

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

**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, 2021
- 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, 2021, 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 26, 2022

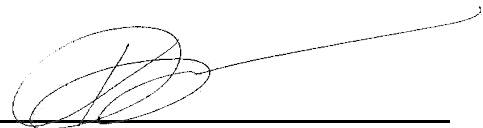
PARKLAND COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 21,222,119	\$ 17,270,845
Accounts receivable (Note 3)	27,807,234	16,717,589
Investments (Note 4)	132,016,887	134,584,743
Land held for resale	1,136,000	145,312
	<u>182,182,240</u>	<u>168,718,489</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	13,738,623	13,759,445
Deposit liabilities	3,722,925	2,421,452
Deferred revenue (Note 6)	32,742,227	49,935,883
Long term debt (Note 7)	38,111,966	33,042,001
Environmental liabilities (Note 9)	5,606,220	5,695,215
	<u>93,921,961</u>	<u>104,853,996</u>
Net Financial Assets	<u>88,260,279</u>	<u>63,864,493</u>
Non-Financial Assets		
Tangible capital assets (Note 10)	543,290,450	515,888,983
Consumable inventories (Note 11)	9,400,206	9,664,064
Prepaid expenses	1,626,170	1,187,558
	<u>554,316,826</u>	<u>526,740,605</u>
Accumulated Surplus (Note 12)	<u>\$ 642,577,105</u>	<u>\$ 590,605,098</u>
Contractual rights (Note 13)		
Contractual obligations (Note 14)		
Contingent assets and liabilities (Note 15)		

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



Allan Gamble
Mayor



Kristina Kowalski
Deputy Mayor

PARKLAND COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2021

	BUDGET (Note 26)	2021	2020
Revenues			
Taxation (Note 16)	\$ 66,849,600	\$ 66,875,076	\$ 65,610,474
User fees and sales	10,978,979	10,979,669	9,194,438
Penalties	890,500	1,201,695	896,953
Investment income	2,142,725	3,298,350	3,988,759
Government transfers for operating (Note 17)	4,465,947	8,921,088	7,648,128
Licenses and permits	3,375,700	4,039,373	876,355
Other revenue - operating	763,866	925,634	474,048
Total Revenues	<u>89,467,317</u>	<u>96,240,885</u>	<u>88,689,155</u>
Expenses			
Salaries, wages, and employee benefits	36,285,719	34,370,167	32,515,182
Contracted and general services	19,887,700	20,518,720	16,877,096
Materials, goods, supplies, and utilities	8,637,973	8,963,588	7,350,226
Interest on long term debt	1,006,800	775,857	718,815
Bank charges	43,192	52,751	43,083
Transfers to governments, agencies, and organizations	4,974,403	4,263,317	3,797,093
Purchases from other governments	3,717,780	4,886,255	3,900,980
Amortization of tangible capital assets	17,155,500	18,034,822	16,920,790
Other expenses - operating	1,027,303	133,289	131,010
Total Expenses	<u>92,736,370</u>	<u>91,998,766</u>	<u>82,254,275</u>
Surplus (Deficiency) of Revenues over Expenses Before Other	(3,269,053)	4,242,119	6,434,880
Other			
Contributed tangible capital assets	5,975,200	8,112,406	5,831,118
Government transfers for capital (Note 17)	24,840,963	16,678,312	9,102,780
Developer and customer contributions - capital	-	11,486,566	225,000
Loss on disposal of tangible capital assets	(317,670)	(4,610,986)	(1,148,230)
Other revenue - capital	-	1,199,820	4,825
Restructuring (Note 18)	-	14,863,770	-
Annual Surplus	<u>27,229,440</u>	<u>51,972,007</u>	<u>20,450,373</u>
Accumulated Surplus, Beginning of Year	<u>590,605,098</u>	<u>590,605,098</u>	<u>570,154,725</u>
Accumulated Surplus, End of Year	<u>\$ 617,834,538</u>	<u>\$ 642,577,105</u>	<u>\$ 590,605,098</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, 2021

	BUDGET (Note 26)	2021	2020
Annual Surplus	\$ 27,229,440	\$ 51,972,007	\$ 20,450,373
Acquisition of tangible capital assets	(54,323,337)	(33,194,086)	(31,818,505)
Restructuring transfer of tangible capital assets (Note 18)	-	(12,242,635)	-
Contributed tangible capital assets	(5,975,200)	(8,112,406)	(5,831,118)
Proceeds on disposals of tangible capital assets	1,403,300	3,501,852	1,021,697
Amortization of tangible capital assets	17,155,500	18,034,822	16,920,790
Loss on disposal of tangible capital assets	317,670	4,610,986	1,148,230
	<u>(41,422,067)</u>	<u>(27,401,467)</u>	<u>(18,558,906)</u>
Change in consumable inventories	-	263,858	(284,284)
Change in prepaid expenses	-	(438,612)	(180,636)
	<u>-</u>	<u>(174,754)</u>	<u>(464,920)</u>
Change in Net Financial Assets	(14,192,627)	24,395,786	1,426,547
Net Financial Assets, Beginning of Year	63,864,493	63,864,493	62,437,946
Net Financial Assets, End of Year	<u>\$ 49,671,866</u>	<u>\$ 88,260,279</u>	<u>\$ 63,864,493</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, 2021

