. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.
- (k) 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.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies, continued

(l) 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 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.

(m) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	20
Buildings	50
Engineered structures	20-75
Machinery and equipment	3-35
Vehicles	3-20

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

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(v) Cultural and historical tangible capital assets

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

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. Cash and temporary investments

	2021	2020
Savings accounts	\$ 11,601,509	\$ 8,811,059
Operating accounts	3,180,972	366,356
	\$ 14,782,481	\$ 9,177,415

3. Taxes and grants in place of taxes receivables

	2021	2020
Taxes and grants in place of taxes receivable	\$ 293,764	\$ 2,943,039
Arrears	96,095	154,678
	\$ 389,859	\$ 3,097,717

4. Trade and other receivables

	2021	2020
Grants	\$ 3,382,016	\$ 2,557,245
Goods and Services Tax (GST)	155,503	173,105
Trade receivables	249,719	258,563
	\$ 3,787,238	\$ 2,988,913

5. Investments

	2021		2020	
	Cost	Market value	Cost	Market value
Bonds	\$ 9,642,641	\$ 9,662,948	\$ 9,310,732	\$ 9,386,855
Castle Mountain resort	50,000	58,820	50,000	50,000
Other	3,300	3,340	3,300	3,340
	\$ 9,695,941	\$ 9,725,108	\$ 9,364,032	\$ 9,440,195

The bond portfolio has interest rates in the range of 1.67% to 4.86% (2020 - 2.33% to 6.63%) with maturity dates from 2024 to 2033. The other long-term investments are not traded in an organized financial market.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

6. Debt charges recoverable

	2021	2020
Current debt charges recoverable	\$ 131,513	\$ 127,727
Non-current debt charges recoverable	1,549,730	1,681,244
	\$ 1,681,243	\$ 1,808,971

The Municipal District has undertaken a joint landfill road development project with the Crowsnest/Pincher Creek Landfill Association. The Municipal District assumed long-term financing totaling \$3,607,273 in 2012; however, \$2,053,502 plus interest at 2.94% is recoverable from the Landfill Association with respect to this financing. Amounts are recoverable in bi-annual principal and interest payments of \$90,007 until September 1, 2032.

	Principal	Interest	Total
2022	\$ 131,513	\$ 48,503	\$ 180,016
2023	135,410	44,605	180,015
2024	139,424	40,592	180,016
2025	143,556	36,459	180,015
2026	147,810	32,205	180,015
Thereafter	983,530	74,205	1,057,735
	\$ 1,681,243	\$ 276,569	\$ 1,957,812

7. Authorized overdraft

The Municipal District has an authorized overdraft with the CIBC up to \$5,000,000.

8. Employee benefit obligations

	2021	2020
Vacation and time in lieu	\$ 49,313	\$ 47,308
Sick time	458,605	637,792
	\$ 507,918	\$ 685,100

Vacation and time in lieu

The vacation and time in lieu liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and they are vested) or are entitled to these benefits within the next budgetary year.

Sick Time

Sick leave credits are earned by employees on the basis of 3/4 day for each two week pay period worked, until the employee reaches the age of 65, to a maximum of 120 days. Upon termination of employment or retirement, a non-union employee shall be entitled to any unused sick leave time in the form of severance pay. Union employees shall be entitled to any unused sick time on pensionable retirement at age 55 or death.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

9. Provision for gravel pit closure

The Municipal District is required under contract to perform post-closure costs of several gravel pits. The accrued liability portion for the gravel pits is based on an estimate of future costs. The estimated closure costs for the gravel pits are \$1,276,300, all costs have been accrued in the financial statements.

10. Deferred revenue

	2021	2020
Municipal Sustainability Initiative	\$ 6,429,607	\$ 6,210,471
Municipal Water/Wastewater Partnership	2,000,327	-
Canada Community-Building Fund	844,551	495,310
Alberta Transportation	162,452	877,209
Family and Community Support Services	26,705	-
Intermunicipal grant	80	36,580
Municipal Stimulus Program	-	57,729
Municipal Operating Support Transfer	-	171,391
	\$ 9,463,722	\$ 7,848,690

11. Long-term debt

	2021	2020
Tax supported debentures	\$ 3,195,641	\$ 3,438,421
Village of Cowley	252,000	378,000
	\$ 3,447,641	\$ 3,816,421
Current portion	\$ 375,974	\$ 368,779

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

11. Long-term debt, continued

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2022	\$ 375,974	\$ 99,604	\$ 475,578
2023	383,383	88,491	471,874
2024	265,011	77,154	342,165
2025	272,864	69,300	342,164
2026	280,951	61,214	342,165
Thereafter	1,869,458	568,173	2,437,631
	<u>\$ 3,447,641</u>	<u>\$ 963,936</u>	<u>\$ 4,411,577</u>

Debenture debt is repayable to the Treasury Board and Finance and bears interest at 2.94% per annum with maturity dates ranging from 2023 to 2032. Debenture debt is issued on the credit and security of the Municipal District at large.

The promissory note to the Village of Cowley is payable at \$126,000 annually plus interest at 2.94%.

Interest on long-term debt amounted to \$110,506 (2020 - \$121,201). The Municipal District's cash payments for interest in 2021 were \$110,506 (2020 - \$121,201).

12. Accumulated surplus

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

	2021	2020 (restated)
Unrestricted surplus	\$ 5,389,786	\$ 3,797,029
Internally restricted surplus (reserves) (note 13)	12,748,758	11,025,817
Equity in tangible capital assets (note 14)	67,904,132	65,822,507
	<u>\$ 86,042,676</u>	<u>\$ 80,645,353</u>

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

13. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2021	2020
Operating		
Mill rate stabilization	\$ 1,193,125	\$ 1,205,292
Capital		
Airport	329,771	329,771
Allocated Reserve - Dam (Water Storage)	75,000	-
Bridge repair and replacement	2,682,850	2,309,872
Buildings	200,000	200,000
Emergency management	61,001	53,091
Emergency services	100,000	50,000
Equipment	3,199,199	2,682,182
Next year completions	131,428	101,552
Regional community initiatives	228,904	195,474
Recycle equipment	104,966	89,388
Road construction	2,701,219	2,526,101
Seniors housing	200,000	200,000
Water and wastewater infrastructure	1,541,295	1,083,094
	11,555,633	9,820,525
	\$ 12,748,758	\$ 11,025,817

14. Equity in tangible capital assets

	2021	2020 (restated)
Tangible capital assets (schedule 2)	\$ 231,808,622	\$ 226,733,912
Accumulated amortization (schedule 2)	(162,138,092)	(158,903,955)
Long-term debt (note 11)	(3,447,641)	(3,816,421)
Debt charges recoverable (note 6)	1,681,243	1,808,971
	\$ 67,904,132	\$ 65,822,507

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

15. Net municipal property taxes

	Budget (Unaudited)	2021	2020
Taxation			
Real property taxes	\$ 14,136,200	\$ 13,820,352	\$ 12,633,959
Linear property taxes	2,347,450	2,392,275	2,301,421
	16,483,650	16,212,627	14,935,380
Requisitions			
Alberta School Foundation Fund - basic levy	2,678,900	2,609,294	2,661,100
Alberta School Foundation Fund - opted out jurisdiction	150,000	137,729	128,366
Pincher Creek Foundation	322,000	320,364	321,997
Designated Industrial Property	85,240	72,571	65,244
	3,236,140	3,139,958	3,176,707
	\$ 13,247,510	\$ 13,072,669	\$ 11,758,673

16. Government transfers

	Budget (Unaudited)	2021	2020
Transfers for operating:			
Provincial government	\$ 317,480	\$ 513,226	\$ 440,527
Transfers for capital:			
Provincial government	10,076,580	4,035,835	6,893,162
	\$ 10,394,060	\$ 4,549,061	\$ 7,333,689

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

17. Expenses by object

	Budget (Unaudited)	2021	2020 (restated)
Salaries, wages, and benefits	\$ 4,736,450	\$ 3,944,303	\$ 4,094,228
Contracted and general services	3,390,590	2,291,470	2,542,193
Materials, goods, supplies and utilities	2,467,930	2,021,996	1,308,585
Bank charges and short term interest	10,000	7,826	7,322
Interest on long term debt	110,510	110,506	121,201
Other expenditures	77,800	241,568	147,752
Transfers to organizations and others	1,818,850	1,745,988	1,874,235
Amortization of tangible capital assets	3,505,851	3,505,851	3,405,240
Loss on disposal of tangible capital assets	-	27,916	-
	\$ 16,117,981	\$ 13,897,424	\$ 13,500,756

18. 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 Municipal District be disclosed as follows:

	2021	2020
Total debt limit	\$ 22,888,368	\$ 20,316,207
Total debt	3,447,641	3,816,421
	\$ 19,440,727	\$ 16,499,786
Debt servicing limit	\$ 3,814,728	\$ 3,386,035
Debt servicing	457,578	479,285
	\$ 3,357,150	\$ 2,906,750

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 which 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.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

19. Commitment and contingencies

The Municipal District has entered into an agreement with the Town of Pincher Creek to help fund the Early Childhood Learning Centres. The Municipal District has contributed \$500,000 towards the project in prior years, \$100,000 in 2021 and will contribute an additional \$100,000 per year through 2025.

