

**PARKLAND COUNTY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**PARKLAND COUNTY**

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**Year ended December 31, 2011, with comparative figures for 2010**

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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. In addition, Parkland County management has relied on the audited financial statements, and underlying management review and internal controls for the Parkland/Stony Plain Regional Waste Authority and the Tri-Municipal Leisure Facility Corporation.

County Council fulfills responsibility for financial reporting through its Governance and Priorities Committee. 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.



Pat Vincent, CLGM  
Chief Administrative Officer



Tracy Kibblewhite, CMA  
General Manager, Corporate  
Services

April 24, 2012



**KPMG LLP**  
**Chartered Accountants**  
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Canada

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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, 2011, the consolidated statements of operations and accumulated surplus, changes 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, 2011, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 24, 2012  
Edmonton, Canada

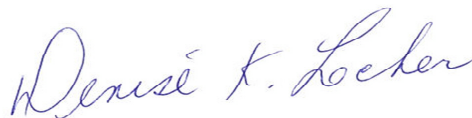
PARKLAND COUNTY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
December 31, 2011, with comparative figures for 2010

	2011	2010 (Note 21)
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 45,937,186	\$ 31,572,272
Accounts receivable (Note 3)	6,542,547	12,514,562
Investments (Note 4)	28,544,204	32,768,446
	<u>81,023,937</u>	<u>76,855,280</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	4,859,320	3,601,068
Deposit liabilities	4,221,952	6,515,286
Employee benefits and other liabilities (Note 5)	1,725,217	1,535,629
Deferred revenue (Note 6)	24,714,098	24,539,290
Long-term debt (Note 7)	5,682,568	6,186,840
Landfill liability (Note 8)	979,334	1,068,008
	<u>42,182,489</u>	<u>43,446,121</u>
<b>Net Financial Assets</b>	<u>38,841,448</u>	<u>33,409,159</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	309,877,136	276,404,998
Consumable inventories (Note 10)	8,004,783	7,550,057
Prepaid expenses	548,191	521,813
	<u>318,430,110</u>	<u>284,476,868</u>
<b>Accumulated Surplus (Note 11)</b>	<u>\$ 357,271,558</u>	<u>\$ 317,886,027</u>
Contingent Liabilities (Note 12)		
Commitments (Note 13)		



Rod Shaigec  
Mayor



Denise Locher  
Deputy Mayor

**PARKLAND COUNTY**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**Year ended December 31, 2011, with comparative figures for 2010**

	Budget (Unaudited)	2011	2010 (Note 21)
<b>Revenues</b>			
Taxation (Note 14)	\$ 32,071,978	\$ 31,498,368	\$ 30,219,169
Local improvement charges	593,085	494,648	658,252
User fees and sale of goods and services	8,699,729	9,699,983	8,664,243
Penalties on taxes	357,500	617,696	557,401
Investment income	1,175,665	1,382,827	1,254,451
Government transfers (Note 15)	10,559,829	11,594,118	11,592,092
Development charges and levies	-	1,600,400	2,779,379
Other revenues	574,140	1,323,162	1,003,607
Gain on disposal of tangible capital assets	270,770	1,665,814	25,655
Contributed tangible capital assets	-	30,210,654	7,880,145
<b>Total Revenues</b>	<b>54,302,696</b>	<b>90,087,670</b>	<b>64,634,394</b>
<b>Expenses</b>			
Legislative	876,733	815,875	827,083
General services	2,540,675	2,293,918	1,930,168
Legislative and administrative services	2,087,909	1,839,847	1,547,572
General office operations	895,302	958,661	902,345
Assessment services	821,875	768,156	777,620
Financial services	1,467,249	1,446,384	1,374,966
General municipal	455,152	126,502	174,771
Planning services	2,178,771	2,003,085	1,729,462
Protective services	5,392,838	5,431,354	5,146,598
Engineering services	4,325,981	3,788,419	3,680,171
Public works	8,109,310	8,305,278	7,197,131
Environmental services	4,291,781	4,006,535	3,528,890
Agriculture services	1,434,431	1,261,797	1,206,173
Recreation and parks services	5,814,687	5,832,718	5,272,156
Intelligent Community	486,125	210,825	158,445
Loss on disposal of tangible capital assets	-	15,503	422,316
Amortization of tangible capital assets	11,684,191	11,597,282	10,964,930
<b>Total Expenses</b>	<b>52,863,010</b>	<b>50,702,139</b>	<b>46,840,797</b>
<b>Annual Surplus</b>	<b>1,439,686</b>	<b>39,385,531</b>	<b>17,793,597</b>
<b>Accumulated Surplus, Beginning of the Year</b>	<b>317,886,027</b>	<b>317,886,027</b>	<b>300,092,430</b>
<b>Accumulated Surplus, End of the Year</b>	<b>\$ 319,325,713</b>	<b>\$ 357,271,558</b>	<b>\$ 317,886,027</b>

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, 2011, with comparative figures for 2010

