

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2012

DRAFT

PARKLAND COUNTY

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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 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, CLGM
General Manager, Corporate
Services

April 23, 2013



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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, 2012, 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, 2012, 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 23, 2013
Edmonton, Canada

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2012, with comparative figures for 2011

	2012	2011 (Note 22)
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 54,982,795	\$ 45,937,186
Accounts receivable (Note 4)	6,464,432	6,542,547
Investments (Note 5)	34,959,839	28,544,204
	<u>96,407,066</u>	<u>81,023,937</u>
Financial Liabilities		
Accounts payable and accrued liabilities	4,609,292	4,859,320
Deposit liabilities	4,963,299	4,221,953
Employee benefits and other liabilities (Note 6)	2,096,334	1,725,217
Deferred revenue (Note 7)	35,636,799	28,294,478
Long-term debt (Note 8)	5,748,976	5,682,568
Landfill liability (Note 9)	863,068	979,334
	<u>53,917,768</u>	<u>45,762,870</u>
Net Financial Assets	<u>42,489,298</u>	<u>35,261,067</u>
Non-Financial Assets		
Tangible capital assets (Note 10)	331,845,969	308,809,743
Consumable inventories (Note 11)	8,656,831	8,004,783
Prepaid expenses	361,958	548,191
	<u>340,864,758</u>	<u>317,362,717</u>
Accumulated Surplus (Note 12)	<u>\$ 383,354,056</u>	<u>\$ 352,623,784</u>
Contingent Liabilities (Note 13)		
Commitments (Note 14)		



Rod Shaigec
Mayor



Phyllis Kobasiuk
Deputy Mayor

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year ended December 31, 2012, with comparative figures for 2011

	Budget (Unaudited)	2012	2011 (Note 22)
Revenues			
Taxation (Note 15)	\$ 37,807,908	\$ 37,785,698	\$ 31,498,368
Local improvement charges	814,471	1,826,408	494,648
User fees and sale of goods and services	9,633,060	10,253,582	9,699,983
Penalties on taxes	528,000	622,013	617,696
Investment income	1,183,649	1,331,625	1,382,827
Government transfers (Note 16)	17,412,940	9,771,130	11,594,118
Development charges and levies	-	48,112	50,092
Other revenues	1,650,203	2,295,199	1,323,162
Gain on disposal of tangible capital assets	43,488	36,052	1,665,814
Contributed tangible capital assets	-	21,870,325	30,210,654
Total Revenues	69,073,719	85,840,144	88,537,362
Expenses			
Legislative	892,569	786,558	815,875
General services	2,594,240	2,369,901	2,295,451
Legislative and administrative services	3,027,823	2,753,960	2,217,231
General office operations	948,280	1,011,309	966,153
Assessment services	932,321	891,189	776,230
Financial services	1,590,882	1,393,931	1,447,282
General municipal	585,605	301,038	129,055
Planning services	2,195,615	1,959,018	2,009,529
Protective services	6,840,884	6,131,784	5,524,223
Engineering services	13,123,501	13,908,919	12,562,943
Public works	9,533,020	9,372,571	9,400,198
Environmental services	5,682,199	5,607,376	4,899,751
Agriculture services	1,586,288	1,415,647	1,275,326
Parks, recreation and culture services	7,166,154	6,712,150	6,170,785
Intelligent community	749,047	494,521	319,140
Total Expenses	57,448,428	55,109,872	50,809,172
Annual Surplus	11,625,291	30,730,272	37,728,190
Accumulated Surplus, Beginning of the Year	352,623,784	352,623,784	314,895,594
Accumulated Surplus, End of the Year	\$ 364,249,075	\$ 383,354,056	\$ 352,623,784

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, 2012, with comparative figures for 2011

	Budget (Unaudited)	2012	2011 (Note 22)
Annual surplus	\$ 11,625,291	\$ 30,730,272	\$ 37,728,190
Acquisition of tangible capital assets	(24,103,830)	(36,226,294)	(46,239,284)
Proceeds on disposal of tangible capital assets	595,401	319,536	2,820,175
Amortization of tangible capital assets	11,565,996	12,595,526	11,597,282
Loss (gain) on disposal of tangible capital assets	43,488	275,006	(1,650,311)
	<u>(11,898,945)</u>	<u>(23,036,226)</u>	<u>(33,472,138)</u>
Acquisition of consumable inventories	-	(4,824,448)	(4,264,555)
Acquisition of prepaid expenses	-	(3,030,742)	(2,636,234)
Consumption of consumable inventories	-	4,172,400	3,809,817
Use of prepaid expenses	-	3,216,975	2,609,856
	<u>-</u>	<u>(465,815)</u>	<u>(481,116)</u>
Change in Net Financial Assets	(273,654)	7,228,231	3,774,936
Net Financial Assets, Beginning of Year	38,841,448	35,261,067	31,486,131
Net Financial Assets, End of Year	\$ 38,567,794	\$ 42,489,298	\$ 35,261,067

