



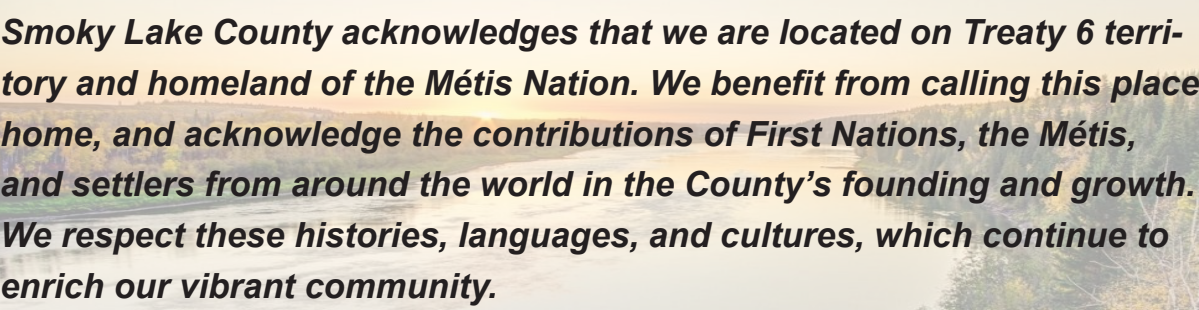
2024 ANNUAL REPORT

www.smokylakecounty.ab.ca



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Smoky Lake County acknowledges that we are located on Treaty 6 territory and homeland of the Métis Nation. We benefit from calling this place home, and acknowledge the contributions of First Nations, the Métis, and settlers from around the world in the County’s founding and growth. We respect these histories, languages, and cultures, which continue to enrich our vibrant community.

Reeve & Chief Administrative Officer Message

Message from the Reeve

Dear residents of Smoky Lake County,

I want to take this opportunity to reflect on our progress, celebrate our achievements, and outline our vision for the future of our County.

This past year has been marked by resilience and collaboration and change. Together, we have navigated challenges and seized opportunities that have strengthened our community. From advancements in local infrastructure to the ongoing political-will to enhance our public services, your support and engagement have been helpful in driving our initiatives forward.

Looking ahead, we remain committed to development and the well-being of all our residents. Our focus will continue to be on collaboration, economic development, community safety and delivery of public services. I encourage you to stay involved, share your ideas, and participate in the decision-making processes that shape our county.

As your Reeve, I want to extend my heartfelt gratitude to each of you. Together, we can create a vibrant and thriving community for future generations.

Sincerely,

Jered Serben
Reeve, Smoky Lake County

Message from the Chief Administrative Officer

Dear Residents of Smoky Lake County,

Since joining the team in June 2024, I have been deeply encouraged by the transformative changes and efficiencies we have introduced in our operations. Our dedicated staff and I have experienced firsthand the strong, positive working relationship with Council, which has proven essential in advancing our community's interests.

I am particularly pleased to share that our Council has taken significant strides in securing 7.5 million tons of gravel for County use—a move that promises to enhance our infrastructure and better serve our community's needs. This decision is a testament to Council's proactive approach and unwavering support for our County's growth and sustainability.

I would like to highlight the constructive interactions we have enjoyed with Government officials and Ministers at the Rural Municipality Association (RMA) conferences. Their engagement, coupled with Council's steadfast advocacy, has resulted in meaningful progress on critical projects such as the improvement of Highway 28. Our collective efforts have also been directed toward enhancing safety measures, notably with the implementation of a roundabout at the intersection of Highway 855 and Highway 28. These projects not only represent significant milestones in our community's development but also underscore our commitment to safer, more efficient transportation for all residents.

I extend my heartfelt thanks to Council for their continued support and collaboration, to our staff for their dedication and hard work. Together, we are forging a path that promises continued progress and prosperity for Smoky Lake County.

Thank you for your trust and engagement. I look forward to another year of positive change and shared success.

Sincerely,

Kevin Lucas
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/government



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



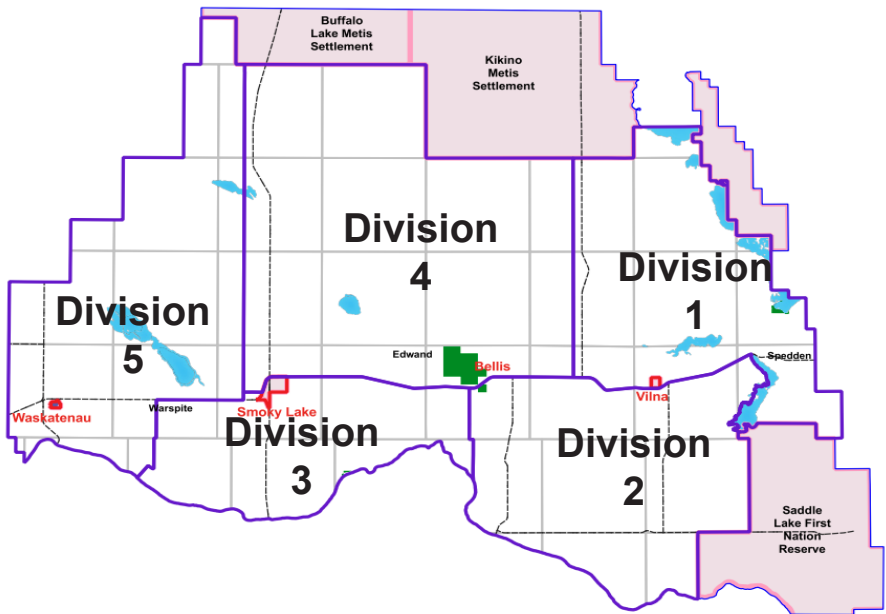
Division 3 Councillor
Dominique Cere
780-656-0494
dcere@smokylakecounty.ab.ca



