

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2017

DRAFT

PARKLAND COUNTY
TABLE OF CONTENTS
Year Ended December 31, 2017

	<u>Page</u>
Consolidated Financial Statements	
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditors' Report	2
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

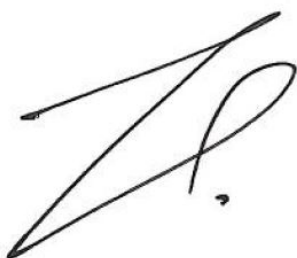
The accompanying consolidated financial statements of Parkland County (the "County") are the responsibility of the County's management and have been approved by Council.

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

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

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

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

A stylized, handwritten signature in black ink, consisting of a large, sweeping 'M' followed by a smaller 'H' and a period.

M.A. (Mike) Heck, MBA, ADGM
Chief Administrative Office

A handwritten signature in black ink, appearing to read 'Tracy Kibblewhite' in a cursive script.

Tracy Kibblewhite, CPA, CMA, CLGM
Chief Financial Officer



KPMG LLP
2200, 10175 - 101 Street
Edmonton AB T5J 0H3
Canada
Telephone (780) 429-7300
Fax (780) 429-7379

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, 2017, 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, 2017, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 24, 2018
Edmonton, Canada

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PARKLAND COUNTY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017, with comparative figures for 2016

	2017	2016
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 14,779,572	\$ 16,527,053
Accounts receivable (Note 3)	13,157,701	10,823,086
Investments (Note 4)	100,262,267	85,644,244
Inventories for resale	5,405	5,565
	<u>128,204,945</u>	<u>112,999,948</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	8,074,317	9,455,448
Deposit liabilities	3,230,501	2,156,927
Deferred revenue (Note 6)	40,835,343	35,588,082
Long-term debt (Note 7)	24,689,404	19,435,300
Environmental liability (Note 8)	6,204,422	512,311
	<u>83,033,987</u>	<u>67,148,068</u>
Net Financial Assets	<u>45,170,958</u>	<u>45,851,880</u>
Non-Financial Assets		
Tangible capital assets (Note 9)	483,789,996	461,305,622
Consumable inventories (Note 10)	10,571,303	11,592,175
Prepaid expenses	1,173,745	1,005,101
	<u>495,535,044</u>	<u>473,902,898</u>
Accumulated Surplus (Note 11)	<u>\$ 540,706,002</u>	<u>\$ 519,754,778</u>
Contingent liabilities (Note 12)		
Commitments (Note 13)		

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



Rod Shaigec
Mayor



Jackie McCuaig
Deputy Mayor

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year Ended December 31, 2017, with comparative figures for 2016

	Budget (Note 22)	2017	2016
Revenues			
Taxation (Note 14)	\$ 57,193,600	\$ 57,224,245	\$ 54,983,978
User fees and sales	9,816,422	11,092,161	10,347,369
Penalties	742,000	824,784	800,262
Investment income	1,036,016	1,889,173	1,510,865
Government transfers for operating (Note 15)	3,390,217	5,326,284	5,029,404
Licenses and permits	1,385,000	1,486,315	815,216
Other revenue - operating	557,181	803,187	546,388
Gain on disposal of tangible capital assets	97,600	539,926	130,959
Total Revenues	74,218,036	79,186,075	74,164,441
Expenses			
General government	18,359,600	19,399,308	14,837,745
Protective services	12,025,700	10,569,804	12,464,557
Transportation and roadway services	28,193,300	32,855,094	25,900,859
Utilities	7,134,360	7,406,269	6,734,435
Community services	11,455,281	10,722,306	11,862,868
Development services	11,195,000	6,472,318	5,249,468
Total Expenses	88,363,241	87,425,099	77,049,932
Deficiency of Revenues over Expenses Before Other	(14,145,205)	(8,239,024)	(2,885,491)
Other			
Contributed tangible capital assets	9,458,156	15,382,660	19,747,495
Government transfers for capital (Note 15)	20,214,688	12,502,877	9,613,135
Developer and customer contributions - capital	1,470,900	1,304,711	1,828,478
Annual Surplus	16,998,539	20,951,224	28,303,617
Accumulated Surplus, Beginning of the Year	519,754,778	519,754,778	491,451,161
Accumulated Surplus, End of the Year	\$ 536,753,317	\$ 540,706,002	\$ 519,754,778