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

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2012, with comparative figures for 2011

	<u>2012</u>	<u>2011</u>
Operating Activities:		
Annual Surplus	\$ 30,730,272	\$ 37,728,190
Items not involving cash:		
Amortization of tangible capital assets	12,595,526	11,597,282
Amortization of investment premium/discounts	(156,208)	(242,117)
Loss (gain) on disposal of tangible capital assets	275,006	(1,650,311)
Contributed tangible capital assets	(21,870,325)	(30,210,654)
Change in non cash assets and liabilities		
Accounts receivable	78,115	5,972,015
Accounts payable and accrued liabilities	(250,028)	1,258,252
Deposit liabilities	741,346	(2,293,334)
Employee benefits and other liabilities	371,117	189,588
Deferred revenue	7,342,321	1,832,149
Landfill liability	(116,266)	(88,674)
Consumable inventories	(652,048)	(454,726)
Prepaid expenses	186,233	(26,378)
Net change in cash from operating activities	<u>29,275,061</u>	<u>23,611,282</u>
Capital Activities:		
Acquisition of tangible capital assets	(14,355,969)	(16,028,630)
Proceeds from disposals of tangible capital assets	319,536	2,820,175
Net change in cash from capital activities	<u>(14,036,433)</u>	<u>(13,208,455)</u>
Investing Activities:		
Acquisition of investments	(29,421,350)	(21,887,762)
Maturity of investments	23,161,923	26,354,121
Net change in cash from investing activities	<u>(6,259,427)</u>	<u>4,466,359</u>
Financing Activities:		
Long-term debt issued	1,355,159	454,549
Long-term debt repaid	(1,288,751)	(958,821)
Net change in cash from financing activities	<u>66,408</u>	<u>(504,272)</u>
Net Change in Cash and Cash Equivalents	<u>9,045,609</u>	<u>14,364,914</u>
Cash and cash equivalents at beginning of year	<u>45,937,186</u>	<u>31,572,272</u>
Cash and cash equivalents, End of Year	<u>\$ 54,982,795</u>	<u>\$ 45,937,186</u>
Cash paid for interest	310,926	335,633
Cash received from interest	1,510,784	1,508,073

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, 2012

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 term deposits, notes, bonds and guaranteed investment certificates. Term deposits and guaranteed investment certificates are recorded at 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.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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. 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.

(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, 2012

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, 2012

2. CHANGE IN ACCOUNTING POLICY

The County has early adopted Public Sector Accounting Board ("PSAB") Section 3510 Tax Revenue. Section 3510 requires governments to recognize taxes as assets and revenue when the taxable event occurs. The change in accounting policy is applied prospectively and resulted in previously unrecorded revenue of \$1,061,834 being recognized as property tax revenue in 2012.

3. CASH AND CASH EQUIVALENTS

	2012	2011
Cash	\$ 8,033,539	\$ 8,887,960
Cash equivalents	46,949,256	37,049,226
Cash and cash equivalents	\$ 54,982,795	\$ 45,937,186

Included in cash and cash equivalents is \$1.297 million (2011 - \$1.647 million) of funds restricted for municipal parks. Cash equivalents include investments that have effective interest rates of 1.2% to 1.56% (2011 - 1.2% to 1.34%) that mature in less than three months.

