



2023 ANNUAL REPORT

www.smokylakecounty.ab.ca



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County Council

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SMOKY LAKE COUNTY

Box 310 Smoky Lake, AB T0A 3C0

8:00 AM to 4:00 PM

Closed for lunch from 12:00 PM to 1:00 PM

Monday to Friday

Toll Free: 888-656-3730

Phone: 780-656-3730

Main Office

4612 McDougall Drive, Smoky Lake, AB

Public Works Shop

5004 50 Street, Smoky Lake, AB

Reeve & Interim Chief Administrative Officer Message

Reflection on 2023

Dear residents of Smoky Lake County,

As your Reeve, I am grateful for the opportunity to address you in this annual message. There's history within our County and it's essential that we continue to build upon it for our well-being and prosperity for us all. In the coming year, our focus remains on delivering essential services, overall growth, and development.

To achieve meaningful growth, we must confront the continued challenges that lie ahead. We continue to lobby and attract partnerships to enhance our basic needs within health care, emergency services, policing, education, housing, recreation and many more sectors that are crucial pillars required for growth and overall prosperity for our entire region. Together, we must work towards innovative solutions and partnerships that enhance the quality of life for us all.

The reduction of Red - Tape and positive relationships with our town and village neighbors, to align the basics, will help create opportunities for growth showing that we as a region, are truly open for business. By addressing our current challenges head-on, we lay the foundation for a stronger, more resilient community and provide hope for our next generation. Let us collaborate and align to bring Smoky Lake County to new heights.

In the spirit of unity and progress, I am confident that together, we can overcome obstacles and pave the way for a stronger future. Thank you for your commitment to our community, and I look forward to the collective efforts that will shape a stronger region, and County that we call home.

Sincerely,

Jered Serben, Reeve, Smoky Lake County

Interim Chief Administrative Officer Message

In 2023 I had the pleasure to serve as the Interim CAO. As you can see this Annual Report reflects our financial position as of December 31, 2023 and provides a great deal of information that provides background on how we delivered departmental level services to you.

We made good strides in 2023 on Intergovernmental Relations with our neighbouring municipalities in the region focusing to establish a regional fire service; expanding housing initiatives; exploring our relationship on the Ukrainian Twinning commitment by sharing resources, as well continuing to work on opportunities towards other mutual services in 2024.

I want to take this opportunity to thank the Reeve and Council for their leadership and support. I would also like to convey my appreciation to the committed Management Team and staff for the work they do every day to fulfill the direction of Council and ensure stability is provided to our residents for the essential services.

I also would like to extend a "Thank You" to our residents for participating, attending our meetings, providing feedback and insights when opportunities arise for Public Engagement with the County. Our collective efforts create a dialogue for meaningful solutions by working together to improve on issues important to our communities.

Thank you for taking the time to review this report. I encourage you to visit www.smokylakecounty.ab.ca to access County publications and reports, these on-line tools represent Council's commitment of transparency to our residents to learn more about the County.

Respectfully submitted,

Lydia Cielin

Interim Chief Administrative Officer, Smoky Lake County

Smoky Lake County Council

Your Councillor represents you and the division where you live or do business.

Find out about the boards and committees they serve on at: www.smokylakecounty.ab.ca/p/committees



Division 1 Councillor
Dan Gawalko
780-645-1589
dgawalko@smokylakecounty.ab.ca



Division 2 Councillor & Deputy Reeve
Linda Fenerty
780-646-0015
lfenerty@smokylakecounty.ab.ca



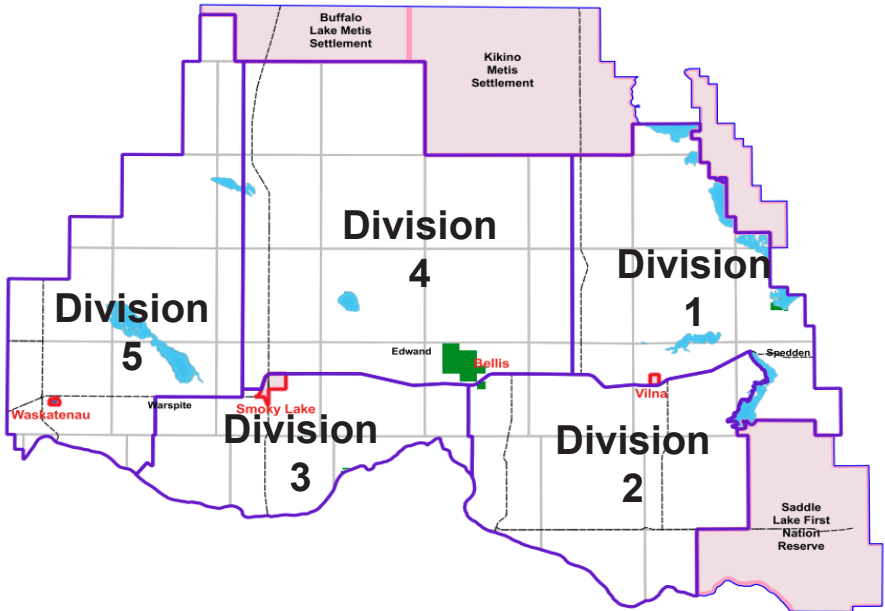
Division 3 Councillor
Dominique Cere
780-656-0494
dcere@smokylakecounty.ab.ca



Division 4 Councillor
Lorne Halisky
780-650-5401
lhalisky@smokylakecounty.ab.ca



Division 5 Councillor & Reeve
Jered Serben
780-656-5244
jserben@smokylakecounty.ab.ca



Smoky Lake County By The Numbers



3,396.3
square kilometers



POPULATION*
2,517



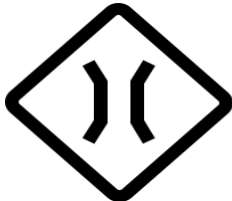
Average Age
42.0



12
Mini Transfer Stations
2
Landfill Locations



1,555 KM
of Roads
1,337 KM
Gravel Roads
193 KM
Paved Roads
25 KM
Fibre Mat Roads



56
Bridges
46
Culvert Bridges
Included



1,563 KM
Natural Gas Pipelines
Owned and Operated
(and growing)



198,170 acres
Annual Crop Land



3
Fire Departments

* County's calculated population for Year-2021 is 2,517, as a result of using the same methodology used by Municipal Affairs, based on the Statistics Canada's 2021 Census.

Contributions to Non-Profit Organizations & Individuals: Policy 1-14

Smoky Lake County has established the following procedures for contributions to Non-Profit Organizations and Individuals:

Sport Teams / Youth Organizations: attending and/or competing at Provincial and/or National Finals Events

For Overnight stays:

- Team of 8 players or less - \$ 250.00
- Team of 9 players or more - \$ 500.00

Students: participating in an educational orientation (i.e. Youth Forum): \$100.00 CASH

Individual: belonging to a non-profit club/organization who is attending a conference (i.e. Volunteer Conference): \$100.00 CASH

Other Requests: other requests will be held by the Chief Administrative Officer and presented to Council for consideration if there are funds remaining in the grants portions of the budget for the current year.

