
2021 Municipal indicator results



Municipal Affairs, Government of Alberta

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2021 Municipal Indicator Results

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2021 Municipal Indicator Report

Introduction

The purpose of a municipality, as defined in the *Municipal Government Act (MGA)*, is to provide good government, services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and to develop safe and viable communities.

Five years following the adoption and implementation of the Municipal Sustainability Strategy, it was recognized that a framework to evaluate the performance of municipalities must expand beyond measuring finances, assessment figures, and population change in the context of municipal viability.

During the development of the municipal indicators, the ministry consulted with the Rural Municipalities of Alberta, the Alberta Urban Municipalities Association (now known as Alberta Municipalities), the Local Government Administration Association, the Alberta Rural Municipal Administrators' Association, and the Association of Summer Villages of Alberta to develop a more comprehensive process to evaluate municipal performance. It was determined that the new indicators should:

- evaluate the current and long-term finances of a municipality;
- examine whether a municipality is investing in maintaining infrastructure critical to the health and safety of residents; and
- assess the ability of the municipality to provide services desired by the community.

Methodology

The thirteen municipal indicators use a broad range of data collected by Municipal Affairs, including financial, governance and community indicators that are derived from:

- Information provided by Alberta municipalities annually through audited financial statements and Financial Information Returns.
 - Financial Information Returns are a standard set of year-end reports, which capture detailed financial information for each municipality. The Financial Information Returns mirror the information contained within the municipal audited financial statements, and standardize the information into a data format.
- Municipal election results collected in accordance with the *MGA* and the *Local Authorities Election Act*.
 - For each municipal election, the municipality is required to report all candidates' information, election results and elected official information to the ministry.
- Municipal population data as published in the annual Municipal Affairs Population List (up to 2020) and the federal 2021 Census of Population.
 - Up to the reporting year 2020, the Federal Census counts are used as a default data source for municipal population counts; however, municipalities were

enabled to conduct a municipal census if they chose, provided they followed mandatory requirements as specified in the former Determination of Population Regulation and the Municipal Census Manual.

- A count of instances whereby the Minister was required to intervene because a municipality was operating in contravention of the *MGA*.

Municipal Responses

Municipalities listed in this report were given the opportunity to provide additional context as to why they had flagged. In 2022, all municipalities submitted their feedback by December 9 and the responses are listed under their indicator results.

Four municipalities - the City of Chestermere, the Town of Fox Creek, the villages of Arrowwood, and Delia - did not submit all of the required financial documents by December 1. As such, Municipal Affairs was unable to calculate the indicators for these municipalities. For the latest information, readers are encouraged to visit the online Municipal Indicator dashboard at www.alberta.ca/municipal-indicators.aspx.

Results Summary

In 2021, 24 municipalities - 14 villages, five towns, three municipal districts, and two summer villages - flagged a critical indicator, or three or more non-critical indicators ([Appendix A](#)).

Four municipalities have flagged for three consecutive years (2019-21) ([Appendix D](#)). As per ministry policy, Municipal Affairs staff will contact each of these municipalities to discuss their results and determine what if any additional support may be needed.

2021 Performance Indicator Results

Indicator 1: Audit Outcome

The *MGA* stipulates that a municipality's financial statements must be audited. Auditors are required to disclose any substantive concerns with the ability of the municipality to meet its financial obligations, or with any significant limitations in the audit or financial statement disclosures. These types of disclosures from the auditor are rare.

Expected Result	Indicated When
The audit report did not identify denial of opinion or a going concern issue.	The audit report identified a denial of opinion or a going concern issue.

2021 Results:

Municipality	Municipality Response
None	N/A

Indicator 2: Minister Intervention

From time to time there are circumstances where the Minister may be required to intervene in a municipality. Typically, these interventions occur when requested by a council, through a public petition, or where significant concerns are evident and the Minister decides to intervene on their own volition.

Expected Result	Indicated When
The municipality has not been the subject of a Municipal Affairs intervention.	The municipality has been the subject of a Municipal Affairs intervention.

2021 Results:

Municipality	Ministerial Intervention
County of Forty Mile No. 8	<p>MSD:101/21: Keith Bodin, Administrator, County of Forty Mile No. 8. – vacancies for Municipal election</p> <p><i>Municipality Response:</i></p> <p><i>In the municipal election one of the wards received no candidate submissions and a by-election was required. At the close of nominations only one candidate submitted papers. This candidate was acclaimed and no by-election occurred.</i></p>

