

**PARKLAND COUNTY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2014**

DRAFT

**PARKLAND COUNTY**  
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**Year ended December 31, 2014**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

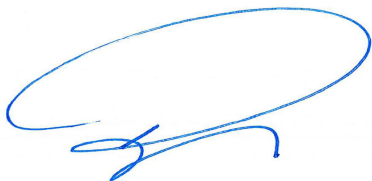
The accompanying consolidated financial statements of Parkland County (the "County") are the responsibility of the County's management and have been approved by Council.

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 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.



Robert McGowan  
Interim Chief Administrative Officer



Tracy Kibblewhite, CMA, CLGM  
General Manager, Corporate  
Services

April 28, 2015



**KPMG LLP**  
**Chartered Accountants**  
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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, 2014, 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, 2014, 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 Accountants

April 28, 2015  
Edmonton, Canada

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At at December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 15,575,485	\$ 43,863,511
Accounts receivable (Note 3)	9,517,350	8,144,278
Investments (Note 4)	83,977,717	50,072,647
Inventories for resale	10,622	27,804
	<u>109,081,174</u>	<u>102,108,240</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,653,337	5,226,960
Deposit liabilities	4,913,201	2,880,850
Employee benefits and other liabilities (Note 5)	2,585,029	2,384,205
Deferred revenue (Note 6)	45,263,388	41,347,222
Long-term debt (Note 7)	3,505,043	4,550,028
Landfill liability (Note 8)	601,767	829,790
	<u>61,521,765</u>	<u>57,219,055</u>
<b>Net Financial Assets</b>	<u>47,559,409</u>	<u>44,889,185</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	375,136,360	347,468,957
Consumable inventories (Note 10)	11,726,547	8,582,074
Prepaid expenses	760,931	410,678
	<u>387,623,838</u>	<u>356,461,709</u>
<b>Accumulated Surplus (Note 11)</b>	<u>\$ 435,183,247</u>	<u>\$ 401,350,894</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, 2014, with comparative information for 2013**

	Budget (Note 22)	<b>2014</b>	2013
<b>Revenues</b>			
Taxation (Note 14)	\$ 45,774,300	\$ <b>46,026,976</b>	\$ 41,116,332
User fees and sale of goods and services	8,201,715	<b>9,513,999</b>	7,426,747
Penalties	611,000	<b>670,011</b>	657,019
Investment income	1,328,863	<b>1,655,639</b>	1,416,067
Government transfers for operating (Note 15)	3,099,498	<b>3,232,283</b>	3,448,141
Licenses and permits	1,711,500	<b>1,973,737</b>	1,654,874
Other revenue - operating	931,626	<b>1,610,705</b>	1,590,048
Gain on disposal of tangible capital assets	301,700	<b>133,715</b>	78,627
<b>Total Revenues</b>	<u>61,960,202</u>	<u><b>64,817,065</b></u>	<u>57,387,855</u>
<b>Expenses</b>			
Legislative	987,600	<b>888,384</b>	864,716
General services	2,697,000	<b>2,547,134</b>	2,461,245
Legislative and administrative services	3,978,700	<b>3,381,265</b>	3,418,534
General office operations	917,552	<b>929,408</b>	880,916
Assessment services	1,029,000	<b>992,421</b>	915,994
Financial services	1,730,526	<b>1,801,905</b>	1,623,610
Economic development and tourism	713,600	<b>649,315</b>	531,706
General municipal	224,638	<b>315,639</b>	516,285
Planning and development services	3,644,971	<b>3,196,150</b>	2,274,690
Protective services	8,800,600	<b>8,487,953</b>	7,864,114
Engineering services	13,693,229	<b>16,260,543</b>	13,105,051
Public works	11,062,800	<b>10,455,715</b>	10,389,999
Environmental services	7,232,284	<b>6,409,177</b>	5,713,727
Agriculture services	1,615,700	<b>1,552,012</b>	1,468,714
Parks, recreation and culture services	8,324,001	<b>7,706,820</b>	6,869,990
Intelligent community	1,043,300	<b>829,392</b>	675,510
<b>Total Expenses</b>	<u>67,695,501</u>	<u><b>66,403,233</b></u>	<u>59,574,801</u>
<b>Shortfall of Revenues over Expenses Before Other</b>	(5,735,299)	<b>(1,586,168)</b>	(2,186,946)
<b>Other</b>			
Developer contributed - capital	-	<b>21,931,988</b>	10,290,099
Government transfers for capital (Note 15)	25,605,300	<b>12,257,442</b>	8,367,202
Developer and customer contributions - capital	-	<b>1,229,091</b>	1,526,483
<b>Annual Surplus</b>	<u>19,870,001</u>	<u><b>33,832,353</b></u>	<u>17,996,838</u>
<b>Accumulated Surplus, Beginning of Year</b>	401,350,894	<b>401,350,894</b>	383,354,056
<b>Accumulated Surplus, End of Year</b>	<u><u>\$ 421,220,895</u></u>	<u><u><b>\$ 435,183,247</b></u></u>	<u><u>\$ 401,350,894</u></u>

