

**MUNICIPAL DISTRICT OF MACKENZIE NO. 23
COUNCIL MEETING
Tuesday, May 10, 2005
10:00 a.m.**

**Council Chambers
Fort Vermilion, Alberta**

AGENDA

- | | | | | |
|--|----|----|---|------------------------------|
| <u>CALL TO ORDER:</u> | 1. | a) | Call to Order | |
| <u>AGENDA:</u> | 2. | a) | Adoption of Agenda | |
| <u>ADOPTION OF
THE PREVIOUS
MINUTES:</u> | 3. | a) | Minutes of the April 28, 2005..... | 5
Regular Council Meeting |
| <u>BUSINESS ARISING
OUT OF THE
MINUTES:</u> | 4. | a) | | |
| <u>DELEGATIONS:</u> | 5. | a) | | |
| <u>PUBLIC
HEARINGS:</u> | 6. | a) | Bylaw 494/05 Land Use Bylaw Amendment to Rezone
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From Rural Country Residential to Agricultural District..... | 17 |
| <u>COUNCIL
COMMITTEE AND
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| | | b) | CAO Report | |
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SERVICES:</u> | 9. | a) | 45 th Street Overlay and Curve Revision..... | 101 |
| | | b) | Dust Control..... | 103 |
| | | c) | Highway 58 East (<i>addition to agenda</i>) | |
| | | d) | Engineering Costs (<i>addition to agenda</i>) | |

**PLANNING, EMERGENCY,
AND ENFORCEMENT
SERVICES:**

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**CORPORATE
SERVICES:**

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- h) **Ratepayer’s Meetings (addition to agenda)**
- i) **Communications with Town of High Level
(addition to agenda)**

**IN CAMERA
SESSION:**

- 12. a) High Level Medical Clinic

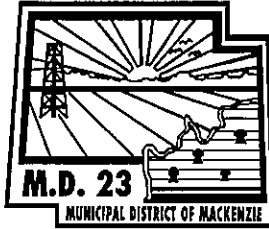
**NEXT MEETING
DATE:**

- 13. a) Regular Council Meeting

Wednesday, May 25, 2005
6:00 p.m.
La Crete

ADJOURNMENT:

- 14. a) Adjournment



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Barb Spurgeon, Executive Assistant
Title:	April 28, 2005 Council Meeting Minutes
Agenda Item No:	3.2)

BACKGROUND / PROPOSAL:

Attached are the minutes from the April 28, 2005 Regular Council Meeting.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

COSTS / SOURCE OF FUNDING:

RECOMMENDED ACTION:

That the minutes of the April 28, 2005 Regular Council Meeting be adopted as presented.

Author:

Reviewed:

C.A.O. 

**MUNICIPAL DISTRICT OF MACKENZIE NO. 23
REGULAR COUNCIL MEETING**

**Thursday, April 28, 2005
1:00 p.m.**

**Council Chambers, Municipal District of Mackenzie Office
Fort Vermilion, Alberta**

PRESENT:

Bill Neufeld	Reeve
Walter Sarapuk	Deputy Reeve (arrive 1:10 p.m.)
John W. Driedger	Councillor
Ed Froese	Councillor
Lisa Wardley	Councillor
Willy Neudorf	Councillor
Peter Braun	Councillor
Greg Newman	Councillor

ABSENT:

Jim Thompson	Councillor
Stuart Watson	Councillor

ALSO PRESENT:

Ray Coad	Chief Administrative Officer
Barb Spurgeon	Executive Assistant
Bill Landiuk	Director of Corporate Services
Paul Driedger	Director of Planning and Emergency Services
Sam Haddadin	Director of Operational Services

Minutes of the Regular Council meeting for the Municipal District of Mackenzie No. 23 held on Tuesday, April 28, 2005 at the Community Hall in Zama, Alberta.

CALL TO ORDER: 1. a) **Call to Order**

Reeve Neufeld called the meeting to order at 1:01 p.m.

AGENDA: 2. a) **Adoption of Agenda**

MOTION 05-216 **MOVED** by Councillor Braun

That the agenda be adopted as amended by adding:

- 11. g) Appointment to the MD Library Board
- 11. h) Appointment to REDI Recreational Study Sub Committee
- 9. d) Dust Control
- 11. i) Caribou Mountain Wildland

and deleting:

- 11. c) Bylaw 487/05 – Local Improvement Bylaw.

CARRIED

**ADOPTION OF
THE PREVIOUS
MINUTES:**

3. a) **Minutes of the April 12, 2005
Regular Council Meeting**

MOTION 05-217 **MOVED** by Councillor Newman

That the minutes of the April 12, 2005 Regular Council Meeting be adopted as amended.

CARRIED

**BUSINESS ARISING
OUT OF THE
MINUTES:**

4. a) There were no items under this heading.

DELEGATIONS:

5. a) There were no items under this heading.

**PUBLIC
HEARINGS:**

6. a) There were no items under this heading.

**COUNCIL
COMMITTEE AND
CAO REPORTS:**

7. a) **Council Reports**

Councillor Driedger reported on Mackenzie Housing Management Board and Highway 88 Task Force, Ratepayer's meetings

Councillor Neudorf reported on Ratepayer's meetings

Councillor Froese reported on Highway 88 Task Force, Ratepayer's meetings

Councillor Braun reported on Ratepayer's meetings

Councillor Newman reported on Ratepayer's meetings

Councillor Wardley reported on Zama Recreation Board, Mackenzie Library Board and Ratepayer's meetings

Reeve Neufeld reported on Highway 88 Task Force, Stakeholder meeting for the medical clinic, Ratepayer's meetings

Deputy Reeve Sarapuk reported on REDI meeting, Ratepayer's meetings,

MOTION 05-218 **MOVED** by Councillor Wardley

That the verbal reports of Council be received as information.

CARRIED

7. b) CAO Report

MOTION 05-219 **MOVED** by Councillor Wardley

That the verbal report by the Chief Administrative Officer be received as information.

CARRIED

GENERAL REPORTS:

8. a) There were no items under this heading.

OPERATIONAL SERVICES:

9. a) Proposed 45th Street Curve Realignment North and South of 46th Avenue, Fort Vermilion

MOTION 05-220 **MOVED** by Councillor Neudorf
Requires 2/3 Majority

That consideration of the asphalt overlay funding in the amount of \$237,385 on 45th Street be reallocated to the west end of River Road and other alternatives be researched for 45th Street.

CARRIED

9. b) Vanguard Realty Phase 5(B)(a)

MOTION 05-221 **MOVED** by Councillor Newman
Requires 2/3 Majority

That consideration of payment of the following invoices to Vanguard Realty:
\$109,156.00 for Storm Sewer along 109th Street an 105th Avenue in La Crete
\$4,758.97 for over-sizing of sewer and water lines along 109th Avenue and 105th Avenue in La Crete
Be tabled until after amendments to policy DEV-001 Urban Development Standards is approved.

CARRIED

9. c) **Parkside Village - Agreement and Water Metering Chamber**

Councillor Braun declared a pecuniary interest and left the meeting at 1:50 p.m.

MOTION 05-222
Requires 2/3 Majority

MOVED by Councillor Newman

That administration proceed with the Parkside Village Water and Sewer Servicing Agreement as presented.

DEFEATED

MOTION 05-223

MOVED by Councillor Wardley

That the Agreement with Parkside Village for water and sewer servicing be approved as amended.

CARRIED

Councillor Braun re-entered the meeting at 2:16 p.m.

Reeve Neufeld recessed the meeting at 2:16 p.m.

Reeve Neufeld reconvened the meeting at 2:29 p.m.

9. d) **Dust Control**

Councillor Newman addressed the concern of dust control. A general discussion was held by Council.

**PLANNING, EMERGENCY,
AND ENFORCEMENT
SERVICES:**

10. a) **Bylaw 495/05 Land Use Bylaw Amendment to Rezone
The IDP Corridor along Highway 35 North of High Level**

MOTION 05-224
Bylaw 494/05
First Reading

MOVED by Councillor Froese

That proposed Bylaw 495/05 be amended to rezone the following parcels from Agricultural District 1 (A1) to Rural Industrial District (RI1):

- SE 8-110-19-W5M
- all that portion of West ½ 9-110-19-W5M lying west of Highway 35,
- all that portion of West ½ 16-110-19-W5M lying west of the railway,
- all that portion of SW 21-110-19-W5M lying west of Highway 35,
- NE 29-110-19-W5M,
- all that portion of South ½ 32-110-19-W5M lying west of Highway 35,
- NW 32-110-19-W5M,
- NE 31-110-19-W5M,

- all that portion of NW 17-111-19-W5M lying west of Highway 35, and
- all that portion of SW 20-111-19-W5M lying west of Highway 35;

And rezone the following parcels from Agricultural District 1 (A1) to Country Residential District 2 (RC2):

- all that portion of the West ½ 9-110-19-W5M lying east of Highway 35,
- all that portion of the SW 16-110-19-W5M lying west of the railway and east of Highway 35,
- all that portion of the SW 28-110-19-W5M lying west of the railway, and
- SE 29-110-19-W5M,
- all that portion of the West ½ 4-110-19-W5M lying west of the railway,
- East ½ 4-111-19-W5M,
- all that portion of the West ½ 9-110-19-W5M lying west of the railway,
- all that portion of the East ½ 8-110-19-W5M lying west of the railway,
- all that portion of the East ½ 17-110-19-W5M lying west of the railway, and
- all that portion of the NW 17-110-19-W5M lying west of the railway.

CARRIED

10. c) **Bylaw 498/05 – Land Use Bylaw Amendment to Rezone Pt. SW 09-106-15-W5M from Hamlet Residential District 1 to Hamlet Residential District 2**

MOTION 05-225
Bylaw 498/05
First Reading

MOVED by Councillor Braun

That first reading be given to Bylaw 498/05, being a Land Use Bylaw Amendment to rezone part of SW 9-106-15-W5M from Hamlet Residential District 1 to Hamlet Residential District 2

CARRIED

10. d) **Special Constable Training**

MOTION 05-226

MOVED by Councillor Neudorf

That a letter be written to the Solicitor General requesting that Special Constable Training be scheduled throughout the year.

CARRIED

**CORPORATE
SERVICES:**

11. a) **Petition against Bylaw 484/05 –
Local Improvement for Sidewalk in Fort Vermilion**

MOTION 05-227 **MOVED** by Councillor Neudorf

That the update on the sufficiency of the petition against Bylaw 484/05 be received for information.

CARRIED

11. b) **Bylaw 484/05- Local Improvement for sidewalk on
46th Avenue from 47th Street to 45th Street;
45th Street from 46th Avenue to River Road, and
River Road from 45th Street to Plan 6162RS, Lot 4**

MOTION 05-228
Bylaw 484/05
Second Reading
Requires 2/3 Majority

MOVED by Councillor Wardley

That second reading be given to Bylaw 484/05 being a bylaw to approve a local improvement for sidewalk on 46th Avenue from 47th Street to 45th Street; 45th Street from 46th Avenue to River Road, and River Road from 45th Street to Plan 6162RS, Lot 4 in the Hamlet of Fort Vermilion.

CARRIED

MOTION 05-229
Bylaw 484/05
Third Reading
Requires 2/3 Majority

MOVED by Councillor Froese

That third and final reading be given to Bylaw 484/05 being a bylaw to approve a local improvement for sidewalk on 46th Avenue from 47th Street to 45th Street; 45th Street from 46th Avenue to River Road, and River Road from 45th Street to Plan 6162RS, Lot 4 in the Hamlet of Fort Vermilion.

CARRIED

11. d) **NAIT Graduation**

MOTION 05-230 **MOVED** by Councillor Newman

That Reeve Neufeld or designate be authorized to attend the NAIT Graduation Ceremonies on April 30th, 2005 in High Level.

CARRIED

11. e) **Appointed Assessors**

MOTION 05-231 **MOVED** by Councillor Driedger

That Alliance Assessment Consultants Ltd. be approved as the appointed assessor firm for the MD of Mackenzie.

CARRIED

11. f) **Sale of Old MD Office Building**

MOTION 05-232 **MOVED** by Councillor Braun

That the offer to purchase for the Old MD Office Building received from Kosior Insurance & Financial Services Ltd. for \$92,100.00 (GST Included) be accepted.

CARRIED

11. g) **Appointment to Mackenzie Regional Library Board**

MOTION 05-203 **MOVED** by Councillor Newman

That Beth Kappeler be appointed to the Mackenzie Regional Library Board for the balance of a three year term ending October 31, 2007.

CARRIED

11. h) **Appointment to REDI Sub Committee on Recreation Study**

MOTION 05-204 **MOVED** by Deputy Reeve Sarapuk

That Councillor Braun be appointed to the REDI sub-committee for recreational study.

CARRIED

11. i) **Caribou Mountains Wildland Committee**

MOTION 05-205 **MOVED** by Councillor Newman

That Reeve Neufeld contact the Minister to express concern on the process of how the meetings and consultations are handled.

CARRIED

MOTION 05-206 **MOVED** by Deputy Reeve Sarapuk

That the invitation to the Northern Lights Forest Education Society be added to the agenda.

CARRIED

MOTION 05-207 **MOVED** by Deputy Reeve Sarapuk

Requires Unanimous
Consent

That council be approved to attend the Northern Lights Forest Education Society 2005 Keynote address.

CARRIED

MOTION 05-208 **MOVED** by Councillor Wardley

That consideration be given to move in camera to discuss issues under the *Freedom of Information and Protection of Privacy, Alberta Regulation 200/95* (3:26 p.m.)

CARRIED

**IN CAMERA
SESSION:**

12. a) Assumption Hill Bypass

MOTION 05-209 **MOVED** by Councillor Driedger

That Council come out of camera (3:43 p.m.)

CARRIED

**NEXT
MEETING DATE:**

13. a) Tuesday, May 10, 2005
 10:00 a.m.
 Fort Vermilion Council Chambers

ADJOURNMENT: 14. a) Adjournment

MOTION 05-210 **MOVED** by Deputy Reeve Sarapuk

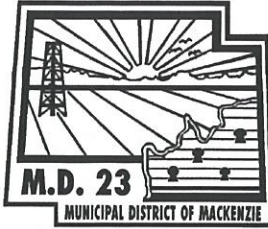
That the Regular Council meeting be adjourned (3:43 p.m.)

CARRIED

These minutes were adopted this 10th day of May 2005.

Bill Neufeld, Reeve

Barbara Spurgeon,
Executive Assistant



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Paul Driedger, Director of Planning, Emergency and Enforcement Services
Title:	PUBLIC HEARING Bylaw 494/05 Land Use Bylaw Amendment to Rezone Pt. of NE 32-110-19-W5M From Rural Country Residential (RC) to Agricultural District 1 (A1)
Agenda Item No:	6.a)

BACKGROUND / PROPOSAL:



Council gave first reading to Bylaw 494/05 at their April 12, 2005 meeting. The original bylaw 262/01 that was approved on July 17, 2001 by Council was for the purpose of rezoning all of NE 32-110-19-W5 from Agricultural District 1 (A1) to Rural Country Residential District (RC). This was so that the applicant could develop a multi lot subdivision.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The applicant created three new 10 acres subdivisions according to the MD of Mackenzie's subdivision rules at the time. This brought the total to 4 subdivision parcels off this quarter. The applicant would now like to subdivide once more by taking off the original homestead which contains approximately 20 acres and sell the remainder of the parcel. Currently under the MD of Mackenzie Land Use Bylaw, Rural Country Residential subdivisions may only contain parcels from 3 to 5 acres in size. Only Agricultural District 1 (A1) allows for a "homestead" subdivision. Agriculture District 1 (A1) allows the following:

C. PARCEL DENSITY

Residential Uses: Three (3) parcels per quarter section, river lot or original titled property with the balance of the quarter section, river lot or original titled

Author: 	Reviewed: 	C.A.O.:
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property being one of the parcels; with the subdivided parcels being any two of the following:

- a. Existing farmstead or homestead,
- b. Vacant parcel
- c. Fragmented parcel

D. LOT AREA

Country Residential Uses:

Minimum Lot Area: 1.2 hectares (3.0 acres)

Maximum Lot Area: up to 4.05 hectares (10.0 acres) unless:

- a. an existing residence requires the approval of a larger parcel size to meet setback requirements or to include the entire yardsite;
- b. the parcel is fragmented to such a degree that a 4.05 hectares (10.0 acres) subdivision would render the remaining portion of the fragmented parcel difficult or useless for farming; or
- c. the bank of a natural water course or road plan is used as a boundary.

The proposed subdivision is larger than 10 acres; therefore it must be rezoned back to Agriculture District 1 (A1) to accommodate this type of development.

COSTS / SOURCE OF FUNDING:

N/A

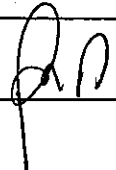
RECOMMENDED ACTION:

MOTION

That second reading be given to Bylaw 494/05 to re-zone Pt. NE 32-110-19-W5M from Rural Country Residential District "RC" to Agricultural District 1 "A1".

MOTION

That third reading be given to Bylaw 494/05 to re-zone Pt. NE 32-110-19-W5M from Rural Country Residential District "RC" to Agricultural District 1 "A1".

Author:	Reviewed: 	C.A.O.: 
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MD of Mackenzie

PUBLIC HEARING FOR LAND USE BYLAW AMENDMENT

BYLAW _____

Order of Presentation

_____ This Public Hearing will now come to order at _____.

_____ Was the Public Hearing properly advertised?

_____ Will the Development Authority _____, please outline the proposed Land Use Bylaw Amendment and present his submission.

_____ Does the Council have any questions of the proposed Land Use Bylaw Amendment?

_____ Were any submissions received in regards to the proposed Land Use Bylaw Amendment? *If yes, please read them.*

_____ Is there anyone present who would like to speak in regards of the proposed Land Use Bylaw Amendment?

_____ If YES: Does the Council have any questions of the person(s) making their presentation?

_____ This Hearing is now closed at _____.

REMARKS/COMMENTS:

BYLAW NO. 494/05

**BEING A BYLAW OF THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23
IN THE PROVINCE OF ALBERTA**

**TO AMEND THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23 LAND USE BYLAW**

WHEREAS, the Municipal District of Mackenzie No. 23 has adopted the Municipal District of Mackenzie Land Use Bylaw, and

WHEREAS, the Municipal District of Mackenzie No. 23 has a General Municipal Plan adopted in 1995, and

WHEREAS, the Council of the Municipal District of Mackenzie No. 23, in the Province of Alberta, has deemed it desirable to amend the Municipal District of Mackenzie No. 23 Land Use Bylaw to accommodate a homestead subdivision.

NOW THEREFORE, THE COUNCIL OF THE MUNICIPAL DISTRICT OF MACKENZIE NO. 23, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

- 1. That the land use designation of the subject parcel known as Part of NE 32-110-19-W5M in the Municipal District of Mackenzie No. 23 be amended from Rural Country Residential District (RC) to Agricultural District 1 "A1", as shown in Schedule "A" hereto attached.**

First Reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second Reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third Reading and Assent given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

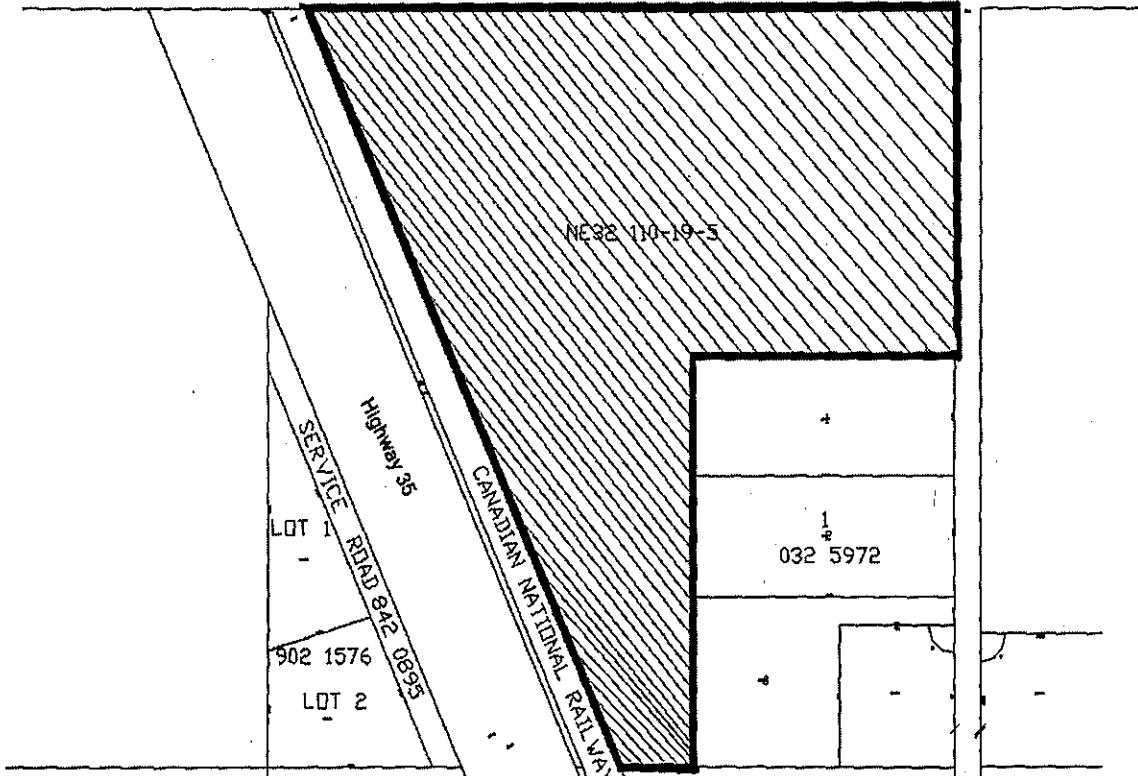
Barbara Spurgeon, Executive Assistant

BYLAW No. 494/05

SCHEDULE "A"

1. That the land use designation of the following property known as:

Part of NE 32-110-19-W5M be amended from Rural Country Residential District "RC" to Agricultural 1 "A1"



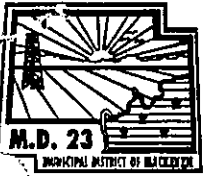
From: Rural Country Residential District "RC"

To: Agricultural District 1 "A1"

Bill Neufeld, Reeve

Barb Spurgeon, Executive Assistant

EFFECTIVE THIS _____ DAY OF _____, 2005.