Municipality	Ministerial Intervention
County of Northern Lights	<p>MSD:102/21: Theresa Van Oort, County of Northern Lights – Insufficient Candidates for Municipal Election</p> <p><i>Municipality Response:</i></p> <p><i>This indicator as headed (Indicator 2) does not relate to the MSD:102/21 Insufficient Candidates. As this is an error I have responded to the appropriate indicator (#13) below.</i></p>
Lethbridge County	<p>MSD:100/21: Larry Randle, Lethbridge County – Insufficient Candidates for Municipal Election</p> <p><i>Municipality Response:</i></p> <p><i>Although the County advertised the 2021 Municipal Election in the local paper, on social media and through other County correspondence, Division 5 did not have any candidates run when the election was held in October 2021. A by election was held in December 2021, in which 3 candidates ran and a councillor was elected.</i></p>
Town of Falher	<p>MSD:099/21: James Bell, Town of Falher – Insufficient Municipal Election candidates</p> <p><i>Municipality Response:</i></p> <p><i>Ministerial Intervention was required as legislated in the LAEA. Legislation was followed for insufficient nominations upon which a letter was written to the Minister requesting guidance.</i></p>

Municipality	Ministerial Intervention
Town of Manning	<p>MSD:006/21: Completion of the Town of Manning Viability Review;</p> <p>MSD:078/21: Town of Manning Time Extension Request for Directive 2</p> <p><i>Municipality Response:</i></p> <p><i>The Town of Manning has completed its Viability Review and is continuing to strive to complete the directives put forward by Municipal Affairs. The extension for Directive 2 was completed with an accepted 10 year Capital Plan. The Town of Manning will continue to take direction as requested by Municipal Affairs.</i></p>
Village of Bawlf	<p>MSD:005/21: Completion of the Village of Bawlf Viability Review</p> <p><i>Municipality Response:</i></p> <p><i>The Village of Bawlf Council and Administration continue to comply with the Minister of Municipal Affairs Recommendations for Viability.</i></p>
Village of Beiseker	<p>MSL:045/19: Accumulated Deficit – Recovery Plan – Village of Beiseker</p> <p><i>Municipality Response:</i></p> <p><i>This matter was resolved in 2020 and as indicated in an email received from Municipal Affairs, we are awaiting formal notification from the Ministry that all conditions have been met.</i></p>
Village of Berwyn	<p>MSD:001/21: Extension Village of Berwyn Viability Review Directive Update</p> <p><i>Municipality Response:</i></p> <p><i>The extension was required due to a change in CAO's.</i></p>

Municipality	Ministerial Intervention
Village of Champion	<p>MSD:028/21: Village of Champion Directives Extension;</p> <p>MSD:073/21: Village of Champion Directives Reporting Extension.</p> <p><i>Municipality Response:</i></p> <p><i>There was a petition and study done and we have followed Municipal Affairs requests with completing Viability Review Reports.</i></p>
Village of Myrnam	<p>MSD:011/20: Village of Myrnam Financial Recovery Plan.</p> <p><i>Municipality Response:</i></p> <p><i>The Village of Myrnam is on the road to financial recovery thanks to Ministerial Order MSD:011/20 by being able to spread the annual operating expenses required to recover its accumulated deficit over a two-year period from 2020 - 2021. The Village anticipates to decrease their deficit annually.</i></p>

Multi-Year Ministerial Interventions:

Municipalities that have been issued a ministerial order with specific references to a multi-year corrective action are identified in the following table. These municipalities will continue to be listed until the municipality has received notification that the Ministerial directives issued have been completed to the satisfaction of the Minister.

Municipality	Ministerial Intervention
Village of Beiseker (2019 – 2021)	MSL:045/19: Accumulated Deficit - Recovery Plan - Village of Beiseker
Village of Myrnam (2020 – 2021)	MSD:011/20: Village of Myrnam Financial Recovery Plan

Indicator 3: Tax Base

Municipalities typically strive for a modest level of diversity within their tax base, in particular ensuring that there is a reasonable amount of non-residential development within the municipality to both serve residents and provide a source of property tax revenues. Non-residential properties are typically taxed at a higher rate than residential and farm properties. This indicator measures the percentage of total tax revenue collected from residential/farmland properties.

Exceptions:

- Summer villages are excluded from this measure because the majority of their taxes come from residential properties.

Expected Result	Indicated When
Residential and farmland tax revenue accounts for no more than 95 per cent of the municipality's total tax revenue.	More than 95 per cent of the municipality's tax revenue comes from residential and farmland properties.

2021 Results:

Municipality	Result
None	N/A

Indicator 4: Tax Collection Rate

In order to pay for ongoing costs, municipalities must be able to collect property taxes on a timely basis. Tax Collection Rate is the percentage of the current year's property taxes that are collected by year end.

Expected Result	Indicated When
The municipality collects at least 90 per cent of the municipal taxes (e.g. property taxes, special taxes) levied in the reporting year.	A municipality collects less than 90 per cent of the property taxes it levies in the reporting year.