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, 2017 , with comparative figures for 2016

	Budget (Note 22)	2017	2016
Annual Surplus	\$ 16,998,539	\$ 20,951,224	\$ 28,303,617
Acquisition of tangible capital assets	(49,868,973)	(28,498,325)	(28,888,623)
Contributed tangible capital assets	(9,008,156)	(15,382,660)	(19,747,495)
Proceeds on disposal of tangible capital assets	289,500	1,496,742	1,099,637
Amortization of tangible capital assets	15,879,100	15,419,460	15,743,327
Loss on disposal of tangible capital assets, net	248,200	4,480,409	692,426
	(42,460,329)	(22,484,374)	(31,100,728)
Acquisition of consumable inventories	-	(6,134,445)	(4,032,367)
Acquisition of prepaid expenses	-	(1,107,541)	(1,117,864)
Consumption of consumable inventories	-	7,155,317	4,748,177
Use of prepaid expenses	-	938,897	873,572
	-	852,228	471,518
Change in Net Financial Assets	(25,461,790)	(680,922)	(2,325,593)
Net Financial Assets, Beginning of Year	45,851,880	45,851,880	48,177,473
Net Financial Assets, End of Year	\$ 20,390,090	\$ 45,170,958	\$ 45,851,880

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

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017, with comparative information for 2016

	<u>2017</u>	<u>2016</u>
Operating Activities:		
Annual Surplus	\$ 20,951,224	\$ 28,303,617
Items not involving cash:		
Amortization of tangible capital assets	15,419,460	15,743,327
Amortization of investment premium/discounts	1,101,018	411,297
Loss on disposal of tangible capital assets, net	4,480,409	692,426
Contributed tangible capital assets	(15,382,660)	(19,747,495)
Change in non cash items:		
Accounts receivable	(2,334,615)	7,969,978
Inventories for resale	160	1,314
Accounts payable and accrued liabilities	(1,381,131)	837,723
Deposit liabilities	1,073,574	(1,203,279)
Deferred revenue	5,247,261	268,823
Environmental liability	5,692,111	(45,080)
Consumable inventories	1,020,872	715,810
Prepaid expenses	(168,644)	(244,292)
	<u>35,719,039</u>	<u>33,704,169</u>
Capital Activities:		
Acquisition of tangible capital assets	(28,498,325)	(28,888,623)
Proceeds from disposal of tangible capital assets	1,496,742	1,099,637
	<u>(27,001,583)</u>	<u>(27,788,986)</u>
Investing Activities:		
Acquisition of investments	(91,924,801)	(96,303,308)
Maturity of investments	76,205,760	69,146,986
	<u>(15,719,041)</u>	<u>(27,156,322)</u>
Financing Activities:		
Long-term debt issued	6,733,565	10,500,000
Long-term debt repaid	(1,479,461)	(1,047,221)
	<u>5,254,104</u>	<u>9,452,779</u>
Net Change in Cash and Cash Equivalents	<u>(1,747,481)</u>	<u>(11,788,360)</u>
Cash and Cash Equivalents, Beginning of Year	<u>16,527,053</u>	<u>28,315,413</u>
Cash and Cash Equivalents, End of Year	<u>\$ 14,779,572</u>	<u>\$ 16,527,053</u>
Cash paid for interest	536,832	414,066
Cash received from interest	2,429,923	2,189,001

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

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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 government reporting entity. The government reporting entity is comprised of all the organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned or controlled by the County.

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

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

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

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

Property taxes levied also include requisitions for education and seniors housing; organizations that are not part of the government reporting entity.

(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 consist of term deposits, guaranteed investment certificates (GIC's), and other investments that are generally convertible to cash in less than three months and are recorded at cost.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments

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

(e) Employee Future Benefits

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

(f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. Tangible Capital Assets

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

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

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

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Non-Financial Assets (continued)

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Works of Art and Cultural and Historic Assets

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

iv. Interest Capitalization

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

v. Consumable Inventories

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

vi. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(g) Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

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

(h) Requisition Over-Levies and Under-Levies

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Requisition Over-Levies and Under-Levies (continued)*

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(i) *Tax Revenue Recognition*

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

(j) *Liability for Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is based on management's estimate of the cost of post remediation including operation, maintenance, and monitoring. The liability is recorded net of any expected recoveries. A liability is applicable to sites that are not in productive use or where an unexpected event has caused contamination in the year.

