

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2015

DRAFT

PARKLAND COUNTY
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Year ended December 31, 2015

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

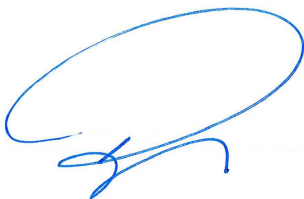
The accompanying consolidated financial statements of Parkland County (the "County") are the responsibility of the County's management and have been approved by Council.

These consolidated financial statements have been prepared by management using Canadian Public Sector Accounting Standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material aspects.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the consolidated financial statements.

County Council fulfills responsibility for financial reporting through its Committee of the Whole. This Committee consists of the Mayor and six councillors who meet regularly to deal with budget related issues and to review financial reports.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the County. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the County's consolidated financial statements.



Robert McGowan
Interim Chief Administrative Officer



Tracy Kibblewhite, CPA, CMA, CLGM
Chief Financial Officer

April 26, 2016



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INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of Parkland County

We have audited the accompanying consolidated financial statements of Parkland County, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Parkland County as at December 31, 2015, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 26, 2016
Edmonton, Canada

Draft

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At at December 31, 2015, with comparative information for 2014

	<u>2015</u>	<u>2014</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 28,315,413	\$ 15,240,485
Accounts receivable (Note 3)	18,793,064	9,517,350
Investments (Note 4)	58,899,219	84,312,717
Inventories for resale	<u>6,879</u>	<u>10,622</u>
	<u>106,014,575</u>	<u>109,081,174</u>
Liabilities		
Accounts payable and accrued liabilities	5,881,511	4,653,337
Deposit liabilities	3,360,206	4,913,201
Employee benefits and other liabilities (Note 5)	2,736,214	2,585,029
Deferred revenue (Note 6)	35,319,259	45,263,388
Long-term debt (Note 7)	9,982,521	3,505,043
Landfill liability (Note 8)	<u>557,391</u>	<u>601,767</u>
	<u>57,837,102</u>	<u>61,521,765</u>
Net Financial Assets	<u>48,177,473</u>	<u>47,559,409</u>
Non-Financial Assets		
Tangible capital assets (Note 9)	430,204,894	375,136,360
Consumable inventories (Note 10)	12,307,985	11,726,547
Prepaid expenses	<u>760,809</u>	<u>760,931</u>
	<u>443,273,688</u>	<u>387,623,838</u>
Accumulated Surplus (Note 11)	<u>\$ 491,451,161</u>	<u>\$ 435,183,247</u>
Contingent liabilities (Note 12)		
Commitments (Note 13)		

The accompanying notes are an integral part of these consolidated financial statements.



Rod Shaigec
Mayor



AnnLisa Jensen
Deputy Mayor

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year ended December 31, 2015, with comparative information for 2014

	Budget (Note 22)	2015	2014
Revenues			
Taxation (Note 14)	\$ 50,218,600	\$ 50,638,904	\$ 46,026,976
User fees and sale of goods and services	9,235,902	10,337,638	9,513,999
Penalties	670,700	896,798	670,011
Investment income	961,365	1,431,231	1,655,639
Government transfers for operating (Note 15)	3,275,112	3,037,447	3,232,283
Licenses and permits	1,838,500	1,491,066	1,973,737
Other revenue - operating	843,672	940,937	1,610,705
Gain on disposal of tangible capital assets	498,800	264,394	133,715
Total Revenues	67,542,651	69,038,415	64,817,065
Expenses			
Council	944,800	892,755	888,384
General services	3,138,300	2,697,714	2,693,570
Legislative and legal services	2,377,200	2,307,081	2,223,357
Assessment and financial services	3,054,200	3,068,619	2,794,326
Information services	3,832,800	2,849,765	1,940,880
Community economic diversification	885,600	817,227	649,315
General municipal	303,397	873,781	315,639
Planning and development services	3,867,700	3,421,390	3,196,150
Protective services	9,744,003	9,309,099	8,230,313
Engineering services	15,384,400	14,256,002	16,260,543
Public works	12,452,800	10,723,159	10,713,355
Environmental services	7,928,500	6,932,455	6,409,177
Agriculture services	1,725,600	1,683,806	1,552,012
Parks, recreation and culture services	9,077,348	7,883,214	7,706,820
Smart parkland	1,149,400	820,022	829,392
Total Expenses	75,866,048	68,536,089	66,403,233
Surplus (Shortfall) of Revenues over Expenses Before Other	(8,323,397)	502,326	(1,586,168)
Other			
Developer contributed - capital	-	33,702,011	21,931,988
Government transfers for capital (Note 15)	28,174,483	16,578,180	12,257,442
Developer and customer contributions - capital	7,219,100	5,485,397	1,229,091
Annual Surplus	27,070,186	56,267,914	33,832,353
Accumulated Surplus, Beginning of Year	435,183,247	435,183,247	401,350,894
Accumulated Surplus, End of Year	\$ 462,253,433	\$ 491,451,161	\$ 435,183,247

The accompanying notes are an integral part of these consolidated financial statements.