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, 2014, with comparative information for 2013**

	Budget (Note 22)	<b>2014</b>	2013
<b>Annual Surplus</b>	\$ 19,870,001	<b>\$ 33,832,353</b>	\$ 17,996,838
Acquisition of tangible capital assets	(42,514,900)	<b>(22,496,876)</b>	(18,230,414)
Contributed tangible capital assets	-	<b>(21,931,988)</b>	(10,290,099)
Proceeds on disposal of tangible capital assets	508,400	<b>154,855</b>	369,465
Amortization of tangible capital assets	13,298,700	<b>16,516,249</b>	12,576,276
Loss (gain) on disposal of tangible capital assets	232,900	<b>90,357</b>	(48,216)
	<u>(28,474,900)</u>	<u><b>(27,667,403)</b></u>	<u>(15,622,988)</u>
Acquisition of consumable inventories	-	<b>(7,501,176)</b>	(4,501,643)
Acquisition of prepaid expenses	-	<b>(4,665,041)</b>	(2,748,491)
Consumption of consumable inventories	-	<b>4,356,703</b>	4,576,400
Use of prepaid expenses	-	<b>4,314,788</b>	2,699,771
	<u>-</u>	<u><b>(3,494,726)</b></u>	<u>26,037</u>
<b>Change in Net Financial Assets</b>	(8,604,899)	<b>2,670,224</b>	2,399,887
<b>Net Financial Assets, Beginning of Year</b>	44,889,185	<b>44,889,185</b>	42,489,298
<b>Net Financial Assets, End of Year</b>	<u>\$ 36,284,286</u>	<u><b>\$ 47,559,409</b></u>	<u>\$ 44,889,185</u>

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



**PARKLAND COUNTY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year ended December 31, 2014, with comparative information for 2013**

	<u>2014</u>	<u>2013</u>
<b>Operating Activities:</b>		
Annual Surplus	\$ 33,832,353	\$ 17,996,838
Items not involving cash:		
Amortization of tangible capital assets	16,516,249	12,576,276
Amortization of investment premium/discounts	451,937	88,842
Loss (gain) on disposal of tangible capital assets	90,357	(48,216)
Contributed tangible capital assets	(21,931,988)	(10,290,099)
Change in non cash assets and liabilities:		
Accounts receivable	(1,373,072)	(1,679,846)
Accounts payable and accrued liabilities	(573,623)	617,669
Deposit liabilities	2,032,351	(2,082,449)
Employee benefits and other liabilities	200,824	287,871
Deferred revenue	3,916,166	5,710,423
Inventories for resale	17,182	(27,804)
Landfill liability	(228,023)	(33,278)
Consumable inventories	(3,144,473)	74,757
Prepaid expenses	(350,253)	(48,720)
	<u>29,455,987</u>	<u>23,142,264</u>
<b>Capital Activities:</b>		
Acquisition of tangible capital assets	(22,496,876)	(18,230,414)
Proceeds from disposals of tangible capital assets	154,855	369,465
	<u>(22,342,021)</u>	<u>(17,860,949)</u>
<b>Investing Activities:</b>		
Acquisition of investments	(116,822,868)	(72,136,545)
Maturity of investments	82,465,861	57,146,325
	<u>(34,357,007)</u>	<u>(14,990,220)</u>
<b>Financing Activities:</b>		
Long-term debt repaid	(1,044,985)	(1,198,948)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(28,288,026)</b>	<b>(10,907,853)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>43,863,511</b>	<b>54,771,364</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 15,575,485</b>	<b>\$ 43,863,511</b>
Cash paid for interest	233,349	275,157
Cash received from interest	2,198,865	1,887,619

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, 2014**

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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) *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 Tri-Municipal Leisure Facility Corporation (a Part 9 company operating as the TransAlta Tri Leisure Centre).