The Municipal District is a member of the Alberta Local Authorities Reciprocal Insurance 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.

With the changes to the collective agreement with the National Police Federation, the MD could have a potential liability for the retroactive pay increases identified in the agreement. It is unknown if costs will be downloaded to the MD and the specific amounts associated with the retroactive pay rates are not yet finalized. As a result, no amounts have been accrued in the financial statements as at December 31, 2021.

20. Local authorities pension plan

Employees of the Municipal District of Pincher Creek No. 9 participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The plan serves about 275,800 people and 430 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Municipal District of Pincher Creek No. 9 is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Municipal District of Pincher Creek No. 9 are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Municipal District of Pincher Creek No. 9 to the LAPP in 2021 were \$266,974 (2020 - \$286,854). Total current service contributions by the employees of the Municipal District of Pincher Creek No. 9 to the LAPP in 2021 were \$241,877 (2020 - \$260,365).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.9 billion.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

21. 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:

	(1) Salary	(2) Benefits & allowances	2021	2020
Council				
Bruder, Tony	\$ 5,125	\$ 1,022	\$ 6,147	-
Cox, Dave	5,500	376	5,876	-
Everts, Bev	15,975	1,118	17,093	23,030
Hammond, Brian	28,625	2,277	30,902	36,350
Hollingshead, Harold	6,875	1,339	8,214	-
Lemire, Rick	21,100	1,287	22,387	20,927
MacGarva, John	4,500	430	4,930	-
Stevick, Quentin	15,350	1,460	16,810	24,703
Yagos, Terry	17,475	1,445	18,920	23,530
Chief administrative officer	190,413	2,207	192,620	151,007
Designated officer	\$ 101,891	\$ 2,743	\$ 104,634	\$ 100,385

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria 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 planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

22. Financial instruments

The Municipal District's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Municipal District is not exposed to significant interest or currency risk 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 and other 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 value of the financial instrument approximates fair value.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

23. 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 disclosure (schedule 3)

24. Budget amounts

The 2021 budget for the Municipal District was approved by Council on November 24, 2020 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified. The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budgeted surplus per financial statements	\$ 9,014,949
Less: Capital expenditures	(11,390,574)
Long-term debt repayments	(368,790)
Transfers from trust accounts	(25,000)
Add: Amortization	3,505,851
Transfers from capital reserves	(367,296)
Transfers from operating reserves	(369,140)
<hr/>	
Equals: Balanced budget	\$ -
<hr/>	

25. Contaminated sites liability

The Municipal District has adopted PS3260 liability for contaminated sites. The Municipal District has not identified any financial liabilities as a result of this standard.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

26. COVID-19

Events have occurred as a result of the COVID-19 pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Potential impacts on the Municipal District's business could include future decreases in revenue and delays in completing capital project work, closure of facilities including recreation, library, and administrative buildings, temporary and/or permanent termination of public employees and mandatory working from home requirements for those able to do so.

The Municipal District has continued to develop strategies to manage the impacts of the COVID-19 outbreak. Administration continues to monitor revenue, expenses, and projects for the Municipal District. Cost saving measures have been instituted where appropriate. The Municipal District continues to follow protocols set by the Alberta Government and to make suitable adjustments in the face of the pandemic.

Management is not aware of any material impairments, at this time, that will further impact the financial assets or liabilities of the Municipal District due to the pandemic.

27. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

28. Prior period adjustment

The prior year figures have been adjusted to record the disposition of bridges which was not previously recorded. The effects of this adjustment are:

- a decrease in accumulated surplus as at January 1, 2020 of \$1,290,736, and
- a decrease in tangible capital assets as at January 1, 2020 of \$1,290,736.

29. Approval of financial statements

These financial statements were approved by Council and Management.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of changes in accumulated surplus	Schedule 1				
	Unrestricted	Restricted	Equity in tangible capital assets	2021	2020 (restated)
Balance, beginning of year					
As previously stated	\$ 3,797,030	\$ 11,025,817	\$ 67,113,242	\$ 81,936,089	\$ 74,999,545
Prior period adjustment (note 28)	-	-	(1,290,736)	(1,290,736)	(1,290,736)
As restated	3,797,030	11,025,817	65,822,506	80,645,353	73,708,809
Excess of revenue over expenses	5,397,323	-	-	5,397,323	6,936,544
Unrestricted funds designated for future use	(3,121,983)	3,121,983	-	-	-
Restricted funds used for operations	78,516	(78,516)	-	-	-
Restricted funds used for tangible capital assets	-	(1,320,526)	1,320,526	-	-
Current year funds used for tangible capital assets	(4,064,152)	-	4,064,152	-	-
Disposal of tangible capital assets	38,255	-	(38,255)	-	-
Amortization of tangible capital assets	3,505,851	-	(3,505,851)	-	-
Long-term debt repaid	(368,780)	-	368,780	-	-
Debt charges recoverable	127,726	-	(127,726)	-	-
Change in accumulated surplus	1,592,756	1,722,941	2,081,626	5,397,323	6,936,544
Balance, end of year	\$ 5,389,786	\$ 12,748,758	\$ 67,904,132	\$ 86,042,676	\$ 80,645,353

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of tangible capital assets

Schedule 2

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2021	2020 (restated)
Cost:									
Balance, beginning of year	\$ 2,940,594	\$ 326,257	\$ 7,808,908	\$ 190,962,688	\$ 10,036,890	\$ 2,271,676	\$ 12,386,899	\$ 226,733,912	\$ 219,593,066
Acquisitions	-	28,317	-	1,440,629	240,823	-	3,674,909	5,384,678	7,702,828
Transfers	-	-	-	11,745,601	492,537	-	(12,238,138)	-	-
Disposals	-	-	-	(81,000)	(211,935)	-	(17,033)	(309,968)	(561,982)
Balance, end of year	2,940,594	354,574	7,808,908	204,067,918	10,558,315	2,271,676	3,806,637	231,808,622	226,733,912
Accumulated amortization:									
Balance, beginning of year	-	88,216	1,874,885	149,057,887	6,368,309	1,514,658	-	158,903,955	155,991,322
Annual amortization	-	14,790	169,287	2,628,252	575,727	117,794	-	3,505,850	3,405,241
Disposals	-	-	-	(64,718)	(206,995)	-	-	(271,713)	(492,608)
Balance, end of year	-	103,006	2,044,172	151,621,421	6,737,041	1,632,452	-	162,138,092	158,903,955
Net book value	\$ 2,940,594	\$ 251,568	\$ 5,764,736	\$ 52,446,497	\$ 3,821,274	\$ 639,224	\$ 3,806,637	\$ 69,670,530	\$ 67,829,957
2020 net book value (restated)	\$ 2,940,594	\$ 238,041	\$ 5,934,023	\$ 41,904,800	\$ 3,668,582	\$ 757,018	\$ 12,386,899	\$ 67,829,957	