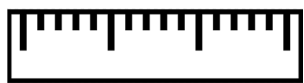
Division 4 Councillor
Lorne Halisky
780-650-5401
lhalisky@smokylakecounty.ab.ca



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



Smoky Lake County By The Numbers



3,396.3
square kilometers
in size



POPULATION*
3,945



Average Age
42.0



2
Landfill Locations

3
Transfer Stations

22
Waste Bin Sites

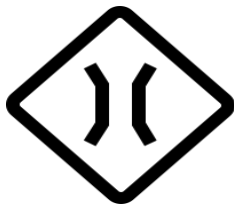


1,555 KM
of Roads

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

* Source Attribution: Office of Statistics and Information, Alberta Treasury Board and Finance. Last updated March17, 2025

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 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/policies
or by calling 780-656-3730.

Roles of Government



MUNICIPAL GOVERNMENT

SMOKY LAKE COUNTY



PROVINCIAL GOVERNMENT

ALBERTA



FEDERAL GOVERNMENT

CANADA

County Office

Development and building permits and fees

Local road maintenance and improvements

Campgrounds and playgrounds

Property tax
(municipal portion)

Enforcement Services

Fire Services

Utilities
(Warspite water and sewer)

Natural Gas Distribution

Landfill and Transfer Stations

Water Truckfill Stations

Agricultural Services
(mowing, weed and pest inspections)

Employer and employee supports

Family and Community Support Services
(80% Provincial government / 20% Municipal government)

Highways

Hospitals

Housing

Justice

Landlord and tenant supports

Post-secondary education

Property tax
(provincial portion)

Safety enforcement

Schools

Social services
(treatment & specialized services, domestic violence shelters)

Student loans

Airports

Borders and passports

Broadcasting and telecommunications

Canada Child Benefit

Charter of Human Rights

Employment insurance

Fisheries, oceans and national parks

Income tax

International travel and support for Canadians abroad

Mortgages
(ie. Canadian Mortgage and Housing Corporation)

National RCMP

National defence and veteran's affairs

Postal service

Student loans

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/stratplan

Fiscal Sustainability

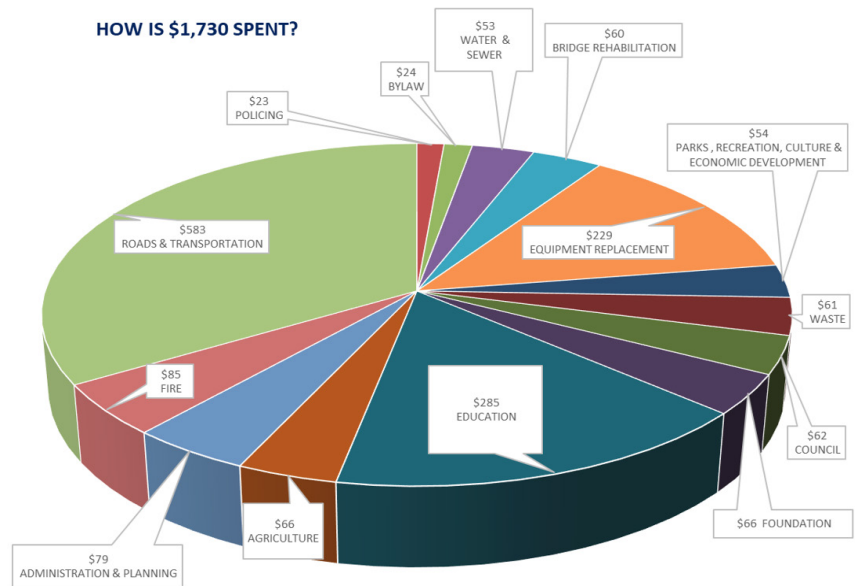
Smoky Lake County strives to continually improve operational efficiency and effectiveness for time and cost savings.

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.

Based on a residential property value of \$179,685, the average total tax levy would be **\$1,730** (\$144/ month).

What does \$1,730 per year provide?

- Public Parks and multi-use trails
- Snow removal and road maintenance
- Bridge repairs and replacement
- Peace Officer and bylaw enforcement
- Fire services and Emergency Response
- Grants to fund local organizations & events
- Landfills and transfer stations
- Support for agricultural producers
- Support for agricultural societies
- Water and sewer services in Hamlets
- Water fill stations
- Natural Gas services
- Funding towards Education
- Funding towards Seniors lodging
- Funding towards Policing



Supporting Our Communities

In 2024 Smoky Lake County distributed \$23,871 of Family and Community Support Services (FCSS) Grant funding to the following organizations who applied:

- Anne Chorney Public Library
- Friends of the Vilna Pool Hall Society
- Smoky Lake Public Library
- Smoky Lake Minor Hockey Association
- Smoky Lake Legion Branch #227
- Smoky Lake Youth Fire Camp
- 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

	2023	2024
Weed inspections on private land & Control letters sent	657	385
Municipal right of way's that received a herbicide application	777 KM (50%)	777 KM (50%)
Miles of road mowed	3,036	3,134
Existing pond leveler devices maintained	15	8



Smoky Lake County's first known Himalayan Balsam infestation was discovered near one of our local lakes this summer. Agriculture staff promptly responded and manually removed over 17 garbage bags which were properly destroyed to prevent further spread.