4. ACCOUNTS RECEIVABLE

	2012	2011
Taxes - current	\$ 1,603,251	\$ 1,593,150
Taxes - arrears	800,376	983,327
Government	455,859	1,632,751
Local improvements	2,429,822	1,219,154
Accrued interest receivable - investments	263,878	271,640
General	1,066,998	1,014,387
	6,620,184	6,714,409
Less: Valuation allowance	155,752	171,862
	\$ 6,464,432	\$ 6,542,547

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

5. INVESTMENTS

Investments have carrying and market values as follows:

	2012		2011	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Notes and Deposits	\$ 20,734,181	\$ 20,734,181	\$ 13,091,204	\$ 13,148,790
Federal Government Bond	-	-	462,866	525,558
Provincial Government Fixed/floater	669,892	648,479	1,001,285	1,001,581
Other				
Bonds	6,201,510	6,347,842	5,726,875	5,782,526
Step Up Note	2,669,103	2,702,646	1,555,014	1,550,336
Fixed/floater	2,394,949	2,410,912	2,417,770	2,424,887
Guaranteed Investment Certificate	2,290,204	2,373,545	4,289,190	4,324,488
	\$ 34,959,839	\$ 35,217,605	\$ 28,544,204	\$ 28,758,166

Notes and term deposits, federal government, provincial government and other investments have effective interest rates of 1.40% to 5.76% (2011 - 1.60% to 5.76%) with maturity dates between January 2013 to January 2018 (2011 - March 2012 to January 2018).

The market value of the bonds is based on quoted market values received on December 31, 2012. 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 \$263,878 (2011 - \$271,640) which has been included in accounts receivable.

6. EMPLOYEE BENEFITS AND OTHER LIABILITIES

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

	2012	2011
Wages payable	\$ 213,144	\$ 209,282
Vacation pay payable	1,139,201	1,099,451
Overtime payable	141,155	105,057
Early retirement incentive	85,799	69,394
Payroll benefits payable	425,650	242,033
Accrued sick leave liability	91,385	-
	\$ 2,096,334	\$ 1,725,217

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

7. DEFERRED REVENUE

	<u>2012</u>	<u>2011</u>
		(Note 22)
Balance, beginning of year:		
Prepaid local improvement charges	\$ 27,148	\$ 30,018
Government transfers	24,371,366	24,223,056
Offsite levies	3,532,888	1,875,546
Other	363,076	333,709
	<u>28,294,478</u>	<u>26,462,329</u>
Additions:		
Prepaid local improvement charges	2,617	-
Government transfers - grants	13,875,349	15,258,825
Government transfers - interest	346,438	298,038
Offsite levies	3,729,701	1,657,342
Other - deposits	782,155	1,209,063
	<u>18,736,260</u>	<u>18,423,268</u>
Used:		
Prepaid local improvement charges	(18,262)	(2,870)
Government transfers	(10,642,750)	(15,408,553)
Other	(732,927)	(1,179,696)
	<u>(11,393,939)</u>	<u>(16,591,119)</u>
Balance, end of year:		
Prepaid local improvement charges	11,503	27,148
Government transfers	27,950,403	24,371,366
Offsite levies	7,262,589	3,532,888
Other	412,304	363,076
	<u>\$ 35,636,799</u>	<u>\$ 28,294,478</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

8. LONG-TERM DEBT

	2012	2011
Debentures - user pay	\$ 4,256,345	\$ 4,055,627
Debentures - tax supported	1,479,567	1,605,137
Capital lease - tax supported	13,064	18,550
	5,748,976	5,679,314
Partnership debt - capital lease	-	3,254
	\$ 5,748,976	\$ 5,682,568

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 10.63% (2011 - 1.78% to 10.63%). Capital lease for Parkland County is due December 2014 with an interest rate of 1.2%. Partnership debt (capital lease) expired April 2012 and there were no subsequent lease arrangements made.

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

	Principal	Interest	Total
2013	\$ 1,198,424	\$ 275,150	\$ 1,473,574
2014	1,044,980	233,355	1,278,335
2015	773,051	193,061	966,112
2016	446,193	155,979	602,172
2017	460,947	129,721	590,668
Thereafter	1,825,381	297,226	2,122,607
	\$ 5,748,976	\$ 1,284,492	\$ 7,033,468

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$303,276 in 2012 (2011- \$328,067).

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

9. 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% (2011 - 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.