2021 Results:

Municipality	Result
Town of Coronation	<p style="text-align: center;">88.44%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p style="text-align: center;"><i>The Town of Coronation is working to build Tax compliance and also looking into processing bad debt to reduce the issues of non-collected taxes.</i></p>

Municipality	Result
Village of Beiseker	<p style="text-align: center;">86.82%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Given the current financial situation with many Albertans, this number may be a result of the hardship that many families/individuals and businesses are facing this time with rising costs in almost every sector. Beyond that, the majority of unpaid property taxes for the Village in the tax year 2021 was a result of one landowner not paying current taxes owned on 67 residential lots. These taxes were subsequently collected in early 2022 when the land was sold.</i></p>
Village of Berwyn	<p style="text-align: center;">86.33%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village has monthly payment plans and actively advertised and promoted property tax deadlines. We are following all procedures in tax recovery.</i></p>
Village of Donnelly	<p style="text-align: center;">86.48%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The village has commenced tax sale with multiple delinquent tax properties. This should ensure we have a more accurate tax collection rate this year.</i></p>
Village of Elnora	<p style="text-align: center;">84.84%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>As required, the Village filed a Tax Recovery Notice with Land Titles Office on March 29, 2022 listing properties two years in tax arrears. As of March 2023, the Village will be able to proceed with Tax Recovery on four of the properties to recover outstanding amounts owed to the municipality.</i></p>

Municipality	Result
Village of Empress	<p style="text-align: center;">81.55%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Being the Interim CAO for the Village, I reviewed this year's taxes; \$198,073 of taxes were applied this year and current year outstanding taxes are \$30,108.51 or about 15%. For some reason the Village did not pay its own taxes for 2021 before the end of the year, totalling \$27,624.02 by our records. That would skew the rate for last year by about 15% also. I see there were a few potentially large tax recovery sales that did not result in the recovery of outstanding taxes, although a couple sales are in process.</i></p>
Village of Hussar	<p style="text-align: center;">88.75%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Every effort is being made to collect. We have seen a continued increase in the use of the Tax Installment Payment Plan and anticipate a further increase to the tax collections in 2022. Taxes paid through the mortgages are paid annually and are always for the previous year so this effects our performance percentage.</i></p>
Village of Innisfree	<p style="text-align: center;">84.21%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Upon comparing the 2020 with 2021 Municipal Indicator Report, the Village notes an 84% collection rate improvement from 2020 Collection Rate of only 78%. The Village of Innisfree is promoting Tax Pre-Payment Plans as well as Tax Arrears Repayment Plan which have contributed to the higher collection. Additionally, several properties in Tax Arrears were sold and the arrears were collected.</i></p>

Municipality	Result
Village of Lomond	<p style="text-align: center;">68.57%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village of Lomond has reviewed policies and have drafted and adopted a new detailed Tax Recovery Policy. The Village has also been actively publishing notices encouraging payment of current taxes to avoid penalty charges at year end. The Village is hopeful this new policy and public information will encourage an increased tax collection rate.</i></p>
Village of Munson	<p style="text-align: center;">75.21%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village is taking steps to cleanup the tax arrears accounts. 2022 had a few problem accounts cleared up. We continue to implement the tax recovery processes.</i></p>
Village of Warner	<p style="text-align: center;">88.74%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Collecting property tax has been an issue for the Village historically. The Village continues to work with residents to participate in tax arrears payment plans, as well as ensuring the completion of the tax recovery process.</i></p>

Indicator 5: Population Change

Municipalities are typically better able to plan and prepare for the future based on stable or growing populations. A declining population may lead to the loss of private and/or public services to residents, which could lead to further population decline, and in turn further loss of services; such a repeating cycle can create significant challenges for the long-term viability of the municipality. Population Change is the percentage of population change in the municipality over a ten-year period.

For this reporting cycle, federal census numbers were used in both the 2021 and 2022 calculations. In previous years, municipal census numbers were used together with federal census numbers. In this case, a large population drop may not necessarily be associated with population decline, but rather a recognition that federal census numbers do not account for a municipality's shadow or temporary population.

Exceptions:

- Summer Villages are excluded from this measure because seasonal property owners are not reflected in their population.

Expected Result	Indicated When
The population has not declined by more than 20 per cent over a ten-year period.	A municipality's population declines by 20 per cent over a ten-year period.