Himalayan Balsam classified as a Prohibited Noxious weed under the *Alberta Weed Control Act*. Early detection is critical in managing this invasive species. This incredibly invasive plant that can quickly take over natural areas, out competing native vegetation and disrupting ecosystems. Also known as Poor Man's Orchid or Touch-Me-Not, this prolific seed producer with flowers ranging from shades of pink through purple and stems from 1 to 3 meters tall can be found in moist disturbed soils.

To learn more about invasive species visit: <https://abinvasives.ca/invasive-species/>



Lakeland Agricultural Research Association (LARA)

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

To learn more about LARA and their services visit: <https://laraonline.ca/>

Enforcement Services

Smoky Lake County's Community Peace Officer (CPO) plays a key role in enhancing public safety through proactive education and enforcement. The CPO works closely with community stakeholders to promote traffic safety, protect infrastructure, and ensure compliance with municipal bylaws.

Peace Officers are empowered under the Alberta Peace Officers Act and the Municipal Government Act to enforce a range of municipal, provincial, and federal statutes.

Did you know you can access Enforcement Services' monthly reports on-line? These reports provide a concise, month-by-month overview of departmental activities, helping to keep the community informed and ensure transparency in local enforcement efforts.

View the monthly reports here: www.smokylakecounty.ab.ca/bylawreport



Environmental Services

Waste Hauled to Regional Site	2023	2024
Smoky Lake County	918,520 kg	914,540 kg
Village of Vilna	72,680 kg	68,740 kg
Village of Waskatenau	71,680 kg	68,420 kg

Smoky Lake County participates in 7 different recycling programs including: metals, oils and oil containers, paints, batteries, electronics, tires and compost.

Refrigerator Units with
Freon Removed in 2024

186

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:	2023	2024
Motor Vehicle Collisions	97	91
Off Highway Vehicles	3	2
Fires	76	101
Wildfires	39	57
Structure	22	16
Vehicle	7	11
Agricultural	9	17
Medical Calls	46	51
Carbon Monoxide	5	6
Dangerous Goods	10	16
Search and Rescue	0	0
Water/ Ice Rescue	0	0
Fire Alarms	22	31
Total Emergency Responses	256	296

Fire Permits Issued
in 2024

371

Fireworks Permits
Issued in 2024

17

FIRE PERMITS



If you're planning to light an open fire for debris or any other purpose (aside from a campfire or an approved burn barrel), you'll need a valid fire permit.

Fire permits are important—they keep us informed about your planned burn, help our emergency services respond appropriately to reports of smoke, and allow us to assist you in ensuring your fire 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.

Smoky Lake County provides a wide variety of services to County ratepayers and other stakeholders that require accurate and current spatial data, including data related to land ownership, zoning, planning, maintenance and rehabilitation of physical infrastructure assets including land, buildings, roads/transportation, sewer, water and natural gas infrastructure.

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 2024**

76,026

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

www.smokylakecounty.ab.ca/maps

Natural Gas

Projects Completed	2023	2024
Meter Recalls	68	95
New Infills	9	12
Secondary Gas Lines	45	51
Underground Leaks Repaired	2	3
Length of Underground Pipe Installed	7.5 KM	4 KM
Line Locates	762	721
Emergency Line Locates	35	40
Service Calls		
Appliance Issues	51	48
Carbon Monoxide	16	12
Gas Smell Concerns	45	39



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.

2024 Construction Values:

Total Value: \$42,000,000

2023 Total Value: \$4,857,970

Commercial:
\$5,410,700

2023: \$641,000

Residential:
\$1,428,500

2023: \$4,216,970

Industrial:
\$35,000,000

2023: \$0

47
Development
Permits Issued

24
Business
Licenses Issued

3
Historic Resources
Designated

10
Subdivisions
Approved

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.

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	2024
Flags sold for driveway snow removal	217	233
MG 30 base dust control projects completed	15 projects	20 projects
Oil base dust control projects completed	1	14
Culverts replaced or installed	52	36
Road elevation improvements	1.6 KM	0
Road rehabilitation	0.8 KM	0
Gravel		
Division 1	64.4 KM	62.0 KM
Division 2	131.2 KM	127.1 KM
Division 3	61.5 KM	60.0 KM
Division 4	73.2 KM	66.0 KM
Division 5	106.2 KM	93.3 KM

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

Smoky Lake County Consolidated Financial Statements

Year Ended December 31, 2024



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, 2024 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.

A handwritten signature in blue ink, appearing to read "Kevin Lucas", written over a horizontal line.