	2012	2011
Estimated post-closure costs	<u>\$ 863,068</u>	<u>\$ 979,334</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, 2012

10. TANGIBLE CAPITAL ASSETS

2012 (Note 22)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
Cost:								
Balance, beginning of year	\$ 97,968,308	\$ 1,494,928	\$ 24,369,195	\$ 356,113,380	\$ 15,102,857	\$ 6,360,559	\$ 18,739,752	\$ 520,148,979
Additions	17,195,169	133,133	98,337	7,829,171	1,474,870	285,151	9,210,463	36,226,294
Disposals	(139,852)	-	-	(885,152)	(1,057,542)	(164,383)	(5,108)	(2,252,037)
Transfers	-	1,519,004	3,200	13,187,926	1,912,044	280,427	(16,902,601)	-
Balance, end of year	115,023,625	3,147,065	24,470,732	376,245,325	17,432,229	6,761,754	11,042,506	554,123,236
Accumulated Amortization:								
Balance, beginning of year	-	666,432	6,531,346	194,923,984	6,435,538	2,781,936	-	211,339,236
Amortization expense	-	82,247	492,335	10,332,708	1,174,473	513,763	-	12,595,526
Disposals	-	-	-	(795,027)	(709,526)	(152,942)	-	(1,657,495)
Balance, end of year	-	748,679	7,023,681	204,461,665	6,900,485	3,142,757	-	222,277,267
Net Book Value, end of year	\$ 115,023,625	\$ 2,398,386	\$ 17,447,051	\$ 171,783,660	\$ 10,531,744	\$ 3,618,997	\$ 11,042,506	\$ 331,845,969

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

2011 (Note 22)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	Total
Cost:								
Balance, beginning of year	\$ 89,692,032	\$ 1,483,220	\$ 24,369,195	\$ 328,706,399	\$ 13,032,952	\$ 5,834,729	\$ 14,115,539	\$ 477,234,066
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)	-
Balance, end of year	97,968,308	1,494,928	24,369,195	356,113,380	15,102,857	6,360,559	18,739,752	520,148,979
Accumulated Amortization:								
Balance, beginning of year	-	618,882	6,040,688	185,452,347	6,988,018	2,796,526	-	201,896,461
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)
Balance, end of year	-	666,432	6,531,346	194,923,984	6,435,538	2,781,936	-	211,339,236
Net Book Value, end of year	\$ 97,968,308	\$ 828,496	\$ 17,837,849	\$ 161,189,396	\$ 8,667,319	\$ 3,578,623	\$ 18,739,752	\$ 308,809,743

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

(a) **Construction in Progress**

Construction in progress having a value of \$11,042,506 (2011 - \$18,739,752) 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. Contributed assets consisting of land and roads received during the year has a value of \$21,870,325 (2011 - \$30,210,654).

(c) **Cultural and Historical Tangible Capital Assets**

The County owns 88 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.

11. CONSUMABLE INVENTORIES

	2012	2011
Gravel - pit run	\$ 6,612,373	\$ 6,010,896
Gravel - crushed	1,588,021	1,521,853
Gas, oil and parts	261,206	272,217
Other	195,231	199,817
	<u>\$ 8,656,831</u>	<u>\$ 8,004,783</u>

12. ACCUMULATED SURPLUS

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

	2012	2011
		(Note 22)
Restricted surplus	\$ 54,792,630	\$ 47,033,585
Invested in tangible capital assets	326,096,993	303,089,080
Unrestricted surplus	2,464,433	2,501,119
	<u>\$ 383,354,056</u>	<u>\$ 352,623,784</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

12. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS (Note 22)

	2011	Increases	Decreases	2012
Benefit premium stabilization	\$ 96,374	\$ 54,962	\$ -	\$ 151,336
Contingency	4,603,486	700,045	692,554	4,610,977
County facilities	7,808,949	695,261	1,111,886	7,392,324
Disaster	838,598	-	135,000	703,598
Early retirement incentive	185,602	35,000	95,999	124,603
Environmental	888,268	-	54,686	833,582
Entwistle community development	-	399,999	-	399,999
Equipment lifecycle	1,873,489	1,983,424	1,612,094	2,244,819
Facilities maintenance	1,604,239	165,044	95,655	1,673,628
Fire facilities	636,795	3,205	640,000	-
Fire services equipment lifecycle	206,406	207,868	148,371	265,903
Future capital	557,246	136,600	6,881	686,965
Future operating	1,810,559	1,708,437	162,926	3,356,070
Future road projects	1,689,128	655,770	8,370	2,336,528
Granular aggregates	1,468,515	87,908	134,550	1,421,873
Information technology	414,115	35,000	118,703	330,412
Internal financing	277,461	1,896,450	851,423	1,322,488
Investment stabilization	499,329	-	-	499,329
Local improvements	-	1,061,834	-	1,061,834
Long term sustainability	-	2,013,111	-	2,013,111
Municipal operations	1,714,334	728,669	93,700	2,349,303
Municipal park	3,649,218	125,894	529,753	3,245,359
Office systems	1,130,507	472,665	138,463	1,464,709
Offsite levies and development charges	236,452	73,251	21,496	288,207
Overland drainage	506,690	-	-	506,690
Protective services lifecycle	275,708	74,381	31,816	318,273
Recreation facilities	1,400,991	215,635	261,400	1,355,226
Survey equipment lifecycle	44,777	21,737	-	66,514
Waste management	3,087,282	918,363	134,800	3,870,845
Water and wastewater	3,069,922	509,900	150,906	3,428,916
Winter maintenance	1,000,000	-	-	1,000,000
Working capital	5,000,000	-	-	5,000,000
	46,574,440	14,980,413	7,231,432	54,323,421
Partnership interests	459,145	138,546	128,482	469,209
	<u>\$ 47,033,585</u>	<u>\$ 15,118,959</u>	<u>\$ 7,359,914</u>	<u>\$ 54,792,630</u>