2021 Results:

Municipality	Result
Town of Rainbow Lake	<p data-bbox="971 1325 1084 1360">(43.10%)</p> <p data-bbox="889 1394 1170 1430"><i>Municipality Response:</i></p> <p data-bbox="690 1463 1360 1732"><i>Rainbow Lake is an oil resource Town that saw a significant decline due to a decline in the energy sector. While the economy of the Town has recovered, the energy companies identified a great many efficiencies during the downturn that resulted in an overall decline in the Rainbow Lake population. We believe the population today to be stable and this indicator will be removed in time.</i></p>

Municipality	Result
Village of Carmangay	<p>(26.70%)</p> <p><i>Municipality Response:</i></p> <p><i>While our Village has not had much in the way of new residential construction recently, we have had numerous properties purchased by families, so we hope to see our population begin to increase over the next few years. Our population has remained relatively the same over the past five years.</i></p>
Village of Empress	<p>(21.28%)</p> <p><i>Municipality Response:</i></p> <p><i>Again as a resident of the MD of Acadia #34 and one of their previous CAO's, I am fairly familiar with the Village. In recent years the Village is showing some growth but mostly in a transient rental population due to projects in the area and a trend in "urban" dwellers treating the Village as a "summer" holiday/cabin area. They frequent their mobile units situated on their lot in Empress, on and off, for 4 to 6 months of a given year. Like a summer village they are not counted in census (as I understand it), nor the transient renters.</i></p>
Village of Myrnam	<p>(30.54%)</p> <p><i>Municipality Response:</i></p> <p><i>Population is obtained through a federal process. The Village is not sure that all persons completed the census forms. Language and reading may be a factor due to the Mennonite population.</i></p>

Indicator 6: Current Ratio

Municipalities require cash or near-cash assets to be able to pay for current financial obligations. Current Ratio is the ratio of current assets to current liabilities.

Exceptions:

- This indicator does not apply if the municipality's total assets exceed current assets by a factor of two or more; these municipalities typically have significant financial resources including long-term investments, but manage with minimal current assets. This applies to about six per cent of Alberta municipalities in 2021.

Expected Result	Indicated When
The ratio of current assets to current liabilities is greater than one.	The ratio of current assets to current liabilities is less than one.

2021 Results:

Municipality	Result
Town of Oyen	0.85 <i>Municipality Response:</i> <i>The Town of Oyen hired a new CAO in March of 2022 with a strong financial background. 2022 results will see a significant adjustment to the ratio.</i>
Village of Carmangay	0.88 <i>Municipality Response:</i> <i>The Village Council and Administration is actively working to correct this issue and is confident that a change in spending habits will bring this ratio into line with requirements.</i>

Municipality	Result
Summer Village of Ma-Me-O Beach	<p data-bbox="997 380 1057 407">0.47</p> <p data-bbox="889 447 1170 474"><i>Municipality Response:</i></p> <p data-bbox="690 514 1349 646"><i>The Summer Village of Ma-Me-O Beach constructed a wastewater collection system to service the community with provision to service adjacent areas of First Nations IR#138A.</i></p> <p data-bbox="690 686 1365 785"><i>Difficulties were encountered with the construction and the Summer Village requested an additional extension to the debt limit.</i></p> <p data-bbox="690 825 1365 989"><i>On February 9, 2022, the Minister approved a Ministerial Order for the Summer Village to exceed the regulated debt limit. We are currently awaiting the results of the arbitration as mentioned in our letter of December 9, 2021.</i></p>

Indicator 7: Accumulated Surplus/Deficit

Municipalities typically hold surpluses and reserves from year to year to be used for future projects or to deal with unforeseen costs. Accumulated Surplus/Deficit is calculated by subtracting total liabilities from total assets, excluding capital assets and related debt.

An accumulated deficit is a violation of Section 244 of the *MGA*. Municipalities in a deficit position are required to recover the shortfall in the next year, or over a longer period if approved by the Minister.

Expected Result	Indicated When
The municipality has a positive (above zero) surplus.	A municipality is in a deficit (below zero) position for the reporting year.

2021 Results:

Municipality	Result
Village of Carmangay	(33,830) <i>Municipality Response:</i> <i>The Village anticipates it will be able to cover this deficit by the end of 2022 and ensure there will not be a deficit in 2023.</i>
Village of Myrnam	(77,808) <i>Municipality Response:</i> <i>The Village of Myrnam is on the road to financial recovery thanks to Ministerial Order MSD:011/20 by being able to spread the annual operating expenses required to recover its accumulated deficit over a two-year period from 2020 - 2021. The Village anticipates to decrease their deficit annually by concentrating on increasing revenue and decreasing expenses.</i>

Municipality	Result
Summer Village of Ma-Me-O beach	<p data-bbox="954 373 1097 407" style="text-align: center;">(1,643,936)</p> <p data-bbox="886 443 1170 476" style="text-align: center;"><i>Municipality Response:</i></p> <p data-bbox="686 512 1344 642"><i>The Summer Village of Ma-Me-O Beach constructed a wastewater collection system to service the community with provision to service adjacent areas of First Nations IR#138A.</i></p> <p data-bbox="686 684 1360 783"><i>Difficulties were encountered with the construction and the Summer Village requested an additional extension to the debt limit.</i></p> <p data-bbox="686 825 1360 989"><i>On February 9, 2022, the Minister approved a Ministerial Order for the Summer Village to exceed the regulated debt limit. We are currently awaiting the results of the arbitration as mentioned in our letter of December 9, 2021.</i></p>

Indicator 8: On-Time Financial Reporting

Financial reporting is an important aspect of municipal accountability to residents and businesses. Municipalities are required to submit year-end audited financial statements and financial information returns to Municipal Affairs by May 1 of the year following the year for which the financial statements have been prepared.