LAND USE BYLAW AMENDMENT APPLICATION

APPLICATION NO. Bylaw

NAME OF APPLICANT <u>WILLIAM J WIEBE</u>		
ADDRESS <u>P.O. Box 393</u>		
TOWN <u>HIGH LEVEL</u>		
POSTAL CODE <u>T0A 1Z0</u>	PHONE (RES.) <u>926-3461</u>	BUS. <u>926-4551</u>

COMPLETE IF DIFFERENT FROM APPLICANT

NAME OF REGISTER OWNER		
ADDRESS		
TOWN		
POSTAL CODE	PHONE (RES.)	BUS.

LEGAL DESCRIPTION OF THE LAND AFFECTED BY THE PROPOSED AMENDMENT

QTR./LS. <u>NE</u>	SEC. <u>32</u>	TWP. <u>110</u>	RANGE <u>19</u>	M. <u>5</u>	OR	PLAN	BLK	LOT
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LAND USE CLASSIFICATION AMENDMENT PROPOSED:

FROM: COUNTRY RESIDENTIAL TO: AGRICULTURE DISTRICT 1 (A1)

REASONS SUPPORTING PROPOSED AMENDMENT:

AMENDMENT REQUESTED TO ALLOW YARDSITE SUBDIVISION FROM BALANCE OF QUARTER SECTION AS PER ATTACHED SITE PLAN.

I/WE HAVE ENCLOSED THE REQUIRED APPLICATION FEE OF \$ 150.00 RECEIPT NO. _____

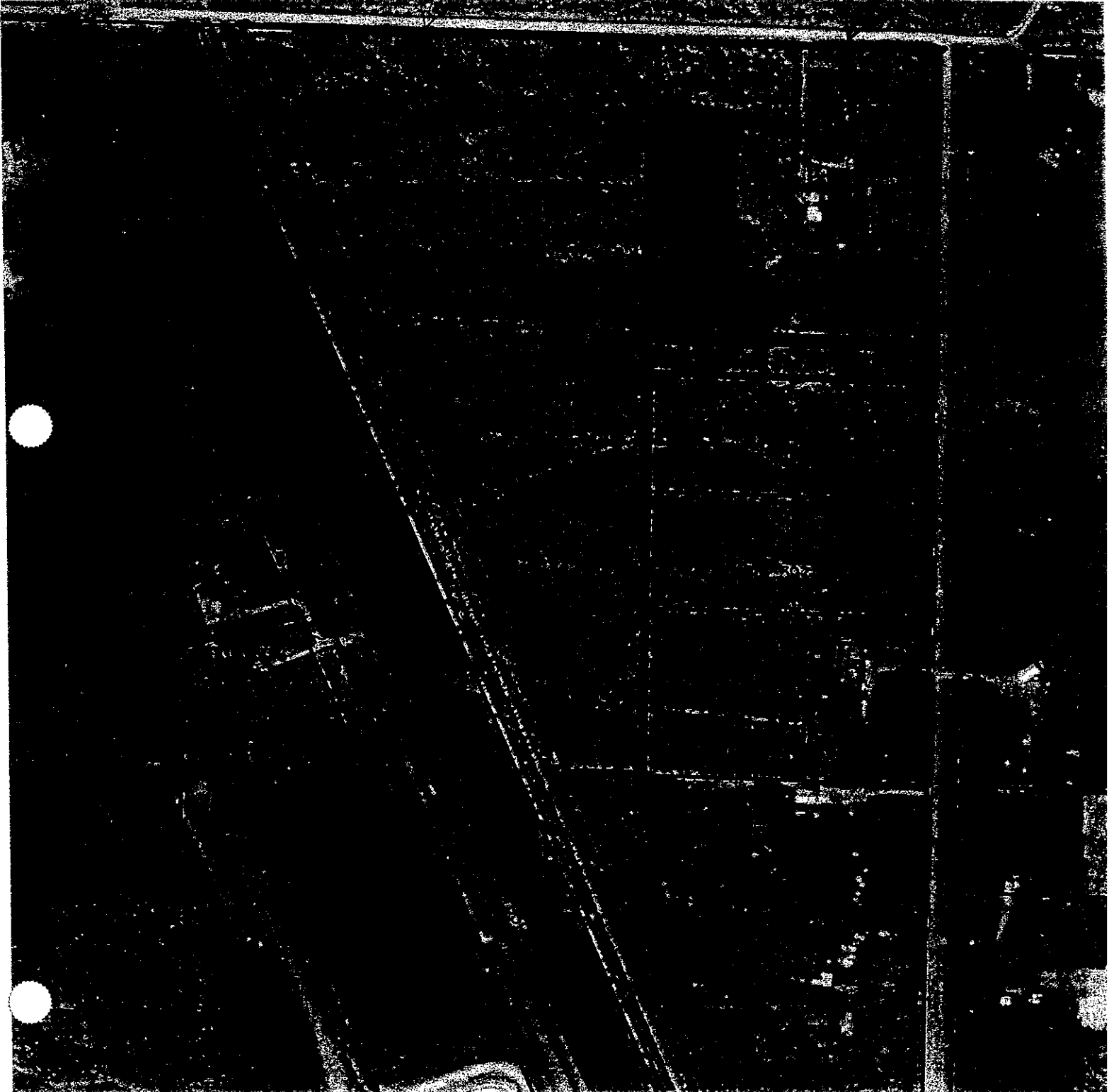
William J Wiebe APPLICANT DATE Sept 13/04

NOTE: REGISTERED OWNER'S SIGNATURE REQUIRED IF DIFFERENT FROM APPLICANT.

REGISTERED OWNER _____ DATE _____

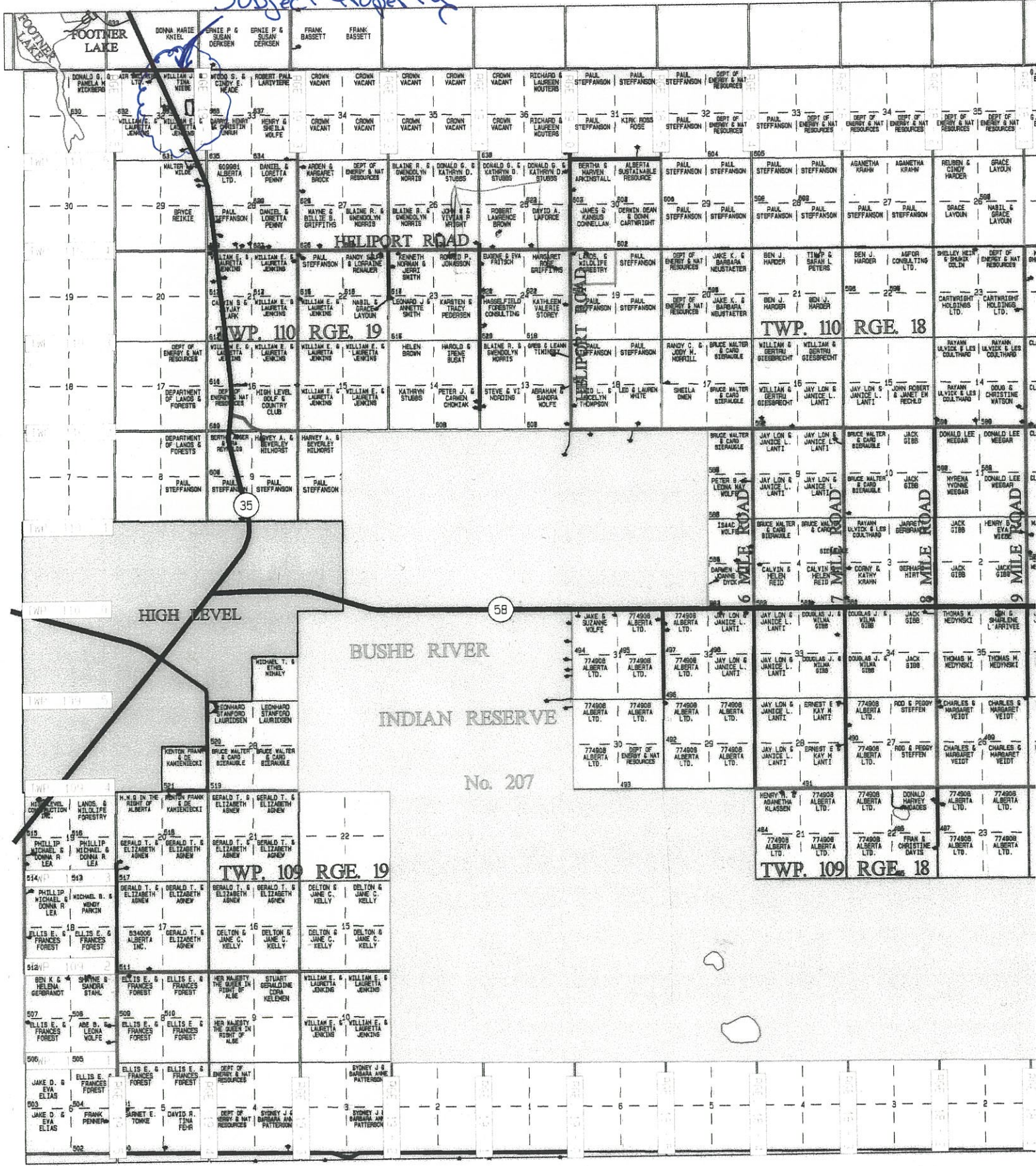
Remainder of Quarter
(90.61 acres)

Proposed
1/4mestral Subst
(20 acres)



HIGH LEVEL / BUSHE RIVER IN

Subject Property



HIGH LEVEL

BUSHE RIVER

INDIAN RESERVE

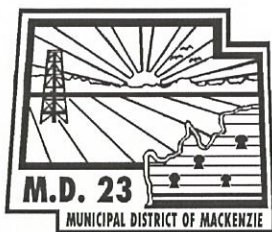
No. 207

TWP. 110 RGE. 19

TWP. 109 RGE. 18

630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800
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M.D. of Mackenzie No. 23



Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Originated By:	Bill Landiuk, Director of Corporate Services
Title:	2004 Audited Financial Statements and Audit Report
Agenda Item No:	8. a)

BACKGROUND / PROPOSAL:

The MD must prepare annual financial statements pursuant to sections 276 to 281 of the MGA.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

Our auditors' Ernst & Young have requested they have the opportunity to review the annual financial statements with Council.

To minimize the costs they have agreed to the use of teleconferencing, tentatively scheduled at 11:00 a.m.

COSTS / SOURCE OF FUNDING:

N/A

RECOMMENDED ACTION (by originator):

That 2004 audited financial statements be approved as presented.

Review: Joulia W.

Dept.

C.A.O.



ASSURANCE AND ADVISORY
BUSINESS SERVICES

DECEMBER 31, 2004

 **ERNST & YOUNG**
Quality In Everything We Do

Municipal District of Mackenzie No. 23

Audit Results and Communications

Report to District Council

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Scope of our Engagement

As documented in our Audit Plan document, we designed our audit and other procedures to:

- Express an audit opinion on the financial statements of the Municipal District of Mackenzie No. 23 for the year ended December 31, 2004;
- Express an audit opinion on the financial information return of the Municipal District of Mackenzie No. 23 for the year ended December 31, 2004;
- Present the results of our audit including required audit communications, business and internal control observations, and other important reporting matters, and to issue a letter of recommendations if necessary;
- Provide assistance, if required, in connection with accounting for complex transactions; and
- Provide assistance with the District's financial statement presentation and disclosures.

2004 Audit Results

Standard Communications

Canadian Generally Accepted Auditing Standards suggest that the auditor provide Council with additional information regarding the scope and results of the audit that may assist them in overseeing administration's financial reporting and disclosure process. We summarize these standard communications below.

Area	Comments
Auditors' Responsibilities Under Generally Accepted Auditing Standards (GAAS)	
The financial statements are the responsibility of administration. Our audit was designed in accordance with Canadian generally accepted auditing standards to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. As a part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing, and extent of testing performed.	We expect to issue an unqualified opinion on the financial statements and financial information return of the Municipal District of Mackenzie No. 23 for the year ended December 31, 2004.
Our Judgments About the Quality of the District's Accounting Principles	
We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the District's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.	All of the significant accounting policies followed by the District are adequately disclosed in Note 1 to the financial statements. The District adopted no significant accounting policy changes in the current year. We have reviewed the financial statement presentation and it is our opinion that the financial statements are clear and reflect the most appropriate choices regarding accounting policies.
Sensitive Accounting Estimates	
The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from administration's expectations.	We have reviewed the significant estimates and judgments made by administration in the preparation of the financial statements and we are in agreement with accounting estimates and areas where administration applied judgment. Specific areas and items involving significant judgments and estimates are discussed in more detail in the section entitled "Significant Accounting, Auditing and Reporting Matters".

2004 Audit Results (Continued)

Area	Comments
<p>Significant Audit Adjustments/Unadjusted Differences</p> <p>We provide Council with information about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the District's financial statements.</p> <p>We inform Council about unadjusted audit differences accumulated by us (i.e., adjustments either identified by us or brought to our attention by administration) during the current audit and pertaining to the latest period presented that were determined by administration to be immaterial, both individually and in the aggregate, to the financial statements as a whole.</p>	<p>All significant accounting differences revealed by the audit were discussed with administration to determine whether an adjustment should be recorded. Unadjusted differences are not material to the financial statements. Please refer to the "Summary of Unadjusted Audit Differences" section of this report.</p>
<p>Fraud and Illegal Acts</p> <p>We report to Council any known or discovered fraud and illegal acts involving administration and fraud and illegal acts (whether caused by senior administration or other employees) that cause a material misstatement of the financial statements.</p>	<p>Testing of the financial records and enquiries made of personnel did not reveal any instances of fraudulent, illegal or questionable acts by staff.</p>
<p>Significant Weaknesses in Internal Control</p> <p>We communicate all significant weaknesses in internal control over financial reporting that may have been identified during the course of our audit.</p>	<p>No significant weaknesses were identified.</p>
<p>Other Information in Documents Containing Audited Financial Statements</p> <p>Our financial statement audit opinion only relates to the financial statements and accompanying notes. However, we also review other information in the Annual Report for consistency with the audited financial statements.</p>	<p>Once it is complete, we will review the summary financial information reported in the newspaper to the District's ratepayers for consistency with the complete audited financial statements.</p>
<p>Disagreements with Administration on Financial Accounting and Reporting Matters</p>	<p>None.</p>
<p>Serious Difficulties Encountered in Dealing with Administration when Performing the Audit</p>	<p>None.</p>

2004 Audit Results (Continued)

Area	Comments
Related Party Transactions Related party transactions identified by the auditor that are not in the normal course of operations and that involve significant judgments made by administration concerning measurement or disclosure must be disclosed to Council.	None of which we are aware.
Independence We communicate, at least annually, the following to District Council: 1. Disclose, in writing, all relationships between Ernst & Young and our related entities and the District and its related entities that, in our professional judgment, may reasonably be thought to bear on independence; 2. Confirm in writing that, in our professional judgment, we are independent of the District; and 3. Discuss our independence with Council.	We confirmed in writing our independence as part of our audit plan document for Council. We report that we are not aware of any relationships between Ernst & Young LLP and the District that, in our professional judgment, may reasonably be thought to bear on our independence since the time of that communication. We would be pleased to discuss any matters relating to our independence with Council.

2004 Audit Results (Continued)

Important Accounting, Auditing, and Reporting Matters

Our audit was completed in accordance with Canadian Generally Accepted Auditing Standards. The following sections include our findings and observations resulting from the performance of our audit and detail significant accounting, auditing and reporting matters for Council's information and consideration.

Area	Comments
<p>1. Land, Structures and Equipment</p>	
<p>The District recorded significant additions to its land, structures and equipment in 2004 mainly as a result of a water treatment plant and road construction. Total costs capitalized by the District were approximately \$13,500,000.</p>	<p>When deciding to capitalize a project's costs or not, an assessment is required by administration of whether the costs are new assets, a betterment to existing assets, or simply repair and maintenance to restore existing assets to their original purchased state. Since the District is relatively new and is still building its initial infrastructure, it is reasonable that the District would be capitalizing higher costs today than other more established municipalities would have incurred decades ago. Although we agree with most of the costs capitalized, we assessed based on our examination that about \$1,550,000 of costs should be classified as repair and maintenance expense rather than as capital expenditures. These costs relate to the water-main and bridge replacements.</p>
<p>Since some of the additions were replacing existing assets which no longer had any value, administration also recorded asset disposals of approximately \$1,500,000. Of this amount, administration estimated the original cost of some of the older assets as there is little or no detail prior to 1999 of what was recorded in the District's accounts. The total estimated costs removed from the accounts were approximately \$1,200,000.</p>	<p>We also examined the disposals recorded, and assessed that if the original costs recorded in prior years cannot be identified with certainty, no amount should be removed from the accounts as an estimated disposal value. Removing estimated amounts from the accounts only compounds the potential differences in the value of assets recorded and the assets currently on hand, as land, structures and equipment would be understated by \$1,200,000 if the original costs of disposed assets were never previously recorded.</p> <p>The net result of these differences is an overstatement of land, structures and equipment, and equity in physical assets, of approximately \$350,000 which administration has adjusted for on the financial statements.</p> <p>Since capital asset purchases are expensed immediately in the capital fund under Public Sector Accounting Board (PSAB) standards, there is no impact on the accumulated surplus, except that the overstatement difference on the additions should be re-classified to operating from capital fund expenses (assuming transfers to/from the funds is similarly adjusted). However, since Council has budgeted for these costs as capital fund costs, administration has decided not to reclassify the overstated additions to the operating fund.</p>

2004 Audit Results (Continued)

Area	Comments
1. Land, Structures and Equipment (continued)	<p>Generally, only those costs that are capitalized by the District should be shown as capital fund expenditures. Since the adjusted value of the additions is approximately \$11,970,000, there is a reclassification difference in total between capital fund and operating fund expenditures of approximately \$3,180,000.</p> <p>As there is no net impact to the accumulated surplus, we have not required an adjustment to the expense classification on the financial statements. However, we would encourage the District to re-evaluate how these costs are presented and budgeted for in the future.</p> <p>We continue to make a recommendation to the District with respect to its continued development of a capital asset subledger. Please see the section "Internal Control and Operational Improvements for Discussion" for our recommendation.</p>
2. Taxes in Arrears Provision	<p>At December 31, 2004 the District has taxes receivable in arrears of approximately \$153,000. Of that amount, administration has identified approximately \$47,000 of taxes on properties which a provision is required as collection is doubtful.</p> <p>Under the Municipal Government Act (MGA), a municipality can seize and auction properties in order to recover taxes in arrears. Consequently a provision on these balances is only required if the properties can not be seized as they are linear properties, are properties such as mobile homes which could be moved out of the District before being seized, or have fair market values less than the taxes owing.</p> <p>When examining the properties for which administration has recorded a provision, we observed that most properties could be seized by and sold and most had fair values close to or in excess of taxes in arrears. As a result, of our testing, we estimate that the provision on taxes in arrears is overstated by approximately \$32,000. Since the difference is not material to the financial statements, administration has decided not to adjust for this difference.</p> <p>We also have made a recommendation to the District with respect to reducing credit risk on properties with taxes in arrears. Please see the section "Internal Control and Operational Improvements for Discussion" for our recommendation.</p>

2004 Audit Results (Continued)

Area	Comments
3. Consumable Inventory	
<p>At year end, administration adjusts the value of consumable inventory recorded in the accounts based on a physical count of materials on hand. Based on the counts performed, administration determined the consumable parts and supplies inventory on hand at year end to be approximately \$441,000 and gravel inventory of approximately \$756,000.</p>	<p>We examined the inventory counts performed and the costing of that inventory to assess if the amount recorded by administration is reasonable. Based on our examination, we identified two unusual items.</p> <p>The first was approximately \$33,000 of culvert inventory that was recorded twice in the accounts. Administration agreed with the inventory overstatement identified and adjusted the inventory recorded on the financial statements.</p> <p>The second was the recording of signs inventory of about \$36,000 which had been written off by the District in previous years. Under PSAB standards, when an asset is written down for an impairment in value, the asset value cannot be subsequently adjusted back up if a subsequent reconsideration of value is made. As a result, signs inventory is overstated in value by approximately \$36,000. Since this difference is not material to the financial statements, administration has chosen not to adjust the financial statements for the amount.</p> <p>We also provided recommendations to the District on inventory costing and inventory stockpiles. Please see the section "Internal Control and Operational Improvements for Discussion" for our recommendation.</p> <p>We compared the gravel surveys completed by an external engineer to the amounts recorded by administration in the accounts and found no significant differences. We also examined the gravel reclamation amount recorded by administration at year end and found the amount to be reasonable and in line with estimates made by an external engineering assessment completed in 2003.</p>