Kevin Lucas, CAO

April 10, 2025

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, 2024, 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 consolidated financial position of the organization as at December 31, 2024, and the results of its operations, changes in net financial assets and 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
April 10, 2025


Chartered Professional Accountants

**SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	2023	2023
Financial assets		
Cash (note 2)	\$19,646,521	\$19,878,679
Taxes and grants in place receivable (note 3)	728,215	512,236
Receivables from other governments	1,369,144	577,014
Trade and other receivables	1,009,003	623,689
Loan to MCC for Smoky Lake Development Corp (note 5)	600,917	615,567
Investment in Gas Alberta Inc. (Note 4)	67,875	67,932
Investment in MCC for Smoky Lake Development Corp.	10,000	10,000
	<u>23,431,675</u>	<u>22,285,117</u>
Liabilities		
Accounts payable and accrued liabilities	1,751,280	1,105,674
Employee obligations (note 6)	1,276,475	1,348,948
Deposit liabilities	239,032	239,250
Deferred revenue (note 7)	984,655	1,042,753
Tax sale surplus	10,317	10,317
Assets retirement obligations (note 8)	1,803,197	1,767,840
	<u>6,064,956</u>	<u>5,514,782</u>
Net financial assets	<u>17,366,719</u>	<u>16,770,335</u>
Non-financial assets		
Tangible capital assets (schedule 2)	38,941,957	37,717,013
Inventory (note 9)	3,327,374	3,562,124
Prepaid expenses	212,227	54,499
	<u>42,481,558</u>	<u>41,333,636</u>
Accumulated surplus (schedule 1, note 10)	<u>\$59,848,277</u>	<u>\$58,103,971</u>

CONTINGENT LIABILITIES (note 11)

APPROVED BY:


Reeve


CAO

**SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
Revenues			
Net municipal taxes (schedule 3)	\$10,900,765	\$10,911,691	\$10,376,688
Sales of goods and services	797,150	970,563	911,570
Government transfers for operating (schedule 4)	791,118	895,251	910,436
Investment income	728,498	882,545	898,867
Penalties and costs of taxes	80,000	268,576	392,554
Licenses and permits	97,500	382,551	93,841
Special levies and taxes	209,040	503,825	206,540
Insurance recoveries	73,000	127,402	75,542
Rentals and leases	46,500	48,568	60,755
Natural gas	2,990,220	2,417,853	2,634,175
	<u>16,713,821</u>	<u>17,408,825</u>	<u>16,560,968</u>
Expenses			
Legislative	519,652	493,878	502,276
Administration	2,073,856	2,158,850	2,310,939
Protective services	1,431,632	1,326,956	1,358,956
Transportation	6,859,457	7,985,560	7,871,181
Water and wastewater	769,346	719,987	680,129
Landfill	600,434	709,592	661,908
Further education	113,230	131,831	118,657
Agriculture services	915,894	787,314	884,294
Municipal planning, community & economic development	809,424	589,731	761,166
Recreation and culture	547,663	427,017	410,670
Natural gas	3,220,221	2,601,854	2,828,039
	<u>17,860,627</u>	<u>17,932,660</u>	<u>18,388,215</u>
Deficiency of revenues over expenses before other	(1,146,806)	(523,835)	(1,827,247)
Other			
Government transfers for capital (schedule 4)	4,074,411	1,598,890	1,151,264
Gain (loss) on disposal of tangible capital assets	1,306,699	669,251	(127,815)
	<u>5,381,110</u>	<u>2,268,141</u>	<u>1,023,449</u>
Excess (deficiency) of revenues over expenses	4,234,304	1,744,306	(803,798)
Accumulated surplus, beginning of year	58,103,971	58,103,971	58,907,769
Accumulated surplus, end of year	<u>\$62,338,275</u>	<u>\$59,848,277</u>	<u>\$58,103,971</u>

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
Excess (deficiency) of revenues over expenses	\$4,234,304	\$1,744,306	\$(803,798)
Amortization of tangible capital assets	2,261,300	2,272,835	2,287,596
Acquisition of tangible capital assets	(1,767,846)	(3,929,058)	(1,910,871)
Proceeds on disposal of tangible capital assets	1,500,000	1,100,530	266,144
Loss (gain) on disposal of tangible capital assets	(1,306,699)	(669,251)	127,815
	686,755	(1,224,944)	770,684
Increase in inventory	230,000	234,750	145,607
Decrease (increase) in prepaid expenses	(150,000)	(157,728)	144,881
	766,755	(1,147,922)	1,061,172
Increase in net financial assets	5,001,059	596,384	257,374
Net financial assets, beginning of year	16,770,335	16,770,335	16,512,961
Net financial assets, end of year	\$21,771,394	\$17,366,719	\$ 16,770,335

SMOKY LAKE COUNTY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenues over expenses	\$1,744,306	\$(803,798)
Items not affecting cash:		
Amortization of tangible capital assets	2,272,835	2,287,596
Loss on disposal of tangible capital assets	(669,251)	127,815
	3,347,890	1,611,613
Changes in non-cash working capital:		
Taxes and grants in place receivable	(215,979)	31,326
Receivables from other governments	(792,130)	1,789,554
Trade and other receivables	(385,314)	444,577
Accounts payable and accrued liabilities	645,606	(1,180,977)
Employee obligations	(72,473)	(57,541)
Deposit liabilities	(218)	18,125
Deferred revenue	(58,098)	(433,030)
Asset retirement obligations	35,357	34,663
Inventory	234,750	145,607
Prepaid expenses	(157,728)	144,881
	(766,227)	937,185
Net cash from operations	2,581,663	2,548,798
Capital		
Purchase of tangible capital assets	(3,929,058)	(1,910,871)
Proceeds on disposal of tangible capital assets	1,100,530	266,144
	(2,828,528)	(1,644,727)
Investing		
Change in restricted cash	602,494	85,488
Loan to MCC for Smoky Lake Development Corp.	14,650	(615,567)
Redemption of shares in Gas Alberta Inc.	57	51
	617,201	(530,028)
Net change in cash during the year	370,336	374,043
Cash, beginning of year	\$19,276,185	18,902,142
Cash, end of year	\$19,646,521	\$19,276,185
Cash is made up of:		
Cash	\$19,646,521	\$19,878,679
Less restricted cash	--	(602,494)
	\$19,646,521	\$19,276,185