The financial statements of Parkland Municipal 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, 2014

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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 and guaranteed investment certificates are recorded at amortized cost. 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) *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.

**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

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

**(g) Non-Financial Assets (CONTINUED)**

**(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.

**(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.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(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.

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.

**(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) Tax Revenue Recognition**

The County's property tax revenue is composed of amounts levied and collected to fund municipal operations as well as amounts collected on behalf of senior's foundations and the Alberta School Foundation.

**(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. In 2015, the County will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can 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.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) *Future Accounting Standard Pronouncements (CONTINUED)*

(i) *Liability for Contaminated Sites*

PS3260, *Liability for Contaminated Sites* comes into effect for fiscal years beginning on or after April 1, 2014. PS3260 establishes standards on remediation, recognition and measurement and provides requirements for financial statement presentation and disclosure. The County has begun the process of reviewing policies, procedures and systems to ensure consistent and accurate identification and estimation of liabilities association with contaminated sites.

(ii) *Financial Statement Presentation*

PS1201, *Financial Statement Presentation*, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2016.

(iii) *Financial Instruments*

PS3450, *Financial Instruments*, applicable for fiscal years beginning on or after April 1, 2016, establishes recognition measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

(iv) *Foreign Currency Translation*

PS2601, *Foreign Currency Translation*, replaces the current PS2600, applicable for fiscal years beginning on or after April 1, 2016. This standard requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

(v) *Portfolio Investments*

PS3041, *Portfolio Investments* has removed the distinction between temporary and portfolio investments. This standard now includes pooled investments in its scope and was amended to conform to *Financial Instruments*, PS3450. Upon adoption of PS3450 and PS3041, *Temporary Investments* PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2016.

(vi) *Related Party Disclosures*

PS2200, *Related Party Disclosures* requires the disclosure of the effect of financially material transactions between related parties. This standard is applicable for fiscal years beginning on or after April 1, 2017.

**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

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

**(I) Future Accounting Standard Pronouncements (CONTINUED)**

**(vii) Inter-Entity Transactions**

PS3420, *Inter-Entity Transactions* specifically covers how to account for and report transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and a recipient prospective. This standard is applicable to fiscal years beginning on or after April 1, 2017.

**2. CASH AND CASH EQUIVALENTS**

	<b>2014</b>	2013
Cash	<b>\$ 4,967,628</b>	\$ 8,926,120
Cash equivalents	<b>10,607,857</b>	34,937,391
<b>Cash and Cash Equivalents</b>	<b><u>\$ 15,575,485</u></b>	<b><u>\$ 43,863,511</u></b>

Cash equivalents include investments that have effective interest rates of 1.10% to 1.97% (2013 - 1.41% to 1.90%) that mature in less than three months.

**3. ACCOUNTS RECEIVABLE**

	<b>2014</b>	2013
Taxes - current	<b>\$ 1,586,743</b>	\$ 1,535,761
Taxes - arrears	<b>598,928</b>	649,539
Grants receivable	<b>2,005,785</b>	1,800,243
Local improvements	<b>2,040,666</b>	2,162,048
Accrued interest receivable - investments	<b>576,107</b>	323,138
Trade and other	<b>2,791,178</b>	1,746,244
	<b>9,599,407</b>	8,216,973
Less: Valuation allowance	<b>82,057</b>	72,695
	<b><u>\$ 9,517,350</u></b>	<b><u>\$ 8,144,278</u></b>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

**4. INVESTMENTS**

Investments have carrying and market values as follows:

	<b>2014</b>		<b>2013</b>	
	<b>Carrying Amount</b>	<b>Market Value</b>	<b>Carrying Amount</b>	<b>Market Value</b>
Notes and Deposits	\$ 66,038,577	\$ 66,038,578	\$ 36,550,873	\$ 36,550,873
Provincial Government				
Fixed/floater	-	-	695,218	624,203
Other				
Bank & Callable Bonds	11,208,140	10,587,662	9,590,482	9,558,226
Fixed/floater	2,305,489	2,345,353	2,835,598	2,824,249
Guaranteed Investment Certificate	2,199,225	2,198,629	198,214	198,645
Growth Index Deposit	2,015,000	2,033,211	-	-
Memberships/shares	211,286	211,286	202,262	202,262
	<u>\$ 83,977,717</u>	<u>\$ 83,414,719</u>	<u>\$ 50,072,647</u>	<u>\$ 49,958,458</u>

Notes and term deposits, provincial government and other investments have effective interest rates of 0.10% to 3.59% (2013 - 1.35% to 3.81%) while the growth index deposits have variable interest and are linked to the performance of an equity market index with maturity dates between January 2015 to June 2020 (2013 - January 2014 to December 2024).