	2021	2020
Operating Activities:		
Annual Surplus	\$ 51,972,007	\$ 20,450,373
Items not involving cash:		
Amortization of tangible capital assets	18,034,822	16,920,790
Loss on disposal of tangible capital assets	4,610,986	1,148,230
Restructuring transfer of tangible capital assets	(12,242,635)	-
Contributed tangible capital assets	(8,112,406)	(5,831,118)
Change in non-cash items:		
Accounts receivable	(11,089,645)	(4,650,465)
Land held for resale	(990,688)	(683,000)
Accounts payable and accrued liabilities	(20,822)	3,132,002
Deposit liabilities	1,301,473	(1,811,115)
Deferred revenue	(17,193,656)	1,254,707
Environmental liabilities	(88,995)	(54,731)
Consumable inventories	263,858	(284,284)
Prepaid expenses	(438,612)	(180,636)
	<u>26,005,687</u>	<u>29,410,753</u>
Capital Activities		
Acquisition of tangible capital assets	(33,194,086)	(31,818,505)
Proceeds from disposals of tangible capital assets	3,501,852	1,021,697
	<u>(29,692,234)</u>	<u>(30,796,808)</u>
Investing Activities		
Acquisition of investments	(113,948,536)	(111,623,399)
Maturity of investments	116,544,658	108,963,337
Amortization of investment premium/discounts	(28,266)	(4,290)
	<u>2,567,856</u>	<u>(2,664,352)</u>
Financing Activities		
Long-term debt issued	7,338,136	5,102,922
Long-term debt repaid	(2,268,171)	(1,447,153)
	<u>5,069,965</u>	<u>3,655,769</u>
Net Change in Cash and Cash Equivalents	3,951,274	(394,638)
Cash and Cash Equivalents, Beginning of Year	17,270,845	17,665,483
Cash and Cash Equivalents, End of Year	\$ 21,222,119	\$ 17,270,845
Cash paid for interest	775,951	708,901
Cash received from interest	2,240,273	3,483,866

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

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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 readily convertible to cash in less than three months and are recorded at cost.

(d) Investments

Investments consist of instruments such as 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.

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee Benefit Obligations

The costs of multi-employer defined benefit pension plan benefits including 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.

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 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.

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Non-Financial Assets (Continued)

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.

(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.

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Public Sector Accounting Standards. 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)
PS1201	Financial Statement Presentation	April 1, 2022
PS2601	Foreign Currency Translation	April 1, 2022
PS3041	Portfolio Investments	April 1, 2022
PS3280	Asset Retirement Obligations	April 1, 2022
PS3450	Financial Instruments	April 1, 2022
PS3400	Revenue	April 1, 2023
PS3260	Public Private Partnerships	April 1, 2023
PSG-8	Purchased Intangibles	April 1, 2023

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

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Cash & Cash Equivalents

	2021	2020
Cash	\$ 3,793,924	\$ 5,913,596
Cash equivalents	17,428,195	11,357,249
	<u>\$ 21,222,119</u>	<u>\$ 17,270,845</u>

Cash equivalents include investments that have effective interest rates of 0.65% to 1.10% (2020 - 0.65% to 1.10%) that are generally convertible to cash in less than three months and are recorded at cost.

3. Accounts Receivable

The accounts receivable is made up of the following:

	2021	2020
Accrued interest receivable - investments	\$ 2,137,955	\$ 1,079,132
Government transfers receivable	17,418,903	8,287,434
Local improvements	515,359	690,234
Requisition underlevy	78,224	757,640
Taxes - arrears	1,394,787	1,263,424
Taxes - current	2,229,577	2,675,419
Trade and other	4,051,306	1,991,283
	<u>27,826,111</u>	<u>16,744,566</u>
Less: Valuation allowance	18,877	26,977
	<u>\$ 27,807,234</u>	<u>\$ 16,717,589</u>

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

4. Investments

Investments have carrying and market values as follows:

	2021	2021	2020	2020
	Carrying Amount	Market Value	Carrying Amount	Market Value
Cash invested	\$ 51,501	\$ 51,501	\$ 282,143	\$ 282,143
Other:				
Notes and deposits	17,868	17,868	22,147,703	22,147,703
Bank and callable bonds	95,766,434	96,576,609	83,652,123	87,045,269
Principal protected notes	35,977,900	35,559,736	28,299,600	28,286,114
Memberships/shares	203,184	203,184	203,174	203,174
	\$ 132,016,887	\$ 132,408,898	\$ 134,584,743	\$ 137,964,403

Investments have effective interest rates of 0.25% to 3.89% (2020 - 0.25% to 3.89%) while Principal Protected Notes have a variable interest and are linked to the performance of an equity market index with maturity dates between April 2022 to July 2035 (2020 - June 2024 to October 2030).