SMOKY LAKE COUNTY
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
Balance, beginning of year	\$7,478,251				\$58,907,769
Excess of revenues over expenses	1,744,306	\$14,676,547	\$35,949,173	\$58,103,971	(803,798)
Funds used for tangible capital assets	(3,929,058)	--	--	1,744,306	--
Annual amortization expense	2,272,835	--	3,929,058		--
Disposals of tangible capital assets	431,280	--	(2,272,835)		--
Annual accretion expense	35,357	--	(431,280)		--
Funds designated for future use	(36,831)	36,831	(35,357)		--
Change in accumulated surplus	517,889	36,831	1,189,586	1,744,306	(803,798)
Balance, end of year	\$ 7,996,140	\$ 14,713,378	\$ 37,138,759	\$ 59,848,277	\$58,103,971

SMOKY LAKE COUNTY
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2024	2023
Cost								
Balance, beginning 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
Acquisition of tangible capital assets	2,200,000	7,830	--	152,607	846,019	294,029	3,500,485	3,291,681
Construction-in-progress	--	--	--	428,574	--	--	428,574	(1,380,810)
Disposal of tangible capital assets	(79,398)	--	--	--	(48,600)	(370,818)	(498,816)	(501,644)
Balance, end of year	7,457,815	2,224,641	5,603,734	53,147,007	14,340,465	7,020,681	89,794,343	86,364,100
Accumulated amortization								
Balance, beginning of year	--	1,154,445	1,929,720	33,621,711	7,616,494	4,324,717	48,647,087	46,467,176
Annual amortization	--	69,913	138,554	1,081,736	652,277	330,355	2,272,835	2,287,596
Accumulated amortization on disposals	--	--	--	--	(25,273)	(42,263)	(67,536)	(107,685)
Balance, end of year	--	1,224,358	2,068,274	34,703,447	8,243,498	4,612,809	50,852,386	48,647,087
Net book value of tangible capital assets	\$ 7,457,815	\$ 1,000,283	\$ 3,535,460	\$ 18,443,560	\$ 6,096,967	\$ 2,407,872	\$ 38,941,957	\$37,717,013
2023 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	

**SMOKY LAKE COUNTY
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
Taxation			
Residential	\$ 3,377,803	\$ 3,354,392	\$3,139,717
Non-residential	1,318,187	1,343,327	1,316,217
Farmland	922,291	991,541	1,001,076
Machinery and equipment	1,357,698	1,357,698	1,279,951
Linear property	6,435,843	6,448,274	6,141,030
Grants in place	72,831	69,721	69,721
	<u>13,484,653</u>	<u>13,564,953</u>	<u>12,947,712</u>
Requisitions			
Alberta School Foundation Fund	2,026,075	2,091,898	2,039,430
Smoky Lake Foundation	533,874	537,452	510,942
Designated Industrial Property	23,909	23,912	20,652
	<u>2,583,858</u>	<u>2,653,262</u>	<u>2,571,024</u>
Net municipal taxes	<u>\$ 10,900,795</u>	<u>\$ 10,911,691</u>	<u>\$10,376,688</u>

**SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
Transfers for operations			
Federal grants	\$ 15,000	\$ 8,400	\$54,992
Provincial	697,983	835,227	796,228
Local governments	78,135	51,624	59,216
	<u>791,118</u>	<u>895,251</u>	<u>910,436</u>
Transfers for capital			
Provincial	4,074,411	1,598,890	1,151,264
Total government transfers	<u>\$ 4,865,529</u>	<u>\$ 2,494,141</u>	<u>\$2,061,700</u>

**SMOKY LAKE COUNTY
SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
Expenses			
Salaries, wages and benefits	\$ 8,192,390	\$ 7,798,801	\$7,850,810
Contracted and general services	2,866,314	2,710,526	3,018,056
Purchases from other governments	354,285	170,137	313,165
Materials, goods, supplies and utilities	1,969,603	3,172,172	2,827,184
Provision for allowances and bad debts	--	172,142	309,946
Transfers to other governments	56,750	34,523	32,083
Transfers to individuals and organizations	692,543	675,978	352,381
Bank charges and short-term interest	6,100	6,284	5,592
Tax adjustments	3,000	6,053	80,804
Natural gas purchases	1,430,342	877,852	1,275,934
Amortization of tangible capital assets	2,261,300	2,272,835	2,287,596
Accretion expense	28,000	35,357	34,664
Total expenses	<u>\$ 17,860,627</u>	<u>\$ 17,932,660</u>	<u>\$18,388,215</u>