	Budget (Unaudited)	2011	2010
<b>Annual surplus</b>	<b>\$ 1,439,686</b>	<b>\$ 39,385,531</b>	<b>\$ 17,793,597</b>
Acquisition of tangible capital assets	(25,422,531)	<b>(46,239,284)</b>	(22,307,213)
Proceeds on disposal of tangible capital assets	1,519,412	<b>2,820,175</b>	198,292
Amortization of tangible capital assets	11,684,191	<b>11,597,282</b>	10,964,930
Loss/(gain) on disposal of assets	(270,770)	<b>(1,650,311)</b>	396,661
	<u>(12,489,698)</u>	<u><b>(33,472,138)</b></u>	<u>(10,747,330)</u>
Acquisition of consumable inventories	-	<b>(4,264,543)</b>	(3,796,734)
Acquisition of prepaid expenses	-	<b>(2,636,234)</b>	(912,724)
Consumption of consumable inventories	-	<b>3,809,817</b>	3,667,073
Use of prepaid expenses	-	<b>2,609,856</b>	687,251
	<u>-</u>	<u><b>(481,104)</b></u>	<u>(355,134)</u>
<b>Change in Net Financial Assets</b>	<b>(11,050,012)</b>	<b>5,432,289</b>	6,691,133
<b>Net Financial Assets, Beginning of Year</b>	<b>33,409,159</b>	<b>33,409,159</b>	26,718,026
<b>Net Financial Assets, End of Year</b>	<b>\$ 22,359,147</b>	<b>\$ 38,841,448</b>	<b>\$ 33,409,159</b>

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



**PARKLAND COUNTY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year ended December 31, 2011, with comparative figures for 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Activities:</b>		
Annual Surplus	\$ 39,385,531	\$ 17,793,597
Items not involving cash:		
Amortization of tangible capital assets	11,597,282	10,964,930
Amortization of investment premium/discounts	(242,117)	(349,662)
Loss/(gain) on disposal of tangible capital assets	(1,650,311)	396,661
Contributed tangible capital assets	(30,210,654)	(7,880,145)
Change in non cash assets and liabilities		
Accounts receivable	5,972,015	(5,982,694)
Accounts payable and accrued liabilities	1,258,252	1,860,505
Deposit liabilities	(2,293,334)	1,498,017
Employee benefits and other liabilities	189,588	174,445
Deferred revenue	174,808	2,511,557
Landfill liability	(88,674)	(289,523)
Consumable inventories	(454,726)	(129,661)
Prepaid expenses	(26,378)	(225,473)
<b>Net change in cash from operating activities</b>	<u>23,611,282</u>	<u>20,342,554</u>
<b>Capital Activities:</b>		
Acquisition of tangible capital assets	(16,028,630)	(14,427,068)
Proceeds from disposals of tangible capital assets	2,820,175	198,292
<b>Net change in cash from capital activities</b>	<u>(13,208,455)</u>	<u>(14,228,776)</u>
<b>Investing Activities:</b>		
Acquisition of investments	(21,887,762)	(27,414,477)
Maturity of investments	26,354,121	7,127,561
<b>Net change in cash from investing activities</b>	<u>4,466,359</u>	<u>(20,286,916)</u>
<b>Financing Activities:</b>		
Long-term debt issued	454,549	689,445
Long-term debt repaid	(958,821)	(741,345)
<b>Net change in cash from financing activities</b>	<u>(504,272)</u>	<u>(51,900)</u>
<b>Net Change in Cash and Cash Equivalents</b>	14,364,914	(14,225,038)
<b>Cash and cash equivalents at beginning of year</b>	<u>31,572,272</u>	<u>45,797,310</u>
<b>Cash and cash equivalents, End of Year</b>	<u>\$ 45,937,186</u>	<u>\$ 31,572,272</u>
Cash paid for interest	335,633	358,522
Cash received from interest	1,508,073	1,345,184

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, 2011

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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) Basis of Consolidation**

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 Tri-Municipal Leisure Facility Corporation (a Part 9 company operating as the TransAlta Tri Leisure Centre) and the Parkland/Stony Plain Regional Waste Authority.

The County is also a member of a board that is 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.

##### **(d) Investments**

Investments consist of short term notes and deposits bonds. Short term notes are investments that mature between three months and one year and are recorded at cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(f) ***Landfill Liability***

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the County is required to fund the closure of its landfill sites and provide for post closure care of the facilities. Closure and post closure activities included the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill sites based on usage.

(g) ***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, 2011**

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**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) 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 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.

**(h) 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.

**(i) 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.

**(j) 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.

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**2. CASH AND CASH EQUIVALENTS**

	<b>2011</b>	<b>2010</b>
Cash	\$ 8,887,960	\$ 4,292,062
Cash equivalents	<u>37,049,226</u>	<u>27,280,210</u>
<b>Cash and cash equivalents</b>	<b><u>\$ 45,937,186</u></b>	<b><u>\$ 31,572,272</u></b>

Included in cash and cash equivalents is \$1.647 million (2010 - \$1.45 million) of funds restricted for municipal parks. Cash equivalents include investments that have effective interest rates of 1.2% to 1.34% (2010 - .47% - 2.32%) that mature in less than three months.