The market value of the bonds is based on quoted market values received on December 31, 2014. 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 \$576,107 (2013 - \$323,138) which has been included in accounts receivable.



**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

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**5. EMPLOYEE BENEFITS AND OTHER LIABILITIES**

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

	<b>2014</b>	2013
Wages payable	<b>\$ 350,827</b>	\$ 255,085
Vacation pay payable	<b>1,106,901</b>	1,158,146
Overtime payable	<b>204,282</b>	171,742
Early retirement incentive	<b>301,521</b>	184,353
Payroll benefits payable	<b>521,448</b>	522,443
Accrued sick leave liability	<b>100,050</b>	92,436
	<b><u>\$ 2,585,029</u></b>	<u>\$ 2,384,205</u>

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PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

6. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
<b>Balance, Beginning of Year:</b>		
Prepaid local improvement charges	\$ 11,503	\$ 11,503
Government transfers	28,595,758	27,950,403
Offsite levies	12,318,918	7,262,589
Other	421,043	412,304
	<u>41,347,222</u>	<u>35,636,799</u>
<b>Additions:</b>		
Government transfers - grants	11,543,287	11,279,928
Government transfers - interest	359,246	355,594
Offsite levies	6,103,711	5,056,329
Other	1,957,091	1,366,244
	<u>19,963,335</u>	<u>18,058,095</u>
<b>Used:</b>		
Government transfers	(14,155,035)	(10,990,167)
Other	(1,892,134)	(1,357,505)
	<u>(16,047,169)</u>	<u>(12,347,672)</u>
<b>Balance, End of Year:</b>		
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>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

7. LONG-TERM DEBT

	2014	2013
Debentures - user pay	\$ 2,295,248	\$ 3,197,271
Debentures - tax supported	1,209,795	1,346,446
Capital lease - tax supported	-	6,311
	<u>\$ 3,505,043</u>	<u>\$ 4,550,028</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 2024 with effective interest rates ranging from 1.38% to 9.0% (2013 - 1.38% to 9.0%).

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

	Principal	Interest	Total
2015	\$ 772,522	\$ 193,061	\$ 965,583
2016	446,193	155,979	602,172
2017	460,947	129,721	590,668
2018	422,011	102,811	524,822
2019	376,433	78,649	455,082
Thereafter	1,026,937	115,766	1,142,703
	<u>\$ 3,505,043</u>	<u>\$ 775,987</u>	<u>\$ 4,281,030</u>

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$225,622 in 2014 (2013 - \$267,357).

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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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 post closure care costs. Landfill post closure costs are recognized over 25 years using a net present value calculation with an interest rate of 2.43% (2013 - 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.

	2014	2013
Estimated post-closure costs	<u>\$ 601,767</u>	<u>\$ 829,790</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, 2014**

**9. TANGIBLE CAPITAL ASSETS**

**2014**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 117,882,589	\$ 4,579,963	\$ 27,265,326	\$ 386,833,951	\$ 22,377,214	\$ 6,829,606	\$ 15,863,746	\$ 581,632,395
Acquired	406,141	550,289	300,531	7,593,809	1,390,938	509,313	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	519,999	1,144,563	(12,442,539)	-
<b>Balance, end of year</b>	<b>124,025,142</b>	<b>5,170,391</b>	<b>35,790,001</b>	<b>412,958,599</b>	<b>23,888,219</b>	<b>7,935,013</b>	<b>15,167,062</b>	<b>624,934,427</b>
<b>Accumulated Amortization:</b>								
Balance, beginning of year	-	1,067,185	7,528,422	214,010,300	7,884,132	3,673,399	-	234,163,438
Amortization expense	-	206,139	892,794	13,049,433	1,798,385	569,498	-	16,516,249
Disposals	-	-	-	(41,656)	(336,257)	(503,707)	-	(881,620)
<b>Balance, end of year</b>	<b>-</b>	<b>1,273,324</b>	<b>8,421,216</b>	<b>227,018,077</b>	<b>9,346,260</b>	<b>3,739,190</b>	<b>-</b>	<b>249,798,067</b>
<b>Net Book Value, end of year</b>	<b>\$ 124,025,142</b>	<b>\$ 3,897,067</b>	<b>\$ 27,368,785</b>	<b>\$ 185,940,522</b>	<b>\$ 14,541,959</b>	<b>\$ 4,195,823</b>	<b>\$ 15,167,062</b>	<b>\$ 375,136,360</b>