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of segmented disclosure								Schedule 3
	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 13,072,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,072,669
User fees and sales of goods	19,482	47,817	63,957	218,157	-	83,276	-	432,689
Government transfers for operating	-	-	53,528	-	269,291	190,407	-	513,226
Investment income	246,309	-	-	-	-	-	-	246,309
Penalties and costs of taxes	550,102	-	-	-	-	-	-	550,102
Licenses and permits	-	-	-	-	-	103,271	-	103,271
Rental	18,938	-	145,715	-	-	2,070	-	166,723
Other	22,935	7,481	81,886	-	-	30,303	31,318	173,923
	13,930,435	55,298	345,086	218,157	269,291	409,327	31,318	15,258,912
Expenses								
Salaries, wages and benefits	1,268,210	-	2,257,011	-	-	419,082	-	3,944,303
Contracted and general services	470,899	204,136	670,894	638,467	-	284,543	22,531	2,291,470
Materials, goods, supplies and utilities	306,041	1,341	1,544,392	56,901	-	113,321	-	2,021,996
Bank charges and short term interest	7,826	-	-	-	-	-	-	7,826
Interest on long term debt	-	-	69,716	40,790	-	-	-	110,506
Other expenditures	170,984	10,965	368	57,889	-	1,362	-	241,568
Transfers to organizations and others	-	597,801	-	-	180,228	40,613	927,346	1,745,988
Amortization of tangible capital assets	257,029	6,101	2,528,086	677,104	-	30,949	6,582	3,505,851
Loss on disposal of tangible capital assets	-	-	27,916	-	-	-	-	-
	-	-	-	-	-	-	-	27,916
	2,480,989	820,344	7,098,383	1,471,151	180,228	889,870	956,459	13,897,424
Excess (deficiency) of revenue over expenses before other	11,449,446	(765,046)	(6,753,297)	(1,252,994)	89,063	(480,543)	(925,141)	1,361,488
Other								
Government transfers for capital	-	-	1,244,654	2,791,181	-	-	-	4,035,835
Excess (deficiency) of revenue over expenses	\$ 11,449,446	\$ (765,046)	\$ (5,508,643)	\$ 1,538,187	\$ 89,063	\$ (480,543)	\$ (925,141)	\$ 5,397,323

April 12, 2022

Reeve and Council
Municipal District of Pincher Creek No. 9
PO Box 279
Pincher Creek, Alberta T0K 1W0

Ladies and Gentlemen:

RE: 2021 ANNUAL AUDIT OF MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

We are pleased to provide the following report relating to our audit of the financial statements of Municipal District of Pincher Creek No. 9 for the year ending December 31, 2021.

During the course of our audit we identified matters which may be of interest to the Council. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to the Council in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The matters identified are included in this report which has been prepared solely for the information of the Council and is not intended for any other purpose. As such, we accept no responsibility to a third party who uses this report. Should any member of the audit committee or equivalent wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Our report is intended to assist the Council in fulfilling its obligation with respect to the 2021 financial statements. We have also attached a separate communication regarding the role of the Council and our recommendations for the Council of the Municipal District of Pincher Creek No. 9.

We would be pleased to further discuss any of the issues addressed in the report or any other issue which may be of interest or concern to the Council.

Yours truly,

AVAIL LLP



Darren Adamson, CPA, CA
Enclosure



I. Purpose and Scope of Examination

We refer you to our communication dated March 2, 2022, which outlines the purpose and scope of our examination.

II. Results of Examination

As a result of our examination, we report that, in our opinion, the financial statements as at December 31, 2021 present fairly, in all material respects, the financial position of the Municipal District of Pincher Creek No. 9 in accordance with Canadian public sector accounting standards.

Throughout the course of our examination, we received full co-operation from Municipal District of Pincher Creek No. 9 officials and employees. No restrictions were imposed on the method or extent of our examination. We were given access to all records, documents and other supporting data and were furnished all information and explanations we required. In addition, we had the opportunity to discuss accounting matters with Municipal District of Pincher Creek No. 9 officials.

III. Communication with Council

In accordance with the auditing standard "communications with those having oversight responsibility for the financial reporting process", the following matters are recommended to be communicated to the Council.

Matters to be Communicated	Reference/Comment
1. Significant Deficiencies in Internal Controls	During our audit, we did not encounter any significant deficiencies in internal controls.
2. Illegal Acts and Fraud	<p>An audit conducted in accordance with generally accepted auditing standards does not provide assurance about an entity's compliance with the laws and regulations that may affect it. These standards include, however, a requirement that the nature, extent and timing of the auditors' procedures should be designed so that, in the auditors' professional judgment, the risk of not detecting a material misstatement in the financial statements is reduced to an appropriately low level.</p> <p>However, due to the nature of illegal acts, an auditor conducting an audit in accordance with generally accepted auditing standards may not detect an illegal act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material.</p> <p>Based on the results of our testing, we did not identify any illegal, improper or questionable payments or acts nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.</p>



3. Significant Accounting Principles and Policies	We refer you to note 2 to the financial statements for a summary of significant accounting policies adopted by the Municipal District of Pincher Creek No. 9.
4. Management's Judgments and Accounting Estimates	<p>There were no disagreements between management and ourselves regarding management's judgments and accounting estimates.</p> <p>Going Concern Assumption - It is now a requirement that management make an assessment each year regarding the Municipal District of Pincher Creek No. 9's ability to continue as a going concern. This assessment requires management to make certain judgments about the Municipal District of Pincher Creek No. 9's ability to meet its obligations in the foreseeable future.</p> <p>Management has advised that they are aware of no events or conditions that cast doubt upon the Municipal District of Pincher Creek No. 9's ability to continue as a going concern in the foreseeable future, and there is no intention to liquidate the Municipal District of Pincher Creek No. 9's assets or otherwise cease operations.</p>
5. Written Representation from Management	As requested, management has provided us written representations that it has fulfilled its responsibility for the preparation of the financial statements and that it has provided us with the required information for us to complete our audit.
6. Other Information in Documents Containing Audited Financial Statements	Should the Municipal District of Pincher Creek No. 9 issue any report during the year that includes the audited financial statements, we will be required to read the unaudited information in the report prior to its release to ensure consistency with the information presented in the financial statements.
7. Disagreements with Management	There were no disagreements between management and ourselves with respect to the Municipal District of Pincher Creek No. 9's accounting policies or presentation and disclosure in the financial statements.
8. Difficulties Encountered in Performing the Audit	The full co-operation of management and other personnel was received during our examination.
9. Financial Statement Disclosure	There were no contentious financial statement disclosure issues.
10. Emerging Issues	<p><u>FUTURE ACCOUNTING CHANGES</u> The Public Sector Accounting Board has issued the following accounting standards:</p> <p><u>PSG-8 Public Sector Guideline - Purchased Intangibles</u> (effective fiscal years beginning April 1, 2023)</p>



	<p>This guideline will allow recognition of purchased intangibles as assets. Earlier adoption is permitted.</p> <p><u>PS 3450 Financial Instruments</u> <u>(effective fiscal years beginning April 1, 2022)</u> Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.</p> <p><u>PS 3280 Asset Retirement Obligations</u> <u>(effective fiscal years beginning April 1, 2022)</u> This standard provides guidance on how to account for and report a liability for retirement of tangible capital assets. Early adoption of this section may be mandated by the Government of Alberta, pending recommendations from the ARO working group.</p> <p><u>PS 3400 Revenue</u> <u>(effective fiscal years beginning April 1, 2023)</u> This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange and non-exchange (unilateral) transactions.</p> <p><u>PS 3160 Public Private Partnerships</u> <u>(effective fiscal years beginning April 1, 2023)</u> This standard provides guidance on the accounting for a public private partnership (P3).</p> <p><u>PS 1202 – Financial Statement Presentation</u> <u>(effective when PS 2601 and PS 3450 are adopted))</u> A new standard has been proposed to replace PS 1201 Financial Statement Presentation and is intended to provide an improved financial reporting framework.</p> <p>Some of the key proposed changes are:</p> <ul style="list-style-type: none">• liabilities will be separated into two categories: financial and non-financial• the Statement of Financial Position will be restructured to present total assets followed by total liabilities to arrive at net assets• the net debt indicator will be removed from the Statement of Financial Position and will be shown on a separate statement "Statement of Net Financial Assets or Net Financial Liabilities"• the requirement to present a Statement of Changes in Net Financial Assets (Debt) will be removed• other minor changes are proposed to the Statement of Cash Flows and budgeted information
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Summary of Unadjusted Misstatements:

Unadjusted Financial Statement Misstatements	Proposed Adjustments Dr (Cr)				
	Opening Equity	Income Statement	Balance Sheet		
			Assets	Liabilities	Closing Equity
Current year					
Payroll Accrual	-	43,698	-	(43,698)	43,698
Subtotal	-	43,698	-	(43,698)	43,698
Income taxes	-	-	-	-	-
Total	\$ -	\$ 43,698	\$ -	\$ (43,698)	\$ 43,698

MUNICIPAL DISTRICT OF PINCHER CREEK NO.

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2021

Avail CHARTERED
PROFESSIONAL
ACCOUNTANTS

Introduction

A Key Performance Indicator (KPI) is a metric used to evaluate factors that are crucial to the success of an organization. The importance of each KPI may change with time depending on the goals and strategic plans of the organization.

When reviewing KPIs, it is important to not only compare to past performance and desired goals, but to consider industry standards and benchmarks.

The following information has been provided in order to provide you some insight into some important KPIs for your organization.

It is important to review the underlying information of your municipality in order to determine cause and create desired change.