**3. ACCOUNTS RECEIVABLE**

	<b>2011</b>	<b>2010</b>
Taxes - current	\$ 1,593,150	\$ 1,549,555
Taxes - arrears	983,327	759,409
Government	1,632,751	6,062,578
Local improvements	1,219,154	1,265,778
Development levy receivable	-	2,060,493
General	<u>1,286,027</u>	<u>936,149</u>
	6,714,409	12,633,962
Less: Valuation allowance	<u>171,862</u>	<u>119,400</u>
	<b><u>\$ 6,542,547</u></b>	<b><u>\$ 12,514,562</u></b>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**4. INVESTMENTS**

Investments have carrying and market values as follows:

	<b>2011</b>		<b>2010</b>	
	<b>Carrying Amount</b>	<b>Market Value</b>	<b>Carrying Amount</b>	<b>Market Value</b>
Notes and Deposits	\$ 13,091,204	\$ 13,148,790	\$ 7,135,065	\$ 9,222,129
Federal Government Bond	462,866	525,558	481,400	528,501
Provincial Government Coupon Note	-	-	3,568,417	3,590,584
Fixed/floater	1,001,285	1,001,581	1,007,711	1,008,678
Other				
Bonds	5,726,875	5,782,526	2,831,903	2,829,522
Step Up Note	1,555,014	1,550,336	562,751	581,365
Fixed/floater	2,417,770	2,424,887	1,658,813	1,658,142
Bankers Acceptance	-	-	2,000,000	2,000,000
G.I.C.	4,289,190	4,324,488	13,522,386	13,522,386
	<b>\$ 28,544,204</b>	<b>\$ 28,758,166</b>	<b>\$ 32,768,446</b>	<b>\$ 34,941,307</b>

Notes, deposits, federal, provincial and other investments have effective interest rates of 1.60% to 5.76% (2010 - 0.90% to 5.48%) with maturity dates between March 2012 to January 2018 (2010 - March 2012 to January 2018).

The market value of the bonds is based on quoted market values received on December 31, 2011. 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 carry amounts exclude accrued interest receivable in the amount of \$271,640 (2010 - \$331,044) which has been included in accounts receivable.

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**5. EMPLOYEE BENEFITS AND OTHER LIABILITIES**

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

	<b>2011</b>	<b>2010</b>
Wages payable	\$ 209,282	\$ 231,938
Vacation pay payable	1,099,451	1,082,776
Overtime payable	105,057	103,110
Early retirement incentive	69,394	-
Payroll benefits payable	242,033	117,805
	<u>\$ 1,725,217</u>	<u>\$ 1,535,629</u>

**6. DEFERRED REVENUE**

	<b>2011</b>	<b>2010</b>
<b>Balance, beginning of year:</b>		
Prepaid local improvement charges	\$ 30,018	\$ 32,888
Government transfers	24,223,056	21,652,638
Other	286,216	342,207
	<u>24,539,290</u>	<u>22,027,733</u>
<b>Additions:</b>		
Government transfers - grants	15,258,825	10,776,041
Government transfers - interest	298,038	192,547
Other - deposits	1,209,063	475,302
	<u>16,765,926</u>	<u>11,443,890</u>
<b>Used:</b>		
Prepaid local improvement charges	(2,870)	(2,870)
Government transfers	(15,408,553)	(8,398,170)
Other	(1,179,695)	(531,293)
	<u>(16,591,118)</u>	<u>(8,932,333)</u>
<b>Balance, end of year:</b>		
Prepaid local improvement charges	27,148	30,018
Government transfers	24,371,366	24,223,056
Other	315,584	286,216
	<u>\$ 24,714,098</u>	<u>\$ 24,539,290</u>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**7. LONG-TERM DEBT**

	<b>2011</b>	2010
Debentures - user pay	\$ 4,055,627	\$ 4,449,742
Debentures - tax supported	<b>1,605,137</b>	1,723,590
Capital lease - tax supported	<b>18,550</b>	-
	<b>5,679,314</b>	6,173,332
Partnership debt - capital lease	<b>3,254</b>	13,508
	<b>\$ 5,682,568</b>	\$ 6,186,840

Debenture debt is repayable to Alberta Capital Finance Authority. The debt has been issued on the credit and security of the County at large. It is payable and due over various periods up to the year 2024 with effective interest rates ranging from 1.78% to 10.63% (2010 - 1.78% to 10.63%). Capital lease for Parkland County is due December 2014 with an interest rate of 2%. Partnership debt (capital lease) is due April 2012 with an effective interest rate of 8.17%.

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

	Principal	Interest	Total
2012	\$ 1,067,255	\$ 301,187	\$ 1,368,442
2013	749,841	261,019	1,010,860
2014	590,171	225,449	815,620
2015	542,780	191,472	734,252
2016	446,193	155,979	602,172
Thereafter	2,286,328	426,947	2,713,275
	<b>\$ 5,682,568</b>	<b>\$ 1,562,053</b>	<b>\$ 7,244,621</b>

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$328,067 in 2011 (2010 - \$351,952).



PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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8. LANDFILL LIABILITY

The accrued liability for post closure care of the County's landfills is recognized over the life of the facilities using the net present value of the total estimated costs of post closure care costs. Landfill post closure costs are recognized over 25 years using a net present value calculation with an interest rate of 3.5% (2010 - 3.5%) in excess of the assumed inflation rate.

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

	2011	2010
Estimated post-closure costs	<u>\$ 979,334</u>	<u>\$ 1,068,008</u>

It is estimated that post closure care should be required for a minimum period of 25 years. The County has designated Waste management restricted surplus for settling post closure liabilities.

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**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**9. TANGIBLE CAPITAL ASSETS**

**2011**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 91,347,374	\$ 1,483,220	\$ 24,369,195	\$ 328,070,206	\$ 13,032,952	\$ 5,834,729	\$ 14,115,539	\$ 478,253,215
Additions	8,281,085	3,616	-	24,611,576	1,804,625	1,015,649	10,522,733	46,239,284
Disposals	(4,809)	-	-	-	(2,479,212)	(550,852)	-	(3,034,873)
Write down	-	-	-	-	(289,498)	-	-	(289,498)
Transfers	-	8,092	-	2,795,405	3,033,990	61,033	(5,898,520)	-
<b>Balance, end of year</b>	<b>99,623,650</b>	<b>1,494,928</b>	<b>24,369,195</b>	<b>355,477,187</b>	<b>15,102,857</b>	<b>6,360,559</b>	<b>18,739,752</b>	<b>521,168,128</b>
<b>Accumulated Amortization:</b>								
Balance, beginning of year	-	618,882	6,040,688	185,404,103	6,988,018	2,796,526	-	201,848,217
Amortization expense	-	47,550	490,658	9,471,637	1,119,552	467,885	-	11,597,282
Disposals	-	-	-	-	(1,550,165)	(482,475)	-	(2,032,640)
Write down	-	-	-	-	(121,867)	-	-	(121,867)
<b>Balance, end of year</b>	<b>-</b>	<b>666,432</b>	<b>6,531,346</b>	<b>194,875,740</b>	<b>6,435,538</b>	<b>2,781,936</b>	<b>-</b>	<b>211,290,992</b>
<b>Net Book Value, end of year</b>	<b>\$ 99,623,650</b>	<b>\$ 828,496</b>	<b>\$ 17,837,849</b>	<b>\$ 160,601,447</b>	<b>\$ 8,667,319</b>	<b>\$ 3,578,623</b>	<b>\$ 18,739,752</b>	<b>\$ 309,877,136</b>

**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**9. TANGIBLE CAPITAL ASSETS (CONTINUED)**

2010 - (Note 21)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 87,833,310	\$ 996,943	\$ 24,363,362	\$ 320,098,331	\$ 12,096,885	\$ 5,573,608	\$ 6,074,946	\$ 457,037,385
Additions	3,535,550	308,273	5,833	6,602,356	1,011,705	262,551	10,580,945	22,307,213
Disposals	(21,486)	-	-	(127,207)	(297,269)	(230,260)	(415,161)	(1,091,383)
Transfers	-	178,004	-	1,496,726	221,631	228,830	(2,125,191)	-
<b>Balance, end of year</b>	<b>91,347,374</b>	<b>1,483,220</b>	<b>24,369,195</b>	<b>328,070,206</b>	<b>13,032,952</b>	<b>5,834,729</b>	<b>14,115,539</b>	<b>478,253,215</b>
<b>Accumulated Amortization:</b>								
Balance, beginning of year	-	561,093	5,550,030	176,602,230	6,115,058	2,551,306	-	191,379,717
Amortization expense	-	29,028	490,658	8,953,404	1,052,078	439,762	-	10,964,930
Disposals	-	-	-	(122,770)	(179,118)	(194,542)	-	(496,430)
Transfers	-	28,761	-	(28,761)	-	-	-	-
<b>Balance, end of year</b>	<b>-</b>	<b>618,882</b>	<b>6,040,688</b>	<b>185,404,103</b>	<b>6,988,018</b>	<b>2,796,526</b>	<b>-</b>	<b>201,848,217</b>
<b>Net Book Value, end of year</b>	<b>\$ 91,347,374</b>	<b>\$ 864,338</b>	<b>\$ 18,328,507</b>	<b>\$ 142,666,103</b>	<b>\$ 6,044,934</b>	<b>\$ 3,038,203</b>	<b>\$ 14,115,539</b>	<b>\$ 276,404,998</b>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

(a) Construction in Progress

Construction in progress having a value of \$18,739,752 (2010 - \$14,115,539) have 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. The value of contributed assets received during the year is \$30,210,654 (2010 - \$7,880,145).