(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 amortization, accrued liabilities including environmental liabilities and revenue recognized for the Municipal Wildfire Assistance Program. Actual results could differ from those estimates.

(l) *Future Accounting Standard Pronouncements*

The following summarizes upcoming changes to public sector accounting standards issued by the public sector accounting standards board. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in *Financial Statement Presentation* (PS1201), *Financial Instruments* (PS3450), *Foreign Currency Translation* (PS2601) and *Portfolio Investments* (PS3041) must be implemented at the same time.

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

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Future Accounting Standard Pronouncements (continued)

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after)
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

The County has assessed the applicability of new standards effective for fiscal years beginning on or after April 1, 2017 and has determined no changes or reclassifications to the consolidated financial statements will likely be required as a result of their adoption. The County anticipates increased disclosures to comply with these standards. In 2018, the County will continue to assess the impact of the remaining future accounting standards and prepare for their adoption.

2. CASH AND CASH EQUIVALENTS

	2017	2016
Cash	\$ 8,362,099	\$ 4,241,447
Cash equivalents	6,417,473	12,285,606
Cash and cash equivalents	\$ 14,779,572	\$ 16,527,053

Cash equivalents include investments that have effective interest rates of 1.60% to 1.85% (2016 - 1.40% to 1.50%) that mature in less than three months.

3. ACCOUNTS RECEIVABLE

	2017	2016
Taxes - current	\$ 2,292,534	\$ 1,963,118
Taxes - arrears	1,133,102	772,002
Government transfers receivable	4,066,878	2,372,471
Local improvements	1,323,737	1,536,272
Accrued interest receivable - investments	1,938,169	755,627
Trade and other	2,426,958	3,458,221
	13,181,378	10,857,711
Less: Valuation allowance	23,677	34,625
	\$ 13,157,701	\$ 10,823,086

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

4. INVESTMENTS

Investments have carrying and market values as follows:

	2017		2016	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Cash invested	\$ 4,319,103	\$ 4,319,103	\$ 96,648	\$ 96,648
Other				
Notes and deposits	11,033,982	11,109,674	15,815,708	15,803,440
Bank and callable bonds	58,180,972	58,037,753	25,611,910	25,595,163
Principle protected notes	8,122,876	8,034,692	3,581,644	3,695,798
Guaranteed investment certificate	18,402,000	18,468,727	40,335,000	40,540,910
Memberships/shares	203,334	203,334	203,334	203,334
	<u>\$ 100,262,267</u>	<u>\$ 100,173,283</u>	<u>\$ 85,644,244</u>	<u>\$ 85,935,293</u>

Investments have effective interest rates of 1.61% to 4.86% (2016 - 1.55% to 4.86%) while the growth index deposits have variable interest and are linked to the performance of an equity market index with maturity dates between January 2018 to March 2028 (2016 - March 2020 to November 2022).

The market value of the bonds is based on quoted market values received on December 31, 2017. 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 \$1,938,169 (2016 - \$755,627) which has been included in accounts receivable.

5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

The accounts payable and accrued liabilities is made up of the following:

	2017	2016
Trade payables and accrued liabilities	\$ 4,268,364	\$ 5,609,497
Earned vacation and overtime liability	1,555,339	1,565,867
Wage and benefit obligations	1,272,263	1,246,310
Holdbacks	581,110	645,644
Other payables	208,756	196,949
Other government payables	139,503	135,117
Accrued interest on long term debt	48,982	56,064
	<u>\$ 8,074,317</u>	<u>\$ 9,455,448</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

6. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
Balance, Beginning of Year:		
Prepaid local improvement charges	\$ -	\$ 11,503
Government transfers	19,600,603	20,911,633
Offsite levies	15,314,311	13,867,826
Other	673,168	528,297
	<u>35,588,082</u>	<u>35,319,259</u>
Additions:		
Government transfers - grants	11,633,107	11,580,212
Government transfers - interest	199,411	201,951
Offsite levies	8,711,864	2,666,241
Other	2,090,540	2,232,685
	<u>22,634,922</u>	<u>16,681,089</u>
Used:		
Prepaid local improvement charges	-	(11,503)
Government transfers	(14,643,800)	(13,093,193)
Offsite levies	(703,177)	(1,219,756)
Other	(2,040,684)	(2,087,814)
	<u>(17,387,661)</u>	<u>(16,412,266)</u>
Balance, End of Year:		
Government transfers	16,789,321	19,600,603
Offsite levies	23,322,998	15,314,311
Other	723,024	673,168
	<u>\$ 40,835,343</u>	<u>\$ 35,588,082</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