The underlying data for this report was taken from the financial data publicly available found on the Alberta Municipal Affairs website.

Comparable municipalities were determined based on a range of 75% to 125% of your population.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

INDICATORS OF FINANCIAL CONDITION

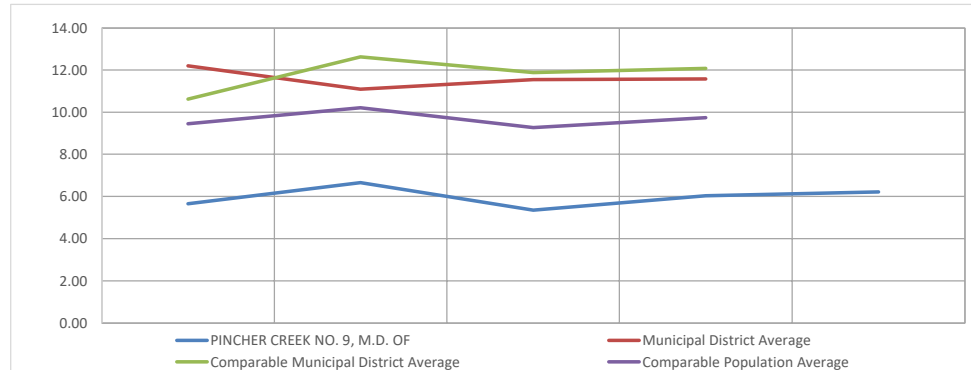
For the year ended December 31, 2021

2017 2018 2019 2020 2021

SUSTAINABILITY INDICATORS

Assets to Liabilities

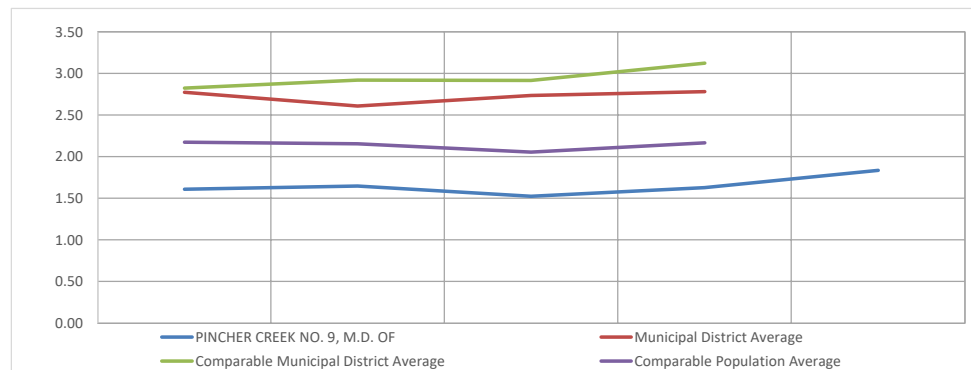
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing its operations by issuing debt.



Total assets	78,359,164	80,911,909	94,695,236	98,195,005	102,551,190
Total liabilities	13,859,777	12,147,965	17,695,560	16,258,916	16,508,514
Assets to liabilities	5.65	6.66	5.35	6.04	6.21
Municipal District Average	12.20	11.09	11.54	11.58	
Comparable Municipal District Average	10.63	12.62	11.88	12.07	
Comparable Population Average	9.45	10.21	9.27	9.74	

Financial assets to liabilities

This indicator illustrates the ratio of a government's financial assets to its liabilities. A result lower than one indicates a net debt position and future revenues will be required to pay for past transactions. A result higher than one indicates net financial assets and financial resources are on hand that can finance future operations. A trend showing increases in net debt or reductions in net financial assets may not be sustainable.



Total financial assets	22,262,587	19,996,410	26,951,929	26,437,047	30,336,762
Total liabilities	13,859,777	12,147,965	17,695,560	16,258,916	16,508,514
Financial assets to liabilities	1.61	1.65	1.52	1.63	1.84
Municipal District Average	2.77	2.61	2.73	2.78	
Comparable Municipal District Average	2.82	2.92	2.92	3.12	
Comparable Population Average	2.18	2.15	2.06	2.16	

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

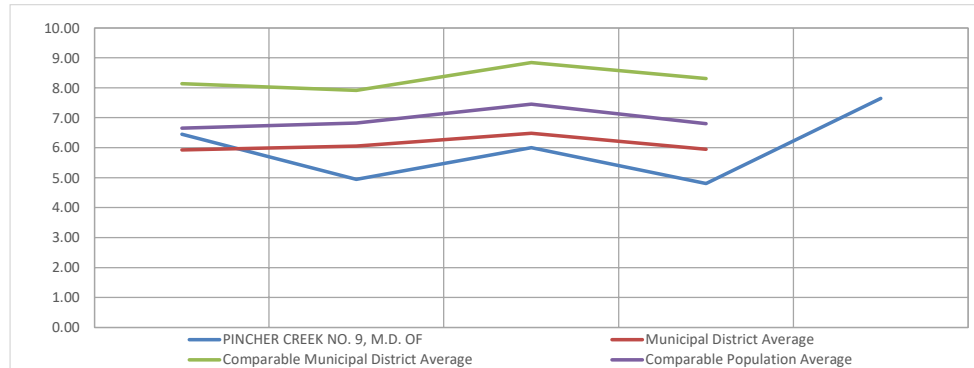
INDICATORS OF FINANCIAL CONDITION

For the year ended December 31, 2021

2017 2018 2019 2020 2021

Current Ratio

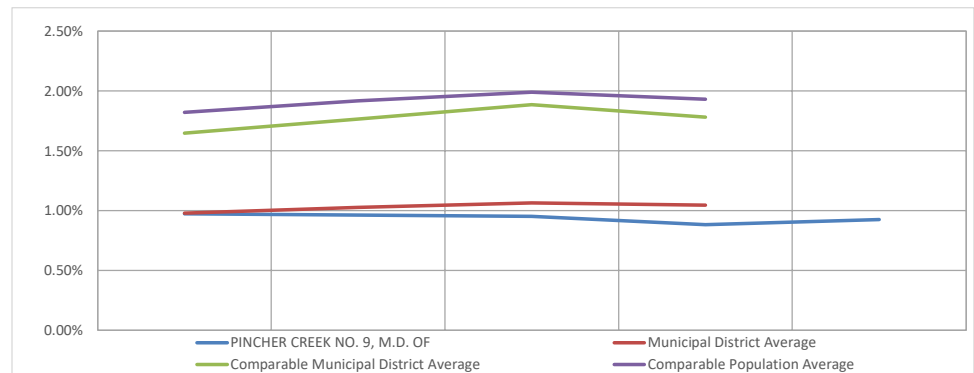
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the governments ability to meet short term obligations.



Current assets	13,772,591	11,325,278	17,858,917	17,073,015	20,640,821
Current liabilities	2,133,702	2,292,344	2,973,351	3,552,138	2,696,825
Assets to liabilities	6.45	4.94	6.01	4.81	7.65
Municipal District Average	5.93	6.05	6.48	5.94	
Comparable Municipal District Average	8.13	7.92	8.84	8.31	
Comparable Population Average	6.65	6.82	7.46	6.80	

Operating expenses to taxable assessment

This indicator provides the trend of government spending over time in relation to the growth in the economy. A trend that shows total expense is growing at a faster rate than the growth in the economy may not be sustainable.