(c) Cultural and Historical Tangible Capital Assets

The County owns 72 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

	2011	2010
Gravel - pit run	\$ 6,010,896	\$ 5,964,314
Gravel - crushed	1,521,853	1,204,689
Gas, oil and parts	272,217	234,469
Other	199,817	146,585
	<u>\$ 8,004,783</u>	<u>\$ 7,550,057</u>

11. ACCUMULATED SURPLUS

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

	2011	2010
		(Note 21)
Restricted surplus	\$ 50,613,965	\$ 45,880,711
Invested in tangible capital assets	304,156,473	271,595,666
Unrestricted surplus	2,501,120	409,650
	<u>\$ 357,271,558</u>	<u>\$ 317,886,027</u>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**11. ACCUMULATED SURPLUS (CONTINUED)**

**RESTRICTED SURPLUS**

	2010	Increases	Decreases	2011
Benefit premium stabilization	\$ 96,374	\$ -	\$ -	\$ 96,374
Contingency	4,166,117	681,485	244,116	4,603,486
County facilities	5,686,959	2,179,015	57,025	7,808,949
Disaster	838,598	-	-	838,598
Early retirement incentive	226,134	35,000	75,532	185,602
Environmental	800,000	100,000	11,732	888,268
Equipment replacement	2,325,369	2,770,000	3,221,880	1,873,489
Facilities maintenance	1,610,641	164,783	171,185	1,604,239
Fire facilities	629,204	7,591	-	636,795
Fire services equipment replacement	163,294	171,243	128,131	206,406
Future capital	645,655	89,230	177,639	557,246
Future operating	1,498,329	502,910	190,680	1,810,559
Future road projects	2,318,189	1,234,721	206,321	3,346,589
Granular aggregates	1,040,433	524,072	95,990	1,468,515
Information technology	259,823	235,000	80,708	414,115
Internal financing	265,426	557,059	545,024	277,461
Investment stabilization	499,329	-	-	499,329
Municipal operations	1,664,466	644,408	594,540	1,714,334
Municipal park	3,551,645	107,835	10,262	3,649,218
Office systems	1,054,142	285,160	208,795	1,130,507
Offsite levies and development charges	1,499,912	784,562	125,103	2,159,371
Overland drainage	552,064	-	45,374	506,690
Protective services equipment replacement	234,445	60,729	19,466	275,708
Recreation facilities	1,753,021	217,394	569,424	1,400,991
Survey equipment replacement	46,614	46,388	48,225	44,777
Waste management	3,276,694	660,676	850,088	3,087,282
Water and wastewater	2,720,948	384,349	35,375	3,069,922
Winter maintenance	1,000,000	-	-	1,000,000
Working capital	5,000,000	-	-	5,000,000
	45,423,825	12,443,610	7,712,615	50,154,820
Partnership interests	456,886	121,015	118,756	459,145
	<u>\$ 45,880,711</u>	<u>\$ 12,564,625</u>	<u>\$ 7,831,371</u>	<u>\$ 50,613,965</u>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

**11. ACCUMULATED SURPLUS (CONTINUED)**

**INVESTED IN TANGIBLE CAPITAL ASSETS**

	<u>2011</u>	<u>2010</u>
		(Note 21)
Tangible capital assets	<b>\$ 309,877,136</b>	\$ 276,404,998
Long-term debt	<b>(5,682,568)</b>	(6,186,840)
Long-term debt not yet invested in TCA	-	1,377,508
Contributions not yet invested in TCA	<b>(38,095)</b>	-
	<u><b>\$ 304,156,473</b></u>	<u>\$ 271,595,666</u>

**12. CONTINGENT LIABILITIES**

The County is defendant in various lawsuits as at December 31, 2011. 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**

- (a) The County has outstanding contractual obligations of approximately \$924,000 (2010 - \$852,000) for capital cost sharing agreements with other municipalities, groundwater monitoring, purchase of an excavator, supply and install of computer equipment and design of the Acheson Fire Station. Council has authorized the financing of these obligations.
- (b) As at December 31, 2011 and pursuant to Section 655 of the Municipal Government Act, developers have entered into development agreements with the County in the outstanding amount of approximately \$4,467,000 (2010 - \$6,497,000), and are committed to installing and constructing certain local improvements to serve the development of lands within Parkland County. The County has taken security from the developers in the form of cash deposit liabilities in the amount \$2,016,602 (2010 - \$2,816,632) and letters of credit in the amount of \$4,583,731 (2010 - \$6,928,488) to ensure performance by the developers under the agreements. Security is taken by the County pursuant to Parkland County Policy PD-001 - Security Practices for Development Permits and Subdivision (150% of estimated cost) and is reduced accordingly as the above noted works are constructed.
- (c) As at December 31, 2011 and pursuant to Section 655 of the Municipal Government Act, developers have entered into Development Agreements with the County under the Building Parkland Fund Policy FI-007 with the County in the outstanding amount of \$1,405,820 (2010 - \$1,257,840), and are committed to installing and constructing certain local improvements on behalf of Parkland County to serve the development of lands within the County. The County has taken security from the developers in the form of letters of credit in the amount of \$1,880,967 (2010 - \$1,444,967) to ensure performance by the developers under the agreements.
- (d) As at December 31, 2011, the County has entered into agreements related to other services. The County has taken security in the form of cash deposits in the amount of \$1,809,225 (2010 - \$3,277,414) and letters of credit in the amount of \$345,595 (2010 - \$313,595) to ensure performance of the agreement.