Expected Result	Indicated When
Audited financial statements and financial information returns for the preceding calendar year are received by Municipal Affairs no later than May 1.	Municipal Affairs did not receive the audited financial statements and financial information returns by May 1.

2021 Results:

Municipality	Result
Town of Coronation	<p>September 20, 2022</p> <p><i>Municipality Response:</i></p> <p><i>The Town of Coronation was unable to submit this information due to the budget process not being approved until the end of June, this was also due to waiting on MSI information and MSP, from the province.</i></p>

Municipality	Result
Village of Carmangay	<p style="text-align: center;">June 03, 2022</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village will be working closely with our auditors this year to ensure that our financial reporting is submitted before the due date.</i></p>
Village of Donnelly	<p style="text-align: center;">August 24, 2022</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>Administration did seek an extension - it was our understanding it was granted. Further to that in the last three years we have had three auditors and two CAOs. Both the CAO and auditor are back for another year and it is the opinion that this should now be addressed.</i></p>
Village of Elnora	<p style="text-align: center;">July 04, 2022</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The audit firm advised they were short staffed at the time of the audit.</i></p>
Village of Empress	<p style="text-align: center;">July 22, 2022</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>I am sure you aware that 2021 was not a "normal" year because of person(s) with alternate agendas being elected and the ensuing issues related to that. The timing of the problems could not have been worse for the Village and resulted in the request for extension by the Municipal Advisor/Administrator to get the Financial Information and Statements completed. The new Council is pulling together and working hard to get a permanent CAO in place within the next month. The Village of Empress has entered a MOU with Special Areas Board for the oversight on financial matters until at least the end of 2023.</i></p>

Municipality	Result
Village of Hussar	<p data-bbox="948 373 1110 405">July 19, 2022</p> <p data-bbox="889 443 1170 474"><i>Municipality Response:</i></p> <p data-bbox="688 512 1354 611"><i>This was the previous CAO. We will make note that reporting must be done prior to May 1, 2023 and make every effort to have this completed prior to the due date.</i></p>
Village of Lomond	<p data-bbox="927 646 1131 678">August 10, 2022</p> <p data-bbox="889 716 1170 747"><i>Municipality Response:</i></p> <p data-bbox="688 785 1365 953"><i>Village Administration plans to work as a team to complete the year end accounting for 2022 early so that the Audit can be completed on time and that the financial statement and financial information return can be submitted prior to May 1st.</i></p>
Village of Munson	<p data-bbox="906 989 1149 1020">September 29, 2022</p> <p data-bbox="889 1058 1170 1089"><i>Municipality Response:</i></p> <p data-bbox="688 1127 1370 1226"><i>The Village experienced delays in the auditing process. The auditing timelines will be earlier and the target will be achieved.</i></p>

Indicator 9: Debt to Revenue Percentage

Municipalities frequently borrow to finance long term projects, but overall borrowing levels need to be manageable. The Debt to Revenue Percentage calculates total borrowing as a percentage of total revenue.

Expected Result	Indicated When
The municipality's total borrowings represent less than 120 per cent of total annual revenue, or 160 per cent for municipalities with a higher regulated debt limit.	The municipality's debt is greater than 120 per cent of total annual revenue, or 160 per cent for municipalities with a higher regulated debt limit.

2021 Results:

Municipality	Result
Town of Oyen	<p style="text-align: center;">124.98%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Town of Oyen hired a new CAO in March of 2022 with a strong financial background. 2022 results will see a significant adjustment to the ratio.</i></p>

Municipality	Result
Summer Village of Ma-Me-O Beach	<p data-bbox="971 380 1081 407">426.18%</p> <p data-bbox="889 447 1170 474"><i>Municipality Response:</i></p> <p data-bbox="690 514 1349 646"><i>The Summer Village of Ma-Me-O Beach constructed a wastewater collection system to service the community with provision to service adjacent areas of First Nations IR#138A.</i></p> <p data-bbox="690 686 1365 785"><i>Difficulties were encountered with the construction and the Summer Village requested an additional extension to the debt limit.</i></p> <p data-bbox="690 825 1365 989"><i>On February 9, 2022, the Minister approved a Ministerial Order for the Summer Village to exceed the regulated debt limit. We are currently awaiting the results of the arbitration as mentioned in our letter of December 9, 2021.</i></p>

Indicator 10: Debt Service to Revenue Percentage

Like overall debt levels, annual debt repayments and interest costs need to be manageable. Debt Service to Revenue Percentage calculates the cost of annual principal and interest payments as a percentage of total revenue.