7. LONG-TERM DEBT

	2017	2016
Long term debt - user pay	\$ 23,873,544	\$ 18,394,605
Long term debt - tax supported	815,860	1,040,695
	<u>\$ 24,689,404</u>	<u>\$ 19,435,300</u>

Debenture debt is repayable to Alberta Capital Finance Authority. The debentures have been issued on the credit and security of the County at large. It is payable and due over various periods up to the year 2031 with effective interest rates ranging from 2.15% to 6.25% (2016 - 2.15% to 6.63%).

The County entered into an infrastructure loan facility agreement with Servus Credit Union with a maximum of \$16,500,000 for a term of 20 years, bearing interest at the Credit Union's prime rate less 0.5% (2017 - 2.70%). The outstanding balance is \$6,729,020 (2016 - \$nil). The loan can be paid in full prior to maturity and is provided on the faith and credit of the County.

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

	Principal	Interest	Total
2018	\$ 1,713,440	\$ 652,700	\$ 2,366,140
2019	1,704,400	599,210	2,303,610
2020	1,719,300	545,520	2,264,820
2021	1,773,680	491,150	2,264,830
2022	1,582,450	435,210	2,017,660
Thereafter	16,196,134	2,324,030	18,520,164
	<u>\$ 24,689,404</u>	<u>\$ 5,047,820</u>	<u>\$ 29,737,224</u>

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$536,831 in 2017 (2016 - \$437,254).

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

8. ENVIRONMENTAL LIABILITY

i. Landfill Liability

Under Provincial legislation, the County is required to provide for closure and post closure care for its landfill sites. Post closure activities include surface and ground water monitoring, leachate control and visual inspection for a period of 25 years after the landfill has been closed. The County currently has no active landfill sites. The costs for post closure care have been adjusted by applying a discount rate based on the County's average long term borrowing rate of 3.12% (2016 - 2.43%) plus an assumed inflation rate of 2.00%. An amount of \$468,768 (2016 - \$512,311) has been accrued.

ii. Salt Contamination

Under Provincial legislation, the County is required to remediate lands with salt contamination in excess of Provincial Environmental Standards. Reclamation requirements have been defined in accordance with industry standards and include ongoing environmental monitoring, site inspections and maintenance. The County Service Building yard contains a salt storage site where contamination is in excess of environmental standards. The costs for remediation have been adjusted by applying a discount rate based on the County's average long term borrowing rate of 3.12% plus an assumed inflation rate of 2.00%. An amount of \$2,925,051 (2016 - \$nil) has been accrued.

iii. Aggregates Reclamation

Under Provincial legislation, the County is required to reclaim lands used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates a number of aggregate extraction sites. The aggregate is used for road maintenance and construction projects within the County. The costs for reclamation have been adjusted by applying a discount rate based on the County's average long term borrowing rate of 3.12% plus an assumed inflation rate of 2.00%. An amount of \$2,810,603 (2016 - \$nil) has been accrued.

The reported liabilities are based on estimates and assumptions using the best information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

9. TANGIBLE CAPITAL ASSETS

2017

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Assets Under Construction	Total
Cost:								
Balance, beginning of year	\$ 149,891,286	\$ 6,608,181	\$ 40,680,720	\$ 489,365,574	\$ 26,265,934	\$ 14,825,592	\$ 5,707,414	\$ 733,344,701
Acquired	204,307	543,366	2,043,454	9,069,766	3,194,356	1,718,103	11,724,973	28,498,325
Contributed	7,082,414	-	-	8,300,246	-	-	-	15,382,660
Disposals	(2,034,410)	-	-	(4,617,111)	(2,006,961)	(1,081,502)	-	(9,739,984)
Transfers	-	540,075	980,206	2,382,344	417,215	38,339	(4,358,179)	-
Balance, end of year	155,143,597	7,691,622	43,704,380	504,500,819	27,870,544	15,500,532	13,074,208	767,485,702
Accumulated Amortization:								
Balance, beginning of year	-	1,820,903	9,748,297	247,089,922	8,364,310	5,015,647	-	272,039,079
Amortization expense	-	311,632	910,095	11,287,904	1,918,677	991,152	-	15,419,460
Disposals	-	-	-	(1,994,903)	(1,181,621)	(586,309)	-	(3,762,833)
Balance, end of year	-	2,132,535	10,658,392	256,382,923	9,101,366	5,420,490	-	283,695,706
Net Book Value, end of year	\$ 155,143,597	\$ 5,559,087	\$ 33,045,988	\$ 248,117,896	\$ 18,769,178	\$ 10,080,042	\$ 13,074,208	\$ 483,789,996