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**14. TAXATION**

Taxation revenue is made up of the following:

	Budget (Unaudited)	2011	2010
Municipal and school property taxes	\$ 48,066,448	\$ 47,492,839	\$ 45,378,020
Payments-in-lieu of property and business taxes	94,426	94,426	89,694
	48,160,874	47,587,265	45,467,714
Payments to seniors lodges and school boards	(16,088,896)	(16,088,897)	(15,248,545)
<b>Net property taxes and payments-in-lieu available for municipal purposes</b>	<b>\$ 32,071,978</b>	<b>\$ 31,498,368</b>	<b>\$ 30,219,169</b>

**15. GOVERNMENT TRANSFERS**

	Budget (Unaudited)	2011	2010
<b>Provincial Government</b>			
Operating	\$ 2,044,419	\$ 2,193,330	\$ 2,406,904
Capital	7,255,562	8,558,923	8,262,456
	9,299,981	10,752,253	10,669,360
<b>Federal Government</b>			
Capital	1,000,000	591,512	590,918
<b>Other local government</b>	259,848	250,353	331,814
<b>Total Government Transfers</b>	<b>\$ 10,559,829</b>	<b>\$ 11,594,118</b>	<b>\$ 11,592,092</b>

**16. SALARY AND BENEFITS**

Councillors attend a number of Council/Committee/Board meetings for which they receive remuneration directly from the County. The remuneration and total number of Council/Committee/Boards are listed below for the years 2011 and 2010.

Division	Position and Number of Council/Committees/Boards		Year	Salary	Benefits	Allowances	Total
	Mayor	Jan-Dec	2011	\$ 89,515	\$ 11,078	\$ 4,401	\$ 104,994
	7 Council/Committee/Boards	Jan-Oct					
	8 Council/Committee/Boards	Nov-Dec					

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**16. SALARY AND BENEFITS (CONTINUED)**

Division	Position and Number of Council/Committees/Boards		Year	Salary	Benefits	Allowances	Total
1	Mayor	Jan-Oct	2010	63,173	8,510	4,506	76,189
	8 Council/Committee/Boards	Jan-Oct					
	Mayor	Nov-Dec	2010	15,039	1,655	942	17,636
	7 Council/Committee/Boards	Nov-Dec					
	Councillor	Jan-Dec (1)	2011	57,805	9,076	5,577	72,458
2	11 Council/Committee/Boards	Jan-Oct					
	9 Council/Committee Boards	Nov-Dec					
	Councillor	Jan-Dec	2010	51,548	7,359	5,469	64,376
	11 Council/Committee/Boards	Jan-Dec					
	Councillor	Jan-Dec	2011	61,517	9,288	4,149	74,954
3	12 Council/Committee/Boards	Jan-Dec					
	Councillor	Jan-Oct	2010	41,818	5,377	3,697	50,892
	10 Council/Committee/Boards	Jan-Oct					
	Councillor	Nov-Dec	2010	11,618	1,224	823	13,665
	12 Council/Committee/Boards	Nov-Dec					
4	Councillor	Jan-Dec	2011	62,983	7,465	2,536	72,984
	9 Council/Committee/Boards	Jan-Oct					
	10 Council/Committee Boards	Nov-Dec					
	Councillor	Jan-Oct	2010	48,662	5,326	1,925	55,913
	15 Council/Committee/Boards	Jan-Oct					
5	Councillor	Nov-Dec	2010	10,770	1,124	532	12,426
	9 Council/Committee/Boards	Nov-Dec					
	Councillor	Jan-Dec (2)	2011	57,430	8,836	3,351	69,617
	9 Council/Committee/Boards	Jan-Oct					
	10 Council/Committee/Boards	Nov-Dec					
6	Councillor	Jan-Dec	2010	51,666	7,960	3,249	62,875
	9 Council/Committee/Boards	Jan-Dec					
	Councillor	Jan-Dec (3)	2011	59,447	8,848	3,441	71,736
	11 Council/Committee/Boards	Jan-Oct					
	10 Council/Committee Boards	Nov-Dec					
7	Councillor	Jan-Oct	2010	46,590	2,874	3,374	52,838
	12 Council/Committee/Boards	Jan-Oct					
	Councillor	Nov-Dec	2010	10,876	1,328	769	12,973
	11 Council/Committee/Boards	Nov-Dec					
	Councillor	Jan-Dec	2011	62,082	7,417	10,731	80,230
8	12 Council/Committee/Boards	Jan-Oct					
	11 Council/Committee/Boards	Nov-Dec					
	Councillor	Jan-Dec	2010	60,782	7,032	9,754	77,568
	14 Council/Committee/Boards	Jan-Oct					
	12 Council/Committee/Boards	Nov-Dec					
9	CAO		2011	184,930	29,565	8,400	222,895
			2010	167,740	26,226	7,200	201,166



# PARKLAND COUNTY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 16. SALARY AND BENEFITS (CONTINUED)

Division	Position and Number of Council/Committees/Boards	Year	Salary	Benefits	Allowances	Total
	Designated Officer	2011	111,357	24,659	-	136,016
		2010	117,859	19,711	-	137,570
	(1) Deputy Mayor Jan-Apr					
	(2) Deputy Mayor May-Oct					
	(3) Deputy Mayor Nov-Dec					

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional \$653 in salary per month. A portion of the honoraria and benefits include attendance at Capital Region Board meetings.