Expected Result	Indicated When
The municipality's total costs for borrowing repayments do not exceed 20 per cent (28 per cent for municipalities with a higher regulated debt limit) of its total revenue.	Principal and interest payments on borrowings are greater than 20 per cent (28 per cent for municipalities with a higher regulated debt limit) of the municipality's total revenue.

2021 Results:

Municipality	Results
Summer Village of Ma-Me-O Beach	<p data-bbox="971 940 1081 972">426.18%</p> <p data-bbox="889 1010 1170 1041"><i>Municipality Response:</i></p> <p data-bbox="686 1079 1341 1209"><i>The Summer Village of Ma-Me-O Beach constructed a wastewater collection system to service the community with provision to service adjacent areas of First Nations IR#138A.</i></p> <p data-bbox="686 1251 1360 1350"><i>Difficulties were encountered with the construction and the Summer Village requested an additional extension to the debt limit.</i></p> <p data-bbox="686 1388 1360 1556"><i>On February 9, 2022, the Minister approved a Ministerial Order for the Summer Village to exceed the regulated debt limit. We are currently awaiting the results of the arbitration as mentioned in our letter of December 9, 2021.</i></p>

Indicator 11: Investment in Infrastructure

Most capital assets and infrastructure require replacement after a period of service, and municipalities typically carry out these replacements on an ongoing basis to spread out replacement costs. Investment in Infrastructure measures the ratio of capital spending to amortization (depreciation) over a five-year period.

Exceptions:

- This measure does not account for the effects of inflation; typically, replacement costs for new assets exceed the historic cost of existing assets.

Expected Result	Indicated When
The municipality's average capital additions exceed the average amortization (depreciation).	A municipality's capital spending is less than the amortization (depreciation) of its assets, indicated by a result less than one.

2021 Results:

Municipality	Results
Town of Manning	<p style="text-align: center;">0.53</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Town of Manning is currently working on our TCA and Asset Management. We are working with our software system and have added in a TCA Module that will help track our assets and amortization more accurately. We are financially audited by a third party Auditor twice a year. They are helpful in assessing our Assets. Our amortization and assets will hopefully be rectified in the 2022 year.</i></p>

Municipality	Results
Town of Rainbow Lake	<p style="text-align: center;">0.95</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>We have been locked up in due diligence on a large Universal Broadband Fund grant that, once released, will bring our ratio back into the positive.</i></p>
Village of Donnelly	<p style="text-align: center;">0.55</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>We have replaced significant capital assets in the village this year and it is our opinion it will exceed the average depreciation in 2022.</i></p>
Village of Hussar	<p style="text-align: center;">0.89</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>We have identified this need and have included this topic to be discussed in our next council meeting scheduled for December 7, 2022.</i></p>
Village of Innisfree	<p style="text-align: center;">0.47</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>In comparison to the 2020 report, the Village notes a decrease in Infrastructure Investments. This is attributed to COVID-19 related service and delivery delays; several projects scheduled for 2021, did not take place due to service and delivery delays and were completed in 2022.</i></p>

Municipality	Results
Village of Lomond	<p style="text-align: center;">0.61</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village of Lomond will endeavor to increase annual capital additions and replacements each year going forward. Additionally, the Village is completing an Infrastructure Master Plan that will help Council make more informed capital spending decisions in the future.</i></p>
Village of Munson	<p style="text-align: center;">0.45</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village expects to carry out road work in the next year. The Village is compounding grant allocations in order to achieve the work.</i></p>
Village of Warner	<p style="text-align: center;">0.84</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>As part of the viability review, an Infrastructure Master Plan (IMP) was prepared and has been utilized to create a 10 year capital plan. This plan will be updated annually to ensure reinvestment into the Village's assets.</i></p>
Summer Village of West Baptiste	<p style="text-align: center;">0.98</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Summer Village fire hall is a wood structure with metal sides and roof. At present it is in good condition. TCA is \$71,185, assessment value is \$158,910.</i></p>

Indicator 12: Infrastructure Age

If capital assets and infrastructure are being replaced on a regular basis and new assets or infrastructure is being added, the average age of the municipality's overall infrastructure will remain reasonably current. Infrastructure Age calculates the amortized (depreciated) cost of capital assets and infrastructure as a percentage of the original cost.

Expected Result	Indicated When
The net book value of the municipality's tangible capital assets is greater than 40 per cent of the original cost.	The net book value of the tangible capital assets is less than 40 per cent of the original cost.