2004 Audit Results (Continued)

Area	Comments
<p>4. Education Requisition</p>	<p>As identified in 2002, the District was required to collect from ratepayers over the 2003 and 2004 tax years an understatement in 1998 school requisitions. In 2004, the District recorded revenue and requisition expense related to the 1998 requisition of \$102,458 (2003 - \$140,000).</p> <p>When the requisition was recorded in 2002, the net adjustment was to record an underlevy and a payable to Alberta Learning for \$242,458. The net impact on the accumulated operating fund surplus was nil. As the requisition amounts were collected, the District should only record a reduction to the underlevy and make the required payment to Alberta Learning.</p> <p>As a result, no revenue or requisition expense should be reflected in the financial statements for the 1998 requisition collected. Administration agrees with the assessment and has reduced the gross tax revenue and requisition for the overstatement on the financial statements for both years. Since the reduction to the revenue and expense was for equal amounts in each year, the adjustment is only for presentation purposes as there is no impact on the net municipal property taxes amount reported for each year.</p>
<p>5. Gravel Royalty Prepayment</p>	<p>In 2004, the District entered into a new gravel purchase agreement beginning January 1, 2005. As part of the agreement, the District paid a deposit of \$20,000 (GST included) which would be refundable to the extent royalties are not owing at the end of the agreement. Administration has capitalized \$18,691 in gravel inventory at year end.</p> <p>Since the deposit relates to 2005 or later purchases of gravel, the deposit should be recorded as a prepaid expense and not in gravel inventory in 2004. As gravel is purchased and the royalty payable realized, this deposit should be reclassified to gravel inventory and recognized as a capital expense and increase in equity in physical assets.</p> <p>Administration agrees with the assessment but has not recorded the balance sheet reclassification difference as it is not material to the financial statements. Administration expects that the deposit will be fully utilized over the term of the agreement.</p>

2004 Audit Results (Continued)

Area	Comments
<p>6. Year-End Cut-off Testing</p>	<p>Administration did a good job of identifying all significant accruals at year end and as a result, we report there are no adjustments required to be made on the financial statements for missed or overstated accruals.</p> <p>We also examined the grant funding recorded by administration, along with any restrictions on those balances, to ensure that any funding received was properly recognized as revenue or deferred revenue. We conclude, based on our testing, that administration has correctly identified and recorded grant funding in the financial statements in 2004.</p>
<p>7. Reporting Entities</p>	<p>As expected, based on our examination with administration, we identified no entities which are "controlled" by the District which require consolidation with the District's operating results</p>
<p>Recent changes in accounting standard <i>PS1300 Government Reporting Entity</i> further refine the definition of what types of entities should be consolidated into the operating results of the government entity. As a result of the change in the section, we re-examined with administration the relationships the District has with various entities that operate within the District to assess if there are any entities that are controlled and should be incorporated into the financial statements.</p>	
<p>8. GST Refunds</p>	<p>We reviewed administration's recording of GST as a result of and subsequent to the rate change. Based on our examination and testing, we conclude that GST recorded in fiscal 2004 is materially accurate.</p>
<p>Effective February 1, 2004, the District is entitled to receive a 100% refund of eligible GST paid rather than the smaller rebateable portion eligible prior to this date.</p>	

2004 Audit Results (Continued)

Summary of Unadjusted Audit Differences

During the course of our audit, we accumulate differences between amounts recorded by Administration and amounts that we believe are required to be recorded under Canadian generally accepted accounting principles. The following is a summary of those differences:

Materiality - \$160,000 Reporting Threshold - \$7,000	Recording/Differences Would	
	Have Increased (Decreased) Income	
	2004	2003
KNOWN DIFFERENCES		
Overstatement of capital fund expenses	3,180,000	947,000
Understatement of operating fund expenses	(3,180,000)	(947,000)
Overstatement of tax revenue *	(102,458)	(140,000)
Overstatement of education requisition *	102,458	140,000
Understatement of gravel inventory		14,400
Overstatement of vacation payable		21,000
Understatement of accounts payable		(7,400)
Total known differences	0	28,000
JUDGMENTAL DIFFERENCES		
Overstatement of taxes receivable provision	31,500	
Understatement of other receivables provision		(20,400)
Total judgmental difference	31,500	(20,400)
Total Differences	31,500	7,600
* Adjusted by Administration	0	0
Total Unadjusted Differences	31,500	7,600
Turn-around effect of prior-year differences	(7,600)	
Cumulative difference, after turn-around	23,900	

Conclusion:

Correction of 2004 and 2003 differences would result in an decrease in reported revenue over expenditures by \$23,900. Accordingly, the unadjusted differences are not material to the financial statements.

2004 Audit Results (Continued)

Internal Control and Operational Improvements for Discussion

With respect to our examination of the financial statements of the Municipal District of Mackenzie No. 23 for the year ended December 31, 2004, we would like to report the following opportunities for control and procedure improvements for your consideration. As part of our examination, we reviewed and evaluated the District's system of internal controls to the extent we considered necessary under generally accepted auditing standards. This was done to establish a basis for relying on such systems in determining the nature, timing, and extent of our audit procedures. These procedures are necessary to enable us to express an opinion on the financial statements and to otherwise assist us in planning and performing our audit. The review was not designed to determine whether or not the District's systems of internal control are adequate for administration purposes and would not necessarily disclose all conditions requiring attention.

Our observations and recommendations concern the systems and procedures at the Municipal District of Mackenzie No. 23 and are not intended to reflect in any way upon District administration or employees. In fact, we would like to thank the staff at the Municipal District of Mackenzie No. 23 for their assistance during our audit.

Consumable Inventory Costing

Observation and Risk:

We observed that the District's accounting policy for the costing of consumable parts and supplies is not being followed as all items are valued at the last purchased invoice amount, not the average cost of the inventory as it has been accumulated. Although the expected difference in the cost recorded is not material, the risk to the District is that the value of the inventory may be overstated on the statement of financial position.

Recommendation:

We recommend that Administration re-examine its inventory purchases process to ensure that supplies on hand are valued at the amounts the District actually paid for the assets and not a higher amount based on current replacement cost.

2004 Audit Results (Continued)

Consumable Inventory Stockpiles

Observation and Risk:

We observed that the District has on hand a number of parts and supplies inventory which have been held for up to 10 years. Administration has set up a general provision of 10% of the total value of the inventory to address any valuation issues related to these old inventory items. We have determined this to be reasonable. However, the District having these items on hand highlights the risk that cash resources are being used on assets which are not needed or do not need to be purchased until required. There is also a cost to the District of storing and maintaining this inventory, which could be reduced if lower inventories are required.

Recommendation:

We recommend that administration review the inventory on hand and eliminate any items which are clearly obsolete and cannot be used. We also recommend that administration assess what inventory supplies are needed so that cash resources are not invested in non-essential inventories.

Credit Risk – Taxes In Arrears

Observation and Risk:

We observed that the District has taxes in arrears on a number of properties that could be recovered if tax recovery processes were initiated as allowed under the Municipal Government Act. Although administration has tried to develop a payment program with these ratepayers, not initiating the tax recovery process increases the exposure to the District that amounts could accumulate over time which will not be recovered when the properties are sold. As a result, an additional tax burden is shifted to other ratepayers for funds required by the District which are not collected.

Recommendation:

We recommend that Administration continue to work with ratepayers to achieve payment in full for taxes in arrears in a reasonable time but only until such time as the District can seize and sell the property. This will allow ratepayers an opportunity to pay their outstanding fees while not increasing the credit risk to the District beyond what is required.

2004 Audit Results (Continued)

Payroll Function

Observation and Risk:

Although some improvements have been implemented in the payroll function from 2003, we observed a number of adjustments were made to the vacation pay accrual accounts which were not reviewed or approved by senior administration before being recorded in the General Ledger accounts. We also observed that some payroll information which is maintained outside of the payroll system on electronic spreadsheets was sometimes not completely updated or did not properly foot and extend. The net effect of any differences identified in the current year were not material and did not require adjustment to the financial statements. However, the risk to the District is that incorrect or inappropriate adjustments could be made to the general ledger or personnel accounts and that assets could be misappropriated if not properly reviewed and approved by the appropriate level of administration.

Recommendation:

We recommend that a member of senior administration regularly review transactions recorded in the general ledger, especially those related to key areas such as cash or payroll, and investigate any large or unusual adjustments identified.

Capital Asset Verification

Observation and Risk:

As discussed in prior years, the District only has detailed information on physical assets purchased in the past four to five years, which comprise less than 45% of the total cost recorded for land, structures and equipment. The risk to the District is that without detailed information of the assets on hand, administration may not be able to correctly account of the disposal or write off in value of assets previously recorded in the accounts, future capital replacement planning becomes much more difficult to forecast and budget for, and support for an insurance claim in the event of an accident or theft of assets is unavailable.

Recommendation:

We recommend that administration perform a capital asset verification review of the assets currently held by the District and record in the capital asset subledger all known costs that can be identified for those assets.

Appendix A – Draft Financial Statements

Financial Statements

Municipal District of Mackenzie No. 23

December 31, 2004

AUDITORS' REPORT

To the Members of Council
Municipal District of Mackenzie No. 23

We have audited the statement of financial position of the Municipal District of Mackenzie No. 23 as at December 31, 2004 and the statements of financial activities and changes in fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the District's administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the District's administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal District of Mackenzie No. 23 as at December 31, 2004 and the results of its financial activities and its changes in financial position for the year then ended in accordance with the Canadian generally accepted accounting principles.

Edmonton, Canada
March 18, 2005

Chartered Accountants

Municipal District of Mackenzie No. 23

Statement 1

STATEMENT OF FINANCIAL POSITION

As at December 31

	2004 \$	2003 \$
ASSETS		
Financial assets		
Cash and cash equivalents <i>[note 3]</i>	4,960,392	7,462,548
Trust asset	4,071	32,854
Taxes receivable <i>[note 4]</i>	520,006	525,769
Grants and other accounts receivable	5,365,946	1,738,386
Under-levies	—	167,831
Land held for resale	98,873	104,464
Prepaid expenses	142,783	141,701
	11,092,071	10,173,553
Physical assets		
Inventories <i>[note 5]</i>	1,163,734	1,311,127
Land, structures and equipment <i>[note 6]</i>	75,177,657	63,556,052
	76,341,391	64,867,179
	87,433,462	75,040,732
LIABILITIES AND MUNICIPAL POSITION		
Liabilities		
Accounts payable and accrued liabilities <i>[note 7]</i>	3,142,267	2,113,616
Trust liability	4,071	32,854
Deposit liabilities <i>[note 8]</i>	38,038	40,600
Deferred revenue <i>[note 9]</i>	507,537	400,180
Long-term debt <i>[note 10]</i>	8,024,844	4,492,594
	11,716,757	7,079,844
Contingencies <i>[note 11]</i>		
Municipal position		
Fund balances		
Operating fund (Schedule 1)	585,307	535,307
Capital fund (Schedule 2)	—	—
Reserve fund (Schedule 3)	6,814,851	7,050,996
Equity in physical assets	68,316,547	60,374,585
	75,716,705	67,960,888
	87,433,462	75,040,732

See accompanying notes

Approved by:

Reeve

Chief Administrative Officer

Municipal District of Mackenzie No. 23

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCES

Year ended December 31

	Budget	2004	2003
	\$	\$	\$
	(note 15)		
REVENUES			
Property taxes	21,722,020	21,681,556	20,654,929
Less: Education requisitions	6,490,221	6,479,280	6,044,601
Lodge requisition	325,093	325,093	337,394
Net municipal property taxes (Schedule 4)	14,906,706	14,877,183	14,272,934
User fees and sales of goods	1,445,578	1,611,384	1,411,584
Government transfers (Schedule 6)	11,202,688	6,484,198	2,714,382
Investment income	188,250	163,233	281,123
Penalties and costs on taxes	100,000	86,555	111,774
Licenses, permits and fines	68,000	58,275	92,357
Rentals	45,900	41,623	52,325
Development levies	—	63,280	43,815
Other	2,628,399	257,002	222,490
Proceeds on sale of physical assets	255,000	162,316	215,356
Total revenue	30,840,521	23,805,049	19,418,140
EXPENDITURES (Schedule 7)			
Operating			
Legislative	298,110	298,074	274,639
Administration	2,558,835	2,466,371	2,463,674
Protective services	1,316,367	1,299,287	1,183,404
Transportation	4,481,427	4,561,404	4,318,075
Environmental use and protection	1,585,760	1,443,127	1,645,411
Public health and welfare	444,151	409,703	380,711
Planning and development	1,096,275	1,069,840	931,418
Recreation and culture	845,357	822,541	696,085
Total operating expenditures	12,626,282	12,370,347	11,893,417
Capital			
Administration	178,552	151,043	396,041
Protective services	120,024	87,125	569,140
Transportation	12,492,815	7,175,270	5,102,742
Environmental use and protection	10,268,947	7,517,941	397,163
Planning and development	557,318	221,718	621,814
Total capital expenditures	23,617,656	15,153,097	7,086,900
Total expenditures	36,243,938	27,523,444	18,980,317
Excess (deficiency) of revenue over expenditures	(5,403,417)	(3,718,395)	437,823
Increase in long-term debt	4,605,052	4,000,000	407,429
Long-term debt repayment	(467,751)	(467,750)	(437,134)
Waste Management Authority transfer [note 2]	—	—	(310,407)
Change in fund balances	(1,266,116)	(186,145)	97,711

See accompanying notes

Municipal District of Mackenzie No. 23

Statement 3

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31

	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	(3,718,395)	437,823
Change in operating assets and liabilities:		
Decrease in taxes receivable	5,763	92,293
Increase in grants and other accounts receivable	(3,627,560)	(419,455)
Decrease in under-levies	167,831	125,084
Decrease in land held for resale	5,591	13,287
Increase in prepaid expenses	(1,082)	(127,733)
Increase (decrease) in accounts payable and accrued liabilities	1,028,651	(670,247)
Increase (decrease) in deposit liabilities	(2,562)	3,230
Increase (decrease) in deferred revenue	107,357	(135,682)
	(6,034,406)	(681,400)
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES		
Increase in long-term debt	4,000,000	407,429
Long-term debt repayments	(467,750)	(437,134)
Waste Management Authority transfer [note 2]	—	(513,908)
	3,532,250	(543,613)
Decrease in cash position during the year	(2,502,156)	(1,225,013)
Cash position, beginning of the year	7,462,548	8,687,561
Cash position, end of the year	4,960,392	7,462,548
Cash position consists of:		
Cash	1,960,392	462,548
Cash equivalents	3,000,000	7,000,000
	4,960,392	7,462,548

See accompanying notes

SCHEDULE OF OPERATING FUND ACTIVITIES AND CHANGE IN FUND BALANCES

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
Revenues			
Net municipal property taxes (Schedule 4)	14,906,706	14,877,183	14,272,934
User fees and sales of goods	1,445,578	1,611,384	1,411,584
Government transfers	720,194	720,608	709,480
Investment income	188,250	161,770	269,127
Licenses, permits and fines	68,000	58,275	92,357
Penalties and costs of taxes	100,000	86,555	111,774
Rentals	45,900	41,623	52,325
Other	284,700	151,956	164,841
	<u>17,759,328</u>	<u>17,709,354</u>	<u>17,084,422</u>
Expenditures			
Legislative	298,110	298,074	274,639
Administration	2,558,835	2,466,371	2,463,674
Protective services	1,316,367	1,299,287	1,183,404
Transportation	4,481,427	4,561,404	4,318,075
Environmental use and protection	1,585,760	1,443,127	1,645,411
Public health and welfare	444,151	409,703	380,711
Planning and development	1,096,275	1,069,840	931,418
Recreation and culture	845,357	822,541	696,085
	<u>12,626,282</u>	<u>12,370,347</u>	<u>11,893,417</u>
Excess of revenues over expenditures	<u>5,133,046</u>	<u>5,339,007</u>	<u>5,191,005</u>
Net interfund transfers:			
To capital fund (Schedule 2)	(4,480,595)	(4,469,459)	(3,450,067)
To reserve fund (Schedule 3)	(184,700)	(351,798)	(1,407,325)
Long-term debt repayment	(467,751)	(467,750)	(437,134)
	<u>(5,133,046)</u>	<u>(5,289,007)</u>	<u>(5,294,526)</u>
Change in fund balance	—	50,000	(103,521)
Operating fund, opening balance	535,307	535,307	686,106
Waste Management Authority transfer [note 2]	—	—	(47,278)
Operating fund, closing balance	<u>535,307</u>	<u>585,307</u>	<u>535,307</u>

**SCHEDULE OF CAPITAL FUND ACTIVITIES
AND CHANGE IN FUND BALANCES**

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
Revenues			
Government transfers	10,482,494	5,763,590	2,004,902
Development levies	—	63,280	43,815
Investment income	—	1,463	11,996
Proceeds on sale of physical assets	255,000	162,316	215,356
Other	2,343,699	105,046	57,649
	<u>13,081,193</u>	<u>6,095,695</u>	<u>2,333,718</u>
Expenditures			
Administration	178,552	151,043	396,041
Protective services	120,024	87,125	569,140
Transportation	12,492,815	7,175,270	5,102,742
Environmental use and protection	10,268,947	7,517,941	397,163
Planning and development	557,318	221,718	621,814
	<u>23,617,656</u>	<u>15,153,097</u>	<u>7,086,900</u>
Deficiency of revenues over expenditures	<u>(10,536,463)</u>	<u>(9,057,402)</u>	<u>(4,753,182)</u>
Net interfund transfers:			
From reserve fund (Schedule 3)	1,450,816	587,943	895,686
From operating fund (Schedule 1)	4,480,595	4,469,459	3,450,067
Increase in long-term debt	4,605,052	4,000,000	407,429
	<u>10,536,463</u>	<u>9,057,402</u>	<u>4,753,182</u>
Change in fund balance	—	—	—
Capital fund, opening balance	—	—	—
Capital fund, closing balance	—	—	—

Municipal District of Mackenzie No. 23

Schedule 3

**SCHEDULE OF RESERVE FUND ACTIVITIES AND
CHANGES IN FUND BALANCE**

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
Net interfund transfers			
Transfers from operating fund	184,700	351,798	1,407,325
Transfers to capital fund	(1,450,816)	(587,943)	(895,686)
Change in fund balance	(1,266,116)	(236,145)	511,639
Waste Management Authority transfer <i>[note 2]</i>	—	—	(263,129)
	(1,266,116)	(236,145)	248,510
Reserve fund, opening balance	7,050,996	7,050,996	6,802,486
Reserve fund, closing balance <i>[note 12]</i>	5,784,880	6,814,851	7,050,996

Municipal District of Mackenzie No. 23

Schedule 4

SCHEDULE OF PROPERTY TAXES

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
LEVIES			
Residential land and improvements	2,424,569	2,378,876	2,134,804
Non-residential land and improvements	18,632,751	18,671,598	17,721,861
Farmland	427,197	427,400	429,139
Federal grants in lieu of taxes	17,692	15,868	15,254
Provincial grants in lieu of taxes	34,953	37,135	189,050
Special assessments and local improvement taxes	184,858	150,679	164,821
Total taxes and grants in lieu	21,722,020	21,681,556	20,654,929
REQUISITIONS			
Alberta School Foundation Fund	6,490,221	6,479,280	6,044,601
Seniors lodge	325,093	325,093	337,394
Net taxes for general municipal operations	14,906,706	14,877,183	14,272,934

Municipal District of Mackenzie No. 23

Schedule 5

**SCHEDULE OF CHIEF ADMINISTRATIVE OFFICER,
AND COUNCILOR SALARY AND BENEFITS**

Year ended December 31

Officer/ Councilor	2004			2003
	Salary/ Per Diems \$	Benefits \$	Total \$	Total \$
Betty Bateman	12,300	168	12,468	17,068
Odell Flett	14,325	168	14,493	1,521
Ed Froese	3,375	—	3,375	—
Greg Newman	15,425	168	15,593	21,793
Jim Thompson	4,250	168	4,418	—
Joe Peters	11,425	168	11,593	17,418
John W. Dreidger	21,900	168	22,068	20,393
Lisa Wardley	4,775	168	4,943	—
Michael Nanooch	—	168	168	12,218
Patricia Kulscar	16,600	168	16,768	21,618
Peter Braun	4,425	—	4,425	—
Stuart Watson	2,675	168	2,843	—
Walter Sarapuk	18,050	168	18,218	16,763
Wayne Thiessen	10,725	168	10,893	15,843
William Neufeld	27,350	168	27,518	27,143
Willie Neudorf	4,425	168	4,593	—
Willie Wieler	7,850	168	8,018	16,368
Chief Administrative Officer (2 individuals in 2004, one individual in 2003)	115,952	2,309	118,261	109,517
	295,827	4,829	300,656	297,663

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and other direct cash remuneration.
2. Benefits include 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, long and short term disability, professional memberships and tuition.
3. The District has a personal vehicle allowance policy which provides for the payment for the use of personal vehicles for municipal business purposes. No amount has been included in the benefits figure.