**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

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

**2013**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 115,023,625	\$ 4,204,001	\$ 24,470,732	\$ 375,188,389	\$ 17,432,229	\$ 6,761,754	\$ 11,042,506	<b>\$ 554,123,236</b>
Acquired	-	118,699	1,660,563	3,208,133	3,586,949	67,852	9,588,218	<b>18,230,414</b>
Contributed	2,858,964	-	-	7,431,135	-	-	-	<b>10,290,099</b>
Disposals	-	-	-	(168,996)	(842,358)	-	-	<b>(1,011,354)</b>
Transfers	-	257,263	1,134,031	1,175,290	2,200,394	-	(4,766,978)	<b>-</b>
<b>Balance, end of year</b>	<b>117,882,589</b>	<b>4,579,963</b>	<b>27,265,326</b>	<b>386,833,951</b>	<b>22,377,214</b>	<b>6,829,606</b>	<b>15,863,746</b>	<b>581,632,395</b>
<b>Accumulated Amortization:</b>								
Balance, beginning of year	-	913,821	7,023,681	204,296,523	6,900,485	3,142,757	-	<b>222,277,267</b>
Amortization expense	-	153,364	504,741	9,874,570	1,512,959	530,642	-	<b>12,576,276</b>
Disposals	-	-	-	(160,793)	(529,312)	-	-	<b>(690,105)</b>
<b>Balance, end of year</b>	<b>-</b>	<b>1,067,185</b>	<b>7,528,422</b>	<b>214,010,300</b>	<b>7,884,132</b>	<b>3,673,399</b>	<b>-</b>	<b>234,163,438</b>
<b>Net Book Value, end of year</b>	<b>\$ 117,882,589</b>	<b>\$ 3,512,778</b>	<b>\$ 19,736,904</b>	<b>\$ 172,823,651</b>	<b>\$ 14,493,082</b>	<b>\$ 3,156,207</b>	<b>\$ 15,863,746</b>	<b>\$ 347,468,957</b>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

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

**(a) Construction in Progress**

Construction in progress having a value of \$15,167,062 (2013 - \$15,863,746) 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, buildings, roads, drainage and water/wastewater infrastructure received during the year has a value of \$21,931,988 (2013 - \$10,290,099).

**(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>2014</u>	<u>2013</u>
Gravel - pit run	\$ 9,511,275	\$ 6,588,126
Gravel - crushed	1,735,537	1,523,422
Gas, oil and parts	341,449	299,004
Other	138,286	171,522
	<u>\$ 11,726,547</u>	<u>\$ 8,582,074</u>

**11. ACCUMULATED SURPLUS**

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

	<u>2014</u>	<u>2013</u>
Restricted surplus	\$ 60,754,808	\$ 55,817,046
Invested in tangible capital assets	371,631,317	342,918,929
Unrestricted surplus	2,797,122	2,614,919
	<u>\$ 435,183,247</u>	<u>\$ 401,350,894</u>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2014**