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

12. ACCUMULATED SURPLUS (CONTINUED)

INVESTED IN TANGIBLE CAPITAL ASSETS

	2012	2011
		(Note 22)
Tangible capital assets	\$ 331,845,969	\$ 308,809,743
Long-term debt	(5,748,976)	(5,682,568)
Contributions not yet invested in TCA	-	(38,095)
	<u>\$ 326,096,993</u>	<u>\$ 303,089,080</u>

13. CONTINGENT LIABILITIES

The County is defendant in various lawsuits as at December 31, 2012. 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.

14. COMMITMENTS

- (a) The County has outstanding contractual obligations of approximately \$7,777,000 (2011 - \$924,000) for tower site agreements, geometric design study and surfacing strategy for Acheson Zone 3 roads, county center additions, recreation upgrades at Chickahoo Lake, the implementation of the Park Improvement Plan and the construction of the Acheson firehall. Council has authorized the financing of these obligations.
- (b) As at December 31, 2012 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 \$6,112,000 (2011 - \$4,467,000), 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 \$1,749,282 (2011- \$2,016,602) and letters of credit in the amount of \$7,417,751 (2011 - \$4,583,731) 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, 2012 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 \$1,480,126 (2011 - \$1,405,820), 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 \$2,496,000 (2011 - \$1,880,967) to ensure performance by the developers under the agreements.
- (d) As at December 31, 2012, 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 \$2,660,653 (2011 - \$1,809,225) and letters of credit in the amount of \$365,595 (2011 - \$345,595) to ensure performance of the agreement.

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

15. TAXATION

Taxation revenue is made up of the following:

	Budget (Unaudited)	2012	2011
Municipal and school property taxes	\$ 55,596,112	\$ 55,573,834	\$ 47,492,839
Payments-in-lieu of property and business taxes	94,404	94,404	94,426
	55,690,516	55,668,238	47,587,265
Payments to seniors lodges and school boards	(17,882,608)	(17,882,540)	(16,088,897)
Net property taxes and payments-in-lieu available for municipal purposes	\$ 37,807,908	\$ 37,785,698	\$ 31,498,368

16. GOVERNMENT TRANSFERS

	Budget (Unaudited)	2012	2011
Provincial Government			
Operating	\$ 2,791,945	\$ 2,719,776	\$ 2,193,330
Capital	14,252,844	6,657,742	8,558,923
	17,044,789	9,377,518	10,752,253
Federal Government			
Capital	-	-	591,512
Other local government	368,151	393,612	250,353
Total Government Transfers	\$ 17,412,940	\$ 9,771,130	\$ 11,594,118

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2012

17. 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	2012	2011
Mayor	\$ 89,971	\$ 11,065	\$ 4,701	\$ 105,737	\$ 104,994
Councillor - Division 1	57,116	8,592	6,090	71,798	72,458
Councillor - Division 2	57,402	8,619	4,270	70,291	74,954
Councillor - Division 3	63,214	7,391	2,549	73,154	72,984
Councillor - Division 4	52,371	8,215	3,370	63,956	69,617
Councillor - Division 5	58,312	8,607	3,321	70,240	71,736
Councillor - Division 6	62,544	7,404	10,172	80,120	80,230
	\$ 440,930	\$ 59,893	\$ 34,473	\$ 535,296	\$ 546,973
CAO	\$ 191,403	\$ 31,185	\$ 9,600	\$ 232,188	\$ 222,895
Designated Officer	\$ 122,634	\$ 27,140	-	\$ 149,774	\$ 136,016

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional \$637 in salary per month. A portion of the honoraria and benefits includes 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.