2021 Results:

Municipality	Results
Lethbridge County	<p style="text-align: center;">30.48%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>From 2020 to 2021 Lethbridge County had an addition of \$5,179,499 in assets and disposals of \$2,656,299 as recorded in the 2021 Audited Financial Statement, note 10. The additions were Land - \$35,000, Road Systems - \$2,247,536, Strom Systems - \$220,051, M&E - \$1,838,159 and Vehicles - \$838,753. Disposals were Roads - \$39,472, M&E - \$1,302,617 and vehicles - \$1,313,616. Two bridge file replacements were carried over from 2021 into 2022. Further road improvements have taken place throughout 2022 and will be recorded in the 2022 Financial Statements.</i></p>

Municipality	Results
Town of Coronation	<p style="text-align: center;">38.52%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Town of Coronation is currently developing a new Infrastructure Master Plan and is hoping to complete large capital projects in the 2023 year, which will rectify this issue.</i></p>
Village of Berwyn	<p style="text-align: center;">39.75%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The Village is reviewing its 5 year capital plan and plans to make further investments in 2023 to village infrastructure.</i></p>
Village of Donnelly	<p style="text-align: center;">36.99%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>The village is in the final stages of completing an infrastructure capital plan which will allow the municipality to properly plan for the replacement of capital assets and infrastructure on a long term basis.</i></p>
Village of Warner	<p style="text-align: center;">34.40%</p> <p style="text-align: center;"><i>Municipality Response:</i></p> <p><i>With the current Infrastructure Master Plan (IMP) and the 10 year capital plan, asset management plans will be prepared with the goal to provide sustainable service delivery for the Village.</i></p>

Municipality	Results
Summer Village of West Baptiste	<p data-bbox="980 380 1073 407">36.60%</p> <p data-bbox="889 447 1167 474"><i>Municipality Response:</i></p> <p data-bbox="688 514 1357 646"><i>In 2021, Council planned \$180K rehab work to be completed on Baptiste Dr. in 2022. In 2023 it is planned to spend approximately \$200k, this may change with the price of oil.</i></p>

Indicator 13: Interest in Municipal Office

Strong interest from residents in local elections often means there is an active local interest in good governance. Elections are only held if there are more candidates than positions, otherwise candidates are simply acclaimed to what are intended to be elected positions. Interest in Municipal Office measures the ratio of candidates to total council positions in each election during the reporting year.

Expected Result	Indicated When
The number of candidates exceeded the number of councillor positions in each election.	The number of candidates are not greater than the number of available positions during a municipal general election or by-election.

2021 Results:

Municipality	Municipality Response
County of Northern Lights	<i>The Returning Officer spent a great deal of time putting out information on running for municipal elections, on social media platforms, in the local papers, etc. This has happened only one other time in the last 20 years where we had to hold a nomination day open in a ward. It is definitely becoming more of an issue, not just in our municipality, but everywhere. The Council increased their honoraria the year prior to elections, have discussed changing meeting times (this was not done however). We will continue to put out the information for future elections.</i>

Municipality	Municipality Response
Town of Falher	<p><i>The Town of Falher had 5 nominations of a possible 7. These 5 were acclaimed. The Town of Falher (and the Smoky River Region at large) has had difficulties over the past 10 years to foster involvement in local government. Mainly due to rural exodus resulting in councillor resignation, in addition to aversion to participation in politics due to its increasingly toxic and divisive nature.</i></p>
Town of Oyen	<p><i>The Town of Oyen is currently doing a number of engagement sessions in the community with youth, seniors and the general public to gather information on the priorities of the community to incorporate into the next 10 year strategic plan. Council has also beefed up their website and social media platforms to better engage and inform the residents. The 1st Avenue project completed through 2020-2021 was an extremely large project but the resulting improvement to the infrastructure has made the community very happy. In my mind the community is happy with the current Council and that is why they were acclaimed in the last election.</i></p>
Town of Rainbow Lake	<p><i>We are a small Town and everyone is aware of who is going to run well in advance of Nomination Day. We have a good Council, well respected in the community, and their acclamation is a signal of that fact, not a lack of interest.</i></p>
Village of Bawlf	<p><i>While there were limited candidates in the last municipal election, there remains strong local interest in good governance.</i></p>
Village of Berwyn	<p><i>We recently held a by-election where three candidates ran for one position.</i></p>
Village of Donnelly	<p><i>Council is currently reviewing the compensation of elected officials along with the potential of reducing the number of elected officials to ensure that there is more interest in elections.</i></p>

Municipality	Municipality Response
Village of Elnora	<i>The Village has a population of 287 limiting the number of persons to run for office. No incumbents ran for office in the election, however, three new members of the community submitted their nominations for the three seats available and were acclaimed.</i>
Village of Hussar	<i>This year we saw a decrease in the amount of candidates. We are confident in the elected officials for this year are doing a good job and will make efforts to promote other applicants in the coming years.</i>
Village of Innisfree	<i>While the 2021 General Municipal Election was "Acclaimed", the Village of Innisfree conducted a By-Election in February 2022 for one (1) Councillor position with six (6) candidates vying for the position.</i>
Village of Lomond	<i>The Village of Lomond will attempt to engage the public prior to the next municipal election to encourage more candidates to put their name forward for council positions. The Village anticipates this may result in more interest and an election rather than an acclamation.</i>
Village of Myrnam	<i>There were 3 candidates for 3 positions. All candidates were acclaimed. Residents appear to be satisfied that the best persons are holding office. The Village has implemented a community engagement plan and has used it twice in the last few months with more engagement plans in the near future.</i>
Summer Village of West Baptiste	<i>Elections - the last election was by acclamation, the previous election there were 4 candidates. The Summer Village election is always held in the summer months, as not all residents are at their property year round.</i>