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

Allowances include costs for internet, phone (or cost to provide cell 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.

### 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 23 in 2011). 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% (2010 - 2.5% and 3%) respectively of pensionable earnings up to \$127,611 in 2011 (2010 - \$124,722).

Total current service contributions by the County to APEX in 2011 were \$73,490 (2010 - \$67,486). Total current service contributions by the employees of the County were \$61,238 (2010 - \$56,240).

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.

# PARKLAND COUNTY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2011

### 17. PENSION PLAN (CONTINUED)

#### (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 200,000 people and 421 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 9.49% (2010 - 9.06%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.13% (2010 - 12.53%) for the excess. Employees of the County are required to make current service contributions of 8.49% (2010 - 8.06%) of pensionable salary up to the year's maximum pensionable salary and 12.13% (2010 - 11.53%) on pensionable salary above this amount.

Total current service contributions by Parkland County to the LAPP in 2011 were \$1,334,150 (2010 - \$1,166,063). Total current service contributions by the employees of Parkland County to the LAPP in 2011 were \$1,209,282 (2010 - \$1,051,113).

At December 31, 2010 the Plan disclosed an actuarial deficit of \$4.6 billion (2009 - \$4 billion).

### 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:

	2011	2010
<b>Debt</b>		
Total Debt Limit	\$ 76,089,869	\$ 71,723,004
Total debt	(5,682,568)	(6,186,840)
<b>Remaining allowable debt</b>	<b>\$ 70,407,301</b>	<b>\$ 65,536,164</b>
<b>Debt payment</b>		
Maximum annual payment on allowable debt	\$ 12,681,644	\$ 11,953,834
Annual payments on existing debt	(1,368,442)	(1,219,385)
<b>Remaining allowable annual payment</b>	<b>\$ 11,313,202</b>	<b>\$ 10,734,449</b>

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, 2011

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#### 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, Patrol and Bylaw Services, Fire, Disaster and Emergency Management. The purpose of Enhanced Policing is to provide additional manpower targeted towards specific enforcement initiatives. Patrol and Bylaw 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**

Recreation provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to municipal cemeteries.

**(d) Environment**

The County is responsible for environmental programs such as the engineering and operation of Water and Wastewater Systems and Waste Management.

**(e) Other and Unallocated**

Other and unallocated is comprised of Council and Other Legislative, General Administration, Planning and Development, 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 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.

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**19. SEGMENTED INFORMATION (CONTINUED)**

<b>2011</b>	<b>Protection</b>	<b>Transportation</b>	<b>Recreation</b>	<b>Environment</b>	<b>Other and Unallocated</b>	<b>Total</b>
<b>Revenues</b>						
Taxation	\$ 4,011,626	\$ 13,654,903	\$ 2,938,528	\$ 1,646,046	\$ 9,247,265	<b>\$ 31,498,368</b>
Local improvement charges	-	239,780	-	254,868	-	<b>494,648</b>
User fees and sale of goods and services	1,598,365	639,760	1,937,019	2,635,824	2,889,015	<b>9,699,983</b>
Penalties on taxes	-	-	-	-	617,696	<b>617,696</b>
Investment income	-	-	67,862	9,167	1,305,798	<b>1,382,827</b>
Government transfers	606,474	6,777,003	859,052	2,303,265	1,048,324	<b>11,594,118</b>
Development charges and levies	-	1,413,546	-	186,854	-	<b>1,600,400</b>
Other revenues	-	588,503	71,385	225,656	437,618	<b>1,323,162</b>
Gain on disposal of assets	-	76,783	-	-	1,589,031	<b>1,665,814</b>
Contributed tangible capital assets	-	13,454,267	-	8,547,483	8,208,904	<b>30,210,654</b>
<b>Total Revenues</b>	<b>6,216,465</b>	<b>36,844,545</b>	<b>5,873,846</b>	<b>15,809,163</b>	<b>25,343,651</b>	<b>90,087,670</b>
<b>Expenses</b>						
Salaries, wages and employee benefits	2,539,020	6,043,335	2,207,885	836,728	8,197,409	<b>19,824,377</b>
Contracted and general services	1,421,452	1,042,154	493,816	1,583,058	3,407,174	<b>7,947,654</b>
Materials, goods, supplies and utilities	251,414	4,233,770	554,495	196,199	620,880	<b>5,856,758</b>
Bank charges	113,736	44,047	100,517	178,871	99,533	<b>536,704</b>
Transfers to governments, agencies & organizations	1,184,523	-	2,476,381	1,211,678	51,279	<b>4,923,861</b>
Loss on disposal of assets	1,503	-	14,000	-	-	<b>15,503</b>
Amortization of tangible assets	91,365	9,975,444	324,067	893,216	313,190	<b>11,597,282</b>
<b>Total Expenses</b>	<b>5,603,013</b>	<b>21,338,750</b>	<b>6,171,161</b>	<b>4,899,750</b>	<b>12,689,465</b>	<b>50,702,139</b>
<b>Annual Surplus (Defecit)</b>	<b>\$ 613,452</b>	<b>\$ 15,505,795</b>	<b>\$ (297,315)</b>	<b>\$ 10,909,413</b>	<b>\$ 12,654,186</b>	<b>\$ 39,385,531</b>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**19. SEGMENTED INFORMATION (CONTINUED)**