Special Occasion Recognition: Policy 1-15

Smoky Lake County will provide recognition of milestone birthdays or wedding anniversaries to County Residents if a request is received by the County Administration Office, at least four (4) weeks prior to the occasion of reaching a birthday or anniversary milestone as outlined below:

- Recognition Certificates to Smoky Lake County Residents who are celebrating their:
25th, 30th, 35th, 40th, or 45th Wedding Anniversary
- Recognition Certificates to Smoky Lake County Residents who are celebrating their:
75th, 80th, 85th, 90th, or higher Birthday
- Recognition Plaques to Smoky Lake County Residents who are celebrating their:
50th, 60th, 70th, or higher Wedding Anniversary

Delegation to County Council: Policy 1-49

Smoky Lake County Council welcomes those wishing to speak directly with them at various meetings held to conduct County business. A delegation is the formal term for an individual or group who appear before Council (or a Council Committee) in order to:

- make a presentation on a matter that is of broad interest and that falls within the jurisdiction of the County;
- request for action;
- bring Council up to date on a project, idea, or concept; or
- provide further information on an issue currently before the Council for a decision.

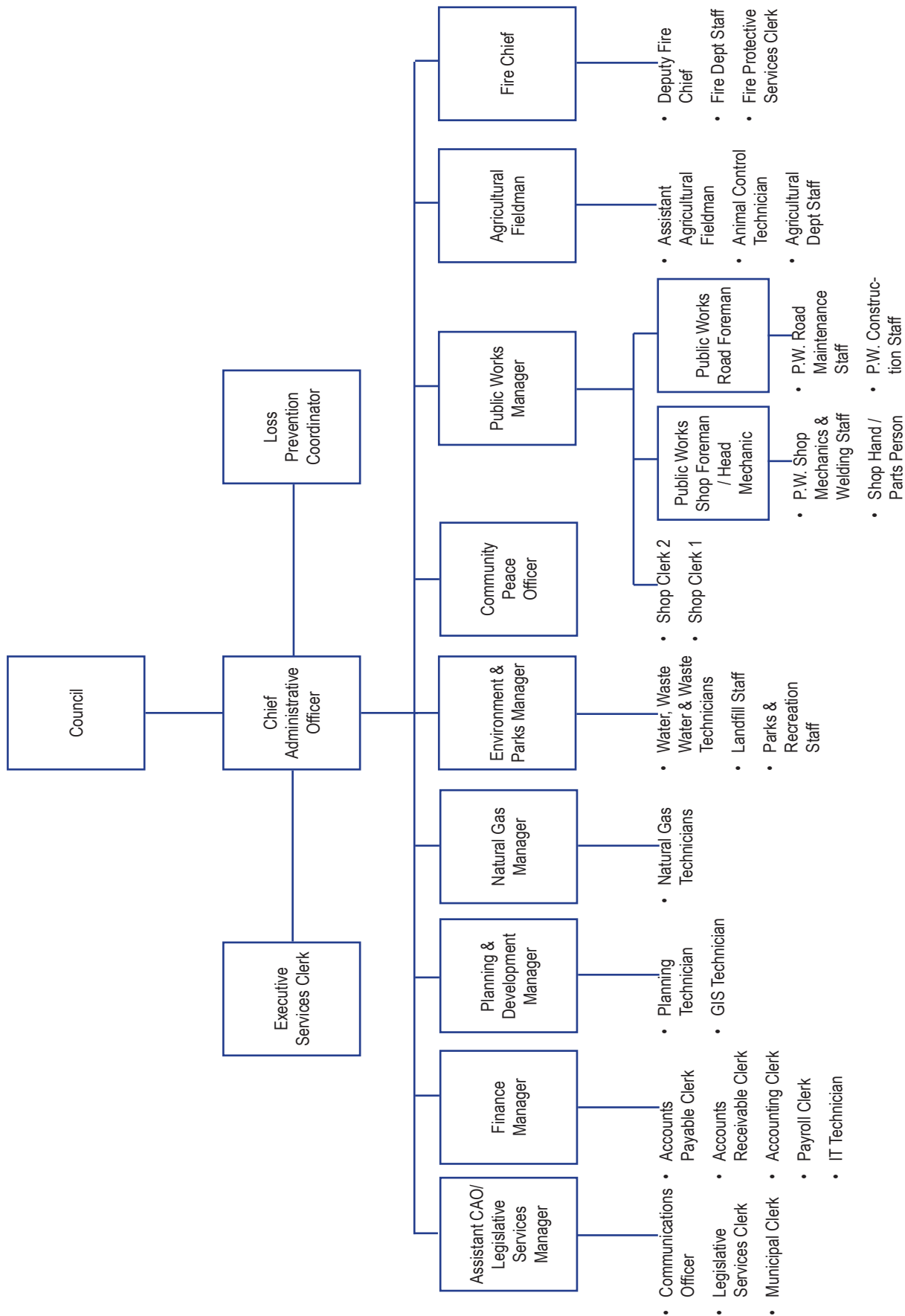
To request the opportunity to speak at a Council meeting a **Delegation Request Form** must be completed.

Please note, that a delegation request form is not required in order to speak at a Public Hearing or ask a question during the public Question and Answer Period held during each Council Meeting between 11:30 AM to 12:00 PM.

The most current policies and application forms can be found on the
Smoky Lake County website at:

www.smokylakecounty.ab.ca/p/policies

or by calling 780-656-3730.



Strategic Plan

VISION

Leading the way in positive growth with healthy, sustainable, rural living.

MISSION

Smoky Lake County strives for collaboration and excellence in the provision of transparent and fiscally responsible governance and services.

In 2022 Smoky Lake County Council began setting priorities for the 2023 - 2025 Strategic Plan. Smoky Lake County's 2023-2025 Strategic Plan outlines Smoky Lake County Council's vision for the future of the municipality. This plan will serve as the road map Council is choosing to take for the current term and beyond.

Core Values:

- 1. HEALTHCARE** – Continuing access to the George McDougall and Vilna Health Centre by all residents in our region and the increasing of services for more advanced healthcare services.
- 2. EMERGENCY SERVICES** – A safe community where all County residents have access to locally sourced full-service police, fire and EMS services.
- 3. EDUCATION** – The prospect to allow residents to access dual credit opportunities and advanced education programs provided by colleges and also values the equality of education opportunity for County residents.
- 4. CULTURAL DIVERSITY** – The need to continue to accommodate, attain, build and grow the awareness of being an open and culturally diverse community.
- 5. RECREATION** – The existing recreational opportunities and facilities for all our residents and seeks to explore enhancements to these facilities.

Strategic Priorities:



Grow Employment Opportunities - Lobby for the reinstatement of healthcare services in the region, the re-opening of the courthouse, and supporting growth in all industries, to stimulate population growth in the region.



Pro-activity in Development – Committed to the development of policy and programming to foster a proactive approach to land



Emergency Services – Council is committed to ensure that all County residents have access to full-service Police, Fire and EMS services.



Education – Council is committed to ensuring that educational opportunities for County residents continue to grow.



Cultural Diversity – Council is committed to ensuring that the County is recognized as being a Culturally Diverse Community.

Learn more and view progress updates at: www.smokylakecounty.ab.ca/p/strategic-plan

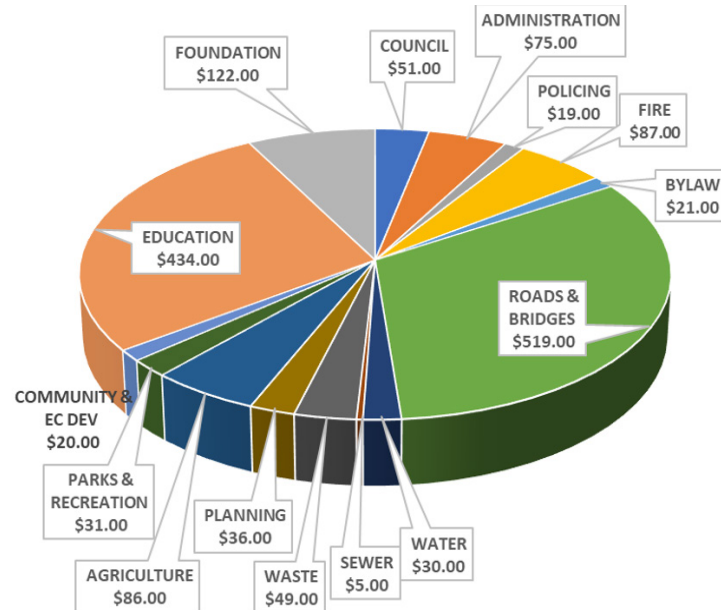
Fiscal Sustainability

Smoky Lake County strives to continually improve operational efficiency and effectiveness for time and cost savings.