Municipal District of Mackenzie No. 23

Schedule 6

SCHEDULE OF GOVERNMENT TRANSFERS

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
Federal transfers			
Shared-cost agreements and grants	200,000	170,000	112,964
Provincial transfers			
Shared-cost agreements and grants	11,002,335	6,313,845	2,600,454
Debt interest rebates	353	353	964
	11,002,688	6,314,198	2,601,418
Total government transfers	11,202,688	6,484,198	2,714,382

Municipal District of Mackenzie No. 23

Schedule 7

**SCHEDULE OF TOTAL
EXPENDITURES BY OBJECT**

Year ended December 31

	Budget \$	2004 \$	2003 \$
	(note 15)		
Salaries, wages and benefits	3,730,594	3,447,845	3,283,415
Contracted and general services	3,900,483	3,965,581	3,832,547
Materials, goods, supplies and utilities	2,446,408	2,447,625	2,416,809
Transfers to other governments	1,030,622	1,112,675	1,000,890
Transfers to local boards and agencies	1,172,214	1,106,675	980,347
Interest on long-term debt <i>[note 10]</i>	258,461	265,727	278,636
Physical assets acquired	23,617,656	15,153,097	7,086,900
Other operating expenditures	87,500	24,219	100,773
	36,243,938	27,523,444	18,980,317

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipal District of Mackenzie No. 23 (the "District") are prepared by the District's administration in accordance with Canadian generally accepted accounting principles which includes financial reporting standards appropriate for local governments recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

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

Basis of accounting

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

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

The comparative figures in these statements include the proportionately consolidated accounts of the Mackenzie Waste Management Authority (see note 2) of which the District was a member until August 18, 2003. All accounts and transactions between the District and the Authority have been eliminated on consolidation.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund accounting

Funds are recorded within the financial statements as described below. Transactions between funds are recorded as inter-fund transfers.

i) **Operating fund**

The operating fund reflects the financial activities associated with the provision of general municipal services during the year.

ii) **Capital fund**

The capital fund reflects the financial activities associated with the acquisition, construction and funding of land, structures and equipment.

iii) **Reserve fund**

The reserve fund reflects funds authorized by Council to be set aside for the funding of future operating or capital expenditures.

Cash and cash equivalents

Cash and cash equivalents consists of cash and term deposits with periods to maturity of less than 90 days.

Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual 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.

Physical assets

Physical assets are recognized as expenditures in the period they are acquired. Physical assets are carried on the statement of financial position at cost. Adjustments are made to relieve the cost of assets for the original cost of assets sold, lost or scrapped where such costs are determinable.

Government contributions for the acquisition of physical assets are recorded as capital revenue and do not reduce the related physical asset costs.

Physical assets for government purposes are not depreciated.

Inventories of materials and supplies are carried at the lower of cost and replacement cost with cost determined by the average cost method.

Gravel pit reclamation

Estimated future costs for gravel pit reclamation and site restoration are charged to expenditure over the life of each pit based on the amount of material expected to be extracted. Amounts charged to expenditures but not yet paid are included in accounts payable and accrued liabilities. Due to the long-term nature of assumptions made, it is possible that estimates could prove to be materially incorrect and accordingly, the impact on the financial statements for future periods could be material.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity in physical assets

Equity in physical assets represents the District's net investment in its total physical assets after deducting the portion financed by third parties through debenture, bond, and mortgage debts, long-term capital borrowing, capitalized leases, and other capital liabilities.

Pension expenditure

The District participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan.

2. MACKENZIE REGIONAL WASTE MANAGEMENT AUTHORITY

The District was a member of the Mackenzie Regional Waste Management Authority. On August 19, 2003, the Minister of Municipal Affairs passed Alberta Regulation 264/2003 which created the Mackenzie Regional Waste Management Commission and transferred control from the Authority members to the Province of Alberta. On that date, the District's proportionate share of the assets, liabilities and equity of the Authority (72.85%) were transferred to the Mackenzie Regional Waste Management Commission.

The financial position and operating results of the Mackenzie Regional Waste Management Authority were as follows:

	August 18, 2003 \$	District's Portion \$
Cash	705,433	513,908
Accounts receivable	51,551	37,555
Physical assets	971,797	707,954
Accounts payable and accrued liabilities	185,855	135,395
Deferred revenue	145,037	105,659
Equity in physical assets	971,797	707,954
Operating reserves	361,193	263,129
Accumulated operating fund	64,899	47,278
Revenues	204,984	149,331
Expenses	160,085	116,622

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

3. BANK LINE OF CREDIT

The District has an operating line of credit up to \$6,000,000 of which nil was utilized at December 31, 2004. Amounts bear interest at prime less 0.25% (4.25%).

4. TAXES RECEIVABLE

	2004	2003
	\$	\$
Taxes receivable -		
Current	414,461	378,719
Arrears	152,545	261,050
	567,006	639,769
Allowance for uncollectible taxes	(47,000)	(114,000)
	520,006	525,769

5. INVENTORIES

	2004	2003
	\$	\$
Gravel	755,937	944,076
Parts and supplies	407,447	367,051
	1,163,384	1,311,127

6. LAND, STRUCTURES AND EQUIPMENT

	2004	2003
	\$	\$
Engineering structures	62,853,218	51,773,103
Buildings	3,919,012	3,829,705
Vehicles	4,579,810	3,036,573
Machinery and equipment	3,167,223	4,258,277
Land	658,394	658,394
Total cost	75,177,657	63,556,052

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2004	2003
	\$	\$
Trade payables and accruals	2,527,205	1,477,301
Gravel pit reclamation	403,762	364,215
Employee payable	158,090	219,418
Long-term debt interest payable	53,210	52,682
	<u>3,142,267</u>	<u>2,113,616</u>

8. DEPOSIT LIABILITIES

	2004	2003
	\$	\$
Utilities	37,369	36,100
Land lot sales	669	4,500
	<u>38,038</u>	<u>40,600</u>

9. DEFERRED REVENUE

	2004	2003
	\$	\$
Prepaid local improvements	46,464	45,070
Restricted grant funding	461,073	355,110
	<u>507,537</u>	<u>400,180</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

10. LONG-TERM DEBT

	2004	2003
	\$	\$
Debentures -		
Alberta Capital Finance Authority		
10.375%, due 2004	—	25,218
12.000%, due 2007	269,094	340,295
5.750%, due 2011	467,804	520,910
5.375%, due 2012	2,913,099	3,198,742
4.875%, due 2013	374,847	407,429
4.230%, due 2014	4,000,000	—
	8,024,844	4,492,594

Principal and interest repayment requirements on long-term debt over the next five years and to maturity are as follows:

	Principal	Interest	Total
	\$	\$	\$
2005	800,014	399,801	1,199,815
2006	844,719	355,096	1,199,815
2007	892,309	307,506	1,199,815
2008	830,974	256,804	1,087,778
2009	871,587	216,191	1,087,778
To maturity	3,785,241	436,881	4,222,122
	8,024,844	1,972,279	9,997,123

For qualifying debentures, the Province of Alberta rebates 50% of interest in excess of 8%, 9% and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the District at large.

Interest expense on long-term debt amounted to \$265,727 (2003 – \$278,636) and the District's total cash payments for interest were \$265,199 (2003 - \$275,662), for the year ended December 31, 2004.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

10. LONG-TERM DEBT (CONTINUED)

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

	2004 \$	2003 \$
Total debt limit	27,062,189	26,119,857
Total debt	8,024,844	4,492,594
Amount by which debt limit exceeds debt	19,037,345	21,627,263
Service on debt limit	4,510,365	4,353,310
Service on debt	1,199,815	732,949
Amount by which debt servicing limit exceeds debt servicing	3,310,550	3,620,361

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

11. CONTINGENCIES

The District has committed to the construction of the La Crete Water Treatment Plant project which commenced in 2004 and is scheduled to be completed by May, 2005. The total cost of the project is approximately \$10,100,000 of which \$7,590,138 has been incurred to December 31, 2004. The project will be funded 62.26% by the Province of Alberta and 37.74% by the District. As at December 31, 2004, the District has fully funded its portion of the project through long-term debt.

In the normal conduct of operations, various legal claims are pending against the District in connection with road maintenance and construction and other matters. The District carries liability insurance, subject to certain deductibles and policy limits, against such claims. Administration believes that the District has recognized adequate provisions for probable and reasonably estimable liabilities associated with these claims, and that their ultimate resolutions will not materially exceed insurance coverages nor have a material adverse effect on the financial position of the District or its financial activities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

11. CONTINGENCIES (CONTINUED)

The District is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of the membership, the 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 of the settlement.

12. RESERVE FUND

Reserves have been established as follows:

	2004	2003
	\$	\$
Operating		
General operating	1,239,785	1,365,915
Gravel reserve	176,892	198,570
Prepaid local improvements and off-site levy	228,656	161,726
Recreation and parks	26,184	85,484
Subdivision development	82,111	64,975
Total operating reserves	1,753,628	1,876,670
Capital		
Emergency equipment	504,816	347,582
General roads	2,203,158	2,020,728
General capital	2,232,396	2,663,747
Vehicle replacement	120,853	142,269
Total capital reserves	5,061,223	5,174,326
Total reserves	6,814,851	7,050,996

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the District participate in the Local Authorities Pension Plan (LAPP) which is covered by the Public Sector Pension Plans Act. The Plan serves approximately 133,000 employees and 389 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The District is required to make current service contributions to the Plan of 5.525% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 7.4% for the excess.

The current service contributions by the District to the Local Authorities Pension Plan in 2004 were \$127,528 (2003 - \$92,978). Total current service contributions by the employees of the District to the Local Authorities Pension Plan in 2004 were \$109,296 (2003 - \$77,270).

At December 31, 2004, the Plan disclosed an actuarial deficiency of \$1,269 million.

14. FINANCIAL INSTRUMENTS

The District's financial instruments consist of cash and cash equivalents, taxes receivable, grants and other accounts receivable, under-levies, land held for resale, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is administration's opinion that the District is not exposed to significant interest or currency risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

15. BUDGET FIGURES

Budget figures are included for information purposes only and are unaudited.

16. SUBSEQUENT EVENT

Subsequent to the year end, District Council passed bylaw 483/05 approving the borrowing of approximately \$495,000 through debenture.

17. COMPARATIVE FIGURES

Certain comparative figures have been restated, where necessary, to conform with the current year presentation.

Appendix B – Draft Financial Information Return

Financial Information Return

Municipal District of Mackenzie No. 23
December 31, 2004

AUDITORS' REPORT FINANCIAL INFORMATION RETURN

To the Minister of
Alberta Municipal Affairs

We have audited the financial information return of Municipal District of Mackenzie No. 23 for the year ended December 31, 2004. This financial information return has been prepared to comply with Section 277 of the Municipal Government Act and is to be used primarily for provincial statistical purposes. This financial information is the responsibility of the District's administration. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether this financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information return. An audit also includes assessing the accounting principles used and significant estimates made by the municipal administration, as well as evaluating the overall presentation of the financial information.

In our opinion, this financial information return presents fairly, in all material respects, the financial position of Municipal District of Mackenzie No. 23 as at December 31, 2004 and the results of its operations for the year then ended in accordance with the accounting principles prescribed by the Minister of Alberta Municipal Affairs as provided for in Section 277 of the Municipal Government Act.

This financial information, which has not been, and was not intended to be, prepared in accordance with Canadian generally accepted accounting principles, is solely for the information and use of the Minister of Alberta Municipal Affairs to comply with Section 277 of the Municipal Government Act and is to be used primarily for provincial statistical purposes. The financial information is not intended to be and should not be used by anyone other than the specified users or for any other purpose. We have issued an audit report dated March 18, 2005 on the financial statements of Municipal District of Mackenzie No. 23 for the year ended December 31, 2004 and reference should be made to those audited financial statements for complete information.

Edmonton, Canada
March 18, 2005

Chartered Accountants

FINANCIAL INFORMATION RETURN

FOR THE YEAR ENDING DECEMBER 31, 2004

Chief Administrative Officer or Designated Officer Certification

Municipality Name: _____ **Municipal District of Mackenzie No. 23**

**This Financial Information Return, to the best of my knowledge,
is presented fairly and was prepared in compliance with the
accompanying Financial Information Manual.**

Signature _____ **Dated** _____

FINANCIAL POSITION

Schedule A

		Operating 1	Capital 2	Reserves 3	Total 4
Assets	0010				
Cash and Temporary Investments	0020			4,960,392	4,960,392
Taxes and Grants in Place Receivables	0030				
. Current	0040	414,461			414,461
. Arrears	0050	152,545			152,545
. Allowance	0060	-47,000			-47,000
Receivable From Other Governments	0070	689,015	4,487,753		5,176,768
Loans Receivable	0080				
Trade and Other Receivables	0090	189,178			189,178
Due From Excluded Functions	0100				
Due From Other Funds	0110	203,989		1,854,459	
Inventory of Consumable Supplies	0120		1,163,734		1,163,734
Inventories Held for Resale	0130				
. Land	0140	98,873			98,873
. Other	0150	70			70
Prepaid Expenses	0160	142,713			142,713
Long Term Investments	0170				
. Federal Government	0180				
. Provincial Government	0190				
. Local Governments	0200				
. Other	0210				
Capital Property	0220		75,177,657		75,177,657
Other Current Assets	0230				
Other Long Term Assets	0240				
	0250	1,843,844	80,829,144	6,814,851	
Total Assets	0260				87,429,391
Liabilities	0270				
Temporary Loans Payable	0280				
Payable To Other Governments	0290	117,290			117,290
Accounts Payable & Accrued Liabilities	0300	1,054,765	1,968,232		3,022,997
Deposit Liabilities	0310	38,038			38,038
Due To Excluded Functions	0320				
Due To Other Funds	0330		2,058,448		
Deferred Revenue	0340	46,464	461,073		507,537
Long Term Debt	0350		8,024,844		8,024,844
Other Current Liabilities	0360	1,980			1,980
Other Long Term Liabilities	0370				
	0380	1,258,537	12,512,597		
Total Liabilities	0390				11,712,686
Equity	0400				
Restricted Fund Balances	0405				
Unrestricted Fund Balances	0406	585,307	68,316,547	6,814,851	75,716,705
Total Fund Balances	0410	585,307	68,316,547	6,814,851	75,716,705
Unfunded Liabilities	0415				
	0418	585,307	68,316,547	6,814,851	75,716,705
	0420	1,843,844	80,829,144	6,814,851	
Total Liabilities and Equity	0430				87,429,391

FUND EQUITY

Schedule B

		Operating 1	Capital 2	Reserves 3	Total 4
Net Revenue (Expenditure)	0500	5,339,010	2,416,808		7,755,818
Net Transfers From / To Reserves Fund	0510	-351,798	587,942	-236,144	
Net Transfers From / To Excluded Function	0520	-4,469,462	4,469,462		
Net Transfers From / To Operating / Capital Fund	0530				
Transfer To Capital: Principal Repayments on L\I	0540	-467,750	467,750		
Appropriated From Beginning of Year Fund Balar	0550				
Other Inter-Fund Adjustments	0560				
Increase (Decrease) in Unfunded Liabilities	0565				

Change in Fund Balances	0570	50,000	7,941,962	-236,144	7,755,818

Fund Balances	0575				
Balance at Beginning of Year	0580	535,307	60,374,585	7,050,995	67,960,887
Prior Period Adjustments	0590				
Appropriated To Operating Fund	0600				
Other Adjustments	0610				

Balance at End of Year	0620	585,307	68,316,547	6,814,851	75,716,705

FINANCIAL ACTIVITIES BY FUNCTION

Schedule C

		Operating 1	Capital 2	Total 3
Total General Revenue	0700	15,001,178		15,001,178
Function Revenue	0710			
General Government	0720			
Council and Other Legislative	0730			
General Administration	0740	134,193	36,864	171,057
Other General Government.....	0750			
Protective Services	0760			
Police	0770			
Fire	0780	96,856	2,675	99,531
Disaster and Emergency Measures	0790			
Ambulance and First Aid	0800	7,200	31,463	38,663
Bylaws Enforcement	0810	43,946	2,824	46,770
Other Protective Services.....	0820			
Transportation	0830			
Common and Equipment Pool	0840			
Roads, Streets, Walks, Lighting	0850	564,058	2,578,899	3,142,957
Airport	0860	30,130		30,130
Public Transit	0870			
Storm Sewers and Drainage	0880			
Other Transportation	0890			
Environmental Use and Protection	0900			
Water Supply and Distribution	0910	1,005,242	3,352,196	4,357,438
Wastewater Treatment and Disposal	0920	307,067		307,067
Waste Management	0930	8,335	30,408	38,743
Other Environmental Use and Protection	0940			
Public Health and Welfare	0950			
Family and Community Support	0960	207,926		207,926
Day Care	0970			
Cemeteries and Crematoriums	0980			
Other Public Health and Welfare	0990			
Planning and Development	1000			
Land Use Planning, Zoning and Development	1010	225,465		225,465
Economic/Agricultural Development	1020	56,370	60,366	116,736
Subdivision Land and Development	1030	21,389		21,389
Public Housing Operations	1040			
Land, Housing and Building Rentals	1050			
Other Planning and Development.....	1060			
Recreation and Culture	1070			
Recreation Boards	1080			
Parks and Recreation	1090			
Culture: Libraries, Museums, Halls	1100			
Convention Centres	1110			
Other Recreation and Culture.....	1120			
Other	1130			
Total Revenue	1140	17,709,355	6,095,695	23,805,050

FINANCIAL ACTIVITIES BY FUNCTION

Schedule C (cont.)

		Operating 1	Capital 2	Total 3
Expenditures	1150			
General Government	1160			
Council and Other Legislative	1170	298,074		298,074
General Administration	1180	2,466,371	45,016	2,511,387
Other General Government.....	1190			
Protective Services	1200			
Police	1210			
Fire	1220	494,096	12,183	506,279
Disaster and Emergency Measures	1230			
Ambulance and First Aid	1240	593,706	13,415	607,121
Bylaws Enforcement	1250	211,485	3,230	214,715
Other Protective Services.....	1260			
Transportation	1270			
Common and Equipment Pool	1280			
Roads, Streets, Walks, Lighting	1290	4,485,439	2,933,998	7,419,437
Airport	1300	75,965		75,965
Public Transit	1310			
Storm Sewers and Drainage	1320			
Other Transportation	1330			
Environmental Use and Protection	1340			
Water Supply and Distribution	1350	920,277	87,439	1,007,716
Wastewater Treatment and Disposal	1360	231,134	69,593	300,727
Waste Management	1370	291,716	14,694	306,410
Other Environmental Use and Protection	1380			
Public Health and Welfare	1390			
Family and Community Support	1400	409,703		409,703
Day Care	1410			
Cemeteries and Crematoriums	1420			
Other Public Health and Welfare	1430			
Planning and Development	1440			
Land Use Planning, Zoning and Development	1450	409,851		409,851
Economic/Agricultural Development	1460	653,735		653,735
Subdivision Land and Development	1470	6,254		6,254
Public Housing Operations	1480			
Land, Housing and Building Rentals	1490			
Other Planning and Development.....	1500			
Recreation and Culture	1510			
Recreation Boards	1520	674,972		674,972
Parks and Recreation	1530			
Culture: Libraries, Museums, Halls	1540	122,165		122,165
Convention Centres	1550			
Other Recreation and Culture.....	1560	25,402		25,402
Other	1570		499,319	499,319
Total Expenditures	1580	12,370,345	3,678,887	16,049,232
Net Revenue (Expenditure)	1590	5,339,010	2,416,808	7,755,818

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule D

		Operating 1	Capital 2	Total 3
Revenues	1700			
Taxation and Grants in Place	1710			
Property (Net Municipal)	1720	14,726,504		14,726,504
Business	1730			
Business Revitalization Zone	1740			
Special	1750			
Well Drilling	1760	66,012		66,012
Local Improvement	1770	150,679		150,679
Sales To Other Governments	1790			
Sales and User Charges	1800	1,611,384		1,611,384
Penalties and Costs on Taxes	1810	86,555		86,555
Licenses and Permits	1820	14,979		14,979
Fines	1830	43,296		43,296
Franchise and Concession Contracts	1840			
Returns on Investments	1850	161,770	1,463	163,233
Rentals	1860	41,623		41,623
Insurance Proceeds	1870	8,833		8,833
Proceeds From Disposal of Capital Property	1880			
Federal Government Unconditional Transfers	1890			
Federal Government Conditional Transfers	1900		170,000	170,000
Provincial Government Unconditional Transfers	1910	23,178		23,178
Provincial Government Conditional Transfers	1920	697,430	5,593,590	6,291,020
Local Government Transfers	1930			
Transfers From Local Boards and Agencies	1940			
Drawn From Allowances	1950			
Developers' Agreements and Levies	1960		63,280	63,280
Other Revenues	1970	77,112	267,362	344,474
Total Revenue	1980	17,709,355	6,095,695	23,805,050
Expenditures	1990			
Salaries, Wages, and Benefits	2000	3,447,845		3,447,845
Contracted and General Services	2010	3,965,581		3,965,581
Purchases from Other Governments	2020			
Materials, Goods, Supplies, and Utilities	2030	2,447,625		2,447,625
Provision For Allowances	2040			
Transfers to Other Governments	2050	1,112,675		1,112,675
Transfers to Local Boards and Agencies	2060			
Transfers to Individuals and Organizations	2070	1,106,675		1,106,675
Bank Charges and Short Term Interest	2080	3,910		3,910
Interest on Operating Long Term Debt	2090			
Interest on Capital Long Term Debt	2100	265,727		265,727
Amortization of Capital Property	2110			
Unamortized Cost of Capital Property Disposed	2120		351,926	351,926
Other Expenditures	2130	20,307	3,326,961	3,347,268
Total Expenditures	2140	12,370,345	3,678,887	16,049,232
Net Revenue (Expenditure)	2150	5,339,010	2,416,808	7,755,818