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended December 31, 2015, with comparative information for 2014

	Budget (Note 22)	2015	2014
Annual Surplus	\$ 27,070,186	\$ 56,267,914	\$ 33,832,353
Acquisition of tangible capital assets	(63,092,200)	(36,465,285)	(22,496,876)
Contributed tangible capital assets	-	(33,702,011)	(21,931,988)
Proceeds on disposal of tangible capital assets	1,249,414	592,987	154,855
Amortization of tangible capital assets	15,090,600	13,912,138	16,516,249
Loss on disposal of tangible capital assets	271,200	593,637	90,357
	<u>(46,480,986)</u>	<u>(55,068,534)</u>	<u>(27,667,403)</u>
Acquisition of consumable inventories	-	(5,188,113)	(7,501,176)
Acquisition of prepaid expenses	-	(3,156,971)	(4,665,041)
Consumption of consumable inventories	-	4,606,675	4,356,703
Use of prepaid expenses	-	3,157,093	4,314,788
	<u>-</u>	<u>(581,316)</u>	<u>(3,494,726)</u>
Change in Net Financial Assets	(19,410,800)	618,064	2,670,224
Net Financial Assets, Beginning of Year	47,559,409	47,559,409	44,889,185
Net Financial Assets, End of Year	\$ 28,148,609	\$ 48,177,473	\$ 47,559,409

The accompanying notes are an integral part of these consolidated financial statements.

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF CASH FLOWS Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Operating Activities:		
Annual Surplus	\$ 56,267,914	\$ 33,832,353
Items not involving cash:		
Amortization of tangible capital assets	13,912,138	16,516,249
Amortization of investment premium/discounts	465,618	451,937
Loss on disposal of tangible capital assets	593,637	90,357
Contributed tangible capital assets	(33,702,011)	(21,931,988)
Change in non cash items:		
Accounts receivable	(9,275,714)	(1,373,072)
Inventories for resale	3,743	17,182
Accounts payable and accrued liabilities	1,228,174	(573,623)
Deposit liabilities	(1,552,995)	2,032,351
Employee benefits and other liabilities	151,185	200,824
Deferred revenue	(9,944,129)	3,916,166
Landfill liability	(44,376)	(228,023)
Consumable inventories	(581,438)	(3,144,473)
Prepaid expenses	122	(350,253)
	<u>17,521,868</u>	<u>29,455,987</u>
Capital Activities:		
Acquisition of tangible capital assets	(36,465,285)	(22,496,876)
Proceeds from disposals of tangible capital assets	592,987	154,855
	<u>(35,872,298)</u>	<u>(22,342,021)</u>
Investing Activities:		
Acquisition of investments	(85,979,017)	(117,157,868)
Maturity of investments	110,926,897	82,465,861
	<u>24,947,880</u>	<u>(34,692,007)</u>
Financing Activities:		
Long-term debt issued	7,250,000	-
Long-term debt repaid	(772,522)	(1,044,985)
Net Change in Cash from Financing Activities	<u>6,477,478</u>	<u>(1,044,985)</u>
Net Change in Cash and Cash Equivalents	<u>13,074,928</u>	<u>(28,623,026)</u>
Cash and Cash Equivalents, Beginning of Year	<u>15,240,485</u>	<u>43,863,511</u>
Cash and Cash Equivalents, End of Year	<u>\$ 28,315,413</u>	<u>\$ 15,240,485</u>
Cash paid for interest	193,061	233,349
Cash received from interest	2,310,559	2,198,865

The accompanying notes are an integral part of these consolidated financial statements.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Parkland County is a municipality in the Province of Alberta, Canada and operates under the provisions of the *Municipal Government Act*.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Parkland County (the "County") are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the County are as follows:

(a) *Reporting Entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned or controlled by the County.

The County's consolidated financial statements include the proportionate share of assets, liabilities, revenues and expenses for the Tri-Municipal Leisure Facility Corporation (a Part 9 company operating as the TransAlta Tri Leisure Centre).

The financial statements of Parkland County Library Board are fully consolidated in the County's financial statements.

The County is also a member of boards and commissions that are not included in the government reporting entity.

Interdepartmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

The taxes levied for education and senior's lodges that are not controlled by the County are not included in these consolidated financial statements.

(b) *Basis of Accounting*

The County follows the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the specified purpose. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of legal obligation to pay.