Expenses are tracked per department. The “where do my tax dollars go” chart shows the portion of tax revenue that is allocated to each department.

The average residential property value is \$178,034 which results in an average total tax levy of \$1,585 (\$132.00 per month).

How is \$1,585.00 spent?



Supporting Our Communities

In 2023 Smoky Lake County distributed \$26,600 of Family and Community Support Services (FCSS) Grant funding to the following organizations who applied:

- Smoky Lake Agricultural Society
- Smoky Lake Public Library
- Victoria Trail Agricultural Society
- Vilna & District Municipal Library
- Smoky Lake Minor Hockey Association
- Smoky Lake Legion Branch #227
- Smoky Lake Youth Fire Camp
- Smoky Lake Holubka Dancers
- Vilna Veselka Dance Club
- Warspite Community Hall

Eligible organizations can apply for funds towards projects that qualify under Policy 08-17.

To receive funding, programs must either develop awareness with regard to social needs; help individuals develop independence and strengthen coping skills; and, provide supports that help sustain people as active participants in the community.

Agricultural Services

	2022	2023
Weed Inspections & Control Letters Sent	716	657
Municipal right of way's that received a herbicide application	777 KM (50%)	777 KM (50%)
New pond leveler devices installed	4	3
Existing pond leveler devices maintained	12	15



In 2023 we saw successful establishment of our Leafy Spurge Beetle Biocontrol project. Under the guidance of the Alberta Invasive Species Council, leafy spurge beetles (*Aphthona lacertosa*) were released on a patch of noxious leafy spurge. Leafy spurge is an extremely aggressive invader spreading both by extensive creeping roots and high seed production. All parts of the plant contain a milky colored latex that can poison livestock and cause skin irritation on humans. Adult beetles feed on spurge leaves and flowers, limiting the plants ability to grow. Eggs are laid in the soil where larvae over-winter and feed on the spurge roots in the spring. Plant suppression will be seen in a few years as beetles continue to feed and their population grows.

Lakeland Agricultural Research Association (LARA)



Smoky Lake County provides \$55,000 in funding to LARA to conduct innovative unbiased research, give demonstrations, offer programs, and provide resources to local farmers.

2023 Extension Events: 189 producers attended 22 in person extension events

2022 Extension Events: 210 producers attended 28 in person extension events

Data is specific to Smoky Lake County

Bylaw Enforcement Services

Calls Responded To:	2023
Animal Control	27
Unsightly Premises	6
Land Use Issues	6
Road Right of Way	11
Iron Horse Trail	1
Noise	3
Fire Ban	2
Landfill	1
Littering	3
Total complaints, written warnings & violation tickets	60

Environmental Services

Waste Hauled to Regional Site	2022	2023
Smoky Lake County	921,460 kg	918,520 kg
Village of Vilna	73,906 kg	72,680 kg
Village of Waskatenau	71,419 kg	71,680 kg

Smoky Lake County participates in 8 different recycling programs including: metals, oils and oil containers, paints, batteries, electronics, tires, herbicide and pesticide containers and compost.

Refrigerator Units with
Freon Removed in 2023

302

SPRING CLEAN UP PROMOTION

Every year, during the **entire month of May** Smoky Lake County offers free disposal of appliances containing Freon at County Landfill sites for all residents of the Smoky Lake Region.

Fire Protective Services

Calls Responded To:	2022	2023
Motor Vehicle Collisions	96	97
Off Highway Vehicles	5	3
Fires	57	76
Wildfires	23	39
Structure	19	22
Vehicle	6	7
Agricultural	9	9
Medical Calls	34	46
Carbon Monoxide	7	5
Dangerous Goods	11	10
Search and Rescue	0	0
Water/ Ice Rescue	0	0
Fire Alarms	14	22
Total Emergency Responses	219	256

Fire Permits Issued
in 2023

276

Fireworks Permits
Issued in 2023

14

FIRE PERMITS



Other than a campfire or County approved incinerator (burn barrel), any person lighting an open fire for burning debris or any other purpose must have a valid fire permit. A permit makes us aware of your desire to burn, lets our emergency services department know why they might be receiving calls for smoke in the air, and gives us the opportunity to help you ensure your burn is safe and effective.

Fire permits are required year round and there is NO CHARGE for obtaining a permit.

Fire Permits can be obtained by calling the Smoky Lake County Fire Chief at 780-656-3730.

In Emergency Situations Dial

9-1-1

Police - Fire - Medical

Please do not call Smoky Lake County or emergency responders directly.

GIS (Geographic Information System)

GIS (Geographic Information System) is an integrated approach involving all stakeholders, to maximize value of physical assets from a digital database of spatial and non-spatial data within the county.

GIS allows County administration, ratepayers, and other third-party stakeholders to view, understand, question, interpret, and visualize data in many ways.

Smoky Lake County's Interactive Webmap can assist you with information, at your convenience. Selections can be made to view districts (electoral and fire), locations including; transfer stations, landfills, water truck fills, campgrounds, EV charging stations, land use zoning, gravel maintenance and more.

County maps available on our website:

- Land Ownership
- Hamlets
- Resorts & Lake Subdivisions
- Victoria District National Historic Site
- and more.....

**Guests that accessed the County's GIS
Webmap in 2023**

70,152

Looking for a County map? To Access Our Interactive GIS Webmap and Maps visit:

www.smokylakecounty.ab.ca/p/maps

Natural Gas

Projects Completed	2023
Meter Recalls	68
New Infills	9
Secondary Gas Lines	45
Underground Leaks Repaired	2
Length of Underground Pipe Installed	7.5 KM
Line Locates	762
Emergency Line Locates	35
Service Calls	
Appliance Issues	51
Carbon Monoxide	16
Gas Smell Concerns	45
New gas lines were installed and regulator station upgraded at the Bonnie Lake subdivision	



Whether you're planning a home improvement job, planting a tree or installing a fence or deck,

Click Before You Dig to safely identify buried utility lines.

Planning and Development

Smoky Lake County wants development to happen in the best and most appropriate locations. Sound planning and community engagement are key to the process.

31
Development
Permits Issued

2023 Construction Values:

Total Value: \$4,857,970

2022 Total Value: \$31,547,000

39
Building
Permits Issued

Commercial:
\$641,000

2022: \$15,365,000

Residential:
\$4,216,970

2022: \$5,182,000

Industrial:
\$0

2022: \$11,000,000

Public Works

With the co-operation of oil companies, gravel haulers, logging contractors, agricultural producers and other contractors contacting the County for Road Haul Agreements and Minor Haul Road Agreements, the County has been able to keep road damage to a minimum. The use of road Haul Agreements monitors the condition of the road and gives permission to use roads for a major hauling activity; and outlines conditions for such use. In 2023 there were 252 permitted hauls in the County.