OPERATING FUND SUPPLEMENTARY DETAIL

Schedule E

		Operating Revenue		Operating Expenditures	
		Sales and User Charges	Provincial Government Conditional Transfers	Interest on Operating Long Term Debt	Interest on Capital Long Term Debt
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	27,461	14,769		
Other General Government.....	2230				
Protective Services	2240				
Police	2250				
Fire	2260	96,856			
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320				
Roads, Streets, Walks, Lighting	2330	103,414	424,909		171,302
Airport	2340	29,130			
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	901,024	353		54,942
Wastewater Treatment and Disposal	2400	259,210			39,483
Waste Management	2410	8,335			
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440		207,926		
Day Care	2450				
Cemeteries and Crematoriums	2460				
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490	185,954			
Economic/Agricultural Development	2500		49,473		
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530				
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570				
Culture: Libraries, Museums, Halls	2580				
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other	2610				
Total	2620	1,611,384	697,430		265,727

CAPITAL FUND SUPPLEMENTARY DETAIL

Schedule F

		Capital Revenue	Capital Assets	Capital Fund Long Term Debt	
		Provincial	Capital	Principal	Principal
		Government	Property	Additions	Reductions
		Conditional	Additions	During Year	During Year
Transfers		1	2	3	4
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720	35,314	106,027		
Other General Government.....	2730				
Protective Services	2740				
Police	2750				
Fire	2760	2,675	4,591		
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780	30,000	43,163		
Bylaws Enforcement	2790		10,544		
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830	2,145,912	4,241,273		285,644
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	3,288,916	7,288,916	4,000,000	110,998
Wastewater Treatment and Disposal	2900				71,108
Waste Management	2910	30,408	57,299		
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960				
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000	60,365	135,373		
Subdivision Land and Development	3010		86,345		
Public Housing Operations	3020				
Land, Housing and Building Rentals	3030				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070				
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other	3110				
Total	3120	5,593,590	11,973,531	4,000,000	467,750

CHANGES IN CAPITAL PROPERTY

Schedule G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Capital Property - Cost	3200				
Engineering Structures	3210	51,773,103	11,080,115		62,853,218
Buildings	3220	3,829,705	89,307		3,919,012
Machinery and Equipment	3230	4,258,277	646,236	324,703	4,579,810
Land	3240	658,394			658,394
Vehicles	3250	3,036,573	157,873	27,223	3,167,223
Total Capital Property Cost	3260	63,556,052	11,973,531	351,926	75,177,657
Capital Property - Accumulated Amortization	3270				
Engineering Structures	3280				
Buildings	3290				
Machinery and Equipment	3300				
Land	3310				
Vehicles	3320				
Total Capital Property Accumulated Amortization	3330				
Total Capital Property Net of Accum. Amortization	3340	63,556,052	11,973,531	351,926	75,177,657

LONG TERM DEBT SUPPORT

Schedule H

		Operating 1	Capital 2	Total 3
Long Term Debt Support	3400			
Supported by General Tax Levies	3410		8,024,844	8,024,844
Supported by Special Levies	3420			
Supported by Utility Rates	3430			
Other	3440			
Total Long Term Debt Principal Balance	3450		8,024,844	8,024,844

LONG TERM DEBT SOURCES

Schedule I

		Operating 1	Capital 2	Total 3
Alberta Capital Finance Authority.....	3500		8,024,844	8,024,844
Province of Alberta	3510			
Canada Mortgage and Housing Corporation	3520			
Municipal Development and Loan Board	3530			
Government of Canada	3540			
Alberta Mortgage and Housing Corporation	3550			
Alberta Opportunity Company	3560			
Public Bond Issue	3570			
United States Market	3580			
European Market	3590			
Mortgage Borrowing	3600			
Other	3610			
Total Long Term Debt Principal Balance	3620		8,024,844	8,024,844

FUTURE LONG TERM DEBT REPAYMENTS

Schedule J

		Operating 1	Capital 2	Total 3
Principal Repayments by Year	3700			
Current + 1	3710		800,014	800,014
Current + 2	3720		844,719	844,719
Current + 3	3730		892,309	892,309
Current + 4	3740		830,974	830,974
Current + 5	3750		871,587	871,587
Thereafter	3760		3,785,241	3,785,241
Total Principal	3770		8,024,844	8,024,844
Interest by Year	3780			
Current + 1	3790		399,801	399,801
Current + 2	3800		355,096	355,096
Current + 3	3810		307,506	307,506
Current + 4	3820		256,805	256,805
Current + 5	3830		216,191	216,191
Thereafter	3840		436,881	436,881
Total Interest	3850		1,972,280	1,972,280

PROPERTY TAXES AND GRANTS IN PLACE

Schedule K

		Grants In Place		Total
		Property	of Property	
		Taxes	Taxes	
		1	2	3
Property Taxes	3900			
Residential Land and Improvements	3910	2,388,996	16,775	2,405,771
Non-Residential	3920			
Land and Improvements (Excluding M & E)....	3935	631,112	36,228	667,340
Machinery and Equipment	3950	1,480,013		1,480,013
Linear Property	3960	16,507,945		16,507,945
Railway	3970	44,387		44,387
Farm Land	3980	427,400		427,400
Adjustments to Property Taxes	3990			
Total Property Taxes and Grants In Place	4000	21,479,853	53,003	21,532,856
Requisition Transfers			4010	
Education				
Residential/Farm Land			4031	6,479,279
Non-Residential			4035	
Hospital Districts			4060	
Nursing Homes and Auxiliary Hospitals.....			4070	
Ambulance Districts			4080	
Seniors Lodges			4090	325,093
Other			4100	
Adjustments to Requisition Transfers			4110	1,980
Total Requisition Transfers			4120	6,806,352
Net Municipal Property Taxes and Grants In Place			4130	14,726,504

GRANTS IN PLACE OF TAXES

Schedule L

		Property	Business	Other	Total
		Taxes	Taxes	Taxes	
		1	2	3	
		4			
Federal Government	4200	15,868			15,868
Provincial Government	4210	37,135			37,135
Local Government	4220				
Other	4230				
Total	4240	53,003			53,003

DEBT LIMIT

Schedule AA

Debt Limit	5700	27,062,188
Total Debt	5710	8,024,844
Debt Service Limit	5720	4,510,365
Total Debt Service Costs	5730	1,199,815

Enter **Prior year's** Line 3450 Column 2 balance here:

Appendix C – Draft Letters of Representation

March 18, 2005

Ernst & Young LLP
Chartered Accountants
1801 Scotia 2
Scotia Place
10060 Jasper Avenue
Edmonton, AB T5J 3R8

In connection with your audit of the financial statements of the Municipal District of Mackenzie No. 23 (the "District") as of December 31, 2004 and for year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the District in accordance with Canadian generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Financial Statements and Financial Records

1. As members of administration of the District, we understand that the purpose of your audit of our financial statements is to express an opinion thereon and that part of your audit involves selective testing of account balances and transactions which has been limited to those which you considered necessary in the circumstances.
2. As members of administration of the District, we are responsible for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles.
3. The significant accounting policies adopted in the preparation of the financial statements are fully and fairly described in the financial statements.
4. We have made available to you all financial records and related data.

5. There were no material transactions during the year that have not been properly reflected in the accounts.
6. As members of administration of the District, we believe that the District has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

B. Fraud and Error

We recognize that, as members of the administration of the District:

1. we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error, as defined in CICA Handbook section 5135, and that your audit may not necessarily detect fraud and error even if they are material in amount.
2. we believe the effects of those uncorrected financial statement misstatements aggregated by you during your audit, summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
3. we are not aware of any fraud or suspected fraud that may have affected the entity. We have no knowledge of any allegation of fraud affecting the District received in communications from employees, former employees or others. In addition, all whistle-blower allegations coming to our attention have been disclosed to you.
4. we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

C. Illegal Acts/ Conflicts of Interest

We are not aware of any illegal or possibly illegal acts, as defined in CICA Handbook section 5136.

There are no instances where any officer or employee of the District has an interest in a District with which the District does business that would be considered a "conflict of interest." Such an interest would be contrary to District policy.

D. Cash and Cash Equivalents

1. All cash and cash equivalents which are owned by the District are recorded in the accounts.
2. The District has good title to all cash and cash equivalents recorded in the accounts and these securities are free from hypothecation.

3. Cash equivalents are valued at lower of cost and market determined on an individual basis with market determined at the year end date.
4. Appropriate loss provisions have been provided in the accounts when cash equivalents have declined by a significant amount below their previous carrying value.
5. All income earned for the year on cash and cash equivalents have been recorded in the accounts.

E. Receivables

1. Accounts receivable are correctly described in the accounts and represent valid claims as at the year end, against the debtors indicated.
2. All services rendered prior to the year end have been recorded as revenue of that year.
3. The receivables are free from hypothecation or assignment.
4. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses which may be incurred with respect to services rendered prior to the year end.

F. Land Held for Resale

1. All land held for resale owned by the District is recorded in the accounts.
2. The District has good title to all land held for resale recorded in the accounts and it is free from hypothecation.
3. The land held for resale is valued at the lower of cost or replacement value.
4. Appropriate loss provisions have been provided in the accounts for any non-temporary declines in the value of land held for resale.
5. All income for the year from the land held for resale has been recorded in the accounts.

G. Land, structures and equipment

1. The District has good title to the land, structures and equipment recorded in the accounts, and they are free from hypothecation, liens and encumbrances.
2. All charges to land, structures and equipment accounts during the year represent actual additions and no expenditures of a capital nature have been charged to operating fund expenditures during the year.
3. All land, structures and equipment sold or dismantled and all capital lease terminations during the year have been properly accounted for in the accounts.

H. Inventories

1. The District has good title to the inventories recorded in the accounts and these inventories are free from all liens and encumbrances.
2. The inventories were correctly and properly taken by competent employees under the supervision of administration as at the year end and the quantities were determined by actual count, weight or measurement.
3. The inventories were priced at the lower of average cost and net realizable value.

In arriving at such values, full allowance was made for excess or obsolete stock.

4. The inventory does not include:
 - (i) items not paid for and for which no liability has been recorded in the accounts at the year end; or
 - (ii) goods on consignment from others;

I. Liabilities

1. All liabilities incurred by the District at the year end have been recorded in the accounts or disclosed to you (including such items as salaries, wages, employee benefits (including pension costs), professional services, future reclamation costs, etc., and long-term debt and lease obligations).
2. At the year end there were no contingent liabilities (a contingent liability is an obligation that may arise depending on the resolution of a contingency, e.g., matters in dispute, significant tax reassessments expected but not yet received, property tax appeals, discounted receivables, etc.) and all claims which are outstanding and possible claims have been disclosed to you, whether or not such claims have been discussed with our lawyers.

3. At the year end, the District had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the District (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of physical assets; open balances on letters of credit, etc.).

J. Employee Future Benefits

We have disclosed to you all significant non-pension employee future benefits promised.

K. Inter-department charges

All significant inter-department transactions have been disclosed to you and properly eliminated in the financial statements.

L. General

1. The minute books presented to you contain complete and authentic minutes of all meetings of Council (including committees thereof, if any) held throughout the year to the most recent meetings on March 8, 2005.
2. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the District.
3. We have disclosed to you, and the District has complied with, all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance including all covenants, conditions or other requirements of all outstanding debt.
4. With respect to related party transactions (as defined in the CICA Handbook Section 3840), we have disclosed to you:
 - (i) all related parties known to us;
 - (ii) all transactions during the year with such parties including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, etc.
 - (iii) all balances due to or from such parties at the year end.

We confirm that no related party transactions have been identified.

5. Our present plans and intentions are appropriately reflected by the carrying value and classification of the District's assets and liabilities.

M. Events Subsequent to the Year End

No events have occurred as of the date of this letter which are of such significance as to require adjustment to or disclosure in the financial statements.

N. Comparative Figures

In connection with your audit of the comparative financial statements for the year ended December 31, 2004, we represent, to the best of our knowledge and belief, the following:

There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the financial statements for the year ended December 31, 2003 which are shown as comparative amounts in the financial statements for the year ended December 31, 2004. Any differences in the comparative amounts from the amounts in the financial statements for the year ended December 31, 2003 are solely the result of reclassifications for comparative purposes.

Reeve

Date

Chief Administrative Officer

Date

Director of Corporate Services

Date

March 18, 2005

Ernst & Young LLP
Chartered Accountants
1801 Scotia 2
Scotia Place
10060 Jasper Avenue
Edmonton, AB T5J 3R8

In connection with your audit of the financial information return of the Municipal District of Mackenzie No. 23 (the "District") as of December 31, 2004 and for year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial information return present fairly, in all material respects, the financial position and results of operations of the District in accordance with accounting principles prescribed by the Minister of Municipal Affairs as provided for in Section 277 of the Municipal Government Act.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Financial Information Return and Financial Records

1. As members of administration of the District, we understand that the purpose of your audit of our financial information return is to express an opinion thereon and that part of your audit involves selective testing of account balances and transactions which has been limited to those which you considered necessary in the circumstances.
2. As members of administration of the District, we are responsible for the preparation of the financial information return in accordance with accounting principles prescribed by the Minister of Municipal Affairs as provided for in Section 277 of the Municipal Government Act.
3. The significant accounting policies adopted in the preparation of the financial information return have been fully and fairly described to you.
4. We have made available to you all financial records and related data.

5. There were no material transactions during the year that have not been properly reflected in the accounts.
6. As members of administration of the District, we believe that the District has a system of internal controls adequate to permit the preparation of accurate financial information return in accordance with accounting principles prescribed by the Minister of Municipal Affairs as provided for in Section 277 of the Municipal Government Act.

B. Fraud and Error

We recognize that, as members of the administration of the District:

1. we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error, as defined in CICA Handbook section 5135, and that your audit may not necessarily detect fraud and error even if they are material in amount.
2. we believe the effects of those uncorrected financial information return misstatements aggregated by you during your audit, summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the financial information return taken as a whole.
3. we are not aware of any fraud or suspected fraud that may have affected the entity. We have no knowledge of any allegation of fraud affecting the District received in communications from employees, former employees or others. In addition, all whistle-blower allegations coming to our attention have been disclosed to you.
4. we have disclosed to you the results of our assessment of the risk that the financial information return may be materially misstated as a result of fraud.

C. Illegal Acts/ Conflicts of Interest

We are not aware of any illegal or possibly illegal acts, as defined in CICA Handbook section 5136.

There are no instances where any officer or employee of the District has an interest in a District with which the District does business that would be considered a "conflict of interest." Such an interest would be contrary to District policy.

D. Cash and Cash Equivalents

1. All cash and cash equivalents which are owned by the District are recorded in the accounts.

2. The District has good title to all cash and cash equivalents recorded in the accounts and these securities are free from hypothecation.
3. Cash equivalents are valued at lower of cost and market determined on an individual basis with market determined at the year end date.
4. Appropriate loss provisions have been provided in the accounts when cash equivalents have declined by a significant amount below their previous carrying value.
5. All income earned for the year on cash and cash equivalents have been recorded in the accounts.

E. Receivables

1. Accounts receivable are correctly described in the accounts and represent valid claims as at the year end, against the debtors indicated.
2. All services rendered prior to the year end have been recorded as revenue of that year.
3. The receivables are free from hypothecation or assignment.
4. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses which may be incurred with respect to services rendered prior to the year end.

F. Land Held for Resale

1. All land held for resale owned by the District is recorded in the accounts.
2. The District has good title to all land held for resale recorded in the accounts and it is free from hypothecation.
3. The land held for resale is valued at the lower of cost or net realizable value.
4. Appropriate loss provisions have been provided in the accounts for any non-temporary declines in the value of land held for resale.
5. All income for the year from the land held for resale has been recorded in the accounts.

G. Land, structures and equipment

1. The District has good title to the land, structures and equipment recorded in the accounts, and they are free from hypothecation, liens and encumbrances.
2. All charges to land, structures and equipment accounts during the year represent actual additions and no expenditures of a capital nature have been charged to operating fund expenditures during the year.
3. All land, structures and equipment sold or dismantled and all capital lease terminations during the year have been properly accounted for in the accounts.

H. Inventories

1. The District has good title to the inventories recorded in the accounts and these inventories are free from all liens and encumbrances.
2. The inventories were correctly and properly taken by competent employees under the supervision of the administration as at the year end and the quantities were determined by actual count, weight or measurement.
3. The inventories were priced at the lower of average cost and replacement cost. In arriving at such values, full allowance was made for excess or obsolete stock.
4. The inventory does not include:
 - (i) items not paid for and for which no liability has been recorded in the accounts at the year end; or
 - (ii) goods on consignment from others;

I. Liabilities

1. All liabilities incurred by the District at the year end have been recorded in the accounts or disclosed to you (including such items as salaries, wages, employee benefits (including pension costs), professional services, future reclamation costs, etc., and long-term debt and lease obligations).
2. At the year end there were no contingent liabilities (a contingent liability is an obligation that may arise depending on the resolution of a contingency, e.g., matters in dispute, significant tax reassessments expected but not yet received, property tax appeals, discounted receivables, etc.) and all claims which are outstanding and possible claims have been disclosed to you, whether or not such claims have been discussed with our lawyers.

3. At the year end, the District had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the District (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of physical assets; open balances on letters of credit, etc.).

J. Employee Future Benefits

We have disclosed to you all significant non-pension employee future benefits promised.

K. Inter-department charges

All significant inter-department transactions have been disclosed to you and properly eliminated in the financial information return.

L. General

1. The minute books presented to you contain complete and authentic minutes of all meetings of Council (including committees thereof, if any) held throughout the year to the most recent meetings on March 8, 2005.
2. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the District.
3. We have disclosed to you, and the District has complied with, all aspects of contractual agreements that would have a material effect on the financial information return in the event of non-compliance including all covenants, conditions or other requirements of all outstanding debt.
4. With respect to related party transactions (as defined in the CICA Handbook Section 3840), we have disclosed to you:
 - (iv) all related parties known to us;
 - (v) all transactions during the year with such parties including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, etc.
 - (vi) all balances due to or from such parties at the year end.

We confirm that no related party transactions have been identified.

5. Our present plans and intentions are appropriately reflected by the carrying value and classification of the District's assets and liabilities.

M. Events Subsequent to the Year End

No events have occurred as of the date of this letter which are of such significance as to require adjustment to or disclosure in the financial information return.

Reeve

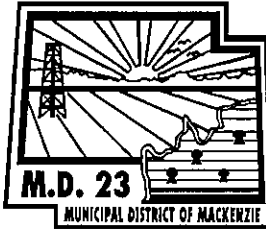
Date

Chief Administrative Officer

Date

Director of Corporate Services

Date



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Barb Spurgeon, Executive Assistant
Title:	Action List
Agenda Item No:	8. b)

BACKGROUND / PROPOSAL:


Attached is the updated Action List for Council's review.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

COSTS / SOURCE OF FUNDING:

RECOMMENDED ACTION:

That the Action List be received for information.

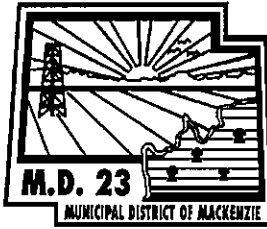
Author:	Reviewed:	C.A.O. 
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**M.D. of Mackenzie
Action List**

Council Meeting Motions Requiring Action

Motion Date & Name	Action Required	Status
03-128 Feb 25 Paul	That Municipal District of Mackenzie enter into an agreement with the Dene Tha First Nation to maintain the existing road adjacent to the west boundary of sections 30 and 31-109-18-W5M for the unrestricted use of it.	July 5, 2004 – have received signed Band Council Resolution for use of the road. Working with legal counsel to draft a long term agreement. No draft from legal counsel yet.
Oct. 28 Barb	That meetings be arranged with Council and each Band.	New letters have been sent out requesting meetings and providing topics of discussion.
04-863 Nov 22 Sam/ Barb	That a CD be produced with a voice-over of the highlights of the Highway 88 presentation.	Was completed in-house, however the quality is not as good as we had hoped and Administration is seeking professional video makers to produce this CD.
05-020 Jan 11 Paul	That motion 03-555 be rescinded, and the Municipal District of Mackenzie enter into agreement with the Mackenzie Housing Management Board for the use of the handicapped van; with Mackenzie Housing Management Board being responsible for all costs associated with the use of the handicapped van.	Letter was sent and we are waiting for a response.
05-164 March 22 Paul	That additional lighting be installed at the Sign Corner within the existing budget.	Waiting for costs. Working with ATCO to establish install dates.
05-167 March 22 Paul	That the MD of Mackenzie enter into a mutual aid agreement with the Town of High Level and the Town of Rainbow Lake and the 2005 Budget be amended to include the \$3000.00 towards the operations of the Regional Hazardous Materials Unit with funding coming from general operating reserves.	Waiting for original agreement. Not received to date.
05-168 March 22 Paul	That the MD of Mackenzie enter into the "Alberta Emergency Resource Inventory Systems" agreement with the Province.	In progress
05-170 March 22 Barb	That draft Policy ADM044 Recreation Boards Administrative Policy, being a policy to define Administrative requirements for Recreation Boards, be sent to the Recreational Boards for their input prior to Council approval.	Administration needs more time to research the issues before making a final recommendation..