(c) *Cash and Cash Equivalents*

Cash equivalents are term deposits and guaranteed investment certificates that mature in less than three months and are recorded at cost.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investments

Investments consist of term deposits, growth index deposits, notes, bonds and guaranteed investment certificates. Term deposits, market equity growth index deposits, guaranteed investment certificates, notes and bonds are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in the value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(e) Employee Future Benefits

The costs of multi-employer defined benefit pension plan benefits such as LAPP and APEX pensions are the employer's contributions to the plan in the period. Health/vision and dental benefits are administered by Blue Cross on an administrative services only basis. The County is responsible for the employer share of benefit premiums throughout the year as well as any shortfall or surplus at the end of the period. Accumulated sick days are set up as a liability to the extent to which the days are expected to be used by employees.

(f) 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.

(i) Tangible Capital Assets

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

	YEARS
Land Improvements	15-30
Buildings	5-50
Engineering Structures	10-75
Roadway systems	10-60
Storm systems	50-75
Water systems	45-75
Wastewater systems	45-75
Machinery & Equipment	5-40
Vehicles	10-20

Annual amortization is pro-rated in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Non-Financial Assets (CONTINUED)

(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) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Interest Capitalization

The County does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Consumable Inventories

Inventories of materials and supplies for consumption are valued at the lower of cost and replacement cost with cost determined using the average cost method.

(g) Government Transfers

Government transfers are recognized in the financial statements as revenues 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 made.

A transfer with or without eligibility criteria but with stipulations is recognized in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

(h) Requisition Over-Levies and Under-Levies

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.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Tax Revenue Recognition

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.

(j) Liability for Contaminated Sites

The County adopted Public Sector Accounting Board Standard *PS3260 Liability for Contaminated Sites* effective April 1, 2014. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The County adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

(k) Use of Estimates

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 revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and the landfill liability. Actual results could differ from those estimates.

(l) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2016, the County will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in *Financial Statement Presentation* (PS1201), *Financial Instruments* (PS3450), *Foreign Currency Translation* (PS2601) and *Portfolio Investments* (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after...)
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

2. CASH AND CASH EQUIVALENTS

	2015	2014
Cash	<u>\$ 7,073,514</u>	<u>\$ 4,967,628</u>
Cash equivalents	<u>21,241,899</u>	<u>10,272,857</u>
Cash and Cash Equivalents	<u>\$ 28,315,413</u>	<u>\$ 15,240,485</u>

Cash equivalents include investments that have effective interest rates of 1.18% to 1.67% (2014 - 1.10% to 1.97%) that mature in less than three months.

3. ACCOUNTS RECEIVABLE

	2015	2014
Taxes - current	<u>\$ 1,936,853</u>	<u>\$ 1,586,743</u>
Taxes - arrears	<u>717,841</u>	<u>598,928</u>
Government transfers receivable	<u>10,211,393</u>	<u>2,005,785</u>
Local improvements	<u>1,782,228</u>	<u>2,040,666</u>
Accrued interest receivable - investments	<u>601,106</u>	<u>576,107</u>
Trade and other	<u>3,616,000</u>	<u>2,791,178</u>
	<u>18,865,421</u>	<u>9,599,407</u>
Less: Valuation allowance	<u>72,357</u>	<u>82,057</u>
	<u>\$ 18,793,064</u>	<u>\$ 9,517,350</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

4. INVESTMENTS

Investments have carrying and market values as follows:

	2015		2014	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Notes and Deposits	\$ 42,757,236	\$ 43,284,549	\$ 66,038,577	\$ 66,038,578
Other				
Bank & Callable Bonds	7,797,077	7,915,279	11,208,140	10,587,662
Fixed/floater	2,768,822	2,699,148	2,305,489	2,345,353
Guaranteed Investment Certificate	2,469,000	2,530,142	2,534,225	2,533,629
Growth Index Deposit	2,903,767	2,813,580	2,015,000	2,033,211
Memberships/shares	203,317	203,317	211,286	211,286
	<u>\$ 58,899,219</u>	<u>\$ 59,446,015</u>	<u>\$ 84,312,717</u>	<u>\$ 83,749,719</u>

Notes and term deposits, and other investments have effective interest rates of 1.20% to 3.45% (2014 - 0.10% to 3.59%) while the growth index deposits have variable interest and are linked to the performance of an equity market index with maturity dates between March 2020 to May 2022 (2014 - January 2015 to June 2020).

The market value of the bonds is based on quoted market values received on December 31, 2015. The market value of the bonds fluctuate with changes in market interest rates. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss. The carrying amounts exclude accrued interest receivable in the amount of \$601,106 (2014 - \$576,107) which has been included in accounts receivable.