Operating expenses	15,398,543	14,877,958	14,401,743	13,565,999	13,897,424
Taxable assessment	1,582,110,430	1,544,652,166	1,512,769,452	1,539,220,762	1,505,517,310
Operating expenses to taxable assessment	0.97%	0.96%	0.95%	0.88%	0.92%
Municipal District Average	0.98%	1.03%	1.06%	1.04%	
Comparable Municipal District Average	1.65%	1.77%	1.89%	1.78%	
Comparable Population Average	1.82%	1.92%	1.99%	1.93%	

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

INDICATORS OF FINANCIAL CONDITION

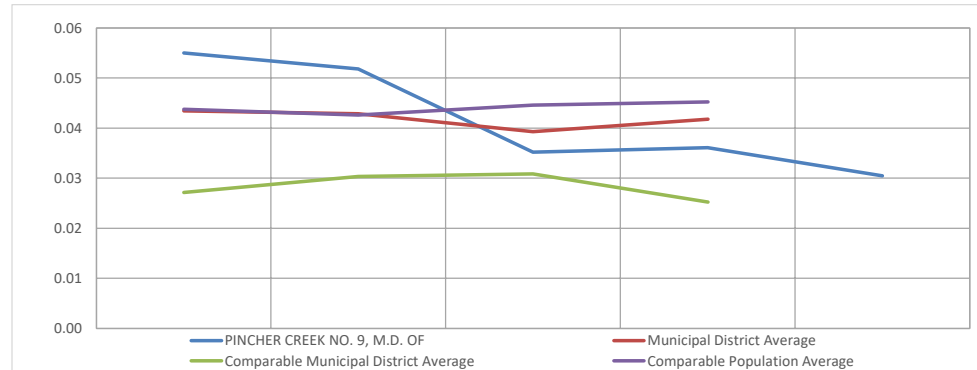
For the year ended December 31, 2021

2017 2018 2019 2020 2021

FLEXIBILITY INDICATORS

Public debt charges to revenues

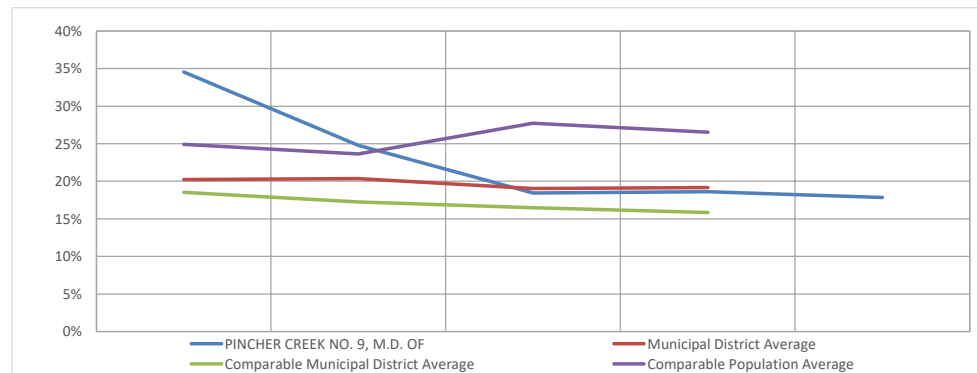
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing, the less will be available for program spending.



Debt servicing	704,126	700,511	482,992	479,285	457,578
Operating revenue	12,795,744	13,522,710	13,716,532	13,284,576	15,014,977
Public debt charges to revenues	0.06	0.05	0.04	0.04	0.03
Municipal District Average	0.04	0.04	0.04	0.04	
Comparable Municipal District Average	0.03	0.03	0.03	0.03	
Comparable Population Average	0.04	0.04	0.04	0.05	

Debt to Revenue Percentage

The total amount of municipal borrowings, including long term capital leases, as a percentage of total municipal revenues. This indicator demonstrates the growth in revenue compared to changes in debt. An increasing trend would indicate the municipality is increasing its debt load faster than its revenue is growing, which may not be sustainable.



Total long term debt principal balance	5,291,207	4,741,551	4,178,212	3,816,420	3,447,641
Total revenue	15,315,873	19,142,515	22,637,475	20,502,543	19,294,747
Debt to revenue	35%	25%	18%	19%	18%
Municipal District Average	20%	20%	19%	19%	
Comparable Municipal District Average	19%	17%	16%	16%	
Comparable Population Average	25%	24%	28%	27%	

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

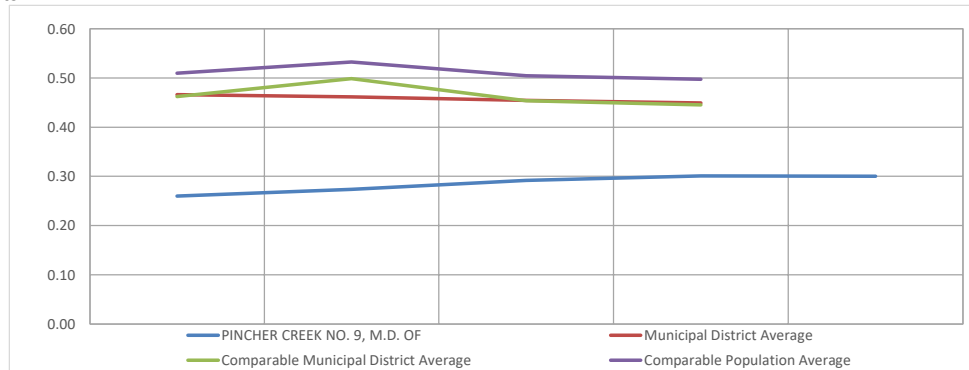
INDICATORS OF FINANCIAL CONDITION

For the year ended December 31, 2021

2017 2018 2019 2020 2021

Net book value to cost of tangible capital assets

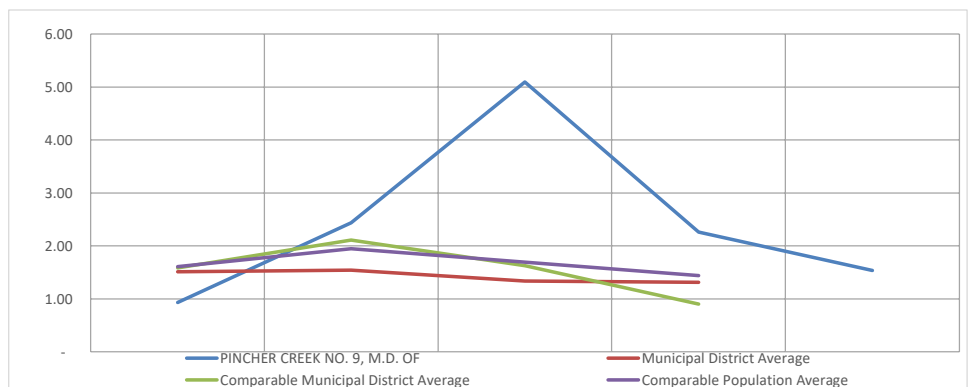
This indicator is important because it reports the extent that the estimated useful lives of tangible capital assets are available to provide its services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the impending future costs of capital asset repair or replacement.



Net book value	53,510,762	58,187,829	64,892,483	69,120,692	69,670,530
Cost of tangible capital assets	205,606,570	212,463,762	222,241,877	229,382,721	231,808,622
Net book value to cost of tangible capital assets	0.26	0.27	0.29	0.30	0.30
Municipal District Average	0.47	0.46	0.45	0.45	0.45
Comparable Municipal District Average	0.46	0.50	0.45	0.45	0.45
Comparable Population Average	0.51	0.53	0.50	0.50	0.50

Infrastructure Investment

The total cost of annual additions (through purchases or construction) to tangible capital assets (vehicles, equipment, buildings, roads, utility infrastructure, land) relative to the annual amortization (depreciation) on all tangible capital assets - measured as a five-year average.



Tangible capital assets additions	3,081,157	8,049,051	16,769,015	7,702,828	5,384,678
Annual amortization expense	3,296,854	3,301,784	3,290,561	3,405,240	3,505,850
Additions to amortization expense	0.93	2.44	5.10	2.26	1.54
Municipal District Average	1.51	1.54	1.34	1.31	1.31
Comparable Municipal District Average	1.58	2.11	1.63	0.90	0.90
Comparable Population Average	1.61	1.95	1.69	1.44	1.44

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

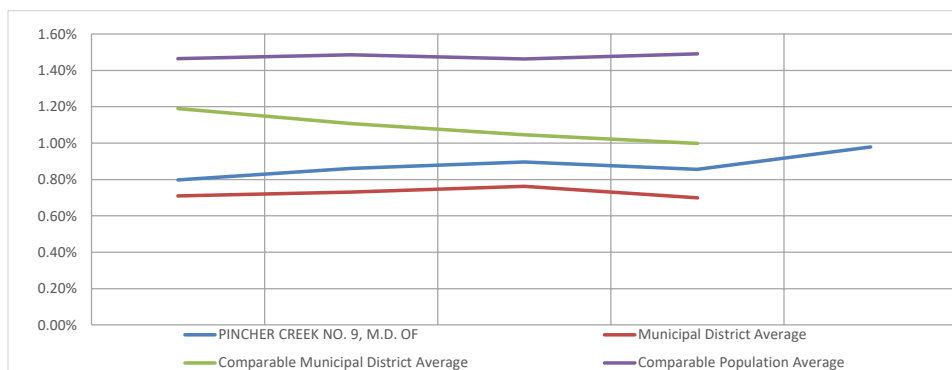
INDICATORS OF FINANCIAL CONDITION

For the year ended December 31, 2021

2017 2018 2019 2020 2021

Own source revenues to taxable assessment

This indicator is important because it shows the ratio of a local government's own source revenues to its tax base. A change in the size of a local government's taxable assessment or a change in the rate of growth in assessment in relation to changes in own source revenues could influence flexibility.