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

2016

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Assets Under Construction	Total
Cost:								
Balance, beginning of year	\$ 143,325,871	\$ 6,033,990	\$ 41,197,578	\$ 445,867,156	\$ 23,268,714	\$ 14,855,991	\$ 16,139,152	\$ 690,688,452
Acquired	109,875	81,463	422,804	6,277,644	4,802,198	505,796	16,688,843	28,888,623
Contributed	6,455,540	-	(627,643)	13,919,598	-	-	-	19,747,495
Disposals	-	-	-	(1,681,777)	(3,233,253)	(551,015)	(90,545)	(5,556,590)
Retirement	-	-	(423,279)	-	-	-	-	(423,279)
Transfers	-	492,728	111,260	24,982,953	1,428,275	14,820	(27,030,036)	-
Balance, end of year	149,891,286	6,608,181	40,680,720	489,365,574	26,265,934	14,825,592	5,707,414	733,344,701
Accumulated Amortization:								
Balance, beginning of year	-	1,553,335	9,306,464	236,733,773	8,366,878	4,523,108	-	260,483,558
Amortization expense	-	267,568	865,112	11,812,822	1,808,846	988,979	-	15,743,327
Disposals	-	-	-	(1,456,673)	(1,811,414)	(496,440)	-	(3,764,527)
Retirement	-	-	(423,279)	-	-	-	-	(423,279)
Balance, end of year	-	1,820,903	9,748,297	247,089,922	8,364,310	5,015,647	-	272,039,079
Net Book Value, end of year	\$ 149,891,286	\$ 4,787,278	\$ 30,932,423	\$ 242,275,652	\$ 17,901,624	\$ 9,809,945	\$ 5,707,414	\$ 461,305,622

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

(a) **Construction in Progress**

Construction in progress having a value of \$13,074,208 (2016 - \$5,707,414) has not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) **Contributed Tangible Capital Assets**

Contributed tangible capital assets have been recognized at fair value at the date of contribution. Contributed tangible capital assets consisting of land, roads, drainage and water/wastewater infrastructure received during the year have a value of \$15,382,660 (2016 - \$19,747,495).

(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

	2017	2016
Gravel - pit run	\$ 8,445,877	\$ 9,083,087
Gravel - crushed	1,719,804	2,110,596
Gas, oil and parts	212,060	205,146
Other	193,562	193,346
	<u><u>\$ 10,571,303</u></u>	<u><u>\$ 11,592,175</u></u>

11. ACCUMULATED SURPLUS

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

	2017	2016
Restricted surplus	\$ 80,636,339	\$ 74,027,705
Invested in tangible capital assets	459,145,335	442,884,810
Unrestricted surplus	924,328	2,842,263
	<u><u>\$ 540,706,002</u></u>	<u><u>\$ 519,754,778</u></u>