Smoky Lake County continues to work cooperatively with its agricultural producers; time restrictions and assigned designated routes according to road conditions are applied when roads are most vulnerable. We kindly ask for your continued support to keep road damage to a minimum. A reminder that when moving larger equipment and large trucks to please use a pilot vehicle. Having a pilot vehicle when moving large agricultural equipment is crucial for ensuring safety on the road. It helps alert other drivers, provides guidance through challenging routes, and minimizes the risk of accidents or damage to both the equipment and other vehicles.

CAN YOU SEE YOUR SIGN?

When seconds and minutes count, it's crucial that your address sign is clearly visible for Emergency Services. Please ensure that your address is not obstructed by grass, trees, debris, snow, etc.

If you see a down or damaged road sign report it to the Public Works Shop at 780-656-3755



YOUR RURAL ADDRESS

Projects Completed	2023
Flags sold for driveway snow removal	217
MG 30 base dust control projects completed	15 projects (31.25 miles)
Oil base dust control projects completed	1 project
Culverts replaced or installed	52
Road elevation improvements	1 mile
Road rehabilitation	0.5 miles
Gravel	
Division 1	40 miles
Division 2	81.5 miles
Division 3	38 miles
Division 4	45.5 miles
Division 5	66 miles

Policy No. 03-18: 5 year Road Plan can be viewed at www.smokylakecounty.ab.ca/p/policies

Smoky Lake County Consolidated Financial Statements

Year Ended December 31, 2023



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Smoky Lake County is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this financial report. Management believes that the consolidated financial statements present fairly the County's financial position as at December 31, 2023 and the result of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislations, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The County Council carries out its responsibilities for review of the consolidated financial statements. They meet regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to council with and without the presence of management. The County Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by JMD Group LLP, Chartered Professional Accountants, independent external auditors appointed by the County. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the County's consolidated financial statements.

Lydia Cielin, Acting CAO

March 28, 2024

INDEPENDENT AUDITOR'S REPORT

To the Council of Smoky Lake County

Opinion

We have audited the consolidated financial statements of Smoky Lake County (the organization), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in net financial assets, and cash flows and schedules 1 to 6 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and the results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St Paul, Alberta
March 28, 2024


Chartered Professional Accountants

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
Financial assets		
Cash (note 2)	\$19,878,679	\$19,590,124
Taxes and grants in place receivable (note 3)	512,236	543,562
Receivables from other governments	577,014	2,366,568
Trade and other receivables	623,689	1,068,266
Loan to MCC for Smoky Lake Development Corp (note 5)	615,567	–
Investment in Gas Alberta Inc. (Note 4)	67,932	67,983
Investment in MCC for Smoky Lake Development Corp.	10,000	10,000
	<u>22,285,117</u>	<u>23,646,503</u>
Liabilities		
Accounts payable and accrued liabilities	1,105,674	2,286,651
Employee obligations (note 6)	1,348,948	1,406,489
Deposit liabilities	239,250	221,124
Deferred revenue (note 7)	1,042,753	1,475,784
Tax sale surplus	10,317	10,317
Assets retirement obligations (note 8)	1,767,840	1,733,177
	<u>5,514,782</u>	<u>7,133,542</u>
Net financial assets	<u>16,770,335</u>	<u>16,512,961</u>
Non-financial assets		
Tangible capital assets (schedule 2)	37,717,013	38,487,697
Inventory (note 9)	3,562,124	3,707,731
Prepaid expenses	54,499	199,380
	<u>41,333,636</u>	<u>42,394,808</u>
Accumulated surplus (schedule 1, note 10)	<u>\$58,103,971</u>	<u>\$58,907,769</u>

CONTINGENT LIABILITIES (note 11)

Approved By:

Reeve

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(Unaudited)		
Revenues			
Net municipal taxes (schedule 3)	\$10,315,527	\$10,376,688	\$9,935,917
Sales of goods and services	836,858	911,570	886,789
Government transfers for operating (schedule 4)	733,580	910,436	850,579
Investment income	370,000	898,867	416,691
Penalties and costs of taxes	80,000	392,554	348,891
Licenses and permits	88,500	93,841	115,337
Special levies and taxes	209,040	206,540	150,052
Insurance recoveries	8,151	75,542	77,703
Rentals and leases	45,000	60,755	43,482
Natural gas	2,994,520	2,634,175	3,941,420
	<u>15,681,176</u>	<u>16,560,968</u>	<u>16,766,861</u>
Expenses			
Legislative	510,243	502,276	498,982
Administration	2,171,535	2,310,939	2,298,953
Protective services	1,338,897	1,358,956	874,384
Transportation	9,647,264	7,871,181	7,554,348
Water and wastewater	722,384	680,129	635,410
Landfill	530,988	661,908	679,557
Further education	113,230	118,657	119,903
Agriculture services	930,450	884,294	868,553
Municipal planning, community & economic development	883,751	761,166	744,396
Recreation and culture	510,174	410,670	409,701
Natural gas	3,059,520	2,828,039	4,306,643
	<u>20,418,436</u>	<u>18,388,215</u>	<u>18,990,830</u>
Deficiency of revenues over expenses before other	<u>(4,737,260)</u>	<u>(1,827,247)</u>	<u>(2,223,969)</u>
Other			
Government transfers for capital (schedule 4)	1,977,489	1,151,264	2,302,242
Gain (loss) on disposal of tangible capital assets	361,800	(127,815)	134,067
	<u>2,339,289</u>	<u>1,023,449</u>	<u>2,436,309</u>
Excess (deficiency) of revenues over expenses	<u>(2,397,971)</u>	<u>(803,798)</u>	<u>212,340</u>
Accumulated surplus, beginning of year	<u>58,907,769</u>	<u>58,907,769</u>	<u>58,695,429</u>
Accumulated surplus, end of year	<u>\$56,509,798</u>	<u>\$58,103,971</u>	<u>\$58,907,769</u>

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(Unaudited)		
Excess (deficiency) of revenues over expenses	\$(2,397,971)	\$(803,798)	\$212,340
Amortization of tangible capital assets	2,265,300	2,287,596	2,300,112
Acquisition of tangible capital assets	(1,052,559)	(1,910,871)	(3,443,299)
Proceeds on disposal of tangible capital assets	--	266,144	473,082
Loss (gain) on disposal of tangible capital assets	(361,800)	127,815	(134,067)
	850,941	770,684	(804,172)
Increase in inventory	50,000	145,607	(31,874)
Decrease (increase) in prepaid expenses	(50,000)	144,881	14,246
	850,941	1,061,172	(821,800)
Increase (decrease) in net financial assets	(1,547,030)	257,374	(609,460)
Net financial assets, beginning of year	16,512,961	16,512,961	17,122,421
Net financial assets, end of year	\$14,965,931	\$ 16,770,335	\$16,512,961

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenues over expenses	\$(803,798)	\$212,340
Items not affecting cash:		
Amortization of tangible capital assets	2,287,596	2,300,112
Loss on disposal of tangible capital assets	127,815	(134,067)
	1,611,613	2,378,385
Changes in non-cash working capital:		
Taxes and grants in place receivable	31,326	77,713
Receivables from other governments	1,789,554	54,585
Trade and other receivables	444,577	293,073
Accounts payable and accrued liabilities	(1,180,977)	(76,178)
Employee obligations	(57,541)	38,232
Deposit liabilities	18,125	(400)
Deferred revenue	(433,030)	(656,436)
Tax sale surplus	--	195
Asset retirement obligations	34,663	864,523
Inventory	145,607	(31,875)
Prepaid expenses	144,881	14,246
	937,185	577,678
Net cash from operations	2,548,798	2,956,063
Capital		
Purchase of tangible capital assets	(1,910,871)	(3,443,299)
Proceeds on disposal of tangible capital assets	266,144	473,082
	(1,644,727)	(2,970,217)
Investing		
Investment in MCC for Smoky Lake Development Corp.	--	(10,000)
Change in restricted cash	85,488	404,229
Loan to MCC for Smoky Lake Development Corp.	(615,567)	--
Redemption of shares in Gas Alberta Inc.	51	--
	(530,028)	394,229
Net change in cash during the year	374,043	380,075
Cash, beginning of year	18,902,142	18,522,067
Cash, end of year	\$19,276,185	\$18,902,142
Cash is made up of:		
Cash	\$19,878,679	\$19,590,124
Less restricted cash	(602,494)	(687,982)
	\$19,276,185	\$18,902,142