05-193 Apr 12 Paul	That a letter be written to Northern Lights Health Region requesting joint funding of ambulance services in Zama.	Completed
Apr 12 Barb/ Ray	Send out dates for the Strategic Planning Retreat and arrange for a location and a facilitator.	Once Council has approved the dates, we can arrange a location and facilitator
05-209 Apr 12 Paul	A letter be sent to the Dene Tha inviting them to attend the Apr 28 Council meeting Zama.	Complete. Another letter was sent inviting them to the May 10 Council meeting.
05-211 Apr 12 Paul	A detailed analysis for the provision of a municipal ambulance service throughout the MD be performed	In progress
05-212 Apr 12 Paul	That a meeting be scheduled with-t the Little Red River Cree Nation chief and council to discuss the Highway 58 west extension	Letter was sent requesting dates for a meeting.
05-220 Apr 28 Sam	That other alternatives be researched for 45 th Street in Fort Vermillion	
05-221 Apr 28 Paul	That policy DEV001 be amended regarding debentures for over \$100,000	Review at May 10 Council meeting
05-226 Apr 28 Paul	That a letter be sent to the Solicitor General requesting training for Special Constables be held year round.	Completed



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Sam Haddadin, Director of Operational Services
Title:	45 Street overlay and curve revision
Agenda Item No:	9. a)

BACKGROUND / PROPOSAL:

At the April 28, 2005 Regular Council Meeting, administration was directed to defer the asphalt overlay for 45 Street and continue investigating options for the curves on that road. Furthermore administration was directed to determine the implications of applying the 45 Street overlay funding to the River Road west project that is slated for construction in 2008.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The approved budget for the *Fort Vermilion 45 Street Improvements Project* and the estimated cost to date is as follows:

Item	Approved Budget	Estimated Cost to Date	Estimated Budget Remaining
Sidewalks	\$334,000	\$5,010	\$328,990
Asphalt Overlay	\$241,000	\$3,615	\$237,385
Utilities	\$20,000	\$300	\$19,700
Total	\$595,000	\$8,925	\$586,075

The above table shows that an estimated \$237,385 is available from the *Fort Vermilion 45 Street Improvements Project*. The estimated cost to construct the *River Road Overlay from 54 Street to the West* is \$363,000. The additional \$125,615 necessary to fund this project could be drawn from the General Capital Reserve.

In an effort to reduce costs administration typically tenders the hamlet paving, sidewalk, and storm sewer projects in one contract for both La Crete and Fort Vermilion. This creates an economy of scale and helps to ensure a low price is received for the work. No survey or design work has begun for the River Road Project. Due to the time requirements necessary for survey, drafting, review and contract revisions the tendering of all the hamlet projects will be delayed by an additional three to four weeks.

The following two options should be considered when deciding where to go from here:

Option 1 – Cancel 45 Street overlay pending review

- Administration is investigating options for 45 Street and will report their findings and recommendations to Council at a later date.
- Funding from the delayed 45 Street overlay would be left in reserve for future projects.
- Tentative tender closing May 31, 2005 for the 45 Street sidewalks and other hamlet projects.

Option 2 - River Road Overlay from 54 Street to the West

- This option will see 2005 budget plus new funding applied to an overlay in Fort Vermillion.
- \$125,615 additional funding must be allocated from the General Capital Reserve.
- Tenders for hamlet paving projects will be delayed for an additional three to four weeks to accommodate engineering.
- Tentative tender closing June 20 to June 30, 2005 for the 45 Street sidewalks and other hamlet projects. The latter closing date will increase the cost of the projects dramatically.

Due to the lateness in the season and the delay that switching to the River Road Project would cause it would be prudent to only proceed with the projects that have already been approved.

COSTS / SOURCE OF FUNDING:

Option 1 – Cancel 45 Street overlay pending review

N/A

Option 2 - River Road Overlay from 54 Street to the West

\$125,615 additional funding must be allocated from the General Capital Reserve.

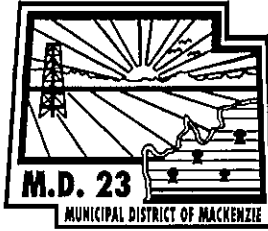
RECOMMENDED ACTION:

That, Option 2 – *River Road Overlay 54 Street to the West*, not proceed in 2005.

Author: S. Rozee

Reviewed: S. Haddidan

C.A.O. 



M.D. of Mackenzie No. 23 Request for Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Sam Hadaddin, Director of Operational Services
Title:	Dust Control
Agenda Item No:	9.6)

BACKGROUND / PROPOSAL:

Due to numerous concerns regarding previous applications of the DC-100 oil for dust control; administration consulted with the owner of Petra Products and toured many of the problem areas in the Fort Vermilion and La Crete regions. During this tour we noticed many spots that had held up very well and some areas that had prematurely deteriorated. During a comparison of the areas it was noticed that certain qualities lead to the varying results, the following are some of the reasons for the differences:

- Initial compaction from traffic
- Amount of fines within the gravel*
- Crown of the road
- Consistency of gravel specification with minimal oversize*
- Correct mixture of DC-100*
- Communication of Petra Products with MD staff

*Due to the fact that this product is not mixed in a controlled environment, issues as listed above are difficult to avoid.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

In consultation with Petra Products we have addressed many of these quality control issues and will incorporate the following changes with this year's application of the dust control product:

- Ensure communication between Petra Products and MD staff on site at each site
- Incorporate 2 new pieces of equipment; pneumatic tire compactor, and an oil truck with spray bar.
- Ensure gravel content is consistent with obvious oversized rock being removed
- Ensure consistent finishing in all area including crown of road
- Have supervised application and training by the owner of Petra Products
- Ensure a consistent percentage of oil is applied throughout site by spray bar application
- Consistent compaction through out site with pneumatic tire compactor
- Areas with a higher traffic will receive additional product up to a 3" lift

Author: J. Gabriel	Reviewed:	C.A.O.:
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With these above changes incorporated into the application of the DC-100 we will ensure a more consistent application that will extend the life of the product, and should reduce the occurrence of potholes.

Another option that will be considering for this year is the RS-100 which does not incorporate water with its application, this product contains a higher amount of asphalt and is the same price but can only be used on roads with a proven firm base. This product would likely be used on roads such as the 88 connector.

FINANCIAL IMPLICATIONS:

Option 1

Implement above recommendations with an increase of \$47,301.60 to the dust control budget. This would allow all previously budgeted areas to be completed.

	# of Applications	Total Meters	Budget	Additional Cost *	Revised Budget	Variance from Budget to Revised
New Applications	10 @ 200m	2000m	\$31,000.00	\$3,536.12	\$34,536.12	11.4%
Previous Applications	18 @ 250m	4500m	\$45,000.00	\$32,706.27	\$77,706.27	72.7%
Schools	9 @ 300m	2700m	\$41,850.00	\$4,773.76	\$46,623.76	11.4%
Zama		2855m	\$44,252.50	\$5,047.81	\$49,300.31	11.4%
88 Connector		700m	\$10,850.00	\$1,237.64	\$12,087.64	11.4%
TOTAL		12,755m	\$172,952.50	\$47,301.60	\$220,254.10	27.3%

* Notes:

Wobbly with Tractor Rate \$155.00 / hour

In 2004, an average of 789m of oil dust control was applied per day

Based on an average 9 hour work day

Author: J. Gabriel	Review:	Dept. Operations	C.A.O.
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Option 2

Implement recommendations as listed above within 3.6% of budgeted amount by reducing the amount of previous applications. Repairs of minor damaged areas would take place within regular road repair budget.

	# of Applications	Total Meters	Budget	Additional Cost *	Revised Budget	Variance from Budget to Revised
New Applications	10 @ 200m	2000m	\$31,000.00	\$3,536.12	\$34,536.12	11.4%
Previous Applications	9 @ 250m (budget of 18)	2250m (budget of 4500m)	\$45,000.00	\$16,353.14	\$61,353.14	36.3%
Schools (Calcium)	9 @ 300m	2700m	\$41,850.00	\$(14,850.00)	\$27,000.00	(64.5%)
Zama		2855m	\$44,252.50	\$5,047.81	\$49,300.31	11.4%
88 Connector Passing Zone (Calcium)		700m	\$10,850.00	\$(3,850.00)	\$7,000.00	(64.5%)
TOTAL		10,505m	\$172,952.50	\$6,237.07	\$179,189.57	3.6%

* Notes:

Wobbly with Tractor Rate \$155.00 / hour

In 2004, an average of 789m of oil dust control was applied per day


Based on an average 9 hour work day

School zones, with the exception of Rocky Lane School, have been done with calcium in the past.

RECOMMENDED ACTION:

Motion:

That the 2005 dust control be accepted as information

Author: J. Gabriel	Review:	Dept. Operations	C.A.O. 
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M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council
Meeting Date:	May 10, 2005
Presented By:	Paul Driedger Director of Planning, Emergency & Enforcement Services
Title:	Bylaw 500/05 Land Use Bylaw Amendment Rezone Pt SW 9-106-15-W5M From Mobile Home Subdivision 1 (MHS1) To Hamlet Residential District 2 (HR2)
Agenda Item No:	10. a)

BACKGROUND / PROPOSAL:

We received a request to rezone part of SW 9-106-15-W5M in the Hamlet of La Crete from Mobile Home Subdivision 1 (MHS1) to Hamlet Residential District 2 (HR2) to accommodate town houses.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The requested lots to be rezoned are located across the lane from a district already zoned as HR2. The subject lots are located between a Mobile Home Subdivision 1 (MHS1) and Hamlet Residential District 1B (HR1B), which is for houses without attached garages. The proposed HR2 district will provide good progression from Mobile Homes to houses. The subject property is in the process of being subdivided and is in a good location for the proposed use.

7.19 HAMLET RESIDENTIAL DISTRICT 2 "HR2"

The general purpose of this district is to restrict development to large lot residential and other compatible uses in urban areas.

A. PERMITTED USES

- (1) Dwelling - Single detached.

Author:

Reviewed:

C.A.O.:

B. DISCRETIONARY USES

- (1) Ancillary building and use.
- (2) Dwelling - Duplex.
- (3) Dwelling – Row.
- (4) Home based business
- (5) Modular home.
- (6) Park.
- (7) Playground.
- (8) Public use.

C. MINIMUM LOT WIDTH

22 metres (72 feet).

D. MINIMUM LOT DEPTH

33.5 metres (110 feet).

E. FRONT YARD SETBACK

7.6 metres (25 feet) or as required by the Development Officer.

F. MINIMUM SIDE YARD SETBACK

Side yards shall not be less than 1.2 metres (4 feet). In case of a corner site the exterior side yard shall not be less than 3.0 metres (10 feet).

G. MINIMUM REAR YARD SETBACK

2.4 metres (8 feet).

H. THE DESIGN, CHARACTER AND APPEARANCE OF BUILDINGS

Buildings may be either of new construction only. The architecture, construction materials and appearance of buildings and other structures shall be to accepted standards and shall compliment the natural features and character of the site to the satisfaction of the Development Officer.

Author:	Reviewed:		C.A.O.:
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I. ON-SITE PARKING

In accordance to Section 4.28 of this Bylaw.

J. LANDSCAPING

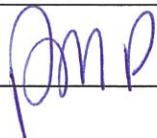
In accordance to Section 4.23 of this Bylaw.

COSTS / SOURCE OF FUNDING:

N/A

RECOMMENDED ACTION:

That first reading be given to Bylaw 500/05, being a Land Use Bylaw amendment to rezone Part of SW 9-106-15-W5M from Mobile Home Subdivision 1 (MHS1) to Hamlet Residential District 2 (HR2).

Author:	Reviewed: 	C.A.O.:
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BYLAW NO. 500/05

**BEING A BYLAW OF THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23
IN THE PROVINCE OF ALBERTA**

**TO AMEND THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23 LAND USE BYLAW**

WHEREAS, the Municipal District of Mackenzie No. 23 has adopted the Municipal District of Mackenzie Land Use Bylaw, and

WHEREAS, the Municipal District of Mackenzie No. 23 has a General Municipal Plan adopted in 1995, and

WHEREAS, the Council of the Municipal District of Mackenzie No. 23, in the Province of Alberta, has deemed it desirable to amend the Municipal District of Mackenzie No. 23 Land Use Bylaw to accommodate town houses.

NOW THEREFORE, THE COUNCIL OF THE MUNICIPAL DISTRICT OF MACKENZIE NO. 23, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

1. That the land use designation of the subject parcel known as Part of SW 9-106-15-W5M, in the Municipal District of Mackenzie No. 23 be amended from Mobile Home Subdivision 1 (MHS1) to Hamlet Residential District 2 "HR2", as outlined in Schedule "A".

First Reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second Reading given on the _____ day of _____, 2005.

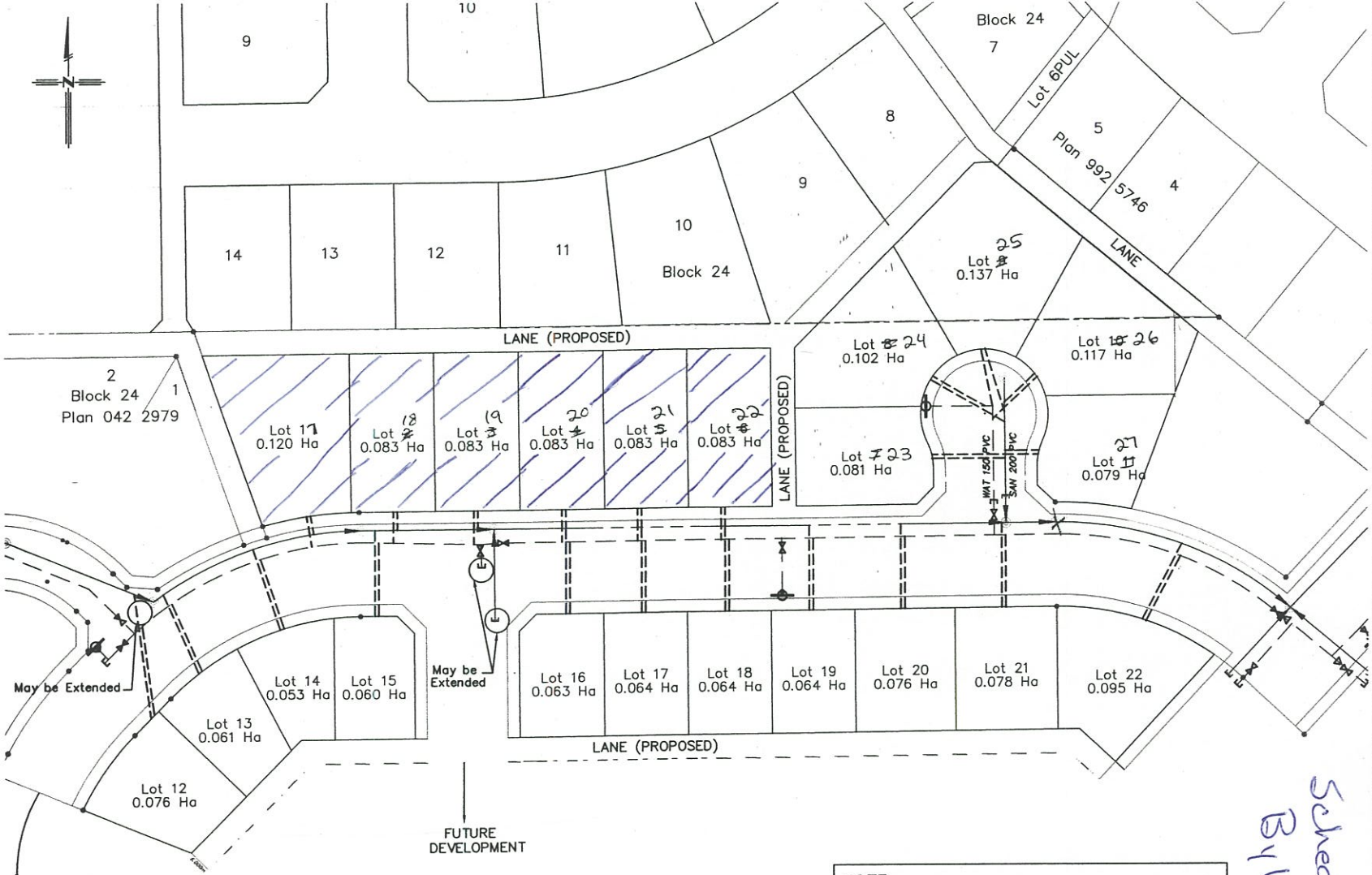
Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third Reading and Assent given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant



LEGEND

- WATERMAIN
- SANITARY SEWER & MANHOLE
- WATER VALVE
- HYDRANT & 150mm HYDRANT VALVE
- REDUCER
- SEWER AND WATER SERVICE

PRELIMINARY
NOT FOR CONSTRUCTION

No.	date	revision	by	app.

EXH Engineering Services Ltd.

**PETER FEHR SUBDIVISION
PHASE II
LOT SERVICING**

**LOT SERVICING
SITE PLAN**

designed	RT	scale	1 : 1000	date	APRIL 2005
drawn	LL	project No.	4204178	contract No.	
checked		drawing No.		revision	
approved					

4204178-03

NOTE:
 1.) ALL SERVICES TO LOT CENTRELINE
 2.) 100mm PVC SEWER SERVICE PIPE
 3.) 25mm PVC WATER SERVICE PIPE

*Schedule A.
Bylaws 500.05*



LAND USE BYLAW AMENDMENT APPLICATION

APPLICATION NO. _____

NAME OF APPLICANT <u>WALLY WILBE</u>		
ADDRESS <u>Box 892</u>		
TOWN <u>LACERTE, AB.</u>		
POSTAL CODE <u>T0H2H0</u>	PHONE (RES.) <u>928-2891</u>	BUS. <u>926-0111</u>

COMPLETE IF DIFFERENT FROM APPLICANT

NAME OF REGISTER OWNER <u>PETER FEUR</u>		
ADDRESS		
TOWN <u>LACERTE</u>		
POSTAL CODE <u>T0H2H0</u>	PHONE (RES.) <u>928-3019</u>	BUS.

LEGAL DESCRIPTION OF THE LAND AFFECTED BY THE PROPOSED AMENDMENT

QTR./S. <u>SW 1/4</u>	SEC. <u>9</u>	TWP. <u>106</u>	RANGE <u>15</u>	M. <u>5</u>	OR	PLAN	BLK	LOT
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LAND USE CLASSIFICATION AMENDMENT PROPOSED:

FROM: MH S1 TO: H R2

REASONS SUPPORTING PROPOSED AMENDMENT:

I WANT TO REMOVE LOTS 17 THROUGH 22
ON PETER FEUR'S PHASE II SUBDIVISION

I WANT TO BUILD TOWN HOUSES ON THESE LOTS.

I/WE HAVE ENCLOSED THE REQUIRED APPLICATION FEE OF \$ 150.00 RECEIPT NO. 42823

Wally Wilbe
APPLICANT

APR 29/05
DATE

NOTE: REGISTERED OWNER'S SIGNATURE REQUIRED IF DIFFERENT FROM APPLICANT.

+ Peter Feur
REGISTERED OWNER

APR 29/05
DATE



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council
Meeting Date:	May 10, 2005
Presented By:	Paul Driedger Director of Planning, Enforcement & Emergency Services
Title:	Bylaw 501/05 - Land Use Bylaw Amendment to add "Dwelling – Single Detached" to Hamlet Residential District 3 "HR3"
Agenda Item No:	10.b)

BACKGROUND / PROPOSAL:

We have a request to add "Dwelling – Single Detached" to the discretionary uses in Hamlet Residential District 3 "HR3" zoning. The applicant wishes to build a house on one of his HR3 lots that is adjacent to a lot with an existing house.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The general purpose for the Hamlet Residential District 3 "HR3" district is to permit medium and high-density residential development in established hamlets. The existing discretionary uses are:

- (1) Dwelling - Apartment
- (2) Dwelling - Row
- (3) Dwelling - Multiple
- (4) Ancillary building and use
- (5) Boarding or rooming house
- (6) Dwelling - Group home
- (7) Home based business
- (8) Public use


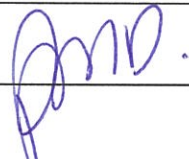

COSTS / SOURCE OF FUNDING:

N/A

Author: 	Reviewed: 	C.A.O.: 
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RECOMMENDED ACTION:

That first reading be given to Bylaw 501/05 being a Land Use Bylaw amendment to add "Dwelling – Single Detached" to Hamlet Residential District 3 "HR3" zoning.

Author:		Reviewed:		C.A.O.:	
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BYLAW NO. 501/05

**BEING A BYLAW OF THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23**

**IN THE PROVINCE OF ALBERTA
TO AMEND THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23 LAND USE BYLAW**

WHEREAS, the Municipal District of Mackenzie No. 23 has adopted the Municipal District of Mackenzie No. 23 Land Use Bylaw, and

WHEREAS, the Council of the Municipal District of Mackenzie No. 23, in the Province of Alberta, has deemed it desirable to amend the Municipal District of Mackenzie No. 23 Land Use Bylaw to amend the Hamlet Residential District 3 "HR3" zoning.