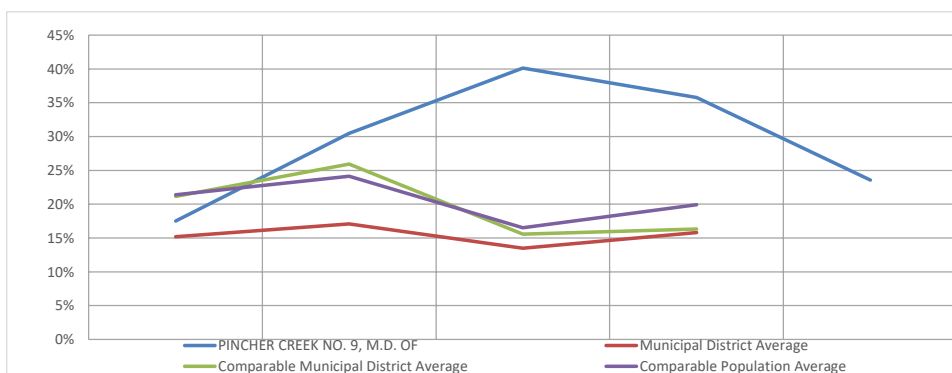


Own source revenues (net of government transfers)	12,633,425	13,305,921	13,555,103	13,168,854	14,745,686
Taxable assessment	1,582,110,430	1,544,652,166	1,512,769,452	1,539,220,762	1,505,517,310
Own source revenues to taxable assessment	0.80%	0.86%	0.90%	0.86%	0.98%
Municipal District Average	0.71%	0.73%	0.76%	0.70%	-
Comparable Municipal District Average	1.19%	1.11%	1.05%	1.00%	-
Comparable Population Average	1.46%	1.49%	1.46%	1.49%	-

VULNERABILITY INDICATORS

Government transfers to total revenues

The purpose of this ratio is to show the proportion of revenues that provincial or local governments receive from other governments. This indicator offers a perspective on the degree of vulnerability a government faces as a result of its dependence on another level of government for revenues.



Government transfers (including capital)	2,682,448	5,836,594	9,082,372	7,333,689	4,549,061
Total revenues (including capital)	15,315,873	19,142,515	22,637,475	20,502,543	19,294,747
Government transfers to total revenues	18%	30%	40%	36%	24%
Municipal District Average	15%	17%	14%	16%	-
Comparable Municipal District Average	21%	26%	16%	16%	-
Comparable Population Average	21%	24%	17%	20%	-

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

INDICATORS OF FINANCIAL CONDITION

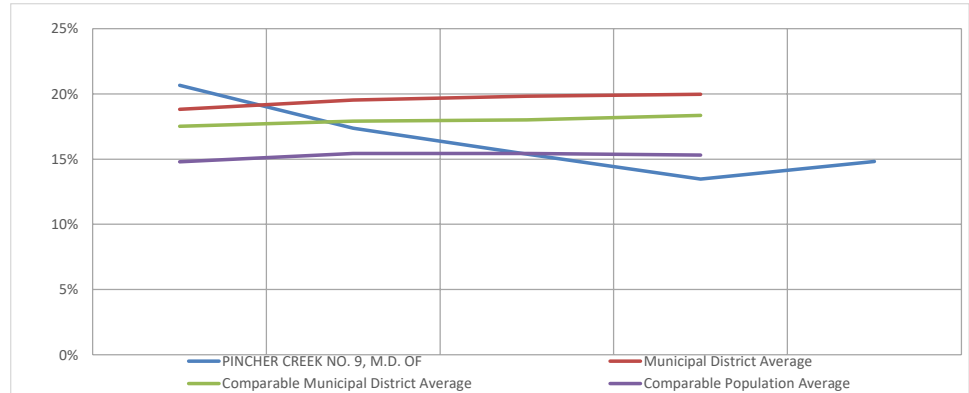
For the year ended December 31, 2021

2017 2018 2019 2020 2021

OTHER INDICATORS

Reserves to total accumulated surplus

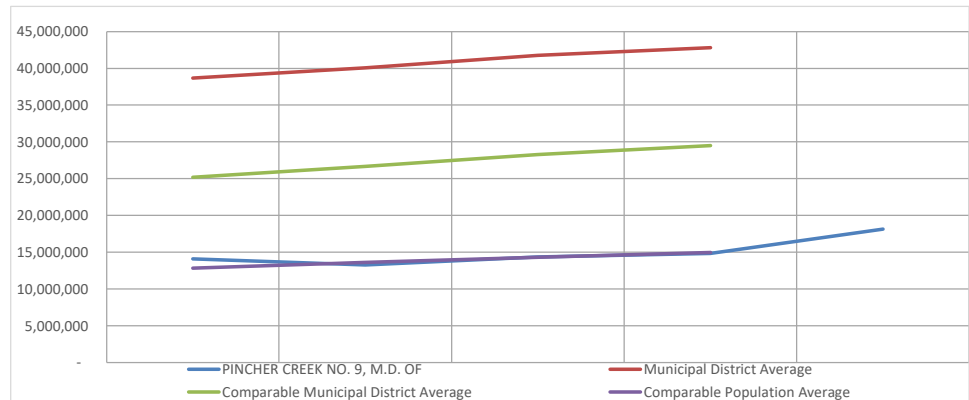
The purpose of this ratio is to show the proportion of total accumulated surplus that has been internally restricted. This indicator provides insight on the change in reserves in relation to overall accumulated surplus. A decrease would show that the government has drawn on past reserves to fund current operations.



Accumulated surplus - restricted	13,329,113	11,942,748	11,841,326	11,025,817	12,748,758
Overall accumulated surplus	64,499,387	68,763,944	76,999,676	81,936,089	86,042,676
Restricted surplus to accumulated surplus	21%	17%	15%	13%	15%
Municipal District Average	19%	20%	20%	20%	
Comparable Municipal District Average	18%	18%	18%	18%	
Comparable Population Average	15%	15%	15%	15%	

Accumulated surplus available for future use

Accumulated surplus, to the extent it has not been invested in Tangible Capital Assets, represents overall surplus that is available for future use. This consists of unrestricted surplus and reserves and shows trends in spending vs. saving. This indicator only shows total surplus; the overall size of the municipality is not taken into account.



Accumulated surplus - restricted	13,329,113	11,942,748	11,841,326	11,025,817	12,748,758
Accumulated surplus - unrestricted	776,934	1,321,417	2,511,057	3,797,030	5,389,786
Total accumulated surplus	14,106,047	13,264,165	14,352,383	14,822,847	18,138,544
Municipal District Average	38,687,784	40,066,871	41,780,940	42,807,655	
Comparable Municipal District Average	25,194,554	26,686,976	28,258,366	29,485,351	
Comparable Population Average	12,817,766	13,623,505	14,324,119	14,974,509	

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

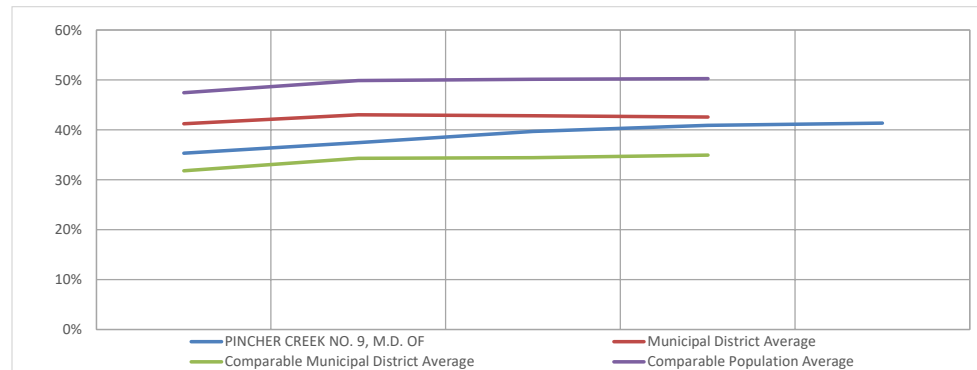
INDICATORS OF FINANCIAL CONDITION

For the year ended December 31, 2021

2017 2018 2019 2020 2021

Tax Base Ratio

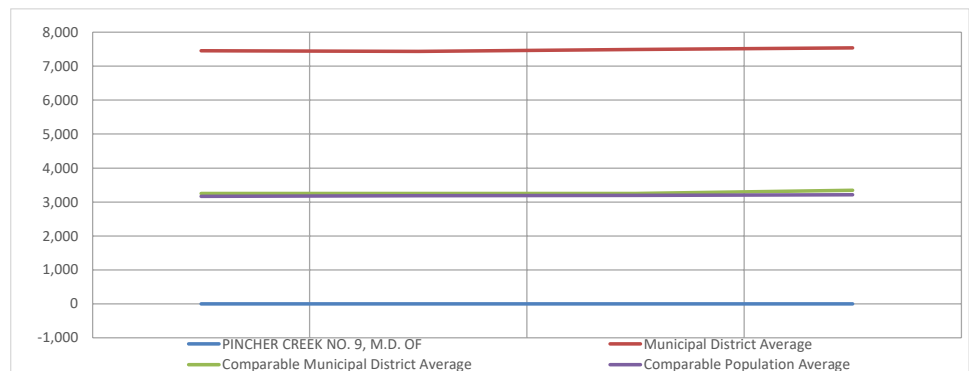
This ratio reports the proportion of the total municipal tax revenue generated by residential and farmland tax base, regardless of whether it is municipal property taxes, special taxes, or local improvement taxes.



Residential & farmland assessed value	558,898,958	578,406,548	599,882,162	630,008,136	622,181,806
Total assessed value	1,582,110,430	1,544,652,166	1,512,769,452	1,539,220,762	1,505,517,310
Residential & farmland assessment percentage	35%	37%	40%	41%	41%
Municipal District Average	41%	43%	43%	43%	
Comparable Municipal District Average	32%	34%	34%	35%	
Comparable Population Average	47%	50%	50%	50%	

Population Change

The change in population of the municipality over the past four years based on the Municipal Affairs Population List.



Population	2,965	2,965	2,965	3,240
Prior year population	3,158	2,965	2,965	2,965
Population change	-6.11%	0.00%	0.00%	9.27%
Population (Municipal District Average)	7,454	7,433	7,490	7,537
Municipal District Average	3.75%	-0.28%	0.77%	0.63%
Population (Comparable Municipal District Average)	3,249	3,249	3,249	3,341
Comparable Municipal District Average	2.34%	0.00%	0.02%	2.82%
Population (population average)	3,163	3,186	3,198	3,214
Comparable Population Average	2.12%	0.71%	0.40%	0.49%

Comparable Listing

Comparables were determined on a range of 75% to 125% of your population

Total Municipal District Count: 63

Comparables - Same Type (11)

Municipal District list with a comparable population




CLEAR HILLS COUNTY
FLAGSTAFF COUNTY
FORTY MILE NO. 8, COUNTY OF
LAMONT COUNTY
LESSER SLAVE RIVER NO. 124, M.D. OF
MINBURN NO. 27, COUNTY OF
OPPORTUNITY NO. 17, M.D. OF
PINCHER CREEK NO. 9, M.D. OF
SMOKY LAKE COUNTY
THORHILD COUNTY
TWO HILLS NO. 21, COUNTY OF

Comparables - Any Type (30)

List used for comparable populations

ATHABASCA
BLACK DIAMOND
CARDSTON
CLARESHOLM
CLEAR HILLS COUNTY
COALHURST
CROSSFIELD
FAIRVIEW
FLAGSTAFF COUNTY
FORT MACLEOD
FORTY MILE NO. 8, COUNTY OF
GIBBONS
GRIMSHAW
HIGH LEVEL
LAMONT COUNTY
LESSER SLAVE RIVER NO. 124, M.D. OF
MAGRATH
MINBURN NO. 27, COUNTY OF
OPPORTUNITY NO. 17, M.D. OF
PENHOLD
PINCHER CREEK
PINCHER CREEK NO. 9, M.D. OF
RIMBEY
SMOKY LAKE COUNTY
SUNDRE
THORHILD COUNTY
THREE HILLS
TURNER VALLEY
TWO HILLS NO. 21, COUNTY OF
VERMILION

Recommendation to Council

TITLE: 2022 Tax Rate Bylaw			
PREPARED BY: Meghan Dobie		DATE: April 1, 2022	
DEPARTMENT: Finance			
		ATTACHMENTS:	
Department Supervisor		<ol style="list-style-type: none"> 1. Bylaw No. 1336-22 2. Requisitions – ASFF, DIP, PCF 	
APPROVALS:			
	<u>Apr 6, 2022</u>		<u>06 Apr. 2022</u>
Department Director	Date	CAO	Date

RECOMMENDATION #1:

That Council transfer \$27,652 from the the tax rate stabilization reserve (6-12-0-735-6735) to operations to adjust for the change between the Municipal Tax Levy in Bylaw 1336-22 and the 2022 Budget.

RECOMMENDATION #2:

That Council pass first, second and third reading for Bylaw 1336-22.

BACKGROUND:

- Under the recommendation, the Municipal Tax Levy will change by \$27,641 from \$13,224,065 to **13,196,413**.

Background Highlights:

- The 2022 Budget included a 1% increase to tax revenue applied to all assessment classes. This resulted in a Municipal Tax Levy of \$13,224,065.
- Taxable assessment, at the time Bylaw 1336-22 was prepared, was equal to 1,644,632,510.
- It has been recommended that Council revise tax rates from the proposed rates set out in the 2022 budget to account for major changes seen in assessment under Residential and Small Commercial.
- ICF contributions are in the 2022 budget, but the actual contributions are not aligning with budget projections. In 2022 to the MD will contribute **\$449,275** to Town recreation and recreation related services.

Recommendation to Council

- Prior to 2022, the MD considered the contribution to Pincher Creek Emergency Services Commission (PCEC) as a requisition, therefore it was disclosed separately on the Tax Bylaw. However, under the MGA s359 contributions made to PCEC are not considered a requisition, but rather a contribution. Thus, the MD's contribution to PCEC will be part of the municipal tax levy portion of the MD's Tax Bylaw. This is a considerable and unavoidable presentation change for the MD. However it does not impact the bottom line for the rate payer. In 2022 the MD will contribute **\$565,865** to PCEC.

2022 Requisitions are as follows:

- Alberta School Foundation Fund (ASFF) and Holy Spirit requisition for 2022 is **\$2,907,556**.
- Designated Industrial Property (DIP) requisition for 2022 is **\$71,691**
- PC Foundation (PCF) requisition for 2022 is **\$306,335**.

FINANCIAL IMPLICATIONS:

Noted Above

**MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
BYLAW NO. 1336-22**

A BYLAW TO AUTHORIZE THE RATES OF TAXATION TO BE LEVIED AGAINST ASSESSABLE PROPERTY WITHIN THE MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9 FOR THE 2022 TAXATION YEAR.

WHEREAS, the Municipal District of Pincher Creek No. 9 has prepared and adopted detailed estimates of municipal revenue, expenses and expenditures as required, at the council meeting held on November 22, 2021; and

WHEREAS, the estimated municipal revenues from all sources other than taxation is estimated at \$10,641,550; and

WHEREAS, the estimated municipal expenses (excluding non-cash items) set out in the annual budget for the Municipal District of Pincher Creek No. 9 for 2022 total \$12,697,355; and

WHEREAS, the estimated amount required for current year capital expenditures is \$9,600,355; and

WHEREAS, the estimated amount required to repay principal debt is \$375,970; and

WHEREAS, the estimated amount required for future financial plans to be raised by municipal taxation is \$1,946,935; and

WHEREAS, the estimated amount transferred from reserves is \$782,652; and

THEREFORE, the total amount to be raised by general municipal taxation is \$13,196,413 and

WHEREAS, the requisitions are:

Alberta School Foundation Fund (ASFF) and Holy Spirit	
Residential and Farmland	1,688,199
Non-Residential	1,219,357
Pincher Creek Foundation (PCF)	306,335
Designated Industrial Property (DIP)	71,691

WHEREAS, the council is authorized to sub-classify assessed property, and to establish different rates of taxation in respect to each sub-class of property, subject to the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta, 2000; and

WHEREAS, the assessed value of all property in the Municipal District of Pincher Creek No. 9 as shown on the assessment roll is:

Residential and Farmland	679,687,270
Non-Residential	964,945,240
Total Assessment	<u>1,644,632,510</u>

NOW THEREFORE, under the authority of the *Municipal Government Act*, the Council of the Municipal District of Pincher Creek No. 9, in the Province of Alberta, enacts as follows:

1. That the Chief Administrative Officer is hereby authorized to levy the following rates of taxation on the assessed value of all property as shown on the assessment roll of the Municipal District of Pincher Creek No. 9:

General Municipal	Tax Levy	Assessment	Tax Rate
Residential	2,896,068	620,887,470	4.6644
Farmland	435,024	58,799,800	7.3984
Non-Residential, Linear, Machinery & Equipment & Designated Industrial Property	9,769,635	954,634,640	10.2339
Non-Residential - Small Business Commercial	90,586	10,310,600	8.7857
Minimum Tax	5,100		
Total	13,196,413	1,644,632,510	
Alberta School Foundation Fund and Holy Spirit			
Residential and Farmland	1,688,199	678,462,370	2.4883
Non-Residential	1,219,357	313,773,080	3.8861
Pincher Creek Foundation	306,335	1,642,214,110	0.1865
Designated Industrial Property	71,691	935,914,230	0.0766
Grand Total	<u>\$16,481,995</u>		

2. That the minimum amount payable per parcel as property tax for general municipal purposes shall be \$20.00 per tax roll.
3. This bylaw comes into force at the beginning of the day that it is passed unless otherwise provided for in the MGA or another enactment or in the bylaw. This bylaw is passed when it receives third reading and it is signed in accordance with S.213 of the MGA.

READ a first time on this ___ day of _____, 2022.

READ a second time on this ___ day of _____, 2022.

Given UNANIMOUS consent to go to third reading on this _____ day of _____, 2022.

READ a third and final time on this ___ day of _____, 2022.

Reeve

Chief Administrative Officer

PRELIMINARY

2022 EDUCATION PROPERTY TAX REQUISITION

FOR

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

PAYMENT TO ALBERTA SCHOOL FOUNDATION FUND (ASFF)

Assessment Class	Basic Rate (1)	Equalized Assessment(2)	ASFF Requisition (1) x (2) / 1,000
Residential and Farmland	\$2.65	\$583,767,192	Ⓐ \$1,546,983.06
Non-Residential	\$3.9	\$311,302,097	Ⓑ \$1,214,078.18
Total			\$ 2,761,061.24

PAYMENT TO HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

Assessment Class	Basic Rate (1)	Equalized Assessment(2)	Opted Out Requisition (1) x (2) / 1,000
Residential and Farmland	\$2.65	\$53,289,067	Ⓐ \$141,216.03
Non-Residential	\$3.90	\$1,353,484	Ⓑ \$5,278.59
Total			\$146,494.62

Total 2022 Property Taxes for Education: \$ 2,907,555.85

Report created on Mar 25, 2022.

ΣⒶ = 1,688,199
ΣⒷ = 1,219,357



Alberta Municipal Affairs
2022 Designated Industrial (DI) Property Tax Requisition Notice

Municipal Code: 0251
Municipality: Municipal District of Pincher Creek
 PO Box 279
 Pincher Creek, Alberta, T0K 1W0

Notice Date: March 31, 2022
Tax Year: 2022
Due Date: 30 days from Municipal tax due date

<p>PLEASE MAKE CHEQUES PAYABLE TO GOVERNMENT OF ALBERTA AND MAIL TO:</p> <p style="margin-left: 40px;">Alberta Municipal Affairs Provincial Assessor's Office Assessment Services Branch 15TH Floor Commerce Place 10155 - 102 Street NW Edmonton AB T5J 4L4 Canada</p>	<p>THIS DOCUMENT IS ISSUED BY:</p> <p style="margin-left: 40px;">Alberta Municipal Affairs Provincial Assessor's Office Assessment Services Branch 15TH Floor Commerce Place 10155 - 102 Street NW Edmonton AB T5J 4L4 Canada Ph: 780-422-1377</p>
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Ministerial Order Number	Remittance Balance from Previous Years	2021 AY* DI Property Assessment	2022 DI Property Tax Requisition	Tax Rate Per \$1,000	Government Policy Credit	2022 Remittance Credits	Balance on Requisition
MAG:012/22	\$-335.38	\$935,914,230	\$71,691.03	0.0766			\$71,355.65

- Notes:
1. 2021 AY* = 2021 Assessment Year.
 2. All taxable designated industrial property is subject to the requisition.
 3. The tax rate set by the Minister must be the rate applied. Do not adjust the rate.
 4. Machinery and equipment exempted from taxation by municipal bylaw under Section 364(1.1) of the Municipal Government Act is not subject to the DI Requisition.
 5. Properties, where GIPOT is paid, are not subject to the DI Requisition.
 6. Government Policy Credit reflects: 2022 requisitions under \$1000 canceled, and/or Designated Industrial Requisition Credit (DIRC).
 - a. If the 2022 DI Property Tax Requisition amount is less than \$1,000 for a municipality, there will be no requirement to remit payment, but it still must be applied to the DI property owners' tax bill.
 7. A minus (-) symbol in the "Balance on Requisition" box indicates a credit balance.

March 31, 2022

Mr. Troy MacCulloch
Chief Administrative Officer
Municipal District of Pincher Creek
PO Box 279
Pincher Creek, Alberta, T0K 1W0

CAO@mdpincercreek.ab.ca

Dear Chief Administrative Officer,

Subject: 2022 Tax Year - Designated Industrial (DI) Property Tax Requisition

Legislated changes within the *Municipal Government Act (MGA)* has the cost of centralization of DI Property assessments recovered through a requisition paid by the DI property assessed persons.

The 2021 provincial uniform tax rate for all DI property assessment was set at **\$0.0766** per \$1,000 of DI property assessment as per Ministerial Order No MAG:012/22.

If the total requisition amount is less than \$1,000 for a municipality, there will be no requirement to remit payment, but it still must be applied to the DI property owners' tax bill.

The details of the requisition amount and any balance forward from the 2021 requisition for your municipality is included in the attached notice.

A reconciled notice will be sent to municipalities in early 2023 and will reflect DI property assessment changes that occurred in the year as a result of an amendment, Municipal Government Board decisions, or a supplementary assessment. Credit balances or balances owing will be reflected on the 2023 requisition payable by the municipality.

If you have any questions about the requisition, please contact Ken Anderson, Manager, Finance and Administration at (780) 427-8962 or email at ken.anderson@gov.ab.ca.

We look forward to maintaining a strong working relationship as we move forward with centralization.

Sincerely,



Chris Risling, AMAA
Provincial Assessor
Assessment Services Branch

Attachment



Crestview Lodge Canyon Manor Willow Court Cottages
Canyon Cottages Family Social Housing

Pincher Creek Foundation

“Providing Safe & Affordable Housing for Seniors for over 50 years”

February 24, 2022

Meghan Dobie, CPA, CMA
Director of Finance
Municipal District of Pincher Creek No. 9
PO Box 279, Pincher Creek, Alberta T0K 1W0

Dear Meghan,

RE: 2022 REQUISITION INVOICE # I 464467 - Crestview Lodge

The Board of Directors of the Pincher Creek Foundation has received the 2022 Municipal Requisition “Calculation of Shared Costs”.

The 2022 total Requisition \$ for Crestview Lodge has remained the same as 2021 (\$421368.00), agreed to and allocated, based on the Finance letter received from Wendy Catonio, Director of Finance, Town of Pincher Creek on Feb18th, 2022 and in accordance with Section 7 of the Alberta Housing Act (RSA 2000) and is shared as follows:

A copy of the 2022 Requisition calculations is enclosed for your records.

MD of Pincher Creek No. 9: **72.70% of \$421368.00 = \$306334.54**
As per Invoice #I 464467 enclosed.

As per section 7(5) of the Alberta Housing Act, please forward your payment to the Foundation within 90 days.

As soon as we receive our 2021 Audited Financial Statements for Crestview Lodge, approved by the Board, we will send them to you.

Please contact us if you have any further questions.

Yours truly,

Linda Noecker

Financial Administrator
Pincher Creek Foundation
Crestview Lodge/Community Housing
Phone: EXT 3
finance@pcfoundation.ca

**PINCHER CREEK FOUNDATION - CRESTVIEW LODGE
EQUALIZED ASSESSMENT AND MILL RATE FOR 2022**

Calculation of Equalized Assessment for 2022:

Agreed Upon and Allocated based on % as follows:

	<u>Percent / Division</u>
M.D. of Pincher Creek #9	72.70%
Town of Pincher Creek	26.30%
Village of Cowley	1.00%
Total of Equalized Assessment	100.00%

2022 MILL RATE as approved by Board: **\$421,368.00**

Calculation of Requisition amount:

MD of Pincher Creek #9	\$	421,368.00	Times by	72.70%	=	\$306,334.54
Town of Pincher Creek	\$	421,368.00	Times by	26.30%	=	\$110,819.78
Village of Cowley	\$	421,368.00	Times by	1.00%	=	\$4,213.68
Total Municipal Requisition \$ to Receive:						\$421,368.00