SMOKY LAKE COUNTY
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
Balance, beginning of year					
As originally stated	\$5,095,348	\$15,324,724	\$38,487,697	\$58,907,769	58,695,42
Prior period adjustment, asset retirement obligations	1,733,177	--	(1,733,177)	--	--
As restated	6,828,525	15,324,724	36,754,520	58,907,769	58,695,429
Excess of revenues over expenses	(803,798)	--	--	(803,798)	212,340
Funds used for tangible capital assets	(1,910,871)	--	1,910,871	--	--
Annual amortization expense	2,287,596	--	(2,287,596)	--	--
Disposals of tangible capital assets	393,959	--	(393,959)	--	--
Annual accretion expense	34,663	--	(34,663)	--	--
Funds designated for future use	648,177	(648,177)	--	--	--
Change in accumulated surplus	649,726	(648,177)	(805,347)	(803,798)	212,340
Balance, end of year	\$7,478,251	\$14,676,547	\$35,949,173	\$58,103,971	\$ 58,907,769

SMOKY LAKE COUNTY
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2023	2022
Cost								
Balance, beginning of year	\$5,539,089	\$2,216,811	\$5,582,239	\$52,383,319	\$12,668,591	\$6,564,824	\$84,954,873	\$82,623,354
Acquisition of tangible capital assets	--	--	21,495	1,563,317	917,430	789,439	3,291,681	2,712,789
Construction-in-progress	--	--	--	(1,380,810)	--	--	(1,380,810)	730,510
Disposal of tangible capital assets	(201,876)	--	--	--	(42,975)	(256,793)	(501,644)	(1,111,780)
Balance, end of year	5,337,213	2,216,811	5,603,734	52,565,826	13,543,046	7,097,470	86,364,100	84,954,873
Accumulated amortization								
Balance, beginning of year	--	1,079,773	1,790,893	32,509,514	7,004,049	4,082,947	46,467,176	44,939,828
Annual amortization	--	74,672	138,827	1,112,197	632,165	329,735	2,287,596	2,300,112
Accumulated amortization on disposals	--	--	--	--	(19,720)	(87,965)	(107,685)	(772,764)
Balance, end of year	--	1,154,445	1,929,720	33,621,711	7,616,494	4,324,717	48,647,087	46,467,176
Net book value of tangible capital assets	\$5,337,213	\$1,062,366	\$3,674,014	\$18,944,115	\$5,926,552	\$2,772,753	\$37,717,013	\$38,487,697
2023 Net book value of tangible capital assets	\$5,539,089	\$1,137,038	\$3,791,346	\$19,873,805	\$5,664,542	\$2,481,877	\$38,487,697	

SMOKY LAKE COUNTY
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(Unaudited)		
Taxation			
Residential	\$3,045,296	\$3,139,717	\$2,981,937
Non-residential	1,270,155	1,316,217	1,166,997
Farmland	911,096	1,001,076	992,707
Machinery and equipment	1,188,096	1,279,951	1,138,096
Linear property	6,310,864	6,141,030	6,209,350
Grants in place	68,756	69,721	69,001
	12,794,263	12,947,712	12,558,088
Requisitions			
Alberta School Foundation Fund	1,986,936	2,039,430	2,085,670
Smoky Lake Foundation	468,927	510,942	514,064
Designated Industrial Property	22,873	20,652	22,437
	2,478,736	2,571,024	2,622,171
	\$10,315,527	\$10,376,688	\$9,935,917
Net municipal taxes			

SMOKY LAKE COUNTY
SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(Unaudited)		
Expenses			
Salaries, wages and benefits	\$8,550,958	\$7,850,810	\$7,627,393
Contracted and general services	3,909,685	3,018,056	2,642,077
Purchases from other governments	321,000	313,165	248,007
Materials, goods, supplies and utilities	3,326,327	2,827,184	2,845,278
Provision for allowances and bad debts	-	309,946	207,802
Transfers to other governments	57,500	32,083	41,797
Transfers to individuals and organizations	739,133	352,381	304,226
Bank charges and short-term interest	6,000	5,592	7,728
Tax adjustments	3,000	80,804	39,663
Natural gas purchases	1,239,533	1,275,934	2,692,763
Amortization of tangible capital assets	2,265,300	2,287,596	2,300,112
Accretion expense	-	34,664	33,984
Total expenses	\$20,418,436	\$18,388,215	\$18,990,830

SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(Unaudited)		
Transfers for operations			
Federal grants	\$15,000	\$54,992	\$17,661
Provincial	650,445	796,228	769,067
Local governments	68,135	59,216	63,851
	733,580	910,436	850,579
Transfers for capital			
Provincial	1,977,489	1,151,264	2,302,242
Total government transfers	\$2,711,069	\$2,061,700	\$3,152,821

SMOKY LAKE COUNTY
SCHEDULE 6 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Services	Transportation Services	Environmental Services	Planning & Community Services	Agriculture	Recreation and Culture	Gas	2023
Revenue									
Net municipal taxes	\$10,376,688	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$10,376,688
User fees (rentals and sales)	129,179	139,012	209,204	316,657	127,618	9,425	41,230	2,634,175	3,606,500
Government transfers for operating	141,250	59,091	--	--	417,048	181,247	111,800	--	910,436
Investment income	811,468	--	--	--	--	--	--	87,399	898,867
Other operating revenues	466,982	7,853	204,040	9,040	80,562	--	--	--	768,477
Government transfers for capital	--	68,585	1,082,679	--	--	--	--	--	1,151,264
Gain (loss) on disposal of TCA's	(157,902)	3,963	23,307	22,562	--	(19,745)	--	--	(127,815)
	<u>11,767,665</u>	<u>278,504</u>	<u>1,519,230</u>	<u>348,259</u>	<u>625,228</u>	<u>170,927</u>	<u>153,030</u>	<u>2,721,574</u>	17,584,417
Expenses									
Salaries, wages & benefits	1,412,533	451,717	3,308,408	714,065	317,308	537,996	173,942	934,841	7,850,810
Contract & general services	722,897	613,950	1,057,521	199,263	409,449	120,645	18,784	188,712	3,331,221
Goods & supplies	112,539	165,233	2,013,645	169,362	1,893	177,920	5,262	1,457,264	4,103,118
Transfers to others	41,142	--	--	32,083	151,289	--	159,950	--	384,464
Other expenses	389,680	--	13,390	27,992	--	--	--	(56)	431,006
	<u>2,678,791</u>	<u>1,230,900</u>	<u>6,392,964</u>	<u>1,142,765</u>	<u>879,939</u>	<u>836,561</u>	<u>357,938</u>	<u>2,580,761</u>	16,100,619
Net revenue before amortization	<u>9,088,874</u>	<u>(952,396)</u>	<u>(4,873,734)</u>	<u>(794,506)</u>	<u>(254,711)</u>	<u>(665,634)</u>	<u>(204,908)</u>	<u>140,813</u>	1,483,798
Amortization expense	(133,825)	(128,056)	(1,478,218)	(199,273)	--	(56,500)	(44,447)	(247,277)	(2,287,596)
Excess (deficiency) of revenues over expenses	<u>\$8,955,049</u>	<u>\$(1,080,452)</u>	<u>\$(6,351,952)</u>	<u>\$(993,779)</u>	<u>\$(254,711)</u>	<u>\$(722,134)</u>	<u>\$(249,355)</u>	<u>\$(106,464)</u>	\$(803,798)

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Significant Accounting Policies

The consolidated financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the county are as follows:

Reporting Entity

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

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

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

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

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

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates include allowance for uncollectable receivables, provision for amortization of tangible capital assets, and payables and accretion of asset retirement obligations. These estimates are reviewed periodically and as adjustments become necessary, they are reported in operations in the period in which they become known.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued and subsequently measured at amortized cost. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Significant Accounting Policies - continued

Cash

Cash is defined as petty cash and cash in chequing and savings accounts adjusted for outstanding cheques and deposits.