5. EMPLOYEE BENEFITS AND OTHER LIABILITIES

The employee benefits and other liabilities is made up of the following:

	2015	2014
Wages payable	\$ 511,704	\$ 350,827
Vacation pay payable	1,200,066	1,106,901
Overtime payable	151,552	204,282
Early retirement incentive	194,316	301,521
Payroll benefits payable	584,865	521,448
Accrued sick leave liability	93,711	100,050
	<u>\$ 2,736,214</u>	<u>\$ 2,585,029</u>

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

6. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Balance, Beginning of Year:		
Prepaid local improvement charges	\$ 11,503	\$ 11,503
Government transfers	26,343,256	28,595,758
Offsite levies	18,422,629	12,318,918
Other	486,000	421,043
	<u>45,263,388</u>	<u>41,347,222</u>
Additions:		
Government transfers - grants	12,056,006	11,543,287
Government transfers - interest	222,040	359,246
Offsite levies	925,128	6,103,711
Other	2,342,523	1,957,091
	<u>15,545,697</u>	<u>19,963,335</u>
Used:		
Government transfers	(17,709,669)	(14,155,035)
Offsite levies	(5,479,931)	-
Other	(2,300,226)	(1,892,134)
	<u>(25,489,826)</u>	<u>(16,047,169)</u>
Balance, End of Year:		
Prepaid local improvement charges	11,503	11,503
Government transfers	20,911,633	26,343,256
Offsite levies	13,867,826	18,422,629
Other	528,297	486,000
	<u>\$ 35,319,259</u>	<u>\$ 45,263,388</u>

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

7. LONG-TERM DEBT

	2015	2014
Debentures - user pay	<u>\$ 8,729,257</u>	<u>\$ 2,050,806</u>
Debentures - tax supported	<u>1,253,264</u>	<u>1,454,237</u>
	<u><u>\$ 9,982,521</u></u>	<u><u>\$ 3,505,043</u></u>

Debentures are repayable to Alberta Capital Finance Authority. The debentures have been issued on the credit and security of the County at large. They are payable and due over various periods up to the year 2030 with effective interest rates ranging from 1.38% to 9.00% (2014 - 1.38% to 9.00%).

Principal and interest amounts due on debentures in each of the next five years are as follows:

	Principal	Interest	Total
2016	\$ 851,262	\$ 331,781	\$ 1,183,043
2017	876,038	295,501	1,171,539
2018	847,371	258,322	1,105,693
2019	812,319	223,636	1,035,955
2020	806,044	191,138	997,182
Thereafter	<u>5,789,487</u>	<u>745,621</u>	<u>6,535,108</u>
	<u><u>\$ 9,982,521</u></u>	<u><u>\$ 2,045,999</u></u>	<u><u>\$ 12,028,520</u></u>

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$192,809 in 2015 (2014 - \$225,622).

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

8. LANDFILL LIABILITY

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the County is required to provide post closure care of closed landfill sites. Post closure activities include surface and ground water monitoring, leachate control and visual inspection for a period of 25 years after the landfill has been closed. Parkland County currently has no active landfill sites.

The total net present value for the estimated costs of post closure care have been fully accrued.

	2015	2014
Estimated post-closure costs	<u>\$ 557,391</u>	<u>\$ 601,767</u>

Landfill post closure costs are recognized over 25 years using a net present value calculation with an interest rate of 2.43% (2014 - 2.43%) in excess of the assumed inflation rate.

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PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

9. TANGIBLE CAPITAL ASSETS

2015

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
Cost:								
Balance, beginning of year	\$ 124,025,142	\$ 5,213,852	\$ 35,790,001	\$ 412,958,599	\$ 20,609,300	\$ 11,170,471	\$ 15,167,062	\$ 624,934,427
Acquired	339,242	109,149	229,075	14,163,488	3,860,242	4,195,435	13,568,654	36,465,285
Contributed	18,578,392	-	-	15,123,619	-	-	-	33,702,011
Disposals	(713,264)	-	-	(1,354,313)	(1,229,054)	(1,116,640)	-	(4,413,271)
Transfers	1,096,359	710,989	5,178,502	4,975,763	28,226	606,725	(12,596,564)	-
Balance, end of year	143,325,871	6,033,990	41,197,578	445,867,156	23,268,714	14,855,991	16,139,152	690,688,452
Accumulated Amortization:								
Balance, beginning of year	-	1,305,920	8,421,216	227,018,077	7,991,587	5,061,267	-	249,798,067
Amortization expense	-	247,415	885,248	11,070,011	1,404,966	304,498	-	13,912,138
Disposals	-	-	-	(1,354,315)	(1,029,675)	(842,657)	-	(3,226,647)
Balance, end of year	-	1,553,335	9,306,464	236,733,773	8,366,878	4,523,108	-	260,483,558
Net Book Value, end of year	\$ 143,325,871	\$ 4,480,655	\$ 31,891,114	\$ 209,133,383	\$ 14,901,836	\$ 10,332,883	\$ 16,139,152	\$ 430,204,894