SMOKY LAKE COUNTY
SCHEDULE 6 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Services	Planning & Community Services	Agriculture	Recreation and Culture	Gas	2024
Revenue									
Net municipal taxes	\$ 10,911,691	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,911,691
User fees (rentals and sales)	192,745	204,145	281,152	298,181	2,475	--	40,433	2,417,853	3,436,984
Government transfers for operating	134,430	122,736	--	--	353,438	181,247	103,400	--	895,251
Investment income	794,341	--	--	--	--	--	--	88,204	882,545
Other operating revenues	375,620	22,528	510,866	9,625	363,715	--	--	--	1,282,354
	<u>12,408,827</u>	<u>349,409</u>	<u>792,018</u>	<u>307,806</u>	<u>719,628</u>	<u>181,247</u>	<u>143,833</u>	<u>2,506,057</u>	<u>17,408,825</u>
Expenses									
Salaries, wages & benefits	1,107,642	455,743	3,568,493	710,903	263,257	468,987	201,193	1,022,583	7,798,801
Contract & general services	744,117	556,229	653,998	238,893	259,890	146,941	25,345	255,249	2,880,662
Goods & supplies	103,296	188,209	2,294,206	210,814	59	154,155	18,019	1,081,267	4,050,025
Transfers to others	384,035	--	--	34,478	156,959	--	135,030	--	710,502
Other expenses	179,335	--	1,630	2,028	--	--	--	1,485	184,478
	<u>2,518,425</u>	<u>1,200,181</u>	<u>6,518,327</u>	<u>1,197,116</u>	<u>680,165</u>	<u>770,083</u>	<u>379,587</u>	<u>2,360,584</u>	<u>15,624,468</u>
Net revenue before other	<u>9,890,402</u>	<u>(850,772)</u>	<u>(5,726,309)</u>	<u>(889,310)</u>	<u>39,463</u>	<u>(588,836)</u>	<u>(235,754)</u>	<u>145,473</u>	<u>1,784,357</u>
Other									
Amortization expense	(134,938)	(126,775)	(1,458,481)	(206,039)	--	(57,902)	(47,430)	(241,270)	(2,272,835)
Accretion expense	--	--	(8,844)	(26,513)	--	--	--	--	(35,357)
Capital grants	--	--	1,598,890	--	--	--	--	--	1,598,890
Gain (loss) on disposal of tangible capital assets	730,786	--	(44,935)	(11,989)	--	(5,827)	1,216	--	669,251
	<u>595,848</u>	<u>(126,775)</u>	<u>86,630</u>	<u>(244,541)</u>	<u>--</u>	<u>(63,729)</u>	<u>(46,214)</u>	<u>(241,270)</u>	<u>(40,051)</u>
Net revenues	<u>\$ 10,486,250</u>	<u>\$ (977,547)</u>	<u>\$ (5,639,679)</u>	<u>\$ (1,133,851)</u>	<u>\$ 39,463</u>	<u>\$ (652,565)</u>	<u>\$(281,968)</u>	<u>\$ (95,797)</u>	<u>\$ 1,744,306</u>

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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. Included with the county is the Smoky Lake County Gas Utility.

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, 2024

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, 2024

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	2024	2023
Petty cash	\$900	\$800
Current accounts	1,346,801	851,468
Savings accounts	18,287,302	19,015,526
Trust account	11,518	10,885
	\$ 19,646,521	\$19,878,679

Council has designated \$14,713,378 (2023 - \$14,676,547) to fund the reserves.

Included in cash is a restricted amount of \$NIL (2023 - \$602,494) comprised of deferred grants received and not expended (see Note 7).

3. Taxes and Grants in Place Receivable	2024	2023
Current	\$451,937	\$333,791
Arrears	2,635,002	2,350,877
Less allowance for doubtful accounts	(2,358,724)	(2,172,432)
	\$728,215	\$512,236

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:

	2024	2023
Class A common shares	\$375	\$432
Loan receivable	67,500	67,500
	\$67,875	\$67,932

The loan is non-interest bearing and is secured by a debenture. The loan may be repaid at Gas Albert 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. The December 31, 2024 repayment has been deferred as the parties are negotiating the repayment in 2025.

6. Employee Obligations	2024	2023
Accrued holiday pay	\$319,784	\$452,401
Accrued sick leave	588,527	693,983
Accrued retirement benefits	91,774	143,726
Accrued wages and benefits	276,390	58,838
	\$ 1,276,475	\$1,348,948

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

7. Deferred Revenue

	2024	2023
Canada Community Building Fund	\$484,248	\$391,198
LGFF Capital	232,033	--
Alberta Transportation STIIP - Bridge grants	163,194	--
Alberta Public Safety and Emergency Services - Police Study	77,348	--
Advanced Education	17,832	13,550
Embridge Grant	10,000	--
ACP-Intermunicipal Collaboration-Regional Fire	--	10,870
Alberta Infrastructure - AEP	--	20,000
MSI Capital	--	607,136
	<u>\$984,655</u>	<u>\$1,042,754</u>

Unexpended funding in the amount of \$984,655 (2023 - \$1,042,753) was allocated to the county in the current year from various federal and provincial government programs and others. 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 \$NIL (2023 - \$602,494) 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	\$441,286	\$8,826	\$450,112
Smoky Lake landfill post-closure monitoring	336,705	6,734	343,439
Spedden landfill reclamation	174,747	3,496	178,243
Spedden landfill post-closure monitoring	372,932	7,457	380,389
White Earth gravel pit	364,140	7,282	371,422
Sowka Lake gravel pit	78,030	1,562	79,592
	<u>\$1,767,840</u>	<u>\$35,357</u>	<u>\$1,803,197</u>

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.