**11. ACCUMULATED SURPLUS (CONTINUED)**

**RESTRICTED SURPLUS**

	2013	Increases	Decreases	2014
Benefit premium stabilization	\$ 200,140	\$ -	\$ 34,274	\$ 165,866
Contingency	3,054,299	3,100,892	462,033	5,693,158
County facilities	6,191,613	677,195	580,169	6,288,639
Development charges	262,965	-	25,242	237,723
Disaster	763,670	36,746	-	800,416
Early retirement incentive	145,612	235,000	181,427	199,185
Environmental	830,975	185,663	-	1,016,638
Entwistle community development	374,999	-	-	374,999
Equipment lifecycle	2,964,105	2,352,335	1,156,424	4,160,016
Facilities maintenance	1,704,870	163,339	541,332	1,326,877
Fire services equipment lifecycle	351,512	325,193	222,089	454,616
Future capital	697,869	577,200	200,628	1,074,441
Future operating	2,989,926	1,153,571	967,116	3,176,381
Future transportation	2,484,832	823,076	756,507	2,551,401
Granular aggregates	1,410,731	148,128	116,442	1,442,417
Information technology	365,412	229,770	79,644	515,538
Internal financing	1,082,109	1,112,008	1,900,374	293,743
Local improvements	888,706	-	185,900	702,806
Long term sustainability	3,512,639	1,748,720	797,686	4,463,673
Municipal operations	3,064,303	911,434	3,212,066	763,671
Municipal park	4,404,364	1,044,168	633,523	4,815,009
Office systems	1,723,270	183,372	94,943	1,811,699
Overland drainage	506,690	-	-	506,690
Protective services lifecycle	330,534	197,675	24,261	503,948
Recreation facilities	1,502,688	387,245	227,015	1,662,918
Rural community network lifecycle	10,000	20,000	-	30,000
Survey equipment lifecycle	67,493	15,814	-	83,307
Waste management	4,164,945	1,588,606	352,694	5,400,857
Water and wastewater	3,540,250	610,809	158,619	3,992,440
Winter maintenance	800,000	-	-	800,000
Working capital	5,000,000	-	-	5,000,000
	55,391,521	17,827,959	12,910,408	60,309,072
Partnership interests	425,525	29,852	9,641	445,736
	<u>\$ 55,817,046</u>	<u>\$ 17,857,811</u>	<u>\$ 12,920,049</u>	<u>\$ 60,754,808</u>



**PARKLAND COUNTY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

**11. ACCUMULATED SURPLUS (CONTINUED)**

**INVESTED IN TANGIBLE CAPITAL ASSETS**

	<u>2014</u>	<u>2013</u>
Tangible capital assets	<b>\$ 375,136,360</b>	\$ 347,468,957
Long-term debt	<u>(3,505,043)</u>	<u>(4,550,028)</u>
	<u><b>\$ 371,631,317</b></u>	<u><b>\$ 342,918,929</b></u>

**12. CONTINGENT LIABILITIES**

The County is defendant in various lawsuits as at December 31, 2014. 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 \$10,438,533 (2013 - \$10,245,529). Significant commitments included in this balance are construction of Parkland Drive, recreation site upgrades, local government cost share agreements and fire agreements.

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

2015	\$ 52,246
2016	38,110
2017	40,135
2018	40,135
2019	40,135
Thereafter	<u>473,848</u>
	<u><b>\$ 684,609</b></u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

14. TAXATION

Taxation revenue is made up of the following:

	Budget (Note 22)	2014	2013
<b>Taxation</b>			
Residential	\$ 34,240,226	\$ 34,145,404	\$ 32,888,623
Non-residential	30,099,101	30,195,370	26,837,764
Government grants in place of property taxes	17,258	17,258	16,375
	64,356,585	64,358,032	59,742,762
<b>Requisitions</b>			
Alberta School Foundation Fund	(17,989,180)	(17,989,180)	(18,341,142)
Senior's Foundation	(394,273)	(394,273)	(404,163)
Evergreen Separate School	(1,521,142)	(1,521,142)	(1,378,446)
St. Thomas Aquinas	(6,590)	(6,590)	(4,538)
	(19,911,185)	(19,911,185)	(20,128,289)
<b>Net Municipal Property Taxes</b>	44,445,400	44,446,847	39,614,473
<b>Other taxes</b>			
Community aggregate levy	720,000	903,618	876,317
Special taxes and frontages	608,900	676,511	625,542
<b>Net Municipal Taxes</b>	\$ 45,774,300	\$ 46,026,976	\$ 41,116,332

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

15. GOVERNMENT TRANSFERS

	Budget (Note 22)	2014	2013
<b>Operating Transfers</b>			
Federal	\$ -	\$ 33,597	\$ 129,194
Provincial	2,512,481	2,561,880	2,809,447
Local	587,017	636,806	509,500
	3,099,498	3,232,283	3,448,141
<b>Capital Transfers</b>			
Federal	-	9,743	-
Provincial	23,605,300	12,065,099	8,367,202
Local	2,000,000	182,600	-
	25,605,300	12,257,442	8,367,202
<b>Total Government Transfers</b>	<b>\$ 28,704,798</b>	<b>\$ 15,489,725</b>	<b>\$ 11,815,343</b>

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# PARKLAND COUNTY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