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS

	2016	Increases	Decreases	2017
Benefit premium stabilization	\$ 125,871	\$ 70,147	\$ -	\$ 196,018
Business attraction fund	2,000,000	402,400	-	2,402,400
County facilities	4,679,436	488,522	496,001	4,671,957
Development charges	190,985	-	25,900	165,085
Environmental	862,259	-	219,641	642,618
Entwistle community development	374,999	-	-	374,999
Equipment lifecycle	4,382,771	4,347,594	4,360,848	4,369,517
Extreme events	7,676,236	-	-	7,676,236
Facilities maintenance	1,909,730	425,081	133,064	2,201,747
Fire services equipment lifecycle	865,386	236,183	142,113	959,456
Future capital	815,314	-	247,916	567,398
Future operating	9,359,150	1,629,375	1,357,987	9,630,538
Future transportation	2,099,588	120,437	63,234	2,156,791
Granular aggregates	598,621	102,947	41,760	659,808
Hamlet Sustainability	902,131	26,291	170,680	757,742
Information technology	203,847	35,000	11,500	227,347
Local improvements	373,253	-	126,724	246,529
Long term sustainability	11,615,692	5,163,166	2,585,434	14,193,424
Municipal park	5,020,112	681,003	386,122	5,314,993
Office systems	1,416,166	448,000	189,099	1,675,067
Overland drainage	506,690	-	-	506,690
Protective services lifecycle	1,194,821	432,600	412,619	1,214,802
Recreation facilities	2,875,642	598,049	330,443	3,143,248
Rural community network lifecycle	331,639	770,800	52,227	1,050,212
Survey equipment lifecycle	96,223	15,400	-	111,623
Waste management	8,050,463	1,516,198	208,990	9,357,671
Water and wastewater	5,087,419	702,739	123,296	5,666,862
	<u>73,614,444</u>	<u>18,211,932</u>	<u>11,685,598</u>	<u>80,140,778</u>
Partnership interests	413,261	82,300	-	495,561
	<u>\$ 74,027,705</u>	<u>\$ 18,294,232</u>	<u>\$ 11,685,598</u>	<u>\$ 80,636,339</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

11. ACCUMULATED SURPLUS (CONTINUED)

INVESTED IN TANGIBLE CAPITAL ASSETS

	2017	2016
Tangible capital assets	\$ 483,789,996	\$ 461,305,622
Long-term debt	(24,689,404)	(19,435,300)
Long-term debt not yet invested in tangible capital assets	44,743	1,014,488
	<u>\$ 459,145,335</u>	<u>\$ 442,884,810</u>

12. CONTINGENT LIABILITIES

The County is defendant in various lawsuits as at December 31, 2017. 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 contractual obligations of approximately \$22,296,044 (2016 - \$12,149,314). Significant commitments included in this balance are infrastructure costs for the Highlands Business Park, road upgrades to Entwistle 50th Avenue, waste hauling costs, local government cost share agreements, and fire agreements.

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

2018	\$ 46,268
2019	46,268
2020	46,268
2021	47,143
2022	49,543
Thereafter	<u>461,851</u>
	<u>\$ 697,341</u>

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

14. TAXATION

Taxation revenue is made up of the following:

	Budget (Note 22)	2017	2016
Taxation			
Residential	\$ 39,217,234	\$ 39,270,227	\$ 37,579,165
Non-residential	41,336,397	41,227,714	38,839,709
Government grants in place of property taxes	19,570	19,570	17,927
	<u>80,573,201</u>	<u>80,517,511</u>	<u>76,436,801</u>
Requisitions			
Alberta School Foundation Fund	(21,941,528)	(22,179,480)	(20,431,865)
Senior's Foundation	(600,264)	(600,264)	(561,445)
Evergreen Separate School	(2,136,494)	(1,899,270)	(1,741,400)
St. Thomas Aquinas	(8,215)	(7,487)	(7,118)
	<u>(24,686,501)</u>	<u>(24,686,501)</u>	<u>(22,741,828)</u>
Net Municipal Property Taxes	55,886,700	55,831,010	53,694,973
Other Taxes			
Community aggregate levy	720,000	835,634	667,110
Special taxes and frontages	586,900	557,601	621,895
	<u>1,306,900</u>	<u>1,393,235</u>	<u>1,289,005</u>
Net Municipal Taxes	<u>\$ 57,193,600</u>	<u>\$ 57,224,245</u>	<u>\$ 54,983,978</u>

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

15. GOVERNMENT TRANSFERS

	Budget (Note 22)	2017	2016
Operating Transfers			
Federal	\$ 108,000	\$ 44,097	\$ 28,704
Provincial	2,771,200	4,769,088	4,359,743
Local	511,017	513,099	640,957
	3,390,217	5,326,284	5,029,404
Capital Transfers			
Federal	235,000	168,691	309,229
Provincial	19,912,900	12,186,516	9,184,911
Local	66,788	147,670	118,995
	20,214,688	12,502,877	9,613,135
Total Government Transfers	<u>\$ 23,604,905</u>	<u>\$ 17,829,161</u>	<u>\$ 14,642,539</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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	2017	2016
Mayor	\$ 99,483	\$ 12,145	\$ 7,652	\$ 119,280	\$ 121,517
Councillor - Division 1	74,254	11,643	4,203	90,100	81,357
Councillor - Division 2	59,212	10,007	3,340	72,559	73,864
Councillor - Division 3	66,099	8,560	1,705	76,364	69,858
Councillor - Division 4	57,448	9,829	3,017	70,294	65,290
Councillor - Division 5	61,308	10,275	4,475	76,058	81,074
Councillor - Division 6	59,970	8,192	8,729	76,891	79,755
	\$ 477,774	\$ 70,651	\$ 33,121	\$ 581,546	\$ 572,715
CAO/Interim CAO	\$ 233,407	\$ 39,837	\$ 7,400	\$ 280,644	\$ 402,340
Manager, Legislative Services	\$ 134,512	\$ 33,299	\$ 23,739	\$ 191,550	\$ 184,936
Designated Assessor	\$ 145,519	\$ 31,240	\$ 17,631	\$ 194,390	\$ 181,217