	2024	2023
<u>Undiscounted Expenditures</u>		
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
	<u>\$3,256,255</u>	<u>\$3,256,255</u>

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

	2024	2023
Public works	\$532,983	\$716,138
Gravel (valued at crushing cost)	2,542,660	2,644,987
A.S.B	85,366	36,716
	<u>3,161,009</u>	<u>3,397,841</u>
Gas utility	166,365	164,283
	<u>\$3,327,374</u>	<u>\$3,562,124</u>

SMOKY LAKE COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

10. Accumulated Surplus

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

	2024	2023
Unrestricted surplus	\$7,996,140	\$7,478,252
Restricted surplus		
Municipal reserve	52,423	52,423
Reserve - General capital	1,804,419	2,754,091
Building	1,189,721	1,189,721
Connectivity	476,523	476,523
Fire	1,738,650	1,754,033
Transportation	1,295,609	954,609
Road development	2,204,355	1,819,552
Street sweeper	80,480	61,171
Gravel pit reclamation	477,017	472,542
Gravel pit development	132,533	122,711
Regional waterline	255,559	255,559
Regional landfill	344,160	344,160
Agricultural capital reserve	117,000	167,000
	10,168,449	10,424,095
Municipal general	2,220,508	2,047,358
Gas Utility	2,324,421	2,205,094
Total restricted	14,713,378	14,676,547
Equity in tangible capital assets	37,138,759	35,949,173
	\$59,848,277	\$58,103,972

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

The county has entered into a number of two to five year contracts for computer support and subscriptions. The prices for 2025 are: Website license \$4,770, GIS webmap support \$50,745, GIS license \$56,010, and license for request management and infrastructure management \$9,000.

The county has entered into a five year contract to 2028 with Accurate Assessment for assessment services. The price for 2025 is \$141,780.

The contract for audit services expires after the 2025 audit.

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:

	2024	2023
Total debt limit	\$27,117,114	\$24,841,452
Total debt	--	--
Debt limit remaining	27,117,114	\$24,841,452
Debt servicing limit	4,519,519	\$4,140,242
Debt servicing	--	--
Debt servicing limit remaining	4,519,519	\$4,140,242

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, 2024

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)	2024
<u>Council</u>				
Reeve- Serben	\$77,075	\$18,130	\$9,970	\$105,175
Councillor- Halisky	67,113	16,651	10,878	94,642
Councillor- Gwalko	67,113	12,612	13,846	93,571
Councillor- Fenerty	69,881	14,077	16,099	100,057
Councillor- Cere	67,666	16,103	6,839	90,608
	<u>\$348,848</u>	<u>\$77,573</u>	<u>\$57,632</u>	<u>\$484,053</u>
<u>Others</u>				
CAO- Kevin Lucas	\$97,250	\$20,632	\$2,724	\$120,606
Interim CAO- Cielin	60,653	12,883	165	73,701
Designated officers (3)	300,982	40,169	3,907	345,058
	<u>\$458,885</u>	<u>\$73,684</u>	<u>\$6,796</u>	<u>\$539,365</u>
	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- Gawalko	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>

(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.

	2024	2023
Current service contributions by employer	\$241,212	\$268,339
Current service contributions by employees	215,351	240,186
	<u>\$456,563</u>	<u>\$508,525</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 11.65% 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 10.65% on pensionable salary above this amount.

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.057 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, 2024

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.

General government service includes council and other legislative, and general administration. Protective services include bylaw enforcement, police and fire. Transportation service includes roads, streets, walks and lighting. Environmental service includes water supply and distribution, wastewater treatment and disposal, and waste management. Planning and community services include land use planning, zoning and subdivision land and development, advanced education and family and community support. Recreation and culture includes parks and recreation, libraries and halls.

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, 2024.

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. Comparative Figures

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

19. 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 \$2,418,724 (2023 \$2,217,431). 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.

20. Approval of Financial Statements

Council and Management have approved these financial statements.

21. Budget Amounts

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

22. 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, 2024



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, 2024, 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, 2024, 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 April 10, 2024 on the consolidated financial statements of the Smoky Lake County for the year ended December 31, 2024 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

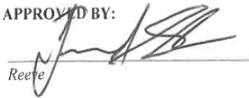
St Paul, Alberta
April 10, 2025

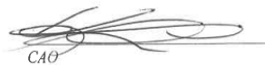
JMD Group LLP
Chartered Professional Accountants

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

	2024	2023
Financial assets		
Due from general operating fund	\$1,964,497	\$1,889,834
Receivables (net of allowance)	466,962	356,651
Investment in Gas Alberta Inc. (note 3)	67,875	67,932
	<u>2,499,334</u>	<u>2,314,417</u>
Liabilities		
Accounts payable	338,212	267,913
Meter deposits payable	6,700	6,918
	<u>344,912</u>	<u>274,831</u>
Net financial assets	<u>2,154,422</u>	<u>2,039,586</u>
Non-financial assets		
Inventory	166,365	164,283
Prepaid expenses	44,561	23,148
Tangible capital assets (note 4)	1,648,252	1,882,380
	<u>1,859,178</u>	<u>2,069,811</u>
Accumulated surplus	<u>\$4,013,600</u>	<u>\$4,109,397</u>

APPROVED BY:


Reeve


CAO

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (unaudited)	2024	2023
Revenues			
Gas sales and distribution charges	2,217,000	\$1,572,487	\$1,859,249
Penalties and service charges	520,000	544,156	533,770
Sale of goods, secondaries, conversions	125,620	86,249	101,701
RMO operating grant	9,600	--	5,600
Interest income	35,000	88,204	87,399
Bulk odorant delivery	118,000	155,461	109,355
Infill recovery	--	59,500	24,500
	<u>3,025,220</u>	<u>2,506,057</u>	<u>2,721,574</u>
Expenses			
Wages and benefits	1,033,909	1,022,583	934,841
Materials	266,520	203,415	181,331
Gas purchases	1,430,342	877,852	1,275,933
Contracted and general services	244,450	255,249	188,712
Amortization	245,000	241,270	247,277
Bad debt expense (recovery)	--	1,485	(55)
	<u>3,220,221</u>	<u>2,601,854</u>	<u>2,828,039</u>
Deficiency of revenues over expenses	(195,001)	(95,797)	(106,465)
Accumulated surplus, beginning of year	4,109,397	4,109,397	4,215,862
Accumulated surplus, end of year	<u>\$3,914,396</u>	<u>\$4,013,600</u>	<u>\$4,109,397</u>