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

2014

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
Cost:								
Balance, beginning of year	\$ 117,882,589	\$ 4,623,424	\$ 27,265,326	\$ 386,833,951	\$ 19,828,432	\$ 9,334,927	\$ 15,863,746	\$ 581,632,395
Acquired	406,141	550,289	300,531	7,593,809	963,272	936,979	11,745,855	22,496,876
Contributed	5,817,802	-	1,050,922	15,063,264	-	-	-	21,931,988
Disposals	(136,775)	-	-	(41,656)	(399,932)	(548,469)	-	(1,126,832)
Transfers	55,385	40,139	7,173,222	3,509,231	217,528	1,447,034	(12,442,539)	-
Balance, end of year	124,025,142	5,213,852	35,790,001	412,958,599	20,609,300	11,170,471	15,167,062	624,934,427
Accumulated Amortization:								
Balance, beginning of year	-	1,097,608	7,528,422	214,010,300	6,772,494	4,754,614	-	234,163,438
Amortization expense	-	208,312	892,794	13,049,433	1,555,350	810,360	-	16,516,249
Disposals	-	-	-	(41,656)	(336,257)	(503,707)	-	(881,620)
Balance, end of year	-	1,305,920	8,421,216	227,018,077	7,991,587	5,061,267	-	249,798,067
Net Book Value, end of year	\$ 124,025,142	\$ 3,907,932	\$ 27,368,785	\$ 185,940,522	\$ 12,617,713	\$ 6,109,204	\$ 15,167,062	\$ 375,136,360

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

(a) Construction in Progress

Construction in progress having a value of \$16,139,152 (2014 - \$15,167,062) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed assets consisting of land, roads, drainage and water/wastewater infrastructure received during the year has a value of \$33,702,011 (2014 - \$21,931,988).

(c) Cultural and Historical Tangible Capital Assets

The County owns original artworks that are on permanent display at the County Centre. The artworks were purchased by the County and have significant cultural and historical value in perpetuity. The artworks are not recorded as tangible capital assets in the financial statements and are not amortized.

10. CONSUMABLE INVENTORIES

	<u>2015</u>	<u>2014</u>
Gravel - pit run	\$ 9,466,033	\$ 9,511,275
Gravel - crushed	2,333,698	1,735,537
Gas, oil and parts	306,219	341,449
Other	202,035	138,286
	<u>\$ 12,307,985</u>	<u>\$ 11,726,547</u>

11. ACCUMULATED SURPLUS

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

	<u>2015</u>	<u>2014</u>
Restricted surplus	\$ 66,442,757	\$ 60,748,397
Invested in tangible capital assets	422,203,474	371,631,317
Unrestricted surplus	2,804,930	2,803,533
	<u>\$ 491,451,161</u>	<u>\$ 435,183,247</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

11. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS

	2014	Increases	Decreases	2015
Benefit premium stabilization	\$ 165,866	\$ -	\$ 39,995	\$ 125,871
Contingency	5,693,158	794,671	563,413	5,924,416
County facilities	6,288,639	62,035	107,836	6,242,838
Development charges	237,723	-	25,242	212,481
Disaster	800,416	-	-	800,416
Early retirement incentive	199,185	163,299	362,484	-
Environmental	1,016,638	105,700	124,756	997,582
Entwistle community development	374,999	-	-	374,999
Equipment lifecycle	4,160,016	3,454,220	4,190,002	3,424,234
Facilities maintenance	1,326,877	363,981	33,697	1,657,161
Fire services equipment lifecycle	454,616	373,617	338,995	489,238
Future capital	1,074,441	92,000	355,884	810,557
Future operating	3,176,381	1,612,414	588,496	4,200,299
Future transportation	2,551,401	248,358	242,532	2,557,227
Granular aggregates	1,442,417	148,763	501,853	1,089,327
Hamlet Sustainability	-	700,000	-	700,000
Information technology	515,538	35,000	105,664	444,874
Internal financing	293,743	1,511,062	231,330	1,573,475
Local improvements	702,806	-	199,644	503,162
Long term sustainability	4,463,673	1,750,045	511,304	5,702,414
Municipal operations	763,671	1,033,816	271,963	1,525,524
Municipal park	4,815,009	59,132	159,946	4,714,195
Office systems	1,811,699	392,080	1,070,295	1,133,484
Overland drainage	506,690	-	-	506,690
Protective services lifecycle	503,948	191,051	13,086	681,913
Recreation facilities	1,662,918	885,401	432,853	2,115,466
Rural community network lifecycle	30,000	-	-	30,000
Survey equipment lifecycle	83,307	16,282	18,466	81,123
Waste management	5,400,857	1,972,175	323,116	7,049,916
Water and wastewater	3,992,440	686,032	81,621	4,596,851
Winter maintenance	800,000	-	-	800,000
Working capital	5,000,000	-	-	5,000,000
	60,309,072	16,651,134	10,894,473	66,065,733
Partnership interests	439,325	-	62,301	377,024
	<u>\$ 60,748,397</u>	<u>\$ 16,651,134</u>	<u>\$ 10,956,774</u>	<u>\$ 66,442,757</u>