Investments

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

Inventory

Inventories of supplies for resale are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Government Transfers

Government transfers are the transfer of assets from other governments that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the county has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance.

Deferred Revenue

Deferred revenues represent government transfers (collected or allocated), donations, and other amounts that have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

Non-Financial Assets

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

1. Tangible Capital Assets

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

	<u>Years</u>	Engineered Structures	<u>Years</u>
Land Improvements	10-27	Roadway System	15
Buildings	50	Water System	18-40
Machinery & Equipment	20-30	Wastewater System	18-40
Vehicles	10-20	Bridges	50-150
		Gas Distribution System	40-50

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

2. Contributions of Tangible Capital Assets

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

3. Leases

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

4. Inventories

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

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Significant Accounting Policies - continued

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the county to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

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

2. Cash	2023	2022
Petty cash	\$800	\$850
Current accounts	851,468	1,863,225
Savings accounts	19,015,526	17,715,698
Trust account	10,885	10,351
	<u>\$19,878,679</u>	<u>\$19,590,124</u>

Council has designated \$14,676,547 (2022 - \$15,324,724) to fund the reserves.

Included in cash is a restricted amount of \$602,494 (2022 - \$687,982) comprised of deferred grants received and not expended (see Note 6).

3. Taxes and Grants in Place Receivable	2023	2022
Current	\$333,791	\$375,129
Arrears	2,350,877	2,030,919
Less allowance for doubtful accounts	(2,172,432)	(1,862,486)
	<u>\$512,236</u>	<u>\$543,562</u>

4. Investment in Gas Alberta Inc.

The shareholders of Gas Alberta Inc. are predominantly made up of members of the Federation of Alberta Gas Co-ops. The county's investment in Gas Alberta Inc. consists of:

	2023	2022
Class A common shares	\$432	\$483
Loan receivable	67,500	67,500
	<u>\$67,932</u>	<u>\$67,983</u>

The loan is non-interest bearing and is secured by a debenture. The loan may be repaid at Gas Alberta Inc.'s option or is due when the county no longer holds any of the Class A common shares.

5. Investment in MCC for Smoky Lake Development Corp.

6.5% loan to MCC for Smoky Lake Development Corp. to invest in the Smoky Lake Tourism Company Ltd. repayable in annual blended installments of \$100,000 commencing December 31, 2024.

6. Employee Obligations	2023	2022
Accrued holiday pay	\$452,401	\$473,703
Accrued sick leave	693,983	714,156
Accrued retirement benefits	143,726	129,665
Accrued wages and benefits	58,838	88,965
	<u>\$1,348,948</u>	<u>\$1,406,489</u>

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

7. Deferred Revenue	2023	2022
Federal Gas Tax Fund	\$391,198	\$443,308
Municipal Sustainability Initiative (MSI) Capital	607,136	825,357
ACP- Intermunicipal Collaboration- Regional Fire	10,870	40,971
ACP- Municipal Development Guidelines	--	102,850
Alberta Infrastructure- AEP	20,000	20,000
Advanced Education	13,549	15,107
Parks Canada	--	28,191
	\$1,042,753	\$1,475,784

Unexpended funding in the amount of \$1,042,753 (2022 - \$1,475,784) was allocated to the county in the current year from various federal and provincial government programs and local governments. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements. Of these allocations, funds received and unexpended are supported by funds in savings accounts of \$602,494 (2022 - \$687,982) and the remaining deferred grants are supported by receivables from other governments.

8. Asset Retirement Obligations

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The original liability calculated in the year of implementation is added to the cost of the associated asset and amortized on a straight-line basis over the remaining useful life of the asset.

The county has also recognized a liability for restoration of the Spedden landfill and two gravel pits. These amounts have not been added to the cost of an asset as there is no asset other than land and land is not amortized. The liabilities are increased annually by the accretion expense.

	Opening Balance	Accretion Expense	Total
Smoky Lake landfill reclamation	\$432,633	\$8,653	\$441,286
Smoky Lake landfill post-closure monitoring	330,103	6,602	336,705
Spedden landfill reclamation	171,321	3,426	174,747
Spedden landfill post-closure monitoring	365,620	7,312	372,932
White Earth gravel pit	357,000	7,140	364,140
Sowka Lake gravel pit	76,500	1,530	78,030
	\$1,733,177	\$34,663	\$1,767,840

The undiscounted expenditures represent the estimated cash outflows required in future years in order to satisfy the asset retirement obligation assuming annual inflation of 2%. Undiscounted expenditures have been discounted using a 2% rate to calculate the current liability.

	2023	2022
Undiscounted Expenditures		
Smoky Lake landfill reclamation	\$723,976	\$723,976
Smoky Lake landfill post-closure monitoring	563,448	563,448
Spedden landfill reclamation	259,665	259,665
Spedden landfill post-closure monitoring	565,241	565,241
White Earth gravel pit	942,056	942,056
Sowka Lake gravel pit	201,869	201,869
	\$3,256,255	\$3,256,255

The Smoky Lake landfill asset retirement obligation expenditures are anticipated to be incurred in 2049.

The post-closure monitoring of the Smoky Lake landfill asset retirement obligation expenditures are anticipated to be incurred in annual increments of \$28,860 over 25 years, starting in 2050.

The Spedden landfill asset retirement obligation expenditures are anticipated to be incurred in 2044.

The post-closure monitoring of the Spedden landfill asset retirement obligation expenditures are anticipated to be incurred in annual increments of \$28,860 over 25 years, starting in 2045.

The gravel pits are both expected to be reclaimed in 2072.

9. Inventory

	2023	2022
Public works	\$716,138	\$720,894
Gravel (valued at crushing cost)	2,644,987	2,843,381
A.S.B	36,716	61,835
	3,397,841	3,626,110
Gas utility	164,283	81,621
	\$3,562,124	\$3,707,731

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

10. Accumulated Surplus

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

	2023	2022
Unrestricted surplus	\$7,478,252	\$5,095,348
Restricted surplus		
Municipal reserve	52,423	50,133
Reserve - General capital	2,754,091	3,754,412
Building	1,189,721	1,139,721
Connectivity	476,523	476,523
Fire	1,754,033	1,515,569
Transportation	954,609	988,096
Road development	1,819,552	1,681,762
Street sweeper	61,171	61,060
Gravel pit reclamation	472,542	467,012
Gravel pit development	122,711	115,628
Regional waterline	255,559	249,348
Regional landfill	344,160	294,160
Agricultural capital reserve	167,000	40,000
	10,424,095	10,833,424
Municipal general	2,047,358	2,306,327
Gas Utility	2,205,094	2,184,973
Total restricted	14,676,547	15,324,724
Equity in tangible capital assets	35,949,173	38,487,697
	\$58,103,972	\$58,907,769

Opening unrestricted surplus was increased and equity in tangible capital assets was decreased for the asset retirement obligations of \$1,733,177.