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
Balance, beginning of year	\$21,923	\$2,205,094	\$1,882,380	\$4,109,397	\$4,215,862
Deficiency of revenues over expenses	(95,797)	--	--	(95,797)	(106,465)
Funds designated for future use	(133,445)	133,445	--	--	--
Funds used for tangible capital assets	--	(14,117)	14,117	--	--
Net book value of asset disposition	6,975	--	(6,975)	--	--
Annual amortization expense	241,270	--	(241,270)	--	--
Change in accumulated surplus	19,003	119,328	(234,128)	(95,797)	(106,465)
Balance, end of year	\$40,926	\$2,324,422	\$1,648,252	\$4,013,600	\$4,109,397

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (unaudited)	2024	2023
Deficiency of revenues over expenses	\$(195,001)	(95,797)	\$(106,465)
Acquisition of tangible capital assets	(267,000)	(14,117)	(148,568)
Proceeds on disposal of tangible capital assets	--	6,975	--
Amortization of tangible capital assets	245,000	241,270	247,277
	(22,000)	234,128	98,709
Acquisition of inventory	(60,000)	(85,520)	(142,119)
Use of inventory	50,000	83,438	59,457
Acquisition of prepaid assets	(45,000)	(44,561)	(23,148)
Use of prepaid assets	23,000	23,148	32,418
	(32,000)	(23,495)	(73,392)
Decrease in net financial assets	(249,001)	114,836	(81,148)
Net financial assets, beginning of year	2,039,586	2,039,586	2,120,734
Net financial assets, end of year	\$ 1,790,585	\$ 2,154,422	\$ 2,039,586

**SMOKY LAKE COUNTY GAS UTILITY
SCHEDULE OF GROSS MARGIN
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (unaudited)	2024	2023
Gas sales and distribution charges	\$2,217,000	\$1,572,487	\$1,859,249
Gas purchases	(1,430,342)	(877,852)	(1,275,933)
Capital surcharge	(137,000)	(133,445)	(118,689)
Gross margin	\$649,658	\$561,190	\$464,627

**SMOKY LAKE COUNTY GAS UTILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
Net inflow (outflow) of cash related to the following activities:		
Operating		
Deficiency of revenues over expenses	\$(95,797)	\$(106,465)
Non-cash items included		
Amortization of tangible capital assets	241,270	247,277
Non-cash charges to operations (net change):		
Decrease (increase)		
Receivables	(110,311)	374,950
Inventory	(2,082)	(82,662)
Prepaid expenses	(21,413)	9,270
Increase (decrease)		
Accounts payable	70,299	(373,726)
Meter deposits	(218)	(1,675)
	<u>81,748</u>	<u>66,969</u>
Investing		
Reduction in Investment in Gas Alberta Inc.	57	51
Capital		
Acquisition of tangible capital assets	(14,117)	(148,568)
Proceeds on disposal of tangible capital assets	6,975	--
	<u>(7,142)</u>	<u>(148,568)</u>
Change in cash and cash equivalents during the year	74,663	(81,548)
Cash and cash equivalents, beginning of year	1,889,834	1,971,382
Cash and cash equivalents, end of year	\$1,964,497	\$1,889,834

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

SCHEDULE OF OPERATING EXPENSES

	Budget (Unaudited)	2024	2023
General and administrative expenditures			
Council expenses	\$9,000	\$120	\$699
Audit, legal, and consulting	48,000	36,465	29,366
Advertising, membership, printing	38,700	36,051	39,138
Telephone, postage, freight, travel	38,900	23,223	37,977
Computer lease	11,000	12,394	12,574
Office supplies, utilities, insurance	86,770	62,231	59,494
Wages and benefits	497,042	500,240	420,802
	<u>729,412</u>	<u>670,724</u>	<u>600,050</u>
Distribution			
Wages and benefits	536,867	522,343	514,039
Vehicle and equipment costs	80,500	81,240	64,378
Repair and maintenance – system	198,100	206,940	126,417
	<u>815,467</u>	<u>810,523</u>	<u>704,834</u>
Gas purchases	1,430,342	877,852	1,275,933
Amortization	245,000	241,270	247,277
Bad debt expense (recovery)	--	1,485	(55)
Total operating expenditures	<u>\$3,220,221</u>	<u>\$2,601,854</u>	<u>\$2,828,039</u>

**SMOKY LAKE COUNTY GAS UTILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2024**

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:

	2024	2023
Class A common shares	\$475	\$432
Loan receivable	67,500	67,500
	\$67,875	\$67,932

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	
			2024	2023
Distribution system	\$6,853,504	\$5,887,468	\$966,036	\$1,134,308
Buildings	333,254	96,219	237,035	249,837
Machinery and equipment	386,428	231,583	154,845	162,476
Vehicles	653,117	362,781	290,336	335,759
	\$8,226,303	\$6,578,051	\$1,648,252	\$1,981,089

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**

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