### 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	2014	2013
Mayor	\$ 95,812	\$ 11,890	\$ 8,129	\$ <b>115,831</b>	\$ 104,294
Councillor - Division 1	64,508	9,407	5,085	<b>79,000</b>	60,237
Councillor - Division 1 Nov - Dec	-	-	-	-	15,725
Councillor - Division 2	67,070	9,629	3,839	<b>80,538</b>	52,909
Councillor - Division 2 Nov - Dec	-	-	-	-	15,654
Councillor - Division 3	63,196	7,534	2,690	<b>73,420</b>	72,523
Councillor - Division 4	59,140	8,879	3,791	<b>71,810</b>	70,253
Councillor - Division 5	67,484	9,713	5,628	<b>82,825</b>	58,259
Councillor - Division 5 Nov - Dec	-	-	-	-	14,918
Councillor - Division 6	66,178	8,166	14,126	<b>88,470</b>	77,882
	\$ 483,388	\$ 65,218	\$ 43,288	\$ <b>591,894</b>	\$ 542,654
CAO	\$ 210,626	\$ 35,966	\$ 9,600	\$ <b>256,192</b>	\$ 240,339
Designated Officer	\$ 141,281	\$ 33,569	-	\$ <b>174,850</b>	\$ 167,331

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional amount per month (\$912).

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, 2014

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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 30 in 2014). 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% (2013 - 2.5% and 3.0%) respectively of pensionable earnings up to \$138,500 in 2014 (2013 - \$134,834).

Total current service contributions by the County to APEX in 2014 were \$101,798 (2013 - \$91,423). Total current service contributions by the employees of the County were \$84,830 (2013 - \$76,183).

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 230,534 people and 418 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% (2013 - 10.43%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% (2013 - 14.47%) for the excess. Employees of the County are required to make current service contributions of 10.39% (2013 - 9.43%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2013 - 13.47%) on pensionable salary above this amount.

Total current service contributions by Parkland County to the LAPP in **2014** were \$1,989,342 (2013 - \$1,722,111). Total current service contributions by the employees of Parkland County to the LAPP in **2014** were \$1,836,221 (2013 - \$1,576,690).

At December 31, 2013 the Plan disclosed an actuarial deficit of \$4.86 billion.

# PARKLAND COUNTY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

### 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>2014</u>	<u>2013</u>
<b>Debt</b>		
Maximum allowable debt	\$ 99,069,234	\$ 88,371,507
Total debt	<u>(3,505,043)</u>	<u>(4,550,028)</u>
<b>Remaining Allowable Debt</b>	<u><u>\$ 95,564,191</u></u>	<u><u>\$ 83,821,479</u></u>
 <b>Debt Payment</b>		
Maximum annual payment on allowable debt	\$ 16,511,539	\$ 14,728,585
Annual payments on existing debt	<u>965,582</u>	<u>1,278,342</u>
<b>Remaining Allowable Annual Payment</b>	<u><u>\$ 15,545,957</u></u>	<u><u>\$ 13,450,243</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, 2014

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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, 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, 2014**

**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.

<b>2014</b>	Protection	Transportation	Recreation and Culture	Environment	Other and Unallocated	<b>Total</b>	Budget
<b>Revenues</b>							
Taxation	\$ 7,015,576	\$ 17,840,401	\$ 3,774,814	\$ 2,289,059	\$ 15,107,126	\$ 46,026,976	\$ 45,774,300
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	8,201,715
Penalties	-	-	-	6,885	663,126	670,011	611,000
Investment income	-	-	75,569	162,060	1,418,010	1,655,639	1,328,863
Government transfers	1,516,386	11,416,621	1,681,891	439,467	435,360	15,489,725	28,704,798
Licenses and permits	7,520	8,826	-	-	1,957,391	1,973,737	1,711,500
Other revenue	453,352	5,498	232,987	169	918,699	1,610,705	931,626
Gain on disposal of tangible capital assets	-	47,588	-	-	86,127	133,715	301,700
Developer and customer contributions-capital	-	7,835	-	12,377	1,208,879	1,229,091	-
Developer contributed-capital	-	13,165,881	1,050,922	1,897,383	5,817,802	21,931,988	-
<b>Total Revenues</b>	<b>10,876,135</b>	<b>43,020,824</b>	<b>8,577,940</b>	<b>8,098,057</b>	<b>29,662,630</b>	<b>100,235,586</b>	<b>87,565,502</b>
<b>Expenses</b>							
Salaries, wages and employee benefits	4,539,807	6,655,236	2,615,690	1,281,895	11,199,501	26,292,129	27,182,042
Contracted and general services	2,526,101	432,050	865,176	1,757,064	5,225,999	10,806,390	13,510,537
Materials, goods, supplies and utilities	650,489	4,780,012	868,300	314,317	573,972	7,187,090	8,114,877
Bank charges	-	-	194	-	52,823	53,017	46,000
Interest on long term debt	-	16,026	78,488	120,352	10,715	225,581	233,400
Other	(30,089)	20,059	-	10,030	1,177	1,177	130,737
Transfers to governments, agencies & organizations	679,676	-	2,585,603	353,828	2,958	3,622,065	3,628,508
Purchases from other governments	-	-	-	1,460,391	15,072	1,475,463	1,481,900
Loss on disposal of tangible capital assets	2,892	50,589	-	-	170,591	224,072	68,800
Amortization of tangible capital assets	146,816	13,853,004	699,648	1,111,300	705,481	16,516,249	13,298,700
<b>Total Expenses</b>	<b>8,515,692</b>	<b>25,806,976</b>	<b>7,713,099</b>	<b>6,409,177</b>	<b>17,958,289</b>	<b>66,403,233</b>	<b>67,695,501</b>
<b>Annual Surplus</b>	<b>\$ 2,360,443</b>	<b>\$ 17,213,848</b>	<b>\$ 864,841</b>	<b>\$ 1,688,880</b>	<b>\$ 11,704,341</b>	<b>\$ 33,832,353</b>	<b>\$ 19,870,001</b>