The list of Committee/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, 2012

18. 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 24 in 2012). 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% (2011 - 2.5% and 3%) respectively of pensionable earnings up to \$132,334 in 2012 (2011 - \$127,611).

Total current service contributions by the County to APEX in 2012 were \$79,733 (2011 - \$73,490). Total current service contributions by the employees of the County were \$66,444 (2011 - \$61,238).

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 210,000 people and 423 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

The County is required to make current service contributions to the Plan of 9.91% (2011 - 9.49%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.74% (2011 - 13.13%) for the excess. Employees of the County are required to make current service contributions of 8.91% (2011 - 8.49%) of pensionable salary up to the year's maximum pensionable salary and 12.74% (2011 - 12.13%) on pensionable salary above this amount.

Total current service contributions by Parkland County to the LAPP in 2012 were \$1,535,676 (2011 - \$1,334,150). Total current service contributions by the employees of Parkland County to the LAPP in 2012 were \$1,398,471 (2011 - \$1,209,282).

At December 31, 2011 the Plan disclosed an actuarial deficit of \$4.6 billion (2010 - \$4.6 billion).

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2012

19. 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>2012</u>	<u>2011</u>
Debt		
Maximum allowable debt	\$ 85,968,116	\$ 73,764,410
Total debt	<u>(5,748,976)</u>	<u>(5,682,568)</u>
Remaining allowable debt	<u><u>\$ 80,219,140</u></u>	<u><u>\$ 68,081,842</u></u>
 Debt payment		
Maximum annual payment on allowable debt	\$ 14,328,019	\$ 12,294,068
Annual payments on existing debt	<u>1,473,574</u>	<u>1,368,442</u>
Remaining allowable annual payment	<u><u>\$ 12,854,445</u></u>	<u><u>\$ 10,925,626</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, 2012

20. 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. 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, 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, 2012

20. 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.

2012	Protection	Transportation	Recreation	Environment	Other and Unallocated	Total
Revenues						
Taxation	\$ 5,923,370	\$ 17,761,581	\$ 2,657,482	\$ 1,253,138	\$ 10,190,127	\$ 37,785,698
Local improvement charges	-	509,697	-	1,316,711	-	1,826,408
User fees and sale of goods and services	1,576,944	459,675	1,995,144	2,894,194	3,327,625	10,253,582
Penalties on taxes	-	-	-	-	622,013	622,013
Investment income	-	-	49,905	2,892	1,278,828	1,331,625
Government transfers	1,240,173	4,440,423	1,003,443	552,992	2,534,099	9,771,130
Development charges and levies	-	-	-	48,112	-	48,112
Other revenues	-	470,449	145,184	234,491	1,445,075	2,295,199
Gain on disposal of tangible capital assets	1,000	35,052	-	-	-	36,052
Contributed tangible capital assets	-	4,735,155	-	-	17,135,170	21,870,325
Total Revenues	8,741,487	28,412,032	5,851,158	6,302,530	36,532,937	85,840,144
Expenses						
Salaries, wages and employee benefits	2,943,271	6,469,639	2,504,311	1,115,631	8,469,865	21,502,717
Contracted and general services	1,626,413	965,647	671,458	1,825,190	3,896,354	8,985,062
Materials, goods, supplies and utilities	417,791	4,308,587	748,851	240,086	656,837	6,372,152
Bank charges	113,736	41,547	103,308	160,814	130,841	550,246
Transfers to governments, agencies & organizations	955,712	-	2,405,448	1,366,495	65,456	4,793,111
Loss on disposal of tangible capital assets	17,746	133,641	5,108	-	154,563	311,058
Amortization of tangible capital assets	97,398	10,805,754	284,204	899,160	509,010	12,595,526
Total Expenses	6,172,067	22,724,815	6,722,688	5,607,376	13,882,926	55,109,872
Annual Surplus (Deficit)	\$ 2,569,420	\$ 5,687,217	\$ (871,530)	\$ 695,154	\$ 22,650,011	\$ 30,730,272

