

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

**PARKLAND COUNTY
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Member of Council of Parkland County

Opinion

We have audited the consolidated financial statements of Parkland County (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies
(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated changes in net financial and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

April 27, 2021

PARKLAND COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 17,270,845	\$ 17,665,483
Accounts receivable (Note 3)	16,717,589	12,067,124
Investments (Note 4)	134,584,743	131,920,391
Land held for resale	145,312	-
	<u>168,718,489</u>	<u>161,652,998</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	13,759,445	11,165,131
Deposit liabilities	2,421,452	4,232,567
Deferred revenue (Note 6)	49,935,883	48,681,176
Long-term debt (Note 7)	33,042,001	29,386,232
Environmental liability (Note 9)	5,695,215	5,749,946
	<u>104,853,996</u>	<u>99,215,052</u>
Net Financial Assets	<u>63,864,493</u>	<u>62,437,946</u>
Non-Financial Assets		
Tangible capital assets (Note 10)	515,888,983	497,330,077
Consumable inventories (Note 11)	9,664,064	9,379,780
Prepaid expenses	1,187,558	1,006,922
	<u>526,740,605</u>	<u>507,716,779</u>
Accumulated Surplus	<u>\$ 590,605,098</u>	<u>\$ 570,154,725</u>
Contractual Rights (Note 13)		
Contractual Obligations (Note 14)		
Contingent Assets & Liabilities (Note 15)		
Subsequent Events (Note 25)		

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



Rod Shaigec
Mayor



Phyllis Kobasiuk
Deputy Mayor

PARKLAND COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2020

	BUDGET (Note 24)	2020	2019
Revenues			
Taxation (Note 16)	\$ 65,158,550	\$ 65,610,474	\$ 62,517,884
User fees and sales	9,920,436	9,194,438	10,593,652
Penalties	877,300	896,953	1,051,538
Investment income	1,981,450	3,988,759	3,628,020
Government transfers for operating (Note 17)	5,832,030	7,648,128	3,377,595
Licenses and permits	1,354,000	876,355	1,419,674
Other revenue - operating	438,226	474,048	908,335
Gain on disposal of tangible capital assets	6,800	100,406	54,122
Total Revenues	<u>85,568,792</u>	<u>88,789,561</u>	<u>83,550,820</u>
Expenses			
Salaries, wages and employee benefits	34,686,849	32,515,182	35,284,530
Contracted and general services	19,062,824	16,729,416	13,932,492
Materials, goods, supplies and utilities	8,307,152	7,497,906	8,120,399
Interest on long term debt	843,500	718,815	839,149
Bank charges	39,842	43,083	39,815
Transfers to governments, agencies & organizations	4,283,693	3,797,093	2,839,654
Purchases from other governments	3,464,480	3,900,980	3,645,585
Amortization of tangible capital assets	17,392,000	16,920,790	17,510,850
Loss on disposal of tangible capital assets	626,300	1,248,636	115,830
Other expenses - operating	1,026,973	131,010	183,638
Total Expenses	<u>89,733,613</u>	<u>83,502,911</u>	<u>82,511,942</u>
Surplus (Deficiency) of Revenues over Expenses Before Other	(4,164,821)	5,286,650	1,038,878
Other			
Contributed tangible capital assets	3,532,900	5,831,118	4,596,156
Government transfers for capital (Note 17)	7,054,926	9,102,780	12,230,999
Other revenue - capital	-	4,825	-
Developer and customer contributions - capital	236,700	225,000	242,729
Annual Surplus	<u>6,659,705</u>	<u>20,450,373</u>	<u>18,108,762</u>
Accumulated Surplus, Beginning of Year	<u>570,154,725</u>	<u>570,154,725</u>	<u>552,045,963</u>
Accumulated Surplus, End of Year	<u>\$ 576,814,430</u>	<u>\$ 590,605,098</u>	<u>\$ 570,154,725</u>

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

PARKLAND COUNTY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	BUDGET (Note 24)	2020	2019
Annual Surplus	\$ 6,659,705	\$ 20,450,373	\$ 18,108,762
Acquisition of tangible capital assets	(39,856,760)	(31,818,505)	(20,164,140)
Contributed tangible capital assets	(3,532,900)	(5,831,118)	(4,596,156)
Proceeds on disposals of tangible capital assets	821,400	1,021,697	71,577
Amortization of tangible capital assets	17,392,000	16,920,790	17,510,850
Loss on disposal of tangible capital assets, net	619,500	1,148,230	61,708
	<u>(24,556,760)</u>	<u>(18,558,906)</u>	<u>(7,116,161)</u>
Change in consumable inventories	-	(284,284)	188,247
Change in prepaid expenses	-	(180,636)	233,349
	<u>-</u>	<u>(464,920)</u>	<u>421,596</u>
Change in Net Financial Assets	(17,897,055)	1,426,547	11,414,197
Net Financial Assets, Beginning of Year	62,437,946	62,437,946	51,023,749
Net Financial Assets, End of Year	<u>\$ 44,540,891</u>	<u>\$ 63,864,493</u>	<u>\$ 62,437,946</u>

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, 2020

	2020	2019
Operating Activities:		
Annual Surplus	\$ 20,450,373	\$ 18,108,762
Items not involving cash:		
Amortization of tangible capital assets	16,920,790	17,510,850
Loss on disposal of tangible capital assets, net	1,148,230	61,708
Contributed tangible capital assets	(5,831,118)	(4,596,156)
Change in non-cash items:		
Accounts receivable	(4,650,465)	(1,005,575)
Land held for resale	(683,000)	
Accounts payable and accrued liabilities	3,132,002	1,950,230
Deposit liabilities	(1,811,115)	1,034,473
Deferred revenue	1,254,707	943,493
Environmental liabilities	(54,731)	120,228
Consumable inventories	(284,284)	188,247
Prepaid expenses	(180,636)	233,349
	29,410,753	34,549,609
Capital Activities		
Acquisition of tangible capital assets	(31,818,505)	(20,164,140)
Proceeds from disposals of tangible capital assets	1,021,697	71,577
	(30,796,808)	(20,092,563)
Investing Activities		
Acquisition of investments	(111,623,399)	(106,148,226)
Maturity of investments	108,963,337	104,531,687
Amortization of investment premium/discounts	(4,290)	719,581
	(2,664,352)	(896,958)
Financing Activities		
Long-term debt issued	5,102,922	1,337,840
Long-term debt repaid	(1,447,153)	(1,431,756)
	3,655,769	(93,916)
Net Change in Cash and Cash Equivalents	(394,638)	13,466,172
Cash and Cash Equivalents, Beginning of Year	17,665,483	4,199,311
Cash and Cash Equivalents, End of Year	\$ 17,270,845	\$ 17,665,483
Cash paid for interest	708,901	844,924
Cash received from interest	3,483,866	4,965,495

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, 2020

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 not-for-profit Part IX corporation under the Alberta Companies Act 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.

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 Benefit Obligations

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:

Land improvements		15 - 30 years
Buildings		5 - 50 years
Engineered structures		10 - 75 years
Roadway systems	10 - 60 years	
Storm systems	50 - 75 years	
Water systems	45 - 75 years	
Wastewater systems	45 - 75 years	
Machinery & equipment		5 - 40 years
Vehicles		10 - 20 years

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

II. Contributions of Tangible Capital Assets

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

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Non-Financial Assets (Continued)

III. Works of Art and Cultural and Historic Assets

The County owns original artworks that are on permanent display at the County facilities. 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 are not amortized.

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. 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.

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. Actual results could differ from those estimates.

(l) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian Public Sector Accounting Standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS 1201), Financial Instruments (PS 3450), Foreign Currency Translation (PS 2601) and Portfolio Investments (PS 3041) must be implemented at the same time.

Public Sector Accounting Standards	Name	Effective date (fiscal years beginning on or before)
PS 1201	Financial Statement Presentation	April 1, 2022
PS 3450	Financial Instruments	April 1, 2022
PS 2601	Foreign Currency Translation	April 1, 2022
PS 3041	Portfolio Investments	April 1, 2022
PS 3280	Asset Retirement Obligations	April 1, 2022
PS 3400	Revenue	April 1, 2023
PSG-8	Purchased Intangibles	April 1, 2023

Management is currently assessing the impact of these new standards on the consolidated financial statements.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

2. Cash & Cash Equivalents

	2020	2019
Cash	\$ 5,913,596	\$ 2,877,141
Cash equivalents	11,357,249	14,788,342
	<u>\$ 17,270,845</u>	<u>\$ 17,665,483</u>

Cash equivalents include investments that have effective interest rates of 0.65% to 1.10% (2019 - 2.46% to 2.60%) that are generally convertible to cash in less than three months.

3. Accounts Receivable

The accounts receivable is made up of the following:

	2020	2019
Accrued interest receivable - investments	\$ 1,079,132	\$ 1,110,823
Government transfers receivable	8,287,434	2,619,043
Local improvements	690,234	912,330
Requisition underlevy	757,640	5,029
Taxes - arrears	1,263,424	1,266,688
Taxes - current	2,675,419	2,878,868
Trade and other	1,991,283	3,291,020
	<u>16,744,566</u>	<u>12,083,801</u>
Less: Valuation allowance	26,977	16,677
	<u>\$ 16,717,589</u>	<u>\$ 12,067,124</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

4. Investments

Investments have carrying and market values as follows:

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	Carrying Value	Market Value	Carrying Value	Market Value
Cash Invested	\$ 282,143	\$ 282,143	\$ 104,503	\$ 104,503
Other:				
Notes & deposits	22,147,703	22,147,703	16,565,394	16,771,670
Bank & callable bonds	83,652,123	87,045,269	83,387,683	83,206,091
Principal protected notes	28,299,600	28,286,114	15,888,977	15,941,585
Guaranteed investment certificate	-	-	15,770,500	15,034,397
Memberships/shares	203,174	203,174	203,334	203,334
	<u>\$ 134,584,743</u>	<u>\$ 137,964,403</u>	<u>\$ 131,920,391</u>	<u>\$ 131,261,580</u>

Investments have effective interest rates of 0.25% to 3.89% (2019 - 2.46% to 3.40%) while Principal Protected Notes have a variable interest and are linked to the performance of an equity market index with maturity dates between June 2024 to October 2030 (2019 - March 2020 to August 2029).

5. Accounts Payable & Accrued Liabilities

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

	<u>2020</u>	<u>2019</u>
Accrued interest on long term debt	\$ 47,158	\$ 37,244
Earned vacation and overtime liability	1,625,772	1,554,620
Holdbacks	2,158,900	942,454
Other government payables	-	10,525
Requisition overlevy	-	1,244,677
Trade payables and accrued liabilities	8,938,130	5,668,126
Wage and benefit obligations	989,485	1,707,485
	<u>\$ 13,759,445</u>	<u>\$ 11,165,131</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

6. Deferred Revenue

	2019 Contributions		Interest Earned	Revenue Recognized	2020
Government Transfers					
Municipal Sustainability Initiative - capital	\$ 14,705,401	\$ 7,542,627	\$ 109,975	\$ 8,448,138	\$ 13,909,865
Federal Gas Tax Fund	6,233,709	1,836,004	61,830	636,859	7,494,684
Other capital grant	366,090	86,882	632	450,305	3,299
Municipal Sustainability Initiative - operating	35,982	315,730	214	293,185	58,741
Family and Community Support Services	68,272	761,363	-	723,093	106,542
9-1-1 grant	172,785	1,012,503	1,760	1,081,477	105,571
Municipal Operating Support Transfer	-	3,255,110	-	2,716,689	538,421
Western Economic Diversification	-	1,277,712	-	1,277,712	-
Alberta Community Partnership	201,530	-	1,324	147,861	54,993
Other operating grant	563,324	551,786	3,656	975,589	143,177
	<u>22,347,093</u>	<u>16,639,717</u>	<u>179,391</u>	<u>16,750,908</u>	<u>22,415,293</u>
Other Deferred Revenue					
Offsite levies	25,519,314	851,863	395,869	-	26,767,046
Other revenue	814,769	1,437,770	-	1,498,995	753,544
	<u>26,334,083</u>	<u>2,289,633</u>	<u>395,869</u>	<u>1,498,995</u>	<u>27,520,590</u>
	<u>\$ 48,681,176</u>	<u>\$ 18,929,350</u>	<u>\$ 575,260</u>	<u>\$ 18,249,903</u>	<u>\$ 49,935,883</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

7. LONG-TERM DEBT

	2020	2019
Long term debt - user pay	\$ 32,838,218	\$ 28,989,975
Long term debt - tax supported	203,783	396,257
	<u>\$ 33,042,001</u>	<u>\$ 29,386,232</u>

Debenture debt is repayable to Alberta Treasury Board and Finance. The debt is issued on the credit and security of the County at large. It is payable and due over various periods up to the year 2040 with effective interest rates ranging from 2.08% to 6.25% (2019 - 2.15% to 6.25%).

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 1.95% (2019 - 3.45%) based on the Credit Union's prime rate less 0.5%. The outstanding balance is \$2,994,898 (2019 - \$14,324,884). The loan can be paid in full prior to maturity and is provided on the faith and credit of the County.

During the year, Alberta Treasury Board and Finance issued debt of \$16,432,908 to the County for development of infrastructure in Acheson. A portion of these debt proceeds was used to repay \$14,324,884 of the infrastructure loan facility agreement. These amounts are shown on a net basis.

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

	Principal	Interest	Total
2021	\$ 2,163,586	\$ 721,751	\$ 2,885,337
2022	3,125,534	665,618	3,791,152
2023	3,781,511	569,977	4,351,488
2024	1,972,174	515,355	2,487,529
2025	1,950,841	469,706	2,420,547
Thereafter	20,048,355	2,696,352	22,744,707
	<u>\$ 33,042,001</u>	<u>\$ 5,638,759</u>	<u>\$ 38,680,760</u>

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$718,815 in 2020 (2019 - \$839,149).

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

8. DEBT LIMITS

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:

	2020	2019
Debt		
Maximum allowable debt	\$ 133,529,079	\$ 125,690,324
Total debt	(33,042,001)	(29,386,232)
Remaining Allowable Debt	\$ 100,487,078	\$ 96,304,092
Debt Payment		
Maximum annual payment on allowable debt	\$ 22,254,846	\$ 20,887,705
Annual payments on existing debt	(2,885,337)	(2,565,970)
Remaining Allowable Annual Payment	\$ 19,369,509	\$ 18,321,735

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 consolidated financial statements must be interpreted as a whole.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

9. 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 2.29% (2019 - 2.65%) plus an assumed annual inflation rate of 2.00% (2019 - 2.00%). An amount of \$401,471 (2019 - \$430,462) 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 Services 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 2.29% (2018 - 2.71%) plus an assumed annual inflation rate of 2.00% (2019 - 2.00%). An amount of \$3,057,844 (2019 - \$3,083,584) 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 2.29% (2019 - 2.65%) plus an assumed annual inflation rate of 2.00% (2019 - 2.00%). An amount of \$2,235,900 (2019 - \$2,235,900) 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, 2020

10. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Assets Under Construction	Total
2020								
Cost:								
Balance, beginning of year	\$ 159,548,674	\$ 7,606,827	\$ 44,252,785	\$ 541,596,576	\$ 29,700,898	\$ 16,134,745	\$ 11,628,843	\$ 810,469,348
Acquired	380,875	42,168	391,234	10,157,629	3,313,211	1,306,466	16,226,922	31,818,505
Contributed	1,452,698	-	-	4,378,420	-	-	-	5,831,118
Disposals	(2,492)	-	-	(1,304,307)	(2,686,763)	(886,711)	-	(4,880,273)
Transfers	159,056	-	3,976,840	303,415	1,225,434	142,273	(5,807,018)	-
Balance, end of year	161,538,811	7,648,995	48,620,859	555,131,733	31,552,780	16,696,773	22,048,747	843,238,698
Accumulated Amortization:								
Balance, beginning of year	-	2,756,168	13,331,116	278,765,291	11,280,329	7,006,367	-	313,139,271
Amortization expense	-	355,080	1,023,164	12,115,764	2,306,293	1,120,489	-	16,920,790
Disposals	-	-	-	(630,313)	(1,292,415)	(787,618)	-	(2,710,346)
Balance, end of year	-	3,111,248	14,354,280	290,250,742	12,294,207	7,339,238	-	327,349,715
Net Book Value, end of year	\$ 161,538,811	\$ 4,537,747	\$ 34,266,579	\$ 264,880,991	\$ 19,258,573	\$ 9,357,535	\$ 22,048,747	\$ 515,888,983

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Assets Under Construction	Total
2019								
Cost:								
Balance, beginning of year	\$ 157,516,502	\$ 7,557,805	\$ 43,611,627	\$ 516,936,386	\$ 29,007,465	\$ 15,831,184	\$ 19,243,610	\$ 789,704,579
Acquired	45,689	47,792	430,859	6,762,271	2,144,762	423,802	10,308,965	20,164,140
Contributed	1,986,483	-	0	2,609,673	-	-	-	4,596,156
Disposals	-	0	0	(1,558,240)	(2,207,770)	(229,517)	-	(3,995,527)
Transfers	0	1,230	210,299	16,846,486	756,441	109,276	(17,923,732)	-
Balance, end of year	159,548,674	7,606,827	44,252,785	541,596,576	29,700,898	16,134,745	11,628,843	810,469,348
Accumulated Amortization:								
Balance, beginning of year	-	2,394,832	11,788,353	268,369,195	10,808,558	6,129,725	-	299,490,663
Amortization expense	-	361,336	1,542,763	11,871,442	2,632,464	1,102,845	-	17,510,850
Disposals	-	-	-	(1,475,346)	(2,160,693)	(226,203)	-	(3,862,242)
Balance, end of year	-	2,756,168	13,331,116	278,765,291	11,280,329	7,006,367	-	313,139,271
Net Book Value, end of year	\$ 159,548,674	\$ 4,850,659	\$ 30,921,669	\$ 262,831,285	\$ 18,420,569	\$ 9,128,378	\$ 11,628,843	\$ 497,330,077

(a) Construction in Progress

Construction in progress having a value of \$22,048,747 (2019 - \$11,628,843) 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 \$5,831,118 (2019 - \$4,596,156).

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

11. CONSUMABLE INVENTORIES

	2020	2019
Gravel - exposed pit run	\$ 587,429	\$ 456,106
Gravel - unexposed pit run	7,640,298	7,402,727
Gravel - crushed	1,043,524	1,113,160
Gas, oil and parts	160,848	181,429
Other	231,965	226,358
	<u>\$ 9,664,064</u>	<u>\$ 9,379,780</u>

12. ACCUMULATED SURPLUS

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

	2020	2019
Restricted surplus	\$ 106,790,152	\$ 100,988,838
Invested in tangible capital assets	482,846,982	467,943,845
Unrestricted surplus	967,964	1,222,042
	<u>\$ 590,605,098</u>	<u>\$ 570,154,725</u>

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

12. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS

	<u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>2020</u>
Benefit premium stabilization	\$ 391,526	\$ -	\$ -	\$ 391,526
Business attraction fund	2,254,923	1,932,100	509,099	3,677,924
County facilities	7,180,193	3,564,100	781,199	9,963,094
Development charges	118,765	987	25,900	93,852
Entwistle community development	374,999	-	364,700	10,299
Environmental	338,218	460,000	3,448	794,770
Equipment lifecycle	7,451,211	3,981,535	4,798,191	6,634,555
Extreme events	7,721,400	499,966	15,933	8,205,433
Facilities maintenance	2,520,737	425,300	161,383	2,784,654
Fire services equipment lifecycle	652,980	278,500	100,074	831,406
Future capital	2,205,070	423,816	673,098	1,955,788
Future operating	7,666,326	3,294,425	2,363,794	8,596,957
Future transportation	2,306,392	44,888	191,085	2,160,195
Granular aggregates	383,453	459,486	-	842,939
Hamlet sustainability	101,787	28,089	86,811	43,065
Information technology	297,347	785,000	-	1,082,347
Local improvements	104,757	-	38,543	66,214
Long term sustainability	22,687,438	5,356,399	436,821	27,607,016
Municipal park	5,521,594	56,528	3,241,338	2,336,784
Office systems	1,798,507	342,200	639,383	1,501,324
Overland drainage	506,690	-	-	506,690
Protective services lifecycle	1,885,860	163,500	196,258	1,853,102
Recreation facilities	5,317,148	2,502,442	126,858	7,692,732
Rural community network lifecycle	1,819,458	-	98,801	1,720,657
Survey equipment lifecycle	147,573	20,600	49,028	119,145
Waste management	11,908,382	171,766	4,706,702	7,373,446
Water and waste water	6,762,145	857,247	239,113	7,380,279
	<u>100,424,879</u>	<u>25,648,874</u>	<u>19,847,560</u>	<u>106,226,193</u>
Partnership interests	563,959	-	-	563,959
Total Restricted surplus	<u>\$ 100,988,838</u>	<u>\$ 25,648,874</u>	<u>\$ 19,847,560</u>	<u>\$ 106,790,152</u>

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

12. ACCUMULATED SURPLUS (CONTINUED)

INVESTED IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets	\$ 515,888,983	\$ 497,330,077
Long-term debt	(33,042,001)	(29,386,232)
Long-term debt not yet invested in tangible capital assets	-	-
	<u>\$ 482,846,982</u>	<u>\$ 467,943,845</u>

13. CONTRACTUAL RIGHTS

The County has a contractual right to Provincial funds to be allocated to the County in future years. The receipt of these assets will be dependent on submission and approval of project applications and satisfying subsequent reporting requirements.

The County has a contractual right to future lease revenue from another government organization. This lease revenue is for the use of a County owned facility. The lease term expires January 31, 2035 with an annual lease payment of \$543,459.

The County has a contractual right to future lease revenue from an association. This lease revenue is for the use of a County owned facility. The lease term expires December 31, 2021 with an annual lease payment of \$21,564.

The County entered into two separate Memorandum of Agreements with Alberta Transportation. The lesser of \$1,275,000 or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for a bridge replacement. The lesser of \$78,750 or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for a bridge replacement design.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

14. CONTRACTUAL OBLIGATIONS

The County has outstanding commitments of \$12,011,964 (2019 - \$24,143,734). Significant commitments included in this balance are the construction costs for the West Central Fire Hall and the purchase of a Custom Fire Tanker.

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

2021	\$	47,143
2022		49,543
2023		49,543
2024		49,543
2025		49,543
Thereafter		313,222
	\$	<u>558,537</u>

15. CONTINGENT ASSETS & LIABILITIES

The County has initiated a number of insurance claims that arose from the normal course of operations. The outcomes of these claims may result in assets in the future and cannot be estimated at this time. These amounts are not recorded in the consolidated financial statements.

The County is a party in various lawsuits and other proceedings as at December 31, 2020. 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.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

16. TAXATION

	Budget (Note 24)	2020	2019
Taxation revenue is made up of the following:			
Taxation			
Residential	\$ 42,794,070	\$ 45,010,441	\$ 42,117,949
Non-Residential	46,093,962	46,624,061	45,645,878
Government grants in place of property taxes	20,786	20,786	26,456
	<u>88,908,818</u>	<u>91,655,288</u>	<u>87,790,283</u>
Less taxes collected on behalf of:			
Alberta School Foundation Fund	(22,464,325)	(24,354,419)	(23,641,777)
Evergreen Separate School	(1,956,059)	(2,089,572)	(2,023,455)
St. Thomas Aquinas	(10,052)	(8,030)	(8,009)
Senior's Foundation	(752,853)	(755,040)	(727,942)
Designated Industrial Property	(164,579)	(161,036)	(174,315)
	<u>(25,347,868)</u>	<u>(27,368,097)</u>	<u>(26,575,498)</u>
Net Municipal Property Taxes	63,560,950	64,287,191	61,214,785
Other Taxes			
Community aggregate levy	1,152,000	923,707	870,533
Special taxes and frontages	445,600	399,576	432,566
Net Municipal Taxes	\$ 65,158,550	\$ 65,610,474	\$ 62,517,884

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

17. GOVERNMENT TRANSFERS

	Budget (Note 24)	2020	2019
Operating Transfers			
Federal	\$ -	\$ 4,010,670	\$ 170,556
Provincial	5,624,820	3,537,156	2,741,852
Other local government	207,210	100,302	465,187
	<u>5,832,030</u>	<u>7,648,128</u>	<u>3,377,595</u>
Capital Transfers			
Provincial	7,029,200	9,061,147	9,541,223
Other local government	25,726	41,633	2,689,776
	<u>7,054,926</u>	<u>9,102,780</u>	<u>12,230,999</u>
Total Government Transfers	<u>\$ 12,886,956</u>	<u>\$ 16,750,908</u>	<u>\$ 15,608,594</u>

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

18. SALARY AND BENEFITS

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and designated officers is required by the Municipal Government Act Regulation 313/2000. 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.

	<u>Salary</u>	<u>Benefits</u>	<u>Allowances</u>	<u>2020</u>	<u>2019</u>
Mayor	\$ 105,215	\$ 16,097	\$ 2,683	\$ 123,995	\$ 134,828
Councillor - Division 1	67,797	14,127	2,716	84,640	91,237
Councillor - Division 2	63,725	13,668	2,496	79,889	80,808
Councillor - Division 3	67,251	9,118	1,456	77,825	86,045
Councillor - Division 4	58,013	13,019	2,546	73,578	82,099
Councillor - Division 5	71,123	14,510	2,716	88,349	85,302
Councillor - Division 6	72,019	12,573	3,140	87,732	88,105
	<u>\$ 505,143</u>	<u>\$ 93,112</u>	<u>\$ 17,753</u>	\$ 616,008	<u>\$ 648,424</u>
CAO/Interim CAO	\$ 415,599	\$ 41,113	\$ 10,407	\$ 467,119	\$ 298,772
Designated Officer - Assessor, Legislative Services	\$ 127,186	\$ 26,336	\$ 480	\$ 154,002	\$ 165,554

Salary for Council includes regular base pay and honoraria. The Deputy Mayor receives an additional amount per month.

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, and car allowance.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

19. PENSION PLANS

(a) APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities 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 70 in 2020). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the County, at a rate of 2.61% and 3.85% (2019 - 2.84% and 3.78%) respectively of pensionable earnings up to \$154,611 in 2020 (2019 - \$151,278).

Total current service contributions by the County to APEX in 2020 were \$199,410 (2019 - \$209,301). Total current service contributions by the employees of the County were \$135,186 (2019 - \$157,247).

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 274,151 people and 420 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 9.39% (2019 - 9.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84% (2019 - 13.84%) for the excess. Employees of the County are required to make current service contributions of 8.39% (2019 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2019 - 12.84%) on pensionable salary above this amount.

Total current service contributions by Parkland County to LAPP in 2020 were \$2,202,235 (2019 - \$2,281,056). Total current service contributions by the employees of Parkland County to the LAPP in 2019 were \$2,012,314 (2019 - \$2,087,875).

At December 31, 2019 the Plan disclosed a surplus of \$7.913 billion.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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 as follows:

(a) General Government

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 financial responsible manner. General Administration is responsible for the administration of the municipality as a whole.

(b) Protective Services

Enforcement is provided 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

Engineering Services and the Public Works departments are responsible for the planning, development, maintenance and providing for the of roadway systems, storm systems and drainage activities.

(d) Utilities

The County provides the engineering and operation of water and wastewater systems, waste management and other environmental use and protection activities.

(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. Connected Communities is a comprehensive plan that will see Parkland County become a community in which broadband technology is fully utilized by residents and business.

(f) Development Services

Planning and Development Services manages long term planning, current planning and subdivision, development permits and safety code disciplines. Economic Development actively promotes business growth and development. Agriculture supports farming and rural communities, fosters new rural-based business and works toward diversifying the local economy and business composition. Land Management relates to the development of land for use by the municipality for resale.

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

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

20. SEGMENTED INFORMATION (CONTINUED)

2020	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
Revenue							
Taxation	\$ 24,557,754	\$ 6,171,852	\$ 22,213,659	\$ 2,537,529	\$ 5,639,446	\$ 4,490,234	\$ 65,610,474
User fees and sales	136,768	2,464,244	286,400	4,819,508	1,266,837	220,681	9,194,438
Penalties	888,802	-	-	8,151	-	-	896,953
Investment income	3,745,119	-	20,388	105,380	117,872	-	3,988,759
Government transfers	2,763,916	1,579,162	4,412,848	1,354,115	4,524,176	2,116,691	16,750,908
Licenses and permits	-	8,630	9,630	-	-	858,095	876,355
Other revenue	86,376	-	72,559	161,925	158,013	-	478,873
Gain on disposal of tangible capital assets	5,589	7,606	87,211	-	-	-	100,406
Developer & customer contributions-capital	-	-	-	-	225,000	-	225,000
Contributed tangible capital assets	-	-	4,850,240	980,878	-	-	5,831,118
Total Revenues	32,184,324	10,231,494	31,952,935	9,967,486	11,931,344	7,685,701	103,953,284
Budgeted Revenues	25,134,950	10,510,300	32,743,300	8,838,710	10,301,058	8,865,000	96,393,318
Expenses							
Salaries, wages & benefits	9,867,300	5,599,932	8,011,574	1,927,282	2,190,220	4,918,874	32,515,182
Contracted & general services	5,758,376	682,076	4,212,579	1,766,216	1,195,476	3,114,693	16,729,416
Materials, supplies & utilities	587,094	762,086	5,164,035	354,192	503,262	127,237	7,497,906
Interest on long term debt	-	-	587,731	87,962	22,413	20,709	718,815
Bank charges	42,601	-	-	-	482	-	43,083
Transfers to governments, agencies & organizations	68,183	686,109	-	222,631	2,799,670	20,500	3,797,093
Purchases from other governments	-	1,109,675	314,800	2,476,505	-	-	3,900,980
Amortization of tangible capital assets	624,617	572,383	13,406,164	1,417,779	829,891	69,956	16,920,790
Loss on disposal of tangible capital assets	-	94,111	1,154,525	-	-	-	1,248,636
Other	7,947	-	-	-	123,063	-	131,010
Total Expenses	16,956,118	9,506,372	32,851,408	8,252,567	7,664,477	8,271,969	83,502,911
Budgeted Expenses	20,132,050	9,818,800	32,297,800	9,011,080	9,172,483	9,301,400	89,733,613
Annual Surplus (Deficit)	15,228,206	725,122	(898,473)	1,714,919	4,266,867	(586,268)	20,450,373
Budgeted Annual Surplus (Deficit)	\$ 5,002,900	\$ 691,500	\$ 445,500	\$ (172,370)	\$ 1,128,575	\$ (436,400)	\$ 6,659,705

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

20. SEGMENTED INFORMATION (CONTINUED)

2019	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
Revenue							
Taxation	\$ 21,937,484	\$ 5,857,190	\$ 21,676,705	\$ 3,212,211	\$ 5,969,151	\$ 3,865,143	\$ 62,517,884
User fees and sales	157,664	2,618,369	520,269	4,745,456	2,266,766	285,128	10,593,652
Penalties	1,042,479	-	-	9,059	-	-	1,051,538
Investment income	3,052,971	-	48,212	260,076	266,761	-	3,628,020
Government transfers	726,987	1,110,953	5,498,360	45,886	7,937,856	288,552	15,608,594
Licenses and permits	-	5,395	14,951	-	-	1,399,328	1,419,674
Other revenue	(2,340)	4,006	139,891	129,978	636,800	-	908,335
Gain on disposal of tangible capital assets	-	-	54,122	-	-	-	54,122
Developer & customer contributions-capital	-	-	141,188	101,541	-	-	242,729
Contributed tangible capital assets	-	-	3,396,156	-	1,200,000	-	4,596,156
Total Revenues	26,915,245	9,595,913	31,489,854	8,504,207	18,277,334	5,838,151	100,620,704
Budgeted Revenues	24,659,500	10,463,150	35,563,550	9,675,900	13,488,272	6,895,850	100,746,222
Expenses							
Salaries, wages & benefits	10,913,249	5,843,239	8,604,567	1,965,534	2,945,194	5,012,747	35,284,530
Contracted & general services	5,337,843	891,534	3,650,261	1,673,215	1,798,513	581,126	13,932,492
Materials, supplies & utilities	647,835	742,896	5,513,009	303,888	760,822	151,949	8,120,399
Interest on long term debt	-	-	346,785	41,950	33,142	417,272	839,149
Bank charges	35,278	-	-	3,213	1,305	19	39,815
Transfers to governments, agencies & organizations	-	50,246	6,763	235,470	2,481,167	66,008	2,839,654
Purchases from other governments	-	1,182,342	400,859	2,062,384	-	-	3,645,585
Amortization of tangible capital assets	928,812	543,158	13,085,773	1,994,010	888,815	70,282	17,510,850
Loss on disposal of tangible capital assets	26,445	-	89,385	-	-	-	115,830
Other	(1,065)	-	-	-	184,703	-	183,638
Total Expenses	17,888,397	9,253,415	31,697,402	8,279,664	9,093,661	6,299,403	82,511,942
Budgeted Expenses	20,550,200	9,742,950	33,266,750	9,037,100	10,747,943	8,358,050	91,702,993
Annual Surplus (Deficit)	9,026,848	342,498	(207,548)	224,543	9,183,673	(461,252)	18,108,762
Net Budget	\$ 4,109,300	\$ 720,200	\$ 2,296,800	\$ 638,800	\$ 2,740,329	\$ (1,462,200)	\$ 9,043,229

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

21. TRANSALTA TRI LEISURE CENTRE

The County, the Town of Stony Plain, and the City of Spruce Grove have jointly developed, constructed, and are now operating the TransAlta Tri Leisure Centre (the "TLC"). The Building is jointly owned by the County, the Town of Stony Plain, and the City of Spruce Grove. The County's proportional ownership of the TLC is 33.5% (2019 – 33.5%).

The Tri-Municipal Leisure Facility Corporation (the "Corporation") operates and manages the TLC. The County, the Town of Stony Plain, and the City of Spruce Grove provide annual contributions to support the operations of the TLC, with the County's share being 25.5% (2019 - 25.5%).

The County's proportionate ownership share (33.5%) of the financial position and operations of the Corporation is as follows:

	2020	2019
FINANCIAL POSITION		
Financial Assets	\$ 611,505	\$ 936,410
Liabilities	(320,660)	(468,460)
Net Financial Assets	290,845	467,950
Non-Financial Assets	742,007	818,629
Accumulated Surplus	1,032,852	1,286,579
OPERATIONS		
Revenue	1,831,036	2,954,070
Expenses	(2,084,763)	(2,877,378)
Annual Surplus (Deficit)	\$ (253,727)	\$ 76,692

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

22. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit 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.

23. RELATED PARTIES DISCLOSURE

Key management personnel and close family members are defined as follows:

Key Management Personnel: Encompass the Council, Chief Administrative Officer (CAO), and general managers.

Close Family Member(s): An individual's spouse or adult interdependent partner, the individual's children, the parent(s) of the individual, and the parent(s) of the individual's spouse or interdependent partner.

Transactions with these individuals are considered to be in the normal course of operations and are recorded at the exchange amount, which approximates fair value.

24. BUDGET FIGURES

The budget information presented in these consolidated financial statements are based on the budget approved by council on April 14, 2020. Amortization was included in the budget but was removed for the calculation of the taxation requirement.

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

25. SUBSEQUENT EVENTS

On December 9, 2020, the Province of Alberta approved Order in Council 386-202 dissolving the Village of Wabamun (the "Village") effective January 1, 2021. The Village's assets, liabilities, and accumulated surplus as at December 31, 2020 will be transferred to the County effective January 1, 2021 as follows:

Financial Assets

Cash and cash equivalents	\$ 927,086
Accounts receivable	1,074,085
Investments	57,450
Land held for resale	2,076,643
	<u>4,135,264</u>

Liabilities

Accounts payable and accrued liabilities	169,088
Deposit liabilities	2,000
Deferred revenue	196,813
	<u>367,901</u>

Net Financial Assets

3,767,363

Non-Financial Assets

Tangible capital assets	13,955,467
	<u>13,955,467</u>

Accumulated Surplus

\$ 17,722,830