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

11. ACCUMULATED SURPLUS (CONTINUED)

INVESTED IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
Tangible capital assets	\$ 430,204,894	\$ 375,136,360
Long-term debt	(9,982,521)	(3,505,043)
Long-term debt not yet invested in TCA	<u>1,981,101</u>	<u>-</u>
	<u>\$ 422,203,474</u>	<u>\$ 371,631,317</u>

12. CONTINGENT LIABILITIES

The County is defendant in various lawsuits as at December 31, 2015. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

13. COMMITMENTS

The County has outstanding commitments of \$20,121,679 (2014 - \$10,438,533). Significant commitments included in this balance are construction of Acheson Storm Water Outfall, Acheson Service Road upgrades, local government cost share agreements, and fire agreements.

The County has also entered into lease agreements for equipment and land. Lease commitments over the next five years and thereafter are as follows:

2016	\$ 47,268
2017	46,268
2018	46,268
2019	46,268
2020	46,268
Thereafter	<u>558,537</u>
	<u>\$ 790,877</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

14. TAXATION

Taxation revenue is made up of the following:

	Budget (Note 22)	2015	2014
Taxation			
Residential	\$ 35,928,145	\$ 36,017,258	\$ 34,145,404
Non-residential	33,945,338	33,949,593	30,195,370
Government grants in place of property taxes	18,020	18,020	17,258
	69,891,503	69,984,871	64,358,032
Requisitions			
Alberta School Foundation Fund	(18,699,740)	(18,873,021)	(17,989,180)
Senior's Foundation	(468,440)	(468,440)	(394,273)
Evergreen Separate School	(1,776,045)	(1,602,608)	(1,521,142)
St. Thomas Aquinas	(6,578)	(6,734)	(6,590)
	(20,950,803)	(20,950,803)	(19,911,185)
Net Municipal Property Taxes	48,940,700	49,034,068	44,446,847
Other taxes			
Community aggregate levy	700,000	1,028,516	903,618
Special taxes and frontages	577,900	576,320	676,511
Net Municipal Taxes	\$ 50,218,600	\$ 50,638,904	\$ 46,026,976

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

15. GOVERNMENT TRANSFERS

	Budget (Note 22)	2015	2014
Operating Transfers			
Federal	\$ 20,400	\$ -	\$ 33,597
Provincial	2,695,700	2,495,788	2,561,880
Local	<u>559,012</u>	<u>541,659</u>	<u>636,806</u>
	3,275,112	3,037,447	3,232,283
Capital Transfers			
Federal	976,800	12,890	9,743
Provincial	26,021,600	15,389,648	12,065,099
Local	<u>1,176,083</u>	<u>1,175,642</u>	<u>182,600</u>
	<u>28,174,483</u>	<u>16,578,180</u>	<u>12,257,442</u>
Total Government Transfers	<u>\$ 31,449,595</u>	<u>\$ 19,615,627</u>	<u>\$ 15,489,725</u>

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PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

16. SALARY AND BENEFITS

Councillors attend a number of Council/Committee/Board meetings for which they receive remuneration directly from the County. The remuneration they receive is listed below.

	Salary	Benefits	Allowances	2015	2014
Mayor	\$ 103,600	\$ 12,243	\$ 8,803	\$ 124,646	\$ 115,831
Councillor - Division 1	69,744	9,739	5,290	84,773	79,000
Councillor - Division 2	69,614	9,687	3,827	83,128	80,538
Councillor - Division 3	55,220	6,572	2,548	64,340	73,420
Councillor - Division 4	59,060	8,623	3,610	71,293	71,810
Councillor - Division 5	70,002	9,771	5,483	85,256	82,825
Councillor - Division 6	64,820	7,904	13,321	86,045	88,470
	\$ 492,060	\$ 64,539	\$ 42,882	\$ 599,481	\$ 591,894
CAO / Interim CAO	\$ 200,395	\$ 39,592	\$ 2,250	\$ 242,237	\$ 256,192
Designated Officer	\$ 146,247	\$ 34,130	\$ -	\$ 180,377	\$ -
Designated Officer	\$ 145,519	\$ 34,130	\$ -	\$ 179,649	\$ 174,850

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional amount per month (\$975).

Council benefits include: employer share of all employee benefits (pension or Registered Retirement Savings Plan, health, vision, dental, life insurance, accidental death and dismemberment and Workers' Compensation coverage).

Allowances include costs for internet, phone and mileage to attend Council meetings.

Councillors also serve on a number of other Committees/Boards for which they receive remuneration directly from that organization and which are not included in the above salary and benefits disclosure.