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

20. SEGMENTED INFORMATION (CONTINUED)

2011	Protection	Transportation	Recreation	Environment	Other and Unallocated	Total
Revenues						
Taxation	\$ 4,011,626	\$ 13,654,903	\$ 2,938,528	\$ 1,646,046	\$ 9,247,265	\$ 31,498,368
Local improvement charges	-	239,780	-	254,868	-	494,648
User fees and sale of goods and services	1,598,365	639,760	1,937,019	2,635,824	2,889,015	9,699,983
Penalties on taxes	-	-	-	-	617,696	617,696
Investment income	-	-	67,862	9,167	1,305,798	1,382,827
Government transfers	606,474	6,777,003	859,052	2,303,265	1,048,324	11,594,118
Development charges and levies	-	-	-	50,092	-	50,092
Other revenues	-	588,503	71,385	225,656	437,618	1,323,162
Gain on disposal of tangible capital assets	-	76,783	-	-	1,589,031	1,665,814
Contributed tangible capital assets	-	13,454,267	-	8,547,483	8,208,904	30,210,654
Total Revenues	6,216,465	35,430,999	5,873,846	15,672,401	25,343,651	88,537,362
Expenses						
Salaries, wages and employee benefits	2,539,020	6,043,335	2,207,885	836,728	8,197,409	19,824,377
Contracted and general services	1,421,452	1,149,187	493,816	1,583,058	3,407,174	8,054,687
Materials, goods, supplies and utilities	251,414	4,233,770	554,495	196,199	620,880	5,856,758
Bank charges	113,736	44,047	100,517	178,871	99,533	536,704
Transfers to governments, agencies & organizations	1,184,523	-	2,476,381	1,211,678	51,279	4,923,861
Loss on disposal of tangible capital assets	1,503	-	14,000	-	-	15,503
Amortization of tangible capital assets	91,365	9,975,444	324,067	893,216	313,190	11,597,282
Total Expenses	5,603,013	21,445,783	6,171,161	4,899,750	12,689,465	50,809,172
Annual Surplus (Deficit)	\$ 613,452	\$ 13,985,216	\$ (297,315)	\$ 10,772,651	\$ 12,654,186	\$ 37,728,190

PARKLAND COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

21. 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.

22. 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. During 2012 the County discovered land that was incorrectly valued and recorded in the financial statements. The effect of this correction was to decrease both the value of land in Tangible capital assets and Accumulated Surplus by \$1,655,342 effective December 31, 2010. In 2012, it was discovered that a section of road was contributed to the County in 2010 and was not recognized as a contributed asset. The effect of this correction is to increase both the value of Tangible capital assets and Accumulated Surplus by \$587,948. The net effect of these two corrections is to decrease the value of Tangible capital assets and Accumulated Surplus by \$1,067,394.

b) In 2009 a number of off-site levy charges collected for future development were brought into revenue. Upon further review of these off-site levy charges, it has been determined that the revenue recognition criteria had not been met, and the amounts collected should remain in a liability account until they are earned. The legislation under which gives the municipality the ability to charge the levy, specifies the purpose for which the resources are to be used for. The revenue cannot be used for other than the stipulated purpose unless county obtains approval or permission from the external party or there is a change in the pertinent legislation. The effect of this correction was to increase Deferred revenue and decrease Accumulated Surplus by \$1,923,038 effective December 31, 2010, and to increase Deferred revenue and decrease Accumulated Surplus by \$1,657,342 effective December 31, 2011.

	2010
Accumulated Surplus as at December 31, 2010	
Accumulated surplus, as previously reported	\$ 317,886,026
Restatement:	
Tangible capital assets	(1,067,394)
Deferred revenue	<u>(1,923,038)</u>
Accumulated surplus at December 31, 2010, as restated	<u><u>\$ 314,895,594</u></u>

PARKLAND COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

22. COMPARATIVE FIGURES (CONTINUED)

	<u>2011</u>
Accumulated Surplus as December 31, 2011	
Accumulated surplus, as previously reported	\$ 357,271,558
Restatement:	
Tangible capital assets, 2010 restatement	(1,067,394)
Deferred revenue, 2010 restatement	(1,923,038)
Deferred revenue, 2011 restatement	<u>(1,657,342)</u>
Accumulated surplus at December 31, 2011, as restated	<u><u>\$ 352,623,784</u></u>

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

23. CAPITAL BUDGET

Council approved the 2012 capital budget totaling \$26,451,139 (2011 - \$14,920,882), of which no amounts were to be financed through debenture.

24. BUDGET FIGURES

The 2012 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 2012 budget approved by Council. While amortization was included on the budgets, they were removed for the calculation of the taxation requirement.