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional amount per month (\$1,034).

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).

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.

Allowances include costs for internet, phone, mileage to attend Council meetings, car allowance and other cash payments.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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 42 in 2017). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the County, at a rate of 2.84% and 3.78% (2016 - 2.5% and 3.0%) respectively of pensionable earnings up to \$145,722 in 2017 (2016 - \$144,500).

Total current service contributions by the County to APEX in 2017 were \$175,979 (2016 - \$122,747). Total current service contributions by the employees of the County were \$135,321 (2016 - \$102,287).

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 253,862 people and 417 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% (2016 - 11.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% (2016 - 15.84%) for the excess. Employees of the County are required to make current service contributions of 10.39% (2016 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2016 - 14.84%) on pensionable salary above this amount.

Total current service contributions by Parkland County to the LAPP in 2017 were \$2,561,349 (2016 - \$2,356,364). Total current service contributions by the employees of Parkland County to the LAPP in 2017 were \$2,364,918 (2016 - \$2,185,153).

At December 31, 2016 the Plan disclosed an actuarial deficit of \$637 million.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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>2017</u>	<u>2016</u>
Debt		
Maximum allowable debt	\$ 120,736,179	\$ 113,989,379
Total debt	<u>(24,689,404)</u>	<u>(19,435,300)</u>
Remaining Allowable Debt	<u><u>\$ 96,046,775</u></u>	<u><u>\$ 94,554,079</u></u>
Debt Payment		
Maximum annual payment on allowable debt	\$ 20,122,697	\$ 18,998,230
Annual payments on existing debt	<u>(2,366,140)</u>	<u>(2,002,265)</u>
Remaining Allowable Annual Payment	<u><u>\$ 17,756,557</u></u>	<u><u>\$ 16,995,965</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 THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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) General Government

General government is comprised of Council and General Administration. 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.

(b) Protective Services

Protective Services 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.

(c) Transportation and Roadway Services

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

(d) Utilities

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

(e) Community Services

Community Services 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.

(f) Development Services

Development Services is comprised of Planning and Development Services, and Smart Parkland. Planning and Development Services manages long term planning, current planning and subdivision, development permits and safety code disciplines. Smart Parkland is a comprehensive plan that will see Parkland County become a community in which broadband technology is fully utilized by residents and business.

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

19. SEGMENTED INFORMATION (CONTINUED)

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and developer levies are allocated to the segment for which the charge was made.

	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total	Budget
2017								
Revenue								
Taxation	\$ 17,276,804	\$ 8,484,437	\$ 18,174,834	\$ 2,365,166	\$ 6,518,198	\$ 4,404,806	\$ 57,224,245	\$ 57,193,600
User fees and sales	211,245	2,416,347	675,436	5,192,624	2,073,232	523,277	11,092,161	9,816,422
Penalties	817,048	-	-	7,736	-	-	824,784	742,000
Investment income	1,653,200	-	-	111,781	124,192	-	1,889,173	1,036,016
Government transfers	307,226	2,469,174	9,420,535	617,844	4,373,487	640,895	17,829,161	23,604,905
Licenses and permits	-	6,471	10,955	-	-	1,468,889	1,486,315	1,385,000
Other revenue - operating	140,498	3,027	432,426	-	218,323	8,913	803,187	557,181
Gain on disposal of tangible capital assets	-	-	531,551	-	8,375	-	539,926	97,600
Developer & customer contributions-capital	-	-	705,653	-	599,058	-	1,304,711	1,470,900
Contributed tangible capital assets	-	-	13,352,910	2,029,750	-	-	15,382,660	9,458,156
Total Revenues	20,406,021	13,379,456	43,304,300	10,324,901	13,914,865	7,046,780	108,376,323	105,361,780
Expenses								
Salaries, wages & benefits	10,010,403	5,514,085	7,965,985	1,546,348	3,923,873	4,399,379	33,360,073	34,611,259
Contracted & general services	7,755,594	2,897,275	2,148,699	1,716,594	2,163,570	1,428,244	18,109,976	17,049,677
Materials, supplies & utilities	580,204	618,334	5,056,640	272,053	920,477	141,890	7,589,598	8,267,812
Bank charges	33,774	-	-	-	370	-	34,144	34,410
Interest on long term debt	227	-	402,175	65,020	52,845	9,483	529,750	830,200
Other	197,762	(30,000)	20,000	(33,335)	-	18,927	173,354	104,500
Transfers to governments, agencies & organizations	18,676	25,865	306,840	70,564	3,138,178	196,703	3,756,826	7,694,083
Purchases from other governments	55,116	1,064,830	392,380	1,914,666	4,591	-	3,431,583	3,546,400
Loss on disposal of tangible capital assets	189,223	-	4,280,214	483,188	-	67,710	5,020,335	345,800
Amortization of tangible capital assets	558,329	479,415	12,282,161	1,371,171	518,402	209,982	15,419,460	15,879,100
Total Expenses	19,399,308	10,569,804	32,855,094	7,406,269	10,722,306	6,472,318	87,425,099	88,363,241
Annual Surplus	\$ 1,006,713	\$ 2,809,652	\$ 10,449,206	\$ 2,918,632	\$ 3,192,559	\$ 574,462	\$ 20,951,224	\$ 16,998,539

PARKLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

19. SEGMENTED INFORMATION (CONTINUED)

	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
2016							
Revenue							
Taxation	\$ 11,822,944	\$ 6,325,753	\$ 25,230,448	\$ 1,767,509	\$ 6,243,159	\$ 3,594,165	\$ 54,983,978
User fees and sales	120,123	2,474,858	273,398	4,966,837	2,089,808	422,345	10,347,369
Penalties	794,144	-	-	6,118	-	-	800,262
Investment income	1,345,990	-	-	92,392	72,483	-	1,510,865
Government transfers	171,635	967,151	7,929,507	218,507	4,438,992	916,747	14,642,539
Licenses and permits	-	6,075	8,193	-	-	800,948	815,216
Other revenue - operating	158,434	4,150	47,710	230	276,811	59,053	546,388
Gain on disposal of tangible capital assets	-	-	130,959	-	-	-	130,959
Developer and customer contributions - capital	-	-	1,222,399	-	606,079	-	1,828,478
Contributed tangible capital assets	6,455,541	-	9,141,794	4,777,803	(627,643)	-	19,747,495
Total Revenues	20,868,811	9,777,987	43,984,408	11,829,396	13,099,689	5,793,258	105,353,549
Expenses							
Salaries, wages & benefits	9,267,095	5,465,761	7,716,075	1,461,212	3,874,759	3,920,231	31,705,133
Contracted & general services	4,165,242	4,481,928	(35,564)	1,862,638	1,972,226	991,489	13,437,959
Materials, supplies & utilities	716,666	654,717	4,170,279	388,662	772,803	117,866	6,820,993
Bank charges	24,945	-	-	-	223	-	25,168
Interest on long term debt	1,359	-	296,687	77,323	61,885	-	437,254
Other	92	(30,089)	20,059	(35,050)	-	-	(44,988)
Transfers to governments, agencies & other organizations	31,381	471,708	6,200	59,252	4,642,654	32,722	5,243,917
Purchases from other governments	70,605	941,160	129,266	1,716,603	150	-	2,857,784
Loss on disposal of tangible capital assets	66,806	-	656,874	-	90,545	9,160	823,385
Amortization of tangible capital assets	493,554	479,372	12,940,983	1,203,795	447,623	178,000	15,743,327
Total Expenses	14,837,745	12,464,557	25,900,859	6,734,435	11,862,868	5,249,468	77,049,932
Annual Surplus	\$ 6,031,066	\$ (2,686,570)	\$ 18,083,549	\$ 5,094,961	\$ 1,236,821	\$ 543,790	\$ 28,303,617

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

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 11, 2017. Amortization was included in the budget but was removed for the calculation of the taxation requirement.