<b>2010</b>	<b>Protection</b>	<b>Transportation</b>	<b>Recreation</b>	<b>Environment</b>	<b>Other and Unallocated</b>	<b>Total</b>
<b>Revenues</b>						
Taxation	\$ 3,490,568	\$ 13,022,977	\$ 2,587,831	\$ 2,175,577	\$ 8,942,216	\$ 30,219,169
Local improvement charges	-	403,494	-	254,758	-	658,252
User fees and sale of goods and services	1,423,003	389,357	1,887,233	2,383,462	2,581,188	8,664,243
Penalties on taxes	-	-	-	-	557,401	557,401
Investment income	-	-	84,765	1,989	1,167,697	1,254,451
Government transfers	162,264	7,321,698	929,924	117,416	3,060,790	11,592,092
Development charges and levies	-	609,841	-	2,169,538	-	2,779,379
Other revenues	-	60,025	117,925	199,144	626,513	1,003,607
Gain on disposal of assets	-	25,655	-	-	-	25,655
Contributed tangible capital assets	-	3,598,472	-	746,124	3,535,549	7,880,145
<b>Total Revenues</b>	<b>5,075,835</b>	<b>25,431,519</b>	<b>5,607,678</b>	<b>8,048,008</b>	<b>20,471,354</b>	<b>64,634,394</b>
<b>Expenses</b>						
Salaries, wages and employee benefits	2,362,857	5,596,746	2,140,474	801,038	7,432,660	18,333,775
Contracted and general services	1,249,782	855,252	494,144	1,426,304	2,949,912	6,975,394
Materials, goods, supplies and utilities	236,262	3,779,357	577,388	195,172	590,598	5,378,777
Bank charges	113,736	46,439	106,512	196,050	143,788	606,525
Transfers to governments, agencies & organizations	1,248,855	-	1,953,798	910,327	46,100	4,159,080
Loss on disposal of asset	-	4,437	-	-	417,879	422,316
Amortization of tangible assets	93,275	9,668,301	321,515	685,709	196,130	10,964,930
<b>Total Expenses</b>	<b>5,304,767</b>	<b>19,950,532</b>	<b>5,593,831</b>	<b>4,214,600</b>	<b>11,777,067</b>	<b>46,840,797</b>
<b>Annual Surplus (Defecit)</b>	<b>\$ (228,932)</b>	<b>\$ 5,480,987</b>	<b>\$ 13,847</b>	<b>\$ 3,833,408</b>	<b>\$ 8,694,287</b>	<b>\$ 17,793,597</b>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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.

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 FIGURES

a) In 2009, the County implemented PSAB section 3150 Tangible Capital Assets which required local governments to record and amortize their tangible capital assets in their financial statements. When the County implemented this accounting policy change, 2009 contributed assets related to land totalling \$4,364,930 was inadvertently excluded. The effect of this correction was to increase both the value of land in tangible capital assets and to Accumulated Surplus by \$4,364,930 effective December 31, 2009.

	2009
<b>Accumulated surplus at December 31, 2009</b>	
Accumulated surplus as previously reported	\$ 295,727,500
Recast:	
Recast to Tangible Capital Assets	4,364,930
Accumulated surplus at December 31, 2009 as restated	<u>\$ 300,092,430</u>
	2010
<b>Accumulated surplus at December 31, 2010</b>	
Accumulated surplus as previously reported	\$ 313,521,097
Recast:	
Recast to tangible capital assets	4,364,930
Accumulated surplus at December 31, 2010 as restated	<u>\$ 317,886,027</u>

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

22. CAPITAL BUDGET

Council approved the 2011 capital budget totaling \$14,920,882 (2010 - \$25,422,531), of which no amounts were anticipated to be financed through debenture.

**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**23. BUDGET FIGURES**

The 2011 budget figures which appear in these consolidated financial statements have not been audited. Budgets established for capital acquisitions and their related financing are calculated on a project by project basis. As these transactions may be carried out over a number of years, they are not directly comparable with current year actual amounts.

The unaudited budget data presented is based upon the 2011 operating and capital budgets approved by Council. While amortization was included on the budgets, they were removed for the calculation of the taxation requirement.

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