The list of Committees/Boards that Council members are appointed to at the annual organizational meeting are listed on the County's website for public access.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

17. PENSION PLAN

(a) APEX

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the *Alberta Employment Pension Plans Act*, commenced on January 1, 2006, and provides supplementary pension benefits to a prescribed class of employees (approximately 37 in 2015). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the County, at a rate of 2.5% and 3.0% (2014 - 2.5% and 3.0%) respectively of pensionable earnings up to \$140,945 in 2015 (2014 - \$138,500).

Total current service contributions by the County to APEX in 2015 were \$114,598 (2014 - \$101,798). Total current service contributions by the employees of the County were \$95,496 (2014 - \$84,830).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. The cost of post retirement benefits is fully funded.

(b) Local Authorities Pension Plan

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The Plan serves about 237,612 people and 423 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

The County is required to make current service contributions to the Plan of 11.39% (2014 - 11.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% (2014 - 15.84%) for the excess. Employees of the County are required to make current service contributions of 10.39% (2014 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2014 - 14.84%) on pensionable salary above this amount.

Total current service contributions by Parkland County to the LAPP in 2015 were \$2,163,456 (2014 - \$1,989,342). Total current service contributions by the employees of Parkland County to the LAPP in 2015 were \$1,997,978 (2014 - \$1,836,221).

At December 31, 2014 the Plan disclosed an actuarial deficit of \$2.4 billion.

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

18. DEBT LIMITS

Provincial legislation (Section 276 (2) of the *Municipal Government Act*) requires that debt and service on debt limits as defined by regulation for the County be disclosed as follows:

	<u>2015</u>	<u>2014</u>
Debt		
Maximum allowable debt	\$ 111,785,718	\$ 99,069,234
Total debt	<u>(9,982,521)</u>	<u>(3,505,043)</u>
Remaining Allowable Debt	<u><u>\$ 101,803,197</u></u>	<u><u>\$ 95,564,191</u></u>
 Debt Payment		
Maximum annual payment on allowable debt	\$ 18,630,953	\$ 16,511,539
Annual payments on existing debt	<u>(1,183,043)</u>	<u>(965,582)</u>
Remaining Allowable Annual Payment	<u><u>\$ 17,447,910</u></u>	<u><u>\$ 15,545,957</u></u>

The debt limit is calculated on a consolidated basis at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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 the 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 County. Rather, the financial statements must be interpreted as a whole.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

19. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the County. County services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Protection

Protection is comprised of Enhanced Policing, Enforcement Services, Fire, Disaster and Emergency Management. The purpose of Enhanced Policing is to provide additional manpower targeted towards specific enforcement initiatives. Enforcement Services provides enforcement in the areas of Provincial Acts and Municipal Bylaws. Fire is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The mandate of Emergency Management is to help maintain safe communities and manage risk. The Emergency Communications Centre provides emergency fire dispatch, community peace officer dispatch, and alarm monitoring.

(b) Transportation

Transportation is comprised of the Engineering Services and the Public Works departments. They are responsible for the planning, development and maintenance of roadway systems.

(c) Recreation and Culture

Recreation and Culture provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to parks and cemetery maintenance and operation.

(d) Environment

The County is responsible for environmental programs such as the engineering and operation of Water and Wastewater Systems and Waste Management. Environmental Management focuses on the maintenance and stewardship of the environment. This includes water conservation, efficiency, and protection and promoting green construction, energy and technology, identifying natural areas for preservation, restoration and rehabilitation, and promoting awareness regarding environmental protection, conservancy, recycling and other initiatives.

(e) Other and Unallocated

Other and unallocated is comprised of Council and Other Legislative, General Administration, Planning and Development Services, and Intelligent Community. County Council makes decisions regarding service delivery and service levels on behalf of the municipality in order to balance the needs and wants of County residents in a financially responsible manner. General Administration is responsible for the administration of the municipality as a whole. Planning and Development Department manages long term planning, current planning and subdivision, development permits and safety code disciplines. Intelligent Community is a comprehensive plan that will see Parkland County become a community in which broadband technology is fully utilized by residents and business.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segment based upon the segment that generated the

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

19. SEGMENTED INFORMATION (CONTINUED)

revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and developer levies are allocated to the segment for which the charge was made.