**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

**19. SEGMENTED INFORMATION (CONTINUED)**

<b>2013</b>	<b>Protection</b>	<b>Transportation</b>	<b>Recreation and Culture</b>	<b>Environment</b>	<b>Other and Unallocated</b>	<b>Total</b>
<b>Revenues</b>						
Taxation	\$ 5,596,864	\$ 16,553,286	\$ 3,839,224	\$ 1,958,083	\$ 13,168,875	\$ 41,116,332
User fees and sale of goods and services	1,690,460	377,410	1,743,417	2,981,176	634,284	7,426,747
Penalties	-	-	-	5,877	651,142	657,019
Investment income	-	-	61,001	50,541	1,304,525	1,416,067
Government transfers	5,358,267	2,871,381	1,431,639	551,177	1,602,879	11,815,343
Licenses and permits	6,841	-	-	-	1,648,033	1,654,874
Developer and customer contributions - capital	-	10,825	1,504,011	11,647	-	1,526,483
Other revenue - operating	16,991	28,388	572,426	2,607	969,636	1,590,048
Gain on disposal of tangible capital assets	-	78,627	-	-	-	78,627
Developer contributed-capital	-	6,416,136	-	1,015,000	2,858,963	10,290,099
<b>Total Revenues</b>	<b>12,669,423</b>	<b>26,336,053</b>	<b>9,151,718</b>	<b>6,576,108</b>	<b>22,838,337</b>	<b>77,571,639</b>
<b>Expenses</b>						
Salaries, wages and employee benefits	3,512,299	6,797,597	2,432,560	1,198,996	9,823,008	23,764,460
Contracted and general services	1,862,082	557,499	661,318	1,735,409	4,628,405	9,444,713
Materials, goods, supplies and utilities	702,891	4,508,632	963,389	284,106	1,164,291	7,623,309
Bank charges	-	-	197	-	44,646	44,843
Interest on long term debt	-	18,825	86,104	140,997	21,304	267,230
Other	(30,089)	20,059	-	10,030	246,694	246,694
Transfers to governments, agencies & organizations	1,729,291	-	2,402,806	66,700	5,500	4,204,297
Purchases from other governments	64,048	-	-	1,289,287	19,233	1,372,568
Loss on disposal of tangible capital assets	-	21,576	8,364	-	471	30,411
Amortization of tangible capital assets	92,115	10,555,882	319,489	988,203	620,587	12,576,276
<b>Total Expenses</b>	<b>7,932,637</b>	<b>22,480,070</b>	<b>6,874,227</b>	<b>5,713,728</b>	<b>16,574,139</b>	<b>59,574,801</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 4,736,786</b>	<b>\$ 3,855,983</b>	<b>\$ 2,277,491</b>	<b>\$ 862,380</b>	<b>\$ 6,264,198</b>	<b>\$ 17,996,838</b>

**PARKLAND COUNTY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2014**

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**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 8, 2014. Amortization was included in the budget but was removed for the calculation of the taxation requirement.

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