NOW THEREFORE, the Council of the Municipal District of Mackenzie No. 23, in the Province of Alberta, duly assembled, hereby enacts as follows:

1. That the Municipal District of Mackenzie Land Use Bylaw Section 7.20. Hamlet Residential District 3 "HR3", B. Discretionary Uses be amended to add "Dwelling – Single Detached".

First reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second reading given on the _____ day of _____, 2005.

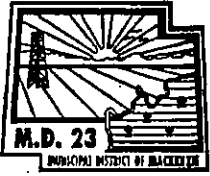
Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant



LAND USE BYLAW AMENDMENT APPLICATION

APPLICATION NO. _____

NAME OF APPLICANT <i>REUBEN DERKSEIL</i>		
ADDRESS <i>Box 386</i>		
TOWN <i>LA CRETTE</i>		
POSTAL CODE <i>TOH 2H6</i>	PHONE (RES.) <i>780 924-3980</i>	BUS. _____

COMPLETE IF DIFFERENT FROM APPLICANT

NAME OF REGISTER OWNER		
ADDRESS		
TOWN		
POSTAL CODE	PHONE (RES.)	BUS.

LEGAL DESCRIPTION OF THE LAND AFFECTED BY THE PROPOSED AMENDMENT

QTR./LS.	SEC.	TWP.	RANGE	M.	OR	PLAN <i>9925746</i>	BLK <i>25</i>	LOT <i>4</i>
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LAND USE CLASSIFICATION AMENDMENT PROPOSED:

FROM: _____ TO: _____

REASONS SUPPORTING PROPOSED AMENDMENT:

*• ADD "DWELLING - SINGLE DETACHED" TO HR3 DISTRICT.
TO ACCOMMODATE MANAWAYS RESIDENCE.*

I/WI HAVE ENCLOSED THE REQUIRED APPLICATION FEE OF \$ 150.⁰⁰

RECEIPT NO. _____

Reuben Derkseil

APPLICANT

May 2/05

DATE

NOTE: REGISTERED OWNER'S SIGNATURE REQUIRED IF DIFFERENT FROM APPLICANT.

REGISTERED OWNER _____

DATE _____



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council
Meeting Date:	May 10, 2005
Presented By:	Paul Driedger Director of Planning, Enforcement & Emergency Services
Title:	Policy DEV001 Urban Development Standards
Agenda Item No:	10.c)

BACKGROUND / PROPOSAL:

At their last meeting, Council requested that Policy DEV001 be amended to specify that costs exceeding \$100,000 accumulated over the course of the year would be funded either out of the General Capital Reserve or debentures. Council also requested that the policy specify that the MD will only debenture local improvements on those subdivisions where a local improvement bylaw has been passed.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:


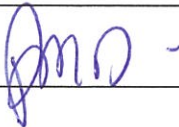

The attached policy has been revised to include the above-mentioned amendments.

We are also requesting that Mobile Home Park Standards be amended to require underground power and pavement. In discussions with Atco Electric we have come to realize that underground power is more convenient for frequent hook-ups. We had been led to believe in the past that over-head power was more convenient for this type of development. It would also be beneficial to have paved roads throughout our hamlets, including Mobile Home Subdivisions.

To keep to a similar standard throughout the hamlets and to decrease the amount of dust, we are requesting that Hamlet Country Residential Districts be required to have a minimum of cold mix on their internal road systems.

COSTS / SOURCE OF FUNDING:

As per policy.

Author: 	Reviewed: 	C.A.O.: 
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RECOMMENDED ACTION:

That Policy DEV001 Urban Development Standards be adopted as amended and attached.

Author:  Reviewed:  C.A.O.:

Municipal District of Mackenzie No. 23

Title	Urban Development Standards	Policy No:	DEV001
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Legislation Reference	Municipal Government Act, Section 5
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Purpose

Establish urban development standards to ensure consistent development is maintained within the hamlets of the M.D. of Mackenzie.

Policy Statement

The M.D. of Mackenzie and developers have a shared responsibility for defining and addressing the existing and future needs of the community by creating development policies consistent with community objectives. These policies should be applied equitably and fairly to all within that community. All beneficiaries of development should participate in the cost of providing and installing infrastructure in the community on an equitable basis that relates to the degree of benefit. Municipal funded projects tend to encourage development while maintaining affordable lot prices.

Guidelines

- 1 M.D. of Mackenzie will:
 - a) adopt development standard requirements for individual urban zoning as indicated in this policy.
 - b) determine who is responsible for installation of the infrastructure as indicated in this policy.
 - c) determine who is responsible for the cost of installing the infrastructure as indicated in this policy.
 - d) pay for the difference in costs when requiring the Developer to oversize the water or sewer mains.
 - e) pay for the difference in costs when requiring the Developer to construct main arterial roads (proportionate to a standard road).
 - f) at the request of the developer, pay for selected improvements via a 100% local improvement levied against the property owner over a 10 year period.
 - g) pay for the storm sewer trunk main.

- 2 The developer will be responsible for all costs except where otherwise indicated in this policy.

Funding

- 1 Costs under \$100,000 accumulated throughout the year will be funded out of the General Capital Reserve, provided there is adequate funds in the reserve.
- 3 Costs exceeding \$100,000 accumulated throughout the year will be **either out of the General Capital Reserve or** funded through debentures at year-end and amortized over a 10 year period, provided that the M.D. has the ability to borrow these funds pursuant to the MGA.
- 4 Costs of all storm sewer collection facilities within subdivisions.
- 5 Developers shall notify the Municipal District of Mackenzie by October 31 annually of any subdivisions that will require local improvement plans in the following year. **The developer shall be responsible for all local improvement charges unless a local improvement bylaw has been passed.**

Urban Development Standards

The following chart indicates the minimum standards on new development.

ZONING	Curb & Gutter	Sidewalk	Under Ground Power	St. Lights (under ground pwr)	Cold mix Roads	St. Lights (OH pwr)	Paved Roads	Storm Sewer Internal	Storm Sewer Trunk Main
MHP				√			√	√	MD
MHS	√*	√*		√			√	√	MD
HCR					√	√		√	MD
All other Residential	√*	√*	√	√			√	√	MD
Commercial	√*	√*	√	√			√	√	MD
Industrial						√	√		MD

Definitions

(√) – means the requirement.

(*) – means Local Improvement.

(MD) – means M.D. of Mackenzie

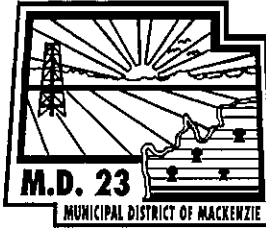
Zoning – As per the Land Use Bylaw

Storm Sewer Trunk Main – means storm sewer that benefits either present or future development areas as determined by the M.D.

Storm Sewer Internal – means storm sewer that only benefits the subdivision within the development agreement.

Storm Sewer Collection System – can include ditches, ponds and underground piping.

	Date	Resolution Number
Approved	June 18, 2002	02-460
Amended	Jan 13, 2004	04-009
Amended	June 23, 2004	



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Paul Driedger, Director of Planning, Emergency and Enforcement Services
Title:	Vanguard Realty Phase 5Ba
Agenda Item No:	10 d)

BACKGROUND / PROPOSAL:

Vanguard Realty developed subdivision phase 5Ba along 109th Street and 105th Avenue in La Crete.

As per the minimum requirements of development policy DEV 001, a storm sewer was installed along 109th Street and 105th Avenue. The MD is required to pick up this cost as per policy DEV 001.

Section 1.g

"MD of Mackenzie will pay for the storm sewer trunk main."

The MD also required that the sewer and water lines be oversized to allow for future development. As per policy DEV 001 the MD is also required to pay the cost of the oversizing.

Section 1.d

"The MD of Mackenzie will pay for the difference in costs when requiring the Developer to oversize the water or sewer mains."

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

This is an unbudgeted expenditure that requires Council approval as per Policy FIN 006.

"If a proposed unbudgeted expenditure is not of an emergency nature and

b) any expenditure will exceed the budget for the program or function, Council approval for the expenditure must be obtained.”

Administration recommends that the attached invoices be paid to Vanguard Realty. The required improvements have been completed to the MD’s satisfaction and the invoice reflects the quantities certified correct by GPEC.

COSTS / SOURCE OF FUNDING:

Storm Sewer	\$109,156.00
Water and Sewer Oversizing	\$4,758.97


Because the total of the invoices is over \$100,000, the project must be funded through debenture, as per Policy DEV001.

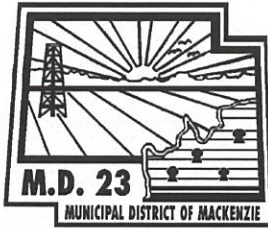
Funding, Section 1

“Costs exceeding \$100,000 accumulated throughout the year will be funded either out of the General Capital Reserve or through debentures at year-end and amortized over a 10 year period, provided that the M.D. has the ability to borrow these funds pursuant to the MGA.”

RECOMMENDED ACTION:

That the invoices from Vanguard Realty in the amount of \$109,156.00 for Storm Sewer along 109th Street and 105th Avenue in La Crete and \$4,758.97 for Oversizing of sewer and water lines along 109th Street and 105th Avenue in La Crete be funded out of the General Capital Reserve.

Author: M. Krahn	Reviewed:	C.A.O.: 
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M.D. of Mackenzie No. 23

Request For Decision

Meeting: Regular Council Meeting
Meeting Date: May 10, 2005
Originated By: Bill Landiuk, Director of Corporate Services
Title: Bylaw 487/05 - Local Improvement for curb, gutter and sidewalk on 98 Avenue Plan 0422979, Block 24, Lots 1 through to 15 in the Hamlet of La Crete

Agenda Item No: 11.a)

BACKGROUND / PROPOSAL:

The amended 2005 budget includes \$52,991.00 for curb, gutter and sidewalk on 98 Avenue from Plan 0422979, Block 24, Lots 1 through to 15. The attached local improvement plan and bylaw are for the curb, gutter and sidewalk on Plan 0422979, Block 24, Lots 1 through to in the Hamlet of La Crete.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

Letters will be sent to all affected ratepayers with a meeting scheduled for May 9, 2005 in the Mustus Lake Centre, NAIT Campus in La Crete from 5:00 pm to 8:00 pm to review the plan.

COSTS / SOURCE OF FUNDING:

The 2005 budget includes \$310,000 of which \$52,991 is required to complete the curb, gutter and sidewalk to be funded from operating with 100% (or \$52,991) to be recovered through a frontage charge over 10 years.

RECOMMENDED ACTION (by originator):

Motion 1:

That Local Improvement Plan for curb, gutter and sidewalk from Plan 0422979, Block 24, Lots 1 through to 15 in the Hamlet of La Crete be approved.

Review: *Bh*

Dept.

C.A.O. *[Signature]*

Motion 2: Requires 2/3

That first reading be given to Bylaw 487/05 being a bylaw to approve a local improvement charge for curb gutter and sidewalk from Plan 0422979, Block 24, Lots 1 through to 15 in the Hamlet of La Crete be approved.

Review:	Dept.	C.A.O.
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**BYLAW NO. 487/05
OF THE MUNICIPAL DISTRICT OF MACKENZIE NO 23**

(hereinafter referred to as “the Municipality”)
IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Municipality to impose a local improvement tax in respect of all lands that directly benefit from the Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 local improvement project.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 397 of the *Municipal Government Act* to authorize a local improvement tax levy to pay for the Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete local improvement project.

A local improvement plan has been prepared and the required notice of the project given to the benefiting owners in accordance with the attached Schedule A and Schedule B and no sufficient objection to Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete local improvement project has been filed with the Municipality’s Chief Administrative Officer.

The Council has decided to set a uniform tax rate based on the number of units of frontage assessed against the benefiting owners.

Plans and specifications have been prepared. The total cost of the project is estimated to be \$ 52,991 and the local improvement plan estimates that the following contributions will be applied to the project:

Benefiting Owners	\$52,991.00
Total Cost	\$52,991.00

The local improvement tax will be collected for Ten (10) years and the total amount levied annually against the benefiting owners is \$6,718.03.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

Bylaw 487/05

Local Improvement Bylaw

Curb, Gutter and Sidewalk Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete

Page 2 of 4

NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:

1. That for the purpose of completing the Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete local improvement project the sum of Fifty Two Thousand Nine Hundred Ninety One Dollars (\$52,991.00) be collected by way of an annual, uniform local improvement tax rate assessed against the benefiting owners as provided in Schedule A attached.
2. The net amount levied under the by-law shall be applied only to the local improvement project specified by this by-law.
3. This by-law comes into force on the date it is passed.

First Reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second Reading given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third Reading and Assent given on the _____ day of _____, 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Bylaw 487/05

Local Improvement Bylaw

Curb, Gutter and Sidewalk Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete

Page 3 of 4

Schedule A to Bylaw No. 487/05

Annual Levy For Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete
Local Improvement Project

1. Properties to be assessed:

- Lot 1, Block 24, Plan 0422979
- Lot 2, Block 24, Plan 0422979
- Lot 3, Block 24, Plan 0422979
- Lot 4, Block 24, Plan 0422979
- Lot 5, Block 24, Plan 0422979
- Lot 6, Block 24, Plan 0422979
- Lot 7, Block 24, Plan 0422979
- Lot 6, Block 24, Plan 0422979
- Lot 7, Block 24, Plan 0422979
- Lot 8, Block 24, Plan 0422979
- Lot 9, Block 24, Plan 0422979
- Lot 10, Block 24, Plan 0422979
- Lot 11, Block 24, Plan 0422979
- Lot 12, Block 24, Plan 0422979
- Lot 13, Block 24, Plan 0422979
- Lot 14, Block 24, Plan 0422979
- Lot 15, Block 24, Plan 0422979

2. Total Frontage	408.94 Meters
3. Total Levy	\$ 52,991.00
4. Total Levy per Meter	\$ 129.58
5. Annual Unit Rate per Meter Payable for a Period of Ten (10) years at 4.564 %	\$ 16.43
6. Total Yearly Assessment against all properties to be assessed	\$ 6,718.03

Bylaw 487/05
 Local Improvement Bylaw
 Curb, Gutter and Sidewalk Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979,
 Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete
 Page 4 of 4

Schedule B to Bylaw No. 487/05

Annual Levy For Curb, Gutter and Sidewalk on 98 Avenue from Plan 0422979, Block
 24, Lot1 around to Plan 0422979, Block 24, Lot 15 in the Hamlet of La Crete
 Local Improvement Project

1. Properties to be assessed:

No. of Parcels	Annual Rate of Assessment Per Meter	Amount of Annual Assessment
15	\$16.43	\$6,718.03

- 2. Total number of parcels 15
- 3. Total annual assessments \$6,718.03
- 4. Term of annual assessments 10 years
- 5. Total assessment against all parcels \$52,991.00

**Municipal District of Mackenzie
Frontage calculation**

BYLAW No. 487/05

input data into highlighted fields

Curb & Gutter along 98 Ave Plan 0422979, Block 24, from Lot 1 to Lot 15

Interest Rate	4.564%	
Number of periods	10	
Cost recoverable	52,991.00	
Total assessment per front meter	129.58	
Annual instalment amount		6,718.03
Capital recovery multiplying factor		0.12677681
Number of assessable properties (when applicable - to be used with per parcel calculation)		0
Per parcel annual charge (when applicable)		#DIV/0!
Total assessment per front meter		129.58
Sum of instalments required to extinguish debt plus interest over total number of periods		67,180.30

Total assessable frontage		Frontage rate	
feet	1,341.67	\$ per foot	5.01
meters	408.94	\$ per meter	16.43
feet to meters conversion factor	0.3048		

Properties	Tax roll #	Address	Assessable area		Annual charge
			feet	meters	
0422979:24:01	81960	Box 688 La Crete		38.37	630.34
0422979:24:02	81961	Box 875, La Crete		29.61	486.43
0422979:24:03	81962	Box 1507, La Crete		25.87	424.99
0422979:24:04	81963	Box 688 La Crete		20.00	328.56
0422979:24:05	81964	Box 2132, La Crete		20.00	328.56
0422979:24:06	81965	Box 688 La Crete		20.04	329.22
0422979:24:07	81966	Box 1352, La Crete		31.69	520.60
0422979:24:08	81967	Box 688 La Crete		45.64	749.77
0422979:24:09	81968	Box 688 La Crete		30.16	495.47
0422979:24:10	81969	Box 1853, La Crete		30.99	509.10
0422979:24:11	81970	Box 1162, La Crete		21.28	349.59

0422979;24;12	81971	Box 688 La Crete		20.00	328.56
0422979;24;13	81972	Box 688 La Crete		20.00	328.56
0422979;24;14	81973	Box 1139, La Crete0		24.40	400.84
0422979;24;15	81974	Box 864, La Crete		30.89	507.46
Total				408.94	6718.03

May 3, 2005

409513 Alberta Ltd
Box 688
La Crete, AB, AB
T0H 2H0

Dear Sir:

Re: Notice of Intention to Construct a Local Improvement
Hamlet of La Crete
Plan 0422979, Block 24, Lots 1 through 15

On April 12, 2005 Council passed an amendment to the Municipal District of Mackenzie No. 23's 2005 Budget, which included the construction of Curb, Gutter and Sidewalk for Plan 0422979, Block 24, Lots 1 through 15 on 98 Avenue in the Hamlet of La Crete.

100% of the cost of construction for curb, gutter and sidewalk will be recovered through a local improvement charge. Enclosed is a Notice explaining the location and cost of this project.

Please read the notice very carefully. If you object to the project there is a process described within the Notice whereby you may stop the project. If you have any questions, please call myself at 927-3718 or Mary Jane Krahn, Public Works Administrative Assistant at 928-3983.

Yours truly,

Bill Landiuk
Director of Corporate Services

Encl.

NOTICE

INTENTION TO CONSTRUCT A LOCAL IMPROVEMENT IN THE HAMLET OF LA CRETE IN THE MUNICIPAL DISTRICT OF MACKENZIE

PURSUANT to Section 393(1) of the Municipal Government Act, R.S.A., 2000, Notice is hereby given that the Council of the Municipal District of Mackenzie No. 23 intends to undertake the construction of curb, gutter and sidewalk on 98 Avenue from Plan 0422979, Block 24, Lot 1 around to Plan 0422979, Block 24, Lot 15 as a local improvement. The total cost of the aforementioned project is estimated to be \$52,991, of which 100%, or \$52,991, will be collected using frontage charges. Funding for this project is the 2005 budget. The sum of \$52,991 will be repayable over a period of ten (10) years at a rate of interest not exceeding ten per cent (10%), or the interest rate as fixed from time to time by the Alberta Capital Finance Authority, whichever is lower, and the lands abutting that portion of the street or place where the local improvement is made will be charged an annual rate of \$16.43 average per meter of frontage, for each year of the said ten (10) year period. The prepaid rate paid once is \$16.43 per average meter of frontage. The calculations used herein are based on the current Alberta Capital Finance Authority rate of 4.564%.

The aforementioned rate may be subject to amendment to take into consideration the actual cost of the project or change in interest rate, prior to immediately following the first levy for this project.

In accordance with Section 404 of the Municipal Government Act, lots of a different size or shape, or corner lots, are assessed in the following manner:

The front foot of frontage for corner lots or parcels are calculated using the back property lines as follows:

- Lot 1, Block 24, Plan 0422979
- Lot 2, Block 24, Plan 0422979
- Lot 3, Block 24, Plan 0422979
- Lot 4, Block 24, Plan 0422979
- Lot 5, Block 24, Plan 0422979
- Lot 6, Block 24, Plan 0422979
- Lot 7, Block 24, Plan 0422979
- Lot 6, Block 24, Plan 0422979
- Lot 7, Block 24, Plan 0422979
- Lot 8, Block 24, Plan 0422979
- Lot 9, Block 24, Plan 0422979
- Lot 10, Block 24, Plan 0422979
- Lot 11, Block 24, Plan 0422979
- Lot 12, Block 24, Plan 0422979
- Lot 13, Block 24, Plan 0422979
- Lot 14, Block 24, Plan 0422979
- Lot 15, Block 24, Plan 0422979

All costs in excess of the aforesaid special assessment may be borne by the Municipal District of Mackenzie at large.

The location of the proposed local improvement in La Crete is as follows:

ON	FROM	TO		AVERAGE FRONTAGE
98 Avenue	Plan 0422979, Block 24, Lot 1	Plan 0422979, Block 24, Lot 15		408.94 Meters
			Total	408.94 Meters

Total Assessable Frontage	408.94 meters
Total Assessment Against all Properties	\$52,991.00
Total Assessment Per Front Meter of Frontage	\$129.58
Annual Unit Rate per Front Meter of Frontage to be Payable for a period of 10 years Calculated at 4.564%	\$16.43

Your property, described as Lot 1, Block 24, Plan 422979 will be assessed for 38.370000000000005 meters. The annual assessment against your property is approximately 81960 for a period of 10 years calculated at 4.564%. Notice is hereby given that unless 2/3 of the Owners who would be liable to pay this local improvement tax and these Owners represent at least one-half of the value of the assessments for the parcels of land on which the tax will be imposed, file a petition with the Chief Administrative Officer against the proposed improvement within thirty (30) days from the date of sending this Notice, the local improvement may be undertaken and the cost of it assessed by the system of assessment referred to in this Notice.