2015	Protection	Transportation	Recreation and Culture	Environment	Other and Unallocated	Total	Budget
Revenues							
Taxation	\$ 6,984,013	\$ 19,149,903	\$ 4,397,265	\$ 1,798,411	\$ 18,309,312	\$ 50,638,904	\$ 50,218,600
User fees and sale of goods and services	2,087,247	195,496	1,853,988	3,596,422	2,604,485	10,337,638	9,235,902
Penalties	-	-	-	4,822	891,976	896,798	670,700
Investment income	-	-	68,629	95,107	1,267,495	1,431,231	961,365
Government transfers	2,790,420	14,092,813	1,396,272	522,171	813,951	19,615,627	31,449,595
Licenses and permits	6,197	11,005	-	-	1,473,864	1,491,066	1,838,500
Other	-	58,173	181,636	97,197	603,931	940,937	843,672
Gain on disposal of tangible capital assets	-	264,394	-	-	-	264,394	498,800
Developer and customer contributions- capital	-	5,482,706	-	2,310	381	5,485,397	7,219,100
Developer contributed-capital	-	9,639,996	-	5,483,623	18,578,392	33,702,011	-
Total Revenues	11,867,877	48,894,486	7,897,790	11,600,063	44,543,787	124,804,003	102,936,234
Expenses							
Salaries, wages and employee benefits	5,070,256	7,196,646	2,811,318	1,506,986	12,631,156	29,216,362	29,847,074
Contracted and general services	3,017,973	126,446	930,480	2,031,980	5,707,240	11,814,119	15,663,198
Materials, goods, supplies and utilities	695,077	4,816,519	568,465	320,389	652,954	7,053,404	8,173,134
Bank charges	-	-	219	-	36,641	36,860	46,100
Interest on long term debt	-	20,886	70,424	98,225	3,275	192,810	491,200
Other	(30,089)	20,059	-	10,030	353	353	176,697
Transfers to governments, agencies & organizations	433,560	-	3,002,392	74,524	15,122	3,525,598	4,370,745
Purchases from other governments	179,827	-	-	1,732,756	13,831	1,926,414	1,779,700
Loss on disposal of tangible capital assets	900	143,869	-	-	713,262	858,031	227,600
Amortization of tangible capital assets	390,017	11,313,347	504,185	1,157,566	547,023	13,912,138	15,090,600
Total Expenses	9,757,521	23,637,772	7,887,483	6,932,456	20,320,857	68,536,089	75,866,048
Annual Surplus	\$ 2,110,356	\$ 25,256,714	\$ 10,307	\$ 4,667,607	\$ 24,222,930	\$ 56,267,914	\$ 27,070,186

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

19. SEGMENTED INFORMATION (CONTINUED)

2014	Protection	Transportation	Recreation and Culture	Environment	Other and Unallocated	Total
Revenues						
Taxation	\$ 7,015,576	\$ 17,840,401	\$ 3,774,814	\$ 2,289,059	\$ 15,107,126	\$ 46,026,976
User fees and sale of goods and services	1,883,301	528,174	1,761,757	3,290,657	2,050,110	9,513,999
Penalties	-	-	-	6,885	663,126	670,011
Investment income	-	-	75,569	162,060	1,418,010	1,655,639
Government transfers	1,516,386	11,416,621	1,681,891	439,467	435,360	15,489,725
Licenses and permits	7,520	8,826	-	-	1,957,391	1,973,737
Developer and customer contributions - capital	-	7,835	-	12,377	1,208,879	1,229,091
Other revenue - operating	453,352	5,498	232,987	169	918,699	1,610,705
Gain on disposal of tangible capital assets	-	47,588	-	-	86,127	133,715
Developer contributed-capital	-	13,165,881	1,050,922	1,897,383	5,817,802	21,931,988
Total Revenues	10,876,135	43,020,824	8,577,940	8,098,057	29,662,630	100,235,586
Expenses						
Salaries, wages and employee benefits	4,539,807	6,655,236	2,615,690	1,281,895	11,199,501	26,292,129
Contracted and general services	2,351,512	432,050	865,176	1,757,064	5,225,999	10,631,801
Materials, goods, supplies and utilities	650,489	4,780,012	868,300	314,317	573,972	7,187,090
Bank charges	-	-	194	-	52,823	53,017
Interest on long term debt	-	16,026	78,488	120,352	10,715	225,581
Other	(30,089)	20,059	-	10,030	1,177	1,177
Transfers to governments, agencies & organizations	679,676	-	2,585,603	353,828	2,958	3,622,065
Purchases from other governments	174,589	-	-	1,460,391	15,072	1,650,052
Loss on disposal of tangible capital assets	2,892	50,589	-	-	170,591	224,072
Amortization of tangible capital assets	146,816	13,853,004	699,648	1,111,300	705,481	16,516,249
Total Expenses	8,515,692	25,806,976	7,713,099	6,409,177	17,958,289	66,403,233
Annual Surplus	\$ 2,360,443	\$ 17,213,848	\$ 864,841	\$ 1,688,880	\$ 11,704,341	\$ 33,832,353

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

20. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, employee benefit and other liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest, currency, or credit risk arising from these financial instruments except as noted below.

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 large number and diversity of taxpayers and customers minimizes the credit risk.

21. COMPARATIVE INFORMATION

Certain other comparative information have been reclassified to conform with the financial statement presentation adopted for the current year.

22. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based on the budget approved by council on April 21, 2015. Amortization was included in the budget but was removed for the calculation of the taxation requirement.