Appendix A

Municipalities that Indicated (by Municipal Type)

The following is a listing of the municipalities that indicated a critical indicator, or three or more non-critical indicators.

Municipality Type	Municipality
Municipal District	County of Forty Mile No. 8 County of Northern Lights Lethbridge County
Town	Town of Coronation Town of Falher Town of Manning Town of Oyen Town of Rainbow Lake
Village	Village of Bawlf Village of Beiseker Village of Berwyn Village of Carmangay Village of Champion Village of Donnelly Village of Elnora Village of Empress Village of Hussar Village of Innisfree Village of Lomond Village of Munson Village of Myrnam Village of Warner
Summer Village	Summer Village of Ma-Me-O Beach Summer Village of West Baptiste

Appendix B

Municipalities and Indicators

The following breaks down which specific indicators the 24 municipalities indicated.

Municipality	Indicator
County of Forty Mile No. 8	2 - Ministry Intervention
County of Northern Lights	2 - Ministry Intervention 13 - Interest in Municipal Office
Lethbridge County	2 - Ministry Intervention 12 - Infrastructure Age
Town of Coronation	4 - Tax Collection Rate 8 - On-Time Financial Reporting 12 - Infrastructure Age
Town of Falher	2 - Ministry Intervention 13 - Interest in Municipal Office
Town of Manning	2 - Ministry Intervention 11 - Investment in Infrastructure
Town of Oyen	6 - Current Ratio 9 - Debt to Revenue Percentage 13 - Interest in Municipal Office
Town of Rainbow Lake	5 - Population Change 11 - Investment in Infrastructure 13 - Interest in Municipal Office
Village of Bawlf	2 - Ministry Intervention 13 - Interest in Municipal Office

Municipality	Indicator
Village of Beiseker	2 - Ministry Intervention 4 - Tax Collection Rate
Village of Berwyn	2 - Ministry Intervention 4 - Tax Collection Rate 12 - Infrastructure Age 13 - Interest in Municipal Office
Village of Carmangay	5 - Population Change 6 - Current Ratio 7 - Accumulated Surplus/Deficit 8 - On-Time Financial Reporting
Village of Champion	2 - Ministry Intervention
Village of Donnelly	4 - Tax Collection Rate 8 - On-Time Financial Reporting 11 - Investment in Infrastructure 12 - Infrastructure Age 13 - Interest in Municipal Office
Village of Elnora	4 - Tax Collection Rate 8 - On-Time Financial Reporting 13 - Interest in Municipal Office
Village of Empress	4 - Tax Collection Rate 5 - Population Change 8 - On-Time Financial Reporting
Village of Hussar	4 - Tax Collection Rate 8 - On-Time Financial Reporting 11 - Investment in Infrastructure 13 - Interest in Municipal Office
Village of Innisfree	4 - Tax Collection Rate 11 - Investment in Infrastructure 13 - Interest in Municipal Office

Municipality	Indicator
Village of Lomond	4 - Tax Collection Rate 8 - On-Time Financial Reporting 11 - Investment in Infrastructure 13 - Interest in Municipal Office
Village of Munson	4 - Tax Collection Rate 8 - On-Time Financial Reporting 11 - Investment in Infrastructure
Village of Myrnam	2 - Ministry Intervention 5 - Population Change 7 - Accumulated Surplus/Deficit 13 - Interest in Municipal Office
Village of Warner	4 - Tax Collection Rate 11 - Investment in Infrastructure 12 - Infrastructure Age
Summer Village of Ma-Me-O Beach	6 - Current Ratio 7 - Accumulated Surplus/Deficit 9 - Debt to Revenue Percentage 10 - Debt Service to Revenue Percentage
Summer Village of West Baptiste	11 - Investment in Infrastructure 12 - Infrastructure Age 13 - Interest in Municipal Office

Appendix C

Municipalities That Have Reported for Two Consecutive Years (2020 - 2021)

Municipality Type	Municipality
Village	Village of Bawlf Village of Champion Village of Lomond Village of Munson Village of Myrnam

Appendix D

Municipalities That Have Reported for Three Consecutive Years (2019 - 2021)

Municipality Type	Municipality
Town	Town of Manning
Village	Village of Beiseker Village of Berwyn Village of Hussar