11. Contingent Liability

Evergreen Regional Waste Management Services Commission

Smoky Lake County is a member of the Evergreen Regional Waste Management Services Commission. Each participating municipality funds a portion of the Commission's deficit based on their proportionate tippage for the year. The expense is accounted for as a current transaction in the year the county is invoiced.

Highway 28/63 Regional Water Services Commission

Smoky Lake County is a member of Highway 28/63 Regional Water Services Commission. Each participating municipality is responsible for their proportionate share of any unfunded deficit. The expense is accounted for as a current transaction in the year the county is invoiced.

12. Commitments

Council has agreed to provide funding of \$445,000 towards the construction of a new school in the Town of Smoky Lake.

13. Debt Limits

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

	2023	2022
Total debt limit	\$24,841,452	\$25,324,071
Total debt	--	--
Debt limit remaining	\$24,841,452	\$25,324,071
Debt servicing limit	\$4,140,242	\$4,220,678
Debt servicing	--	--
Debt servicing limit remaining	\$4,140,242	\$4,220,678

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

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

14. Salary and Benefits Disclosure

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

	Salary (1)	Benefits & Allow. (2)	Expenses (3)	2023
<u>Council</u>				
Reeve- Halisky	\$64,896	\$14,267	\$15,725	\$94,888
Councillor- Halisky	11,319	1,949	2,266	15,534
Reeve- Serben	12,979	2,331	1,862	17,172
Councillor- Serben	56,594	13,326	8,360	78,280
Councillor- Gwalko	70,681	12,172	13,099	95,952
Councillor- Fenerty	68,466	12,665	16,526	97,657
Councillor- Cere	67,913	14,791	9,213	91,917
	<u>\$352,848</u>	<u>\$71,501</u>	<u>\$67,051</u>	<u>\$491,400</u>
<u>Others</u>				
CAO- Gene Sobolewski	\$262,960	\$14,465	\$2,404	\$279,829
Interim CAO- Cielin	102,961	13,236	233	116,430
Designated officers (3)	301,505	37,104	8,426	347,035
	<u>\$667,426</u>	<u>\$64,805</u>	<u>\$11,063</u>	<u>\$743,294</u>
	Salary (1)	Benefits & Allow. (2)	Expenses (3)	2022
<u>Council</u>				
Reeve- Halisky	\$77,875	\$15,355	\$21,606	\$114,836
Councillor- Gawalko	71,234	11,646	16,895	99,775
Councillor- Fenerty	67,913	11,322	22,898	102,133
Councillor- Cere	67,913	13,830	13,410	95,153
Councillor- Serben	67,913	13,830	9,723	91,466
	<u>\$352,848</u>	<u>\$65,983</u>	<u>\$84,532</u>	<u>\$503,363</u>
<u>Others</u>				
CAO- Gene Sobolewski	\$163,714	\$29,248	\$5,489	\$198,451
Designated officers (3)	243,742	25,047	3,375	272,164
	<u>\$407,456</u>	<u>\$54,295</u>	<u>\$8,864</u>	<u>\$470,615</u>

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including Canada Pension Plan, Employment Insurance, health care, dental coverage, group life insurance, accidental death and dismemberment insurance, long and short-term disability plans, and professional memberships.

(3) Expenses include travel, mileage, meals, accommodation, registration fees and other expenses.

15. Local Authorities Pension Plan

Employees of the county participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

	2023	2022
Current service contributions by employer	\$268,339	\$251,208
Current service contributions by employees	240,186	225,533
	<u>\$508,525</u>	<u>\$476,741</u>

The county is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the county are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion.

For further information of the amount of LAPP deficiency/surplus see: www.lapp.ca/page/annual-reports.

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

16. Segmented Disclosure

The Smoky Lake County provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

Refer to Schedule 6 – Segmented Disclosure.

17. Other Credit Facilities

The county has a prime plus 1% authorized operating line of credit of \$5,000,000 with the Alberta Treasury Branch. No balance was outstanding as at December 31, 2023.

The county has ATB MasterCard with a combined limit of \$50,000. Interest is calculated on principal owing beyond one month at the rate of prime plus 2%.

18. Financial Instruments

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

The county is subject to credit risk with respect to taxes and grants in place of taxes receivable, and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the county provides services may experience financial difficulty and be unable to fulfill their obligations. The county has recorded a total allowance of \$2,185,432 (2022- \$1,907,486). The large number and diversity of taxpayers and customers minimizes the credit risk.

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

19. Approval of Financial Statements

Council and Management have approved these financial statements.

20. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

21. Recent Accounting Pronouncements Published But Not Yet Adopted

Conceptual Framework for Financial Reporting in the Public Sector

This standard describes the concepts underlying the development and use of accounting principles in government financial statements. It also identifies the objectives of government financial statements that are generally acceptable to the users and preparers of the statements. It applies to years beginning on or after April 1, 2026.

PSAS Section 1202, Financial Statement Presentation

This standard responds to the need for understandable financial statements. The new reporting model will consist of:

- a statement of financial position;
- a statement of net financial assets (net financial liabilities);
- a statement of operations;
- a statement of changes in net assets (net liabilities);
- a statement of cash flows; and
- accompanying notes and schedules

Smoky Lake County Gas Utility Financial Statements

Year Ended December 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Smoky Lake County Council:

Opinion

We have audited the financial statements of the Smoky Lake County Gas Utility (Gas Utility), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net financial assets, and cash flows and schedules of changes in accumulated surplus, gross margin and operating expenses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Gas Utility as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Emphasis of Matter

It is understood that this report is requested by the Smoky Lake County Council. We have issued an audit report dated March 28, 2024 on the consolidated financial statements of the Smoky Lake County for the year ended December 31, 2023 and reference should be made to those audited financial statements for complete information.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Gas Utility in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Gas Utility's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Gas Utility or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Gas Utility's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of the audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gas Utility's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gas Utility's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Gas Utility to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St Paul, Alberta
March 28, 2024

JMD Group LLP
Chartered Professional Accountants

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	2023	2022
Financial assets		
Due from general operating fund	\$1,889,834	\$1,971,382
Receivables (net of allowance)	356,651	731,601
Investment in Gas Alberta Inc. (note 3)	67,932	67,983
	<u>2,314,417</u>	<u>2,770,966</u>
Liabilities		
Accounts payable	267,913	641,639
Meter deposits payable	6,918	8,593
	<u>274,831</u>	<u>650,232</u>
Net financial assets	<u>2,039,586</u>	<u>2,120,734</u>
Non-financial assets		
Inventory	164,283	81,621
Prepaid expenses	23,148	32,418
Tangible capital assets (note 4)	1,882,380	1,981,089
	<u>2,069,811</u>	<u>2,095,128</u>
Accumulated surplus	<u>\$4,109,397</u>	<u>\$4,215,862</u>