If no petition sufficiently signed has, within 30 days of sending the Notices, been presented to the Chief Administrative Officer against the local improvement, the Council may undertake the proposed local improvement at any time within three (3) years following the sending of the Notices.

The Owners of any land so specially assessed may at any time compute the amount or balance remaining unpaid in respect of it by paying the amount of the original assessment charged against the land together with interest and penalties chargeable in respect of it less any amount previously paid on account of it.

An open house is scheduled for **May 18, 2005** in the Northern Lights Recreation Center in the La Crete Arena between 5:00 and 8:00 p.m. to answer any questions you may have.

Dated at the Hamlet of Fort Vermilion this 11th day of May, 2005.

SW1/4 Sec. 9-106-15-5

C.of T. 022 408 255 +31

25°
255.94

55°
197.85

C. of T. Boundary

Lane

98th Avenue

Lane

SW1/4 Sec. 9-106-15-5

C.of T. 852 089 181

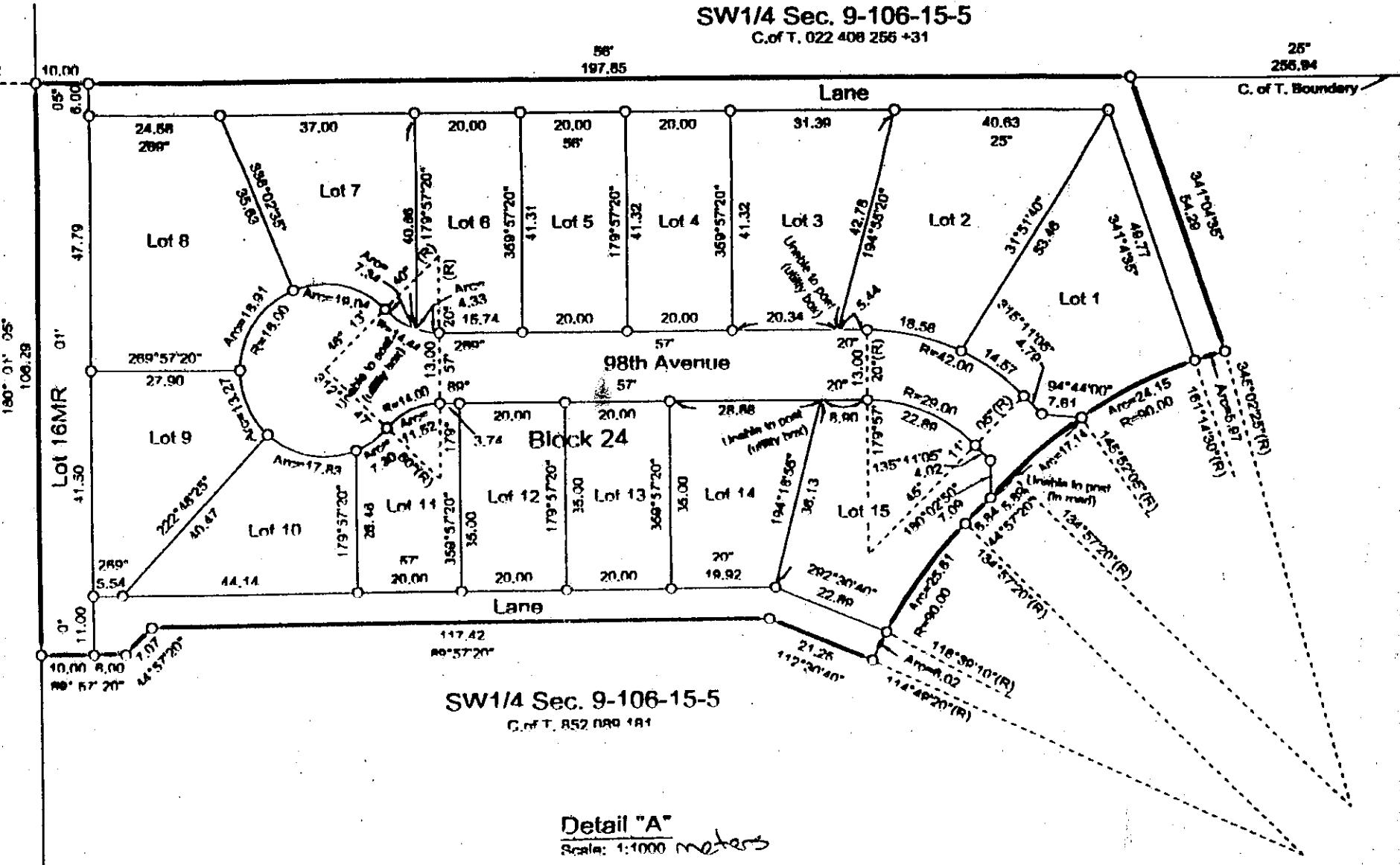
Detail "A"

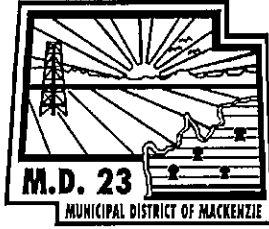
Scale: 1:1000 meters

Peter Lehr Subdivision

ALBERTA LAND SURVEYOR:

LAND TITLES





M.D. of Mackenzie No. 23

Request For Decision

Meeting: Regular Council Meeting

Meeting Date: May 10, 2005

Presented By: Bill Landiuk

Title: Tax Rate Bylaw 499/05

Agenda Item No: 11.6)

BACKGROUND / PROPOSAL:

According to MGA, Division 2, each council must set the tax rates and pass a property tax bylaw annually.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

Review property tax rates:

2005:

	Municipal	School	Seniors
Residential	6.750	4.131	1.990
Farmland	7.125	4.131	1.990
Non-residential	10.50	6.303	1.990

2005 school requisitions are \$6,722,877.42 (4% increase from 2004); seniors requisitions are \$325,574.05 (\$481.49 increase from 2004.)

2004:

	Municipal	School	Seniors
Residential	6.750	4.426	2.170
Farmland	7.125	4.426	2.170
Non-residential	10.50	6.972	2.170

2004 school requisitions were \$6,490,221.22; seniors requisitions were \$325,092.56.

COSTS / SOURCE OF FUNDING:

N/A

RECOMMENDED ACTION:

Motion 1:

That first reading be given to Bylaw 499/05 being a tax rate by-law for the MD of Mackenzie.

Motion 2:

That second reading be given to Bylaw 499/05 being a tax rate by-law for the MD of Mackenzie.

Motion 3:

That consideration be given go to third reading of Bylaw 499/05 being a tax rate by-law for the MD of Mackenzie.

Motion 4:

That third reading be given to Bylaw 499/05 being a tax rate by-law for the MD of Mackenzie.

Author: Joulia W.

Reviewed:



C.A.O.:



BYLAW NO. 499/05

BEING A BYLAW OF THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23
IN THE PROVINCE OF ALBERTA

TO AUTHORIZE THE RATES OF TAXATION TO BE
LEVIED AGAINST ASSESSABLE PROPERTY WITHIN THE
MUNICIPAL DISTRICT OF MACKENZIE NO. 23
FOR THE 2005 TAXATION YEAR

WHEREAS the Municipal District of Mackenzie No. 23 in the province of Alberta, has prepared and adopted detailed estimates of the municipal revenue and expenditures as required, at the Council meeting held on May 12, 2005; and

WHEREAS the estimated municipal expenditures for capital and operating and transfers including requisitions set out in the budget for the Municipal District of Mackenzie No. 23 for 2005 total \$26,874,670.00 ; and

WHEREAS the estimated municipal revenues and transfers from all sources other than taxation is estimated at \$3,681,288.00 and the balance of \$23,193,382.00 is to be raised by general municipal taxation; and

WHEREAS, the requisitions are:

Alberta School Foundation Fund Requisition:

	Base	Over/Under Levy	Total
Residential and Farmland	\$1,139,809.29	1,455.69	1,141,264.98
Non-Residential	5,579,013.55	-3,476.86	5,575,536.69
Sub – Total	\$6,718,813.04	-2,021.17	6,716,801.67

Opted Out School Board:

Residential and Farmland	3,217.60	4.08	3,221.68
Non-Residential	836.98	- .52	836.46
Sub - Total	\$4,054.58	3.56	4,058.14

Total School Requisitions \$6,722,877.42 -2,017.61 \$6,720,859.81

Lodge Requisition:

Total \$325,574.50 33.45 \$325,607.95

WHEREAS the Council of the Municipal District of Mackenzie No. 23 is required each year to levy on the assessed value of all property, tax rates sufficient to meet the estimated expenditures and the requisitions; and

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

WHEREAS the assessed value of all property in the Municipal District of Mackenzie No. 23 for school requisition and municipal purposes as shown on the assessment roll is:

Assessment:

Residential	\$242,946,650
Farmland	36,309,490
Non-Residential	<u>1,358,843,050</u>
Total	\$1,638,099,190

NOW THEREFORE under the authority of the Municipal Government Act, the Council of Municipal District of Mackenzie No. 23, in the Province of Alberta, enacts as follows:

1. That the Chief Administrative Officer is hereby authorized and directed to levy the following rates of taxation on the assessed value of all property as shown on the assessment roll of the Municipal District of Mackenzie No. 23.

<u>General Municipal</u>	<u>Tax Levy</u>	<u>Assessment</u>	<u>Tax Rate</u>
Residential	\$1,639,889.89	\$242,946,650	0.006750
Farmland	258,705.12	36,309,490	0.007125
Non-Residential	14,267,852.03	1,358,843,050	0.010500
Total	\$16,166,447.04	\$1,638,099,190	

<u>Alberta School Foundation Fund</u>	<u>Tax Levy</u>	<u>Taxable Assessment</u>	<u>Tax Rate</u>
Residential and Farmland	\$ 1,143,229.50	\$276,756,250	0.004131
Non-Residential	5,573,556.54	884,279,500	0.006303
<u>Opted Out School</u>			
Residential and Farmland	3,242.54	787,350	0.004131
Non-Residential	831.24	131,880	0.006303
<u>Exempt</u>			
Machinery & Equipment 100%	0.00	424,396,650	0.000000
Seniors Self Contain 100%	0.00	1,712,540	0.000000
Electric Power Generation 100%	0.00	50,035,020	0.000000
Total	\$ 6,720,859.82	\$1,638,099,190	

<u>Lodge Requisition</u>	<u>Tax Levy</u>	<u>Assessment</u>	<u>Tax Rate</u>
Total	\$325,607.95	\$1,638,099,190	0.000199

2. That this bylaw shall take effect on the date of the third and final reading.

First Reading given on the _____ day of May 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second Reading given on the _____ day of May 2005.

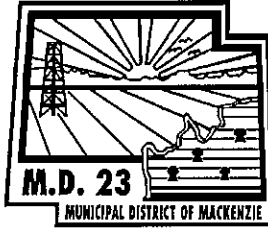
Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third Reading and Assent given on the _____ day of May 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Bill Landiuk
Title:	Bylaw 502/05 to appoint an assessor as a designated officer.
Agenda Item No:	11.0

BACKGROUND / PROPOSAL:

According to MGA, Section 210 and Section 284, council required to appoint an assessor as designated officer.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

Review Bylaw 502/05 to appoint an assessor as a designated officer for the MD of Mackenzie.

COSTS / SOURCE OF FUNDING:

N/A

RECOMMENDED ACTION:

Motion 1:

That first reading be given to Bylaw 502/05 being a bylaw to appoint an assessor as a designated officer for the MD of Mackenzie.

Motion 2:

That second reading be given to Bylaw 502/05 being a bylaw to appoint an assessor as a designated officer for the MD of Mackenzie.

Motion 3:

That consideration be given go to third reading of Bylaw 502/05 being a bylaw to appoint an assessor as a designated officer for the MD of Mackenzie.

Motion 4:

That third reading be given to Bylaw 502/05 being a bylaw to appoint an assessor as a designated officer for the MD of Mackenzie.

Author: Joulia W.

Reviewed:



C.A.O.:



BYLAW NO. 502-05

BEING A BYLAW OF THE MD OF MACKENZIE NO. 23 IN THE PROVINCE OF ALBERTA TO APPOINT AN ASSESSOR AS A DESIGNATED OFFICER

WHEREAS section 284 of the *Municipal Government Act* (Alberta), Chapter M-26, and amendments thereto require that an Assessor be appointed as a Designated Officer;

AND WHEREAS section 210 of the *Municipal Government Act* (Alberta), Chapter M-26, describes the appointment of Designated Officers;

NOW THEREFORE, the Council of the MD of Mackenzie No.23 in the Province of Alberta, duly assembled, enacts:

DEFINITIONS

1. In this Bylaw:

- 1.1. "Assessor" shall mean a person who has the qualifications set out in the *Municipal Government Act* (Alberta) and:
 - 1.1.1. is designated by the Minister to carry out the duties and responsibilities of an Assessor under *the Municipal Government Act* (Alberta); or
 - 1.1.2. is appointed by the municipality to the position of designated officer to carry out the duties and responsibilities of an Assessor under the *Municipal Government Act* (Alberta); and includes any person to whom those duties and responsibilities are delegated by the person referred to in clause (1.1.1) or (1.1.2);
- 1.2. "Council" shall mean the Council of the MD of Mackenzie;
- 1.3. "Designated Officer" shall mean the person designated pursuant to section 1.1.1 herein;
- 1.4. Words importing the masculine gender only include the feminine gender whenever the context so requires and vice versa.
- 1.5. Words importing the singular shall include the plural whenever the context so requires and vice versa.

2. APPOINTMENT OF ASSESSOR

- 2.1. Council hereby appoints Randy Affolder, President of Alliance Assessment Consultants Ltd. of Edmonton, Alberta as a Designated Officer of the MD of Mackenzie pursuant to the provisions of the *Municipal Government Act* (Alberta), Chapter M-26, as amended.

3. DUTIES OF ASSESSOR

- 3.1. The Designated Officer shall carry out the duties of Assessor as described in Parts 9, 10, 11 and 12 of the *Municipal Government Act* (Alberta), Chapter M-26, as amended.

4. CONTRACTOR

- 4.1. For all purposes, Randy Affolder, President of Alliance Assessment Consultants Ltd. and his staff shall be deemed to be an independent contractor serving under contract to the MD of Mackenzie and shall not be deemed to be an employee of the MD of Mackenzie.

5. PREVIOUS APPOINTMENTS RESCINDED

- 5.1. Council hereby rescinds any and all previous appointments of Assessor for the MD of Mackenzie.

6. SEVERANCE

- 6.1. If any provision herein is adjudged by a Court of competent jurisdiction to be invalid for any reason, then that provision shall be severed from the remainder of this Bylaw and all other provisions of this Bylaw shall remain valid and enforceable.

7. COMING INTO EFFECT

- 7.1. This Bylaw shall come into force and effect on the final day of passing thereof.

Bylaw 502-05 Bylaw to appoint an assessor as a designated officer

First Reading given on the _____ day of May 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Second Reading given on the _____ day of May 2005.

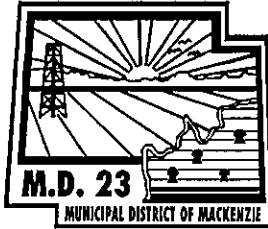
Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant

Third Reading and Assent given on the _____ day of May 2005.

Bill Neufeld, Reeve

Barbara Spurgeon, Executive Assistant



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Barb Spurgeon, Executive Assistant
Title:	Rural Transportation Grant
Agenda Item No:	11 d)

BACKGROUND / PROPOSAL:

AAMD&C has established a Rural Transportation Grant Review Committee (RTGRC) to review the formula for the rural transportation grant.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The County of Parkland is suggesting the current funding Formula be continued with the condition that no municipality receive less than \$60 per capita. They are requesting that municipalities review their proposal and if we support it, write a letter to the RTGRC expressing our support.

COSTS / SOURCE OF FUNDING:

RECOMMENDED ACTION:

That a letter of support for County of Parkland's proposal for rural transportation funding be sent to the Rural Transportation Grant Review Committee.

Author:

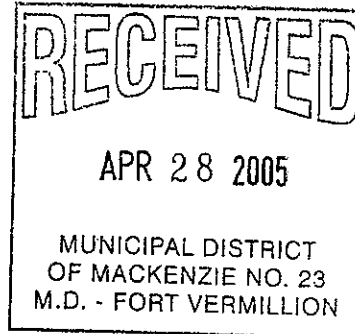
Reviewed:

C.A.O.:

April 20, 2005

File 800-3

Reeve Bill Neufeld
MD of Mackenzie No. 23
PO Box 640
FORT VERMILION, AB T0H 1N0



Dear Reeve Neufeld:

As we all know, at the request of the Provincial Government, a Committee has been formed by the AAMD&C to review the formula for the Rural Transportation Grant. The Committee is named the "AAMD&C Rural Transportation Grant Review Committee."

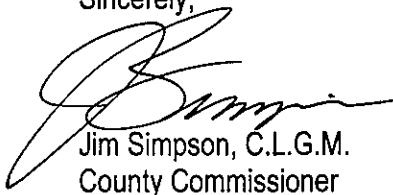
Council of Parkland County has reviewed the current formula and is concerned that a number of rural municipalities are receiving less funding per capita than our urban counterparts. All urban municipalities are receiving \$60 per capita. Parkland County Council does not have a concern with the current Rural Transportation Grant formula except that some rural municipalities are receiving less than \$60 per capita.

We feel we have a relatively simple solution that will not impact the rural municipalities that are receiving more than \$60 per capita and will not have a significant impact on the Provincial funding. Parkland County proposes that the current funding formula continues to be utilized with the condition that no municipality receive less than \$60 per capita. This will assist the rural municipalities with a larger population to provide an adequate road system for the high volumes of traffic on their roads. This proposal will not provide less funding to any municipality in Alberta. It does mean that the Province will have to provide an additional \$6.5 million to the program, which is small in comparison to the problem that is at hand.

Council of Parkland County asks that each of your Councils review our proposal and ask for your support by writing to the AAMD&C Rural Transportation Grant Review Committee expressing your support. Please find attached a schedule for the funding formula.

Thank you for your consideration.

Sincerely,

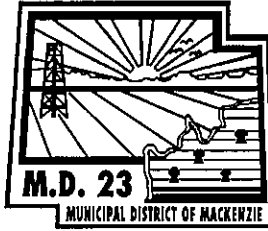


Jim Simpson, C.L.G.M.
County Commissioner

Enclosure

pc: Parkland County Mayor & Council
AAMD&C

dst:H:\WP\Commissioner\External Correspondence\2005\rural munis rural transportation grant.doc



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Barb Spurgeon, Executive Assistant
Title:	Strategic Planning Retreat
Agenda Item No:	11e)

BACKGROUND / PROPOSAL:

Administration sent out three options for the Strategic Planning Retreat.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

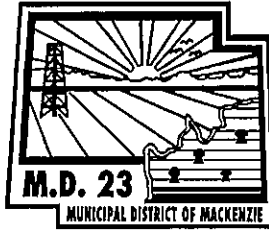
Most Councilors responded in favor of the August 19, 20 and 21 weekend for the strategic planning retreat. Administration is still looking at locations and a facilitator for the event.

COSTS / SOURCE OF FUNDING:

RECOMMENDED ACTION:

That August 19, 20 and 21, 2005 be set for a Strategic Planning Retreat.

Author:	Reviewed:	C.A.O.:
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M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Barb Spurgeon, Executive Assistant
Title:	Summer Council Meeting Dates
Agenda Item No:	11.f)

BACKGROUND / PROPOSAL:

At the Organizational meeting in October, Council wanted to decide if summer Councils meetings could be reduced in number or eliminated altogether.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

The July dates are July 12 and 27. The July 27th meeting is scheduled to be held in High Level. The August dates are 9 and 24th. Both are in Fort Vermilion. As the Strategic Planning Retreat is scheduled for August 19-21. Administratively, it slows down considerably during the summer months.

Administration recommends only one Council meeting be held during July and August.

COSTS / SOURCE OF FUNDING:

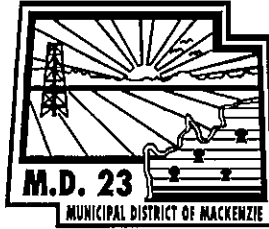
RECOMMENDED ACTION:

That the July 12th, August 9th, and August 24th, 2005 regular Council meetings be cancelled.

Author:

Reviewed:

C.A.O.:



M.D. of Mackenzie No. 23

Request For Decision

Meeting:	Regular Council Meeting
Meeting Date:	May 10, 2005
Presented By:	Ray Coad, Chief Administrative Officer
Title:	Visit from the Minister of Municipal Affairs
Agenda Item No:	11. g)

BACKGROUND / PROPOSAL:

The Honorable Rob Renner, Minister of Municipal Affairs will be in the region on June 1st for the Town of High Level 40th Anniversary. While he is in the area he will be visiting the Town of Rainbow Lake, and has also expressed interest in coming to Fort Vermilion to meet Council and visit the town.

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

Mr. Renner is tentatively scheduled to be in Rainbow Lake for the morning, in High Level from 1:00 – 2:15, and then would fly to Fort Vermilion for approximately a 1-2 hour visit.

COSTS / SOURCE OF FUNDING:

RECOMMENDED ACTION:

That a Special Council Meeting be scheduled for June 1st, 2005 at 2:30 p.m.

Author:

Reviewed:

C.A.O.: