

MD OF PROVOST NO. 52



FINANCIAL STATEMENT

**FOR THE YEAR ENDING
DECEMBER 31, 2025**

**MUNICIPAL DISTRICT
OF PROVOST NO. 52
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

INDEPENDENT AUDITOR'S 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, 2025 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, 2025, 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 *Auditor's 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.

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Auditor's 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 auditor's 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 auditor's 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 auditor's 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 28, 2026



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

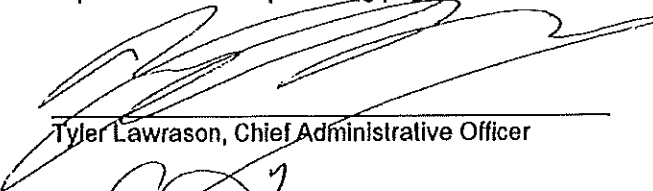
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 Auditor's 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 Trejery, Finance Officer

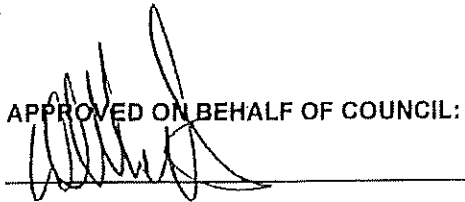
Provost, Alberta
April 28, 2026

MUNICIPAL DISTRICT OF PROVOST NO. 52
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash	\$ 3,012,718	\$ 29,682,251
Taxes and grants in place of taxes (Note 2)	3,708,950	2,745,162
Accounts receivables (Note 3)	460,052	1,383,461
Land inventory	88,568	94,717
Investments (Note 4)	<u>38,384,919</u>	<u>11,000,000</u>
	<u>45,655,207</u>	<u>44,905,591</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	1,992,349	1,911,211
Deferred revenue (Note 7)	241,148	375,731
Asset retirement obligation (Note 6)	1,958,285	1,937,635
Liability for contaminated sites	<u>196,000</u>	<u>196,000</u>
	<u>4,387,782</u>	<u>4,420,577</u>
NET FINANCIAL ASSETS	<u>41,267,425</u>	<u>40,485,014</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	168,027,185	161,837,650
Inventory for consumption (Note 8)	4,403,597	3,437,371
Prepaid expenses	<u>620,551</u>	<u>474,661</u>
	<u>173,051,333</u>	<u>165,749,682</u>
ACCUMULATED SURPLUS (NOTE 9)	<u>\$214,318,758</u>	<u>\$206,234,696</u>

CONTINGENCIES (Note 11)

APPROVED ON BEHALF OF COUNCIL:



MUNICIPAL DISTRICT OF PROVOST NO. 52

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u> (Budget) (Note 15)	<u>2025</u> (Actual)	<u>2024</u>
REVENUE			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 27,896,976	\$ 27,930,971	\$ 26,921,451
Penalties and costs on taxes	1,300,000	1,414,408	941,601
Government transfers <i>(Schedule 3)</i>	882,063	883,514	715,922
Interest and investment income	1,005,000	1,407,331	1,829,578
User fees and sales of goods	587,470	644,476	570,967
Other	159,250	206,647	189,222
Rentals	<u>143,025</u>	<u>137,470</u>	<u>139,810</u>
	<u>31,973,784</u>	<u>32,624,817</u>	<u>31,308,551</u>
EXPENSES			
Administration services	2,161,069	3,273,707	2,855,389
Transportation services	11,495,044	16,678,675	16,910,006
Agriculture and development services	1,675,549	1,810,219	1,652,676
Recreation and culture services	1,148,661	1,197,465	1,118,250
Water and wastewater services	372,873	383,006	315,066
Waste management and disposal services	370,489	367,774	336,883
Council and other legislative services	193,000	185,972	201,574
Protective services	1,023,624	1,515,016	1,257,142
Public health services	140,300	157,495	132,521
Other	<u>19,239</u>	<u>297,042</u>	<u>177,732</u>
	<u>18,599,848</u>	<u>25,866,371</u>	<u>24,957,239</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	<u>13,373,936</u>	<u>6,758,446</u>	<u>6,351,312</u>
OTHER INCOME (LOSS)			
Government transfers for capital <i>(Schedule 3)</i>	1,627,828	1,633,614	1,277,510
Loss on disposal of tangible capital assets	<u>-</u>	<u>(307,998)</u>	<u>107,918</u>
	<u>1,627,828</u>	<u>1,325,616</u>	<u>1,385,428</u>
ANNUAL SURPLUS	<u>15,001,764</u>	<u>8,084,062</u>	<u>7,736,740</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>206,234,696</u>	<u>206,234,696</u>	<u>198,497,956</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$221,236,460</u>	<u>\$214,318,758</u>	<u>\$206,234,696</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u> (Budget) (Note 15)	<u>2025</u> (Actual)	<u>2024</u>
ANNUAL SURPLUS	\$ <u>15,001,764</u>	\$ <u>8,084,062</u>	\$ <u>7,736,740</u>
Acquisition of tangible capital assets	(17,345,202)	(17,224,704)	(17,559,493)
Proceeds on disposal of tangible capital assets	-	274,898	1,725,943
Amortization of tangible capital assets	-	10,452,274	9,895,574
Loss on disposal of tangible capital assets	-	<u>307,998</u>	<u>(107,918)</u>
	<u>(17,345,202)</u>	<u>(6,189,534)</u>	<u>(6,045,894)</u>
Net change in inventory for consumption	-	(966,226)	(320,087)
Net change in prepaid expenses	-	<u>(145,891)</u>	<u>(107,049)</u>
	-	<u>(1,112,117)</u>	<u>(427,136)</u>
INCREASE IN NET FINANCIAL ASSETS	(2,343,438)	782,411	1,263,710
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>40,485,014</u>	<u>40,485,014</u>	<u>39,221,304</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 38,141,576</u>	<u>\$ 41,267,425</u>	<u>\$ 40,485,014</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 8,084,062	\$ 7,736,740
Non-cash items included in annual surplus:		
Loss (gain) on disposal of tangible capital assets	307,998	(107,918)
Amortization of tangible capital assets	10,452,274	9,895,574
Accretion of asset retirement obligation	277,808	158,493
Change in non-cash working capital balances:		
Taxes and grants in place of taxes	(963,788)	(313,554)
Accounts receivables	923,409	(718,856)
Land inventory	6,150	-
Accounts payable and accrued liabilities	81,138	130,276
Deferred revenue	(134,583)	136,113
Inventory for consumption	(966,226)	(320,089)
Prepaid expenses	<u>(145,890)</u>	<u>(107,049)</u>
	<u>17,922,352</u>	<u>16,489,730</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(17,224,704)	(17,559,493)
Proceeds on disposal of tangible capital assets	274,898	1,725,943
Proceeds from sale of investments	11,000,000	33,000,000
Purchase of investments	<u>(38,384,919)</u>	<u>(11,000,000)</u>
	<u>(44,334,725)</u>	<u>6,166,450</u>
FINANCING ACTIVITIES		
Extinguishment of asset retirement obligation	<u>(257,160)</u>	<u>(113,461)</u>
	<u>(257,160)</u>	<u>(113,461)</u>
INCREASE (DECREASE) IN CASH	(26,669,533)	22,542,719
CASH, BEGINNING OF YEAR	<u>29,682,251</u>	<u>7,139,532</u>
CASH, END OF YEAR	<u>\$ 3,012,718</u>	<u>\$ 29,682,251</u>

SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
BALANCE, BEGINNING OF YEAR	\$159,900,015	\$153,899,152
Purchase of tangible capital assets	17,224,704	17,559,493
Transfers of capital assets from WIP	-	-
Changes in asset retirement obligations	(20,649)	(45,031)
Cost of tangible capital assets disposed of	(4,747,921)	(4,551,483)
Amortization of tangible capital assets	(10,452,274)	(9,895,574)
Accumulated amortization of tangible capital assets disposed of	<u>4,165,025</u>	<u>2,933,458</u>
BALANCE, END OF YEAR	<u>\$166,068,900</u>	<u>\$159,900,015</u>

Equity in Tangible Capital Assets is Comprised of the Following:

Net book value tangible capital assets (Schedule 5)	\$168,027,185	\$161,837,650
Asset retirement obligation (Note 6)	<u>(1,958,285)</u>	<u>(1,937,635)</u>
	<u>\$166,068,900</u>	<u>\$159,900,015</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 SCHEDULE OF PROPERTY TAXES LEVIED
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2

	<u>2025</u> (Budget) (Note 15)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TAXATION			
Linear property taxes	\$ -	\$ 14,503,194	\$ 13,218,889
Real property taxes	<u>34,016,134</u>	<u>19,541,463</u>	<u>19,363,877</u>
	<u>34,016,134</u>	<u>34,044,657</u>	<u>32,582,766</u>
REQUISITIONS			
East Central Alberta C.S.S.	-	70,287	70,287
Alberta School Foundation Fund	5,375,497	5,305,210	4,839,683
Provost Seniors Foundation	553,298	553,298	552,757
Designated Industrial Property	<u>190,363</u>	<u>184,891</u>	<u>198,588</u>
	<u>6,119,158</u>	<u>6,113,686</u>	<u>5,661,315</u>
NET MUNICIPAL TAXES	<u>\$ 27,896,976</u>	<u>\$ 27,930,971</u>	<u>\$ 26,921,451</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 SCHEDULE OF GOVERNMENT TRANSFERS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 3

	<u>2025</u> (Budget) (Note 15)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 776,109	\$ 776,110	\$ 615,319
Local government	<u>105,954</u>	<u>107,404</u>	<u>100,603</u>
	<u>882,063</u>	<u>883,514</u>	<u>715,922</u>
TRANSFERS FOR CAPITAL			
Provincial government	1,627,828	1,262,026	1,277,510
Federal government	<u>-</u>	<u>371,588</u>	<u>-</u>
	<u>1,627,828</u>	<u>1,633,614</u>	<u>1,277,510</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 2,509,891</u>	<u>\$ 2,517,128</u>	<u>\$ 1,993,432</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 SCHEDULE OF SEGMENTED INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025

	Administration Services	Transportation Services	Agricultural Services	Recreation and Culture Services	Water and Waste Water Services	All Other	Total
REVENUE							
Taxation	\$ 3,098,351	\$ 6,743,637	\$ 1,086,637	\$ 879,129	\$ 221,383	\$ 15,901,834	\$ 27,930,971
Government transfers	15,579	52,802	220,247	-	-	594,886	883,514
User fees and sales of goods	13,018	134,573	-	194,693	100,685	201,507	644,476
All other	49,720	111,670	2,971	49,703	-	1,544,461	1,758,525
Investment income	-	-	-	-	-	1,407,331	1,407,331
	<u>3,176,668</u>	<u>7,042,682</u>	<u>1,309,855</u>	<u>1,123,525</u>	<u>322,068</u>	<u>19,650,019</u>	<u>32,624,817</u>
EXPENSES							
Materials, goods, contracted and general services	2,056,744	2,482,607	623,028	241,943	149,217	636,011	6,189,550
Salaries, wages and benefits	856,672	4,006,662	663,040	94,258	156,983	562,537	6,340,152
Transfers to other governments	83,907	-	-	722,917	-	892,483	1,699,307
Repairs and maintenance	70,265	330,836	7,328	-	-	1,646	410,075
Utilities	41,848	112,442	-	49,707	15,371	38,135	257,503
Insurance	67,232	110,135	16,459	14,700	497	30,680	239,703
	<u>3,176,668</u>	<u>7,042,682</u>	<u>1,309,855</u>	<u>1,123,525</u>	<u>322,068</u>	<u>2,161,492</u>	<u>15,136,290</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	-	-	-	-	-	17,488,527	17,488,527
Amortization and accretion	50,745	9,639,121	223,134	73,200	53,571	690,310	10,730,081
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>\$ (50,745)</u>	<u>\$ (9,639,121)</u>	<u>\$ (223,134)</u>	<u>\$ (73,200)</u>	<u>\$ (53,571)</u>	<u>\$ 16,798,217</u>	<u>\$ 6,758,446</u>
Government transfers for capital	-	1,633,614	-	-	-	-	1,633,614
Contributed tangible capital assets	-	-	-	-	-	-	-
Gain (Loss) disposal of capital assets	10,993	(362,324)	(6,919)	(7,105)	3,000	54,357	(307,998)
ANNUAL (DEFICIT) SURPLUS	<u>\$ (39,752)</u>	<u>\$ (8,367,831)</u>	<u>\$ (230,053)</u>	<u>\$ (80,305)</u>	<u>\$ (50,571)</u>	<u>\$ 16,852,574</u>	<u>\$ 8,084,062</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 SCHEDULE OF SEGMENTED INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Administration Services	Transportation Services	Agricultural Services	Recreation and Culture Services	Water and Waste Water Services	All Other	Total
REVENUE							
Taxation	\$ 2,721,177	\$ 7,457,956	\$ 1,222,005	\$ 848,641	\$ 163,101	\$ 14,508,571	\$ 26,921,451
User fees and sales of goods	9,238	131,361	-	174,725	96,973	158,670	570,967
Government transfers	14,346	58,733	220,247	-	-	422,596	715,922
Investment income	-	-	-	-	-	1,829,578	1,829,578
All other	50,968	93,244	14,237	26,081	-	1,086,103	1,270,633
	<u>2,795,729</u>	<u>7,741,294</u>	<u>1,456,489</u>	<u>1,049,447</u>	<u>260,074</u>	<u>18,005,518</u>	<u>31,308,551</u>
EXPENSES							
Materials, goods, contracted and general services	1,694,613	3,208,626	696,438	195,207	93,174	407,530	6,295,588
Salaries, wages and benefits	813,457	3,899,553	575,753	122,208	150,474	527,546	6,088,991
Transfers to other governments	85,414	-	-	662,646	-	790,095	1,538,155
Repairs and maintenance	62,557	391,814	7,276	-	-	15,295	476,942
Utilities	48,808	120,806	-	55,672	15,304	34,976	275,566
Insurance	65,498	103,117	16,358	12,948	450	29,558	227,929
	<u>2,770,347</u>	<u>7,723,916</u>	<u>1,295,825</u>	<u>1,048,681</u>	<u>259,402</u>	<u>1,805,000</u>	<u>14,903,171</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	25,382	17,378	160,664	766	672	16,200,518	16,405,380
Amortization and accretion	47,498	9,168,712	196,187	68,803	54,992	517,874	10,054,066
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>\$ (22,116)</u>	<u>\$ (9,151,334)</u>	<u>\$ (35,523)</u>	<u>\$ (68,037)</u>	<u>\$ (54,320)</u>	<u>\$ 15,682,644</u>	<u>\$ 6,351,314</u>
Government transfers for capital Gain (Loss) disposal of capital assets	-	1,277,510	-	-	-	-	1,277,510
	(4,523)	71,314	-	-	41,127	-	107,918
ANNUAL SURPLUS	<u>\$ (26,639)</u>	<u>\$ (7,802,510)</u>	<u>\$ (35,523)</u>	<u>\$ (68,037)</u>	<u>\$ (13,193)</u>	<u>\$ 15,682,644</u>	<u>\$ 7,736,742</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 SCHEDULE OF TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 5

	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	2025	2024
COST:								
Balance, Beginning of Year	\$ 260,427	\$ 12,884,928	\$ 248,121,053	\$ 21,978,055	\$ 10,765,230	\$ 410,919	\$ 294,420,612	\$ 281,412,601
Additions	-	71,058	12,567,191	1,954,053	1,742,679	889,723	17,224,704	17,148,574
Work in progress transfers	-	-	26,328	-	337,151	(363,479)	-	410,919
Disposals	-	(25,000)	(3,696,650)	(429,729)	(596,542)	-	(4,747,921)	(4,551,483)
Balance, End of Year	<u>260,427</u>	<u>12,930,986</u>	<u>257,017,922</u>	<u>23,502,379</u>	<u>12,248,518</u>	<u>937,163</u>	<u>306,897,395</u>	<u>294,420,611</u>
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	2,762,571	117,362,611	7,305,458	5,152,321	-	132,582,961	125,620,845
Amortization Expense	-	233,034	7,769,502	1,678,483	771,255	-	10,452,274	9,895,574
Disposals	-	(11,000)	(3,255,727)	(347,791)	(550,507)	-	(4,165,025)	(2,933,458)
Balance, End of Year	-	<u>2,984,605</u>	<u>121,876,386</u>	<u>8,636,150</u>	<u>5,373,069</u>	-	<u>138,870,210</u>	<u>132,582,961</u>
NET BOOK VALUE, END OF YEAR	<u>\$ 260,427</u>	<u>\$ 9,946,381</u>	<u>\$ 135,141,536</u>	<u>\$ 14,866,229</u>	<u>\$ 6,875,449</u>	<u>\$ 937,163</u>	<u>\$ 168,027,185</u>	<u>\$ 161,837,650</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, 2025

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, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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.

(g) Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire the tangible capital asset when, at the financial statement date:

- There is a legal obligation for the Municipal District to incur retirement costs;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Management's best estimate of the liability includes all costs directly attributable to asset retirement activities based on information available at year end. In some instances, the best estimate of the asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. In other instances, the asset retirement obligation is valued at current estimated cost to settle or otherwise extinguish the liability.

A corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset when a liability for an asset retirement obligation is initially recognized. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Municipal District reviews the carrying amount of the liability. The Municipal District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows, or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipal District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(h) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is based on management's estimate of the cost of post remediation including operation, maintenance, and monitoring. The liability is recorded net of any expected recoveries. A liability is applicable to sites that are not in productive use or where an unexpected event has caused contamination in the year.

(CONT'D)

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Non-Financial Assets

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

(j) 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.

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.

(CONT'D)

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

(l) Pension Expenses

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

(m) 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 provisions for asset retirement obligations are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(o) Adoption of Accounting Standards

Effective the fiscal year beginning on or after April 1, 2023, the Municipal District adopted PS3400 Revenue pertaining to performance obligations, PS3160 Public Private Partnerships and PSG-8 Purchases of Intangibles. There were no effects on the Municipal District's financial statements for these standards.

(n) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Public Sector Accounting Standards.

Public Sector Accounting Standard	Name	Effective date(fiscal years beginning on or after)
PS1202	Financial Presentation	April 1, 2026

Management is currently assessing the impact of these new standards on the financial statements.

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

2. TAXES AND GRANTS IN PLACE OF TAXES

	<u>2025</u>	<u>2024</u>
Current taxes and grants in place of taxes	\$ 2,921,405	\$ 2,556,329
Arrears taxes	<u>7,469,644</u>	<u>8,543,683</u>
	10,391,049	11,100,012
Less: Allowance for doubtful accounts	<u>(6,682,099)</u>	<u>(8,354,850)</u>
	<u>\$ 3,708,950</u>	<u>\$ 2,745,162</u>

A significant portion of the property taxes outstanding at December 31, 2025 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>2025</u>	<u>2024</u>
Trade and other accounts receivable	\$ 390,065	\$ 1,280,057
Goods and services tax recoverable	<u>69,987</u>	<u>103,404</u>
	<u>\$ 460,052</u>	<u>\$ 1,383,461</u>

4. INVESTMENTS

Guaranteed Investment Certificates bear interest from 3.30% to 3.65% per annum and mature in November 2026.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Trade payable and accrued liabilities	\$ 1,577,365	\$ 1,569,065
Employee benefit obligations	<u>414,984</u>	<u>342,146</u>
	<u>\$ 1,992,349</u>	<u>\$ 1,911,211</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

6. ASSET RETIREMENT OBLIGATION

The Municipal District has identified a number of tangible capital assets where asset retirement obligations exist. As at December 31, 2025, the total asset retirement obligation liabilities are as follows:

	<u>2025</u>	<u>2024</u>
Asset retirement obligation, beginning of year	\$ 1,937,635	\$ 1,892,604
Asset retirement obligation liabilities settled	(257,158)	(113,462)
Accretion expense	<u>277,808</u>	<u>158,493</u>
	<u>\$ 1,958,285</u>	<u>\$ 1,937,635</u>

ARO liabilities are valued using the present value technique with an undiscounted amount of estimated future cash flows required to settle the obligation of \$3,540,773 (2024 - \$3,532,829). The discount rate used for the present value technique was 4.46%, inflation rate 2.2%, and these obligations are expected to be settled between 2026 and 2058.

The above asset retirement obligations relate to buildings and engineered structures.

The Municipal District estimated the nature and extent of the hazardous materials in its buildings based on the potential square feet and average costs per square foot to remove and dispose of the hazardous materials. The estimate of these obligations is based on assessments provided by third party and internal experts.

The Municipal District estimated the nature and extent of the gravel pit reclamation costs in its engineered structures based on the size of the locations and average costs per acre to reclaim the gravel pit. The estimate of these obligations is based on average costs incurred by the Municipal District in previous fiscal years to perform gravel pit reclamations.

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 spoil 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.

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

7. 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>2024</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2025</u>
Alberta Transportation	\$ 173,333	\$ -	\$ (17,333)	\$ 156,000
Canadian Pacific Railway Company	40,000	-	(2,000)	38,000
Prepaid lease payments	42,398	22,150	(17,400)	47,148
Local Government Fiscal Framework	-	1,409,680	(1,409,680)	-
STIP grant	120,000	75,802	(195,802)	-
Operating ASB grant	-	166,247	(166,247)	-
Canadian Community Building Fund	-	175,786	(175,786)	-
Pest control officer grant	-	54,000	(54,000)	-
	<u>\$ 375,731</u>	<u>\$ 1,903,665</u>	<u>\$(2,038,248)</u>	<u>\$ 241,148</u>

8. INVENTORY FOR CONSUMPTION

	<u>2025</u>	<u>2024</u>
Gravel	\$ 3,331,633	\$ 2,525,608
Material and supplies	<u>1,071,964</u>	<u>911,763</u>
	<u>\$ 4,403,597</u>	<u>\$ 3,437,371</u>

9. ACCUMULATED SURPLUS

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

	<u>2025</u>	<u>2024</u>
Unrestricted surplus	\$ 15,561,699	\$ 14,346,347
Restricted surplus:		
Operating reserves (Note 10)	10,384,118	10,350,624
Capital reserves (Note 10)	22,304,041	21,637,712
Equity in tangible capital assets	<u>166,068,897</u>	<u>159,900,014</u>
	<u>\$214,318,758</u>	<u>\$206,234,696</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

10. RESERVES

	<u>2025</u>	<u>2024</u>
OPERATING RESERVES		
Recreation	\$ 4,643,549	\$ 4,682,668
Gravel pit reclamation	1,958,285	1,937,635
Roads	821,021	191,021
Administration building	2,406,023	3,102,972
Fire	-	19,999
Water and sewer	177,500	90,000
Other	199,690	148,279
Emergency management	5,000	5,000
Hillcrest Lodge	452	452
Agricultural Services Board	<u>172,598</u>	<u>172,598</u>
	<u>10,384,118</u>	<u>10,350,624</u>
CAPITAL RESERVES		
Roads	18,675,305	18,126,755
Fire	364,780	194,780
Water and sewer	1,370,165	1,311,803
Subdivision	551,768	551,768
Recreation	284,824	348,007
Administration	315,420	249,420
Agricultural services	357,463	490,363
Airport	345,579	316,579
Disaster services	30,546	30,546
Municipal planning and development	-	9,500
Ambulance	<u>8,191</u>	<u>8,191</u>
	<u>22,304,041</u>	<u>21,637,712</u>
Total Reserves	<u>\$ 32,688,159</u>	<u>\$ 31,988,336</u>

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. 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.

12. 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% (2024 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan ("CPP") and 11.65% (2024 - 11.65%) on pensionable earnings above this amount. Employees of the Municipal District are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2024 - 10.65%) on pensionable salary above this amount.

Total current service contributions made by the Municipal District to the LAPP in 2025 were \$313,653 (2024 - \$284,570). Total current service contributions made by the employees of the Municipal District to the LAPP in 2025 were \$279,751 (2024 - \$253,923).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.6 billion (2023 - \$15.1 billion actuarial surplus).

MUNICIPAL DISTRICT OF PROVOST NO. 52
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

13. 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>Total</u> <u>2025</u>	<u>2024</u>
Elected Officials:				
Division 1	\$ 14,452	\$ 6,558	\$ 21,010	\$ 22,887
Division 2	19,162	6,458	25,620	21,885
Division 3	4,911	3,996	8,907	-
Division 3	11,080	6,358	17,438	18,526
Division 4	12,250	4,339	16,589	27,352
Division 5	18,454	7,992	26,446	27,425
Division 6	23,753	3,876	27,629	22,267
Division 7	<u>20,169</u>	<u>9,198</u>	<u>29,367</u>	<u>30,484</u>
	<u>\$ 124,231</u>	<u>\$ 48,775</u>	<u>\$ 173,006</u>	<u>\$ 170,826</u>
Designated officers (4)	<u>\$ 433,138</u>	<u>\$ 69,796</u>	<u>\$ 502,934</u>	<u>\$ 480,424</u>
Chief Administrative Officer	<u>\$ 159,454</u>	<u>\$ 29,320</u>	<u>\$ 188,774</u>	<u>\$ 175,775</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, 2025

14. 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>2025</u>	<u>2024</u>
Total debt limit	\$ 48,937,226	\$ 46,962,827
Total debt	<u>-</u>	<u>-</u>
Amount of debt limit unused	<u>\$ 48,937,226</u>	<u>\$ 46,962,827</u>
Service on debt limit	\$ 8,156,204	\$ 7,827,138
Service on debt	<u>-</u>	<u>-</u>
Amount of service on debt limit unused	<u>\$ 8,156,204</u>	<u>\$ 7,827,138</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.

15. 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</u> <u>2025</u>	<u>Actual</u> <u>2025</u>	<u>Actual</u> <u>2024</u>
Annual surplus	\$15,001,764	\$ 8,084,062	\$ 7,736,740
Add back:			
Amortization expense	-	10,452,274	9,895,574
Proceeds on disposal of tangible capital assets	-	274,898	1,725,943
Deduct:			
Transfers from (to) from reserves	2,343,438	(699,823)	(409,300)
Capital purchases	<u>(17,345,202)</u>	<u>(17,224,704)</u>	<u>(17,559,493)</u>
Results of Operations as Budgeted	<u>\$ -</u>	<u>\$ 886,707</u>	<u>\$ 1,389,464</u>

The budget figures presented in these financial statements are based on the budget that was approved by Council on May 8, 2025.

MUNICIPAL DISTRICT OF PROVOST NO. 52
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

16. 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).

17. 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 \$342,040 (2024 – \$298,663) 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% (2024 - 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 \$20,671 (2024 – \$9,026) 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, 2025

18. 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.

19. COMPARATIVE FIGURES

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

20. 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.

**2025 TRANSFER PAYMENTS TO OTHER LOCAL GOVERNMENTS, GRANTS &
REQUISITIONS FROM OPERATIONS**

REQUISITION / GRANT RECIPIENT	M.D. DEPARTMENT	AMOUNT
ALBERTA SCHOOL FOUNDATION FUND	TRANSFER OF REQUISITION	5,304,607.23
BODO ARCHAEOLOGICAL SOCIETY	GRANT	5,000.00
ALBERTA GOVERNMENT	POLICING	376,978.00
EAST CENTRAL ALBERTA CATHOLIC SEPARATE SCHOOL	TRANSFER OF REQUISITION	70,890.19
STARS FOUNDATION	DONATION	4,142.00
FAMILY & COMMUNITY SUPPORT SERVICES	TRANSFER OF REQUISITION	19,238.85
MD #52 LIBRARY BOARD	CULTURE	55,632.00
MD #52 WASTE MANAGEMENT AUTHORITY	WASTE MANAGEMENT	342,039.94
PARKLAND REGIONAL LIBRARY	CULTURE	20,316.51
PROVOST LIONS HANDI VAN SOCIETY	GRANT	15,000.00
PROVOST SENIOR CITIZENS HOME FOUNDATION	TRANSFER OF REQUISITION	553,298.19
PROVOST & DISTRICT MUSEUM SOCIETY	DONATION	12,500.00
ROSENHEIM HISTORICAL SOCIETY	RECREATION: PROVOST & DIST REC	12,500.00
SHORNCLIFFE PARK IMPROVEMENT ASSOCIATION	DONATION	10,340.00
PROVOST & DISTRICT GOLF CLUB	DONATION	5,000.00
TOWN OF PROVOST	FIRE: EAST END	122,370.00
TOWN OF PROVOST	OTHER GOVT: DOCTOR'S HOUSE	27,064.50
TOWN OF PROVOST	OTHER GOVT: INS - HEALTH FOUND.	1,861.00
TOWN OF PROVOST	RECREATION: PROVOST & DIST REC	383,228.18
TOWN OF PROVOST	WASTE MGMT (RECYCLING)	1,800.00
TOWN OF PROVOST	COMMUNITY BBQ	5,338.23
WEST RECREATION COUNCIL	RECREATION: WEST END	253,400.00
TOTAL		7,602,544.82

3 YEAR-MILL RATE COMPARISON

Residential

	2023	2024	2025
ASFF	2.4733	2.5503	2.7399
Municipal	3.1850	3.3231	3.2649
Fire	0.2256	0.1961	0.2169
Recreation	0.3101	0.3128	0.3388
Waste Management	0.0734	0.0512	0.0632
FCSS	0.0064	0.0065	0.0063
Uncollectibles	0.1819	0.1763	0.1691
Hillcrest	0.1912	0.1874	0.1800
Total Residential mill rate	6.6469	6.8037	6.9791

Farmland

	2023	2024	2025
ASFF	2.4733	2.5503	2.7399
Municipal	6.3700	6.6462	6.5298
Fire	0.2256	0.1961	0.2169
Recreation	0.3101	0.3128	0.3388
Waste Management	0.0734	0.0512	0.0632
FCSS	0.0064	0.0065	0.0063
Uncollectibles	0.1819	0.1763	0.1691
Hillcrest	0.1912	0.1874	0.1800
Total Farm mill rate	9.8319	10.1268	10.2440
DI Property Req	0.0746	0.0765	0.0701
Total DI Property (Farmland) mill ra	9.9065	10.2033	10.3141

Non Residential/Industrial

	2023	2024	2025
ASFF	3.7818	3.6566	3.6814
Municipal	6.3700	6.6462	6.5298
Fire	0.2256	0.1961	0.2169
Recreation	0.3101	0.3128	0.3388
Waste Management	0.0734	0.0512	0.0632
FCSS	0.0064	0.0065	0.0063
Uncollectibles	0.1819	0.1763	0.1691
Hillcrest	0.1912	0.1874	0.18
Special Industrial	2.2063	2.2063	2.2063
Total Non-residential mill rate	13.3467	13.4394	13.3918
Total Machinery & Equip mill rate	9.5649	9.7828	9.7104
DI Property Req	0.0746	0.0765	0.0701
Total DI Property (Non-Res) mill rat	13.4213	13.5159	13.4619
Total DI Property (M&E) mill rate	9.6395	9.8593	9.7805

M.D. OF PROVOST NO. 52 NEWSLETTER 2026

ROADSIDE SPRAYING PROGRAM

The M.D. of Provost No. 52 will begin roadside spraying along municipal road allowances to control noxious weeds, restricted weeds and re-growth of brush. Blanket Spraying will be in Divisions 2, 5, and 7. Spot spraying will occur throughout the M.D. all summer. Herbicides being used are Clearview, Gateway, 2,4-D, Aspect, and Garlon XRT as well as Navius and Esplanade. Spraying will begin as soon as possible.

For grazing or haying restrictions contact your Agricultural Fieldman.

The M.D. of Provost will not be spraying in front of farm sites, shelter belts or environmentally sensitive locations.

Important Update: No Spray Zones Change in 2026

Haying on Road Allowances

- All ratepayers must indicate an **intent to hay by May 31** to the Agricultural Fieldman, in writing. Haying must be **completed by July 15** and **bales removed by July 31**. If not completed by this deadline, ditches will be mowed.

No Spray Zones will only be honoured under the following conditions:

- The landowner provides valid proof of **Certified Organic** status, such as a certificate from a recognized body.
- At the discretion of the Municipal District, based on **specific circumstances deemed justifiable**.

All requests must be submitted with appropriate documentation for review. The MD reserves the right to decline or revoke No Spray Zone status if the requirements are not met.

Any ratepayer/renter with valid circumstances to justify a no spray zone on specific M.D. of Provost road allowances must submit a **written request** to the Agricultural Fieldman. Please submit requests to Murray Downing at the Municipal District Office at Box 300, Provost, Alberta, T0B 3S0. **Requests submitted last year are no longer valid and must be re-submitted for 2026**. Spraying requests must be received as soon as possible to ensure we can consider your request.

Please note that if a roadside is not sprayed by authorized request of a ratepayer that the weed/brush control for that particular road will become the responsibility of that ratepayer.

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 2026 Assessment and Tax Notices will be sent together around mid-June, 2026. 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 being 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 for 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 keeping 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 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 by the applicant.

MAINTENANCE

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

USED OIL

Used Oil can be disposed of at Hughenden Transfer Site and Landfill. Used Oil Filters can be disposed of at any manned Transfer Site and the Landfill.

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.ca

M.D. OF PROVOST NO. 52
 BOX 300
 PROVOST, AB
 T0B 3S0
 2025-2026 COUNCILLORS FULL NAMES & ADDRESSES (March, 2026)

DIVISION 1 DEPUTY REEVE	LONNIE KOZLINSKI BOX 1317 PROVOST, AB T0B 3S0	753-6576 HOME 753-1556 CELL kozlinski@mdprovost.ca
DIVISION 2	AL GREENWOOD BOX 712 PROVOST, AB T0B 3S0	753-1103 CELL agreenwood@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 REEVE	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: 753-0726 HOME: 857-0003
WENDY TRENNERY, FINANCE OFFICER email: wtrenerry@mdprovost.ca		OFFICE: 753-2434
VANESSA HAHN, TAX & PAYROLL CLERK email: vhahn@mdprovost.ca		OFFICE: 753-2434
MURRAY DOWNING, AG. FIELDMAN email: mdowning@mdprovost.ca		OFFICE: 753-2168 CELL: 753-4359
LISA STANG, ASST. AG. FIELDMAN email: lstang@mdprovost.ca		OFFICE: 753-2168 CELL: 753-1859
MYRON SCHERGER, PEST CONTROL OFFICER email: mscherger@mdprovost.ca		CELL: 209-1710 OFFICE: 753-2168
JOHN DEGENSTIEN, DEVELOPMENT OFFICER email: jdegenstien@mdprovost.ca		OFFICE: 753-2434 CELL: 753-0509
DARIAN BROUWER, ASST. DEVELOPMENT OFFICER email: dbrouwer@mdprovost.ca		OFFICE 753-2434 CELL: 753-4364
JASON ROBINSON, UTILITIES OFFICER email: jrobinson@mdprovost.ca		OFFICE: 753-2434 CELL: 753-0736
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

CARLY WILKES, DIRECTOR OF LEGISLATIVE SERVICES email: cwilkes@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: mhiro@mdprovost.ca	CELL: 306-873-7831
IAN GREEN, PEACE OFFICER email: igreen@mdprovost.ca	CELL: 753-1981
LUCAS VETTER, FLEET & MECHANICAL SERVICES SUPERVISOR email: lvetter@mdprovost.ca	OFFICE: 753-2168
LARRY JAMES, ASSESSOR email: wag-li@telus.net WAINWRIGHT ASSESSMENT GROUP	OFFICE: 753-2434 WAINWRIGHT 842-5002 CELL: 806-1134