On behalf of the Smoky Lake County

Reeve

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget	2023	2022
	(unaudited)		
Revenues			
Gas sales and distribution charges	\$2,219,400	\$1,859,249	\$3,224,440
Penalties and service charges	489,500	533,770	508,445
Sale of goods, secondaries, conversions	95,620	101,701	32,072
RMO operating grant	--	5,600	9,600
Interest income	20,000	87,399	31,200
Bulk odorant delivery	124,000	109,355	127,732
Compressed natural gas revenue	16,000	--	7,632
Infill recovery	50,000	24,500	31,500
	<u>3,014,520</u>	<u>2,721,574</u>	<u>3,972,621</u>
Expenses			
Wages and benefits	1,080,126	934,841	941,589
Materials	251,220	181,331	211,707
Gas purchases	1,239,533	1,275,933	2,692,763
Contracted and general services	243,641	188,712	216,866
Amortization	245,000	247,277	243,414
Bad debt expense (recovery)	--	(55)	303
	<u>3,059,520</u>	<u>2,828,039</u>	<u>4,306,642</u>
Deficiency of revenues over expenses before other	<u>(45,000)</u>	<u>(106,465)</u>	<u>(334,021)</u>
Other			
Gain on sale of tangible capital assets	10,000	--	(370)
Deficiency of revenues over expenses	<u>(35,000)</u>	<u>(106,465)</u>	<u>(334,391)</u>
Accumulated surplus, beginning of year	4,215,862	4,215,862	4,550,253
Accumulated surplus, end of year	<u>\$4,180,862</u>	<u>\$4,109,397</u>	<u>\$4,215,862</u>

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	2023	2022
	(unaudited)		
Deficiency of revenues over expenses	\$(35,000)	\$(106,465)	\$(334,391)
Acquisition of tangible capital assets	(235,500)	(148,568)	(90,309)
Proceeds on disposal of tangible capital assets	10,000	--	8,350
Loss (gain) on sale of tangible capital assets	(10,000)	--	370
Amortization of tangible capital assets	245,000	247,277	243,414
	9,500	98,709	161,825
Acquisition of inventory	(145,000)	(142,119)	(43,729)
Use of inventory	60,000	59,457	79,833
Acquisition of prepaid assets	(24,000)	(23,148)	(32,418)
Use of prepaid assets	33,000	32,418	43,983
	(76,000)	(73,392)	46,669
	(101,500)	(81,148)	(125,897)
Decrease in net financial assets	2,120,734	2,120,734	2,246,631
Net financial assets, beginning of year	\$ 2,019,234	\$ 2,039,586	\$2,120,734

SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Net inflow (outflow) of cash related to the following activities:		
Operating		
Deficiency of revenues over expenses	\$(106,465)	\$(334,391)
Non-cash items included		
Amortization of tangible capital assets	247,277	243,414
Loss (gain) on sale of tangible capital assets	--	370
Non-cash charges to operations (net change):		
Decrease (increase)		
Receivables	374,950	(98,239)
Inventory	(82,662)	36,104
Prepaid expenses	9,270	10,565
Increase (decrease)		
Accounts payable	(373,726)	168,383
Meter deposits	(1,675)	(600)
	66,969	25,606
Investing		
Reduction in Investment in Gas Alberta Inc.	51	--
Capital		
Acquisition of tangible capital assets	(148,568)	(90,309)
Proceeds on disposal of tangible capital assets	--	8,350
	(148,568)	(81,959)
Change in cash and cash equivalents during the year	(81,548)	(56,363)
Cash and cash equivalents, beginning of year	1,971,382	2,027,735
Cash and cash equivalents, end of year	\$1,889,834	\$1,971,382

Cash and cash equivalents are defined as Due from General Operating Fund.

**SMOKY LAKE COUNTY GAS UTILITY
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
Balance, beginning of year	\$49,800	\$2,184,973	\$1,981,089	\$4,215,862	\$4,550,253
Deficiency of revenues over expenses	(106,465)	--	--	(106,465)	(334,391)
Funds designated for future use	(118,689)	118,689	--	--	--
Funds used for tangible capital assets	(50,000)	(98,568)	148,568	--	--
Annual amortization expense	247,277	--	(247,277)	--	--
Change in accumulated surplus	(27,877)	20,121	(98,709)	(106,465)	(334,391)
Balance, end of year	\$21,923	\$2,205,094	\$1,882,380	\$4,109,397	\$4,215,862

**SMOKY LAKE COUNTY GAS UTILITY
SCHEDULE OF GROSS MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget (unaudited)	2023	2022
Gas sales and distribution charges	\$2,219,400	\$1,859,249	\$3,224,440
Gas purchases	(1,239,533)	(1,275,933)	(2,692,763)
Capital surcharge	(137,000)	(118,689)	(144,974)
Gross margin	\$842,867	\$464,627	\$386,703

SCHEDULE OF OPERATING EXPENSES

	Budget (Unaudited)	2023	2022
General and administrative expenditures			
Council expenses	\$9,000	\$699	\$2,196
Audit, legal, and consulting	39,000	29,366	35,231
Advertising, membership, printing	36,700	39,138	36,239
Telephone, postage, freight, travel	33,500	37,977	27,566
Computer lease	6,600	12,574	10,371
Office supplies, utilities, insurance	80,571	59,494	63,273
Wages and benefits	491,807	420,802	450,366
	697,178	600,050	625,242
Distribution			
Wages and benefits	588,319	514,039	491,223
Vehicle and equipment costs	82,000	64,378	79,854
Repair and maintenance – system	207,490	126,417	173,844
	877,809	704,834	744,921
Gas purchases	1,239,533	1,275,933	2,692,763
Appliance purchase and repair	--	--	--
Amortization	245,000	247,277	243,414
Bad debt expense (recovery)	--	(55)	302
Total operating expenditures	\$3,059,520	\$2,828,039	\$4,306,642

**SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. Significant Accounting Policies

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and change in net financial assets of the reporting entity which comprises the entire gas utility. These statements exclude all other municipal operations.

(b) Basis of Accounting

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

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

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

(c) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Such estimates include the provision for doubtful accounts, amortization of capital assets and accruals. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

(d) Investments

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

(e) Non-Financial Assets

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

(i) Tangible Capital Assets

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

	Years
Buildings	50
Distribution system	40-50
Machinery and equipment	20-30
Vehicles	10-20

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

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

(iii) Inventories

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

2. Prepaid Infills

The county has an obligation to provide infills to 127 lake lots. These infills will have to be installed once the owners request the infill. The costs of these infills will be expensed in the year of installation. The amounts are likely to be spread over many years and the cost in any one year is not likely to be significant. The future cost of these infills is not determinable at this time.

**SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

3. Investment in Gas Alberta Inc.

Effective June 30, 1998, Gas Alberta, a branch of Alberta Transportation and Utilities, was privatized and operations assumed by Gas Alberta Inc. The shareholders of Gas Alberta Inc. are predominantly made up of members of the Federation of Alberta Gas Co-ops.

The county has entered into a gas supply contract, which renews automatically each year, to purchase natural gas exclusively from Gas Alberta Inc.

The county's investment in Gas Alberta Inc. consists of:

	2023	2022
Class A common shares	\$432	\$483
Loan receivable	67,500	67,500
	<u>\$67,932</u>	<u>\$67,983</u>

The loan is non-interest bearing and is secured by a debenture. The loan is due upon the expiration of the contract and may be repaid earlier at Gas Alberta Inc.'s option or in the event the county no longer holds any of the Class A common shares.

4. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2023	2022
Distribution system	\$6,853,504	\$5,719,196	\$1,134,308	\$1,302,580
Buildings	333,254	83,417	249,837	262,638
Machinery and equipment	372,311	209,835	162,476	183,545
Vehicles	699,617	363,858	335,759	232,326
	<u>\$8,258,686</u>	<u>\$6,376,306</u>	<u>\$1,882,380</u>	<u>\$1,981,089</u>

PLEASE NOTE:

In an effort to reduce costs and our environmental footprint Smoky Lake County will no longer be mailing out copies of the Annual Report.

**Digital copies will be available on our website
www.smokylakecounty.ab.ca**