Market values are based on quoted market values received on December 31, 2021. The market values 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.

5. Accounts Payable & Accrued Liabilities

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

	2021	2020
Accrued interest on long term debt	\$ 47,065	\$ 47,158
Earned vacation and overtime liability	1,852,122	1,625,772
Holdbacks	1,152,437	2,158,900
Other government payables	2,342	-
Trade payables and accrued liabilities	9,530,089	8,938,130
Wage and benefit obligations	1,154,568	989,485
	\$ 13,738,623	\$ 13,759,445

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

6. Deferred Revenue

	<u>2020</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Amount Utilized</u>	<u>2021</u>
Government Transfers					
Municipal Sustainability Initiative - capital	\$ 13,909,865	\$ 10,347,669	\$ 51,854	\$ 10,394,002	\$ 13,915,386
Canada Community-Building Fund	7,494,684	3,858,199	40,011	2,980,343	8,412,551
Other capital grant	3,299	2,427,182	2,760	1,979,526	453,715
Municipal Sustainability Initiative - operating	58,741	343,726	950	52,377	351,040
Family and Community Support Services	106,542	973,757	-	831,933	248,366
9-1-1 grant	105,571	1,015,152	682	1,045,633	75,772
Municipal Operating Support Transfer	538,421	-	-	538,421	-
Municipal Stimulus Program	-	3,815,342	7,306	3,822,648	-
Other operating grant	198,170	3,447,232	1,372	3,064,899	581,875
	<u>22,415,293</u>	<u>27,117,877</u>	<u>104,935</u>	<u>25,599,400</u>	<u>24,038,705</u>
Other Deferred Revenue					
Offsite levies	26,767,046	2,401,427	258,453	21,654,558	7,772,368
Other revenue	753,544	1,228,021	1,460	1,051,871	931,154
	<u>27,520,590</u>	<u>3,629,448</u>	<u>259,913</u>	<u>22,706,429</u>	<u>8,703,522</u>
	<u>\$ 49,935,883</u>	<u>\$ 30,747,325</u>	<u>\$ 364,848</u>	<u>\$ 48,305,829</u>	<u>\$ 32,742,227</u>

The offsite levies amount utilized is comprised of \$11,486,566 in revenue recognized by Parkland County and \$10,167,990 returned to other front-ending parties.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

7. LONG TERM DEBT

	2021	2020
Long term debt - user pay	\$ 38,111,966	\$ 32,838,218
Long term debt - tax supported	-	203,783
	\$ 38,111,966	\$ 33,042,001

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 2041 with effective interest rates ranging from 2.08% to 6.00% (2020 - 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% (2020 - 1.95%) based on the Credit Union's prime rate less 0.5%. The outstanding balance is \$4,937,277 (2020 - \$2,994,898). 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 \$5,395,757 to the County for development of infrastructure in Acheson. A portion of these debt proceeds was used to repay \$2,994,898 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 are as follows:

	Principal	Interest	Total
2022	\$ 7,129,146	\$ 742,905	\$ 7,872,051
2023	2,151,959	687,639	2,839,598
2024	2,196,256	636,363	2,832,619
2025	2,180,603	585,034	2,765,637
2026	2,230,668	534,969	2,765,637
Thereafter	22,223,334	3,104,631	25,327,965
	\$ 38,111,966	\$ 6,291,541	\$ 44,403,507

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$775,857 in 2021 (2020 - \$718,815).

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended, December 31, 2021

8. 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>2021</u>	<u>2020</u>
Debt		
Maximum allowable debt	\$ 144,361,328	\$ 133,529,079
Total debt	(38,111,966)	(33,042,001)
Remaining Allowable Debt	<u>\$ 106,249,362</u>	<u>\$ 100,487,078</u>
Debt Payment		
Maximum annual payment on allowable debt	\$ 24,060,221	\$ 22,254,846
Annual payments on existing debt	(7,872,051)	(2,885,337)
Remaining Allowable Annual Payment	<u>\$ 16,188,170</u>	<u>\$ 19,369,509</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 consolidated financial statements must be interpreted as a whole.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

9. ENVIRONMENTAL LIABILITIES

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 3.39%. An amount of \$401,471 (2020 - \$401,471) has been recorded.

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 3.39%. An amount of \$3,005,524 (2020 - \$3,057,844) has been recorded.

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 3.39%. An amount of \$2,199,225 (2020 - \$2,235,900) has been recorded.

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 CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

10. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Assets Under Construction	Total
2021								
Cost:								
Balance, beginning of year	\$ 161,538,811	\$ 7,648,995	\$ 48,620,862	\$ 555,131,730	\$ 31,552,781	\$ 16,696,777	\$ 22,048,749	\$ 843,238,705
Acquired	274,371	718,580	-	10,207,019	3,363,836	2,319,041	16,311,239	33,194,086
Restructuring transfer	2,411,824	1,421,064	1,389,106	6,616,565	283,659	120,417	-	12,242,635
Contributed	893,132	-	-	7,219,274	-	-	-	8,112,406
Disposals	(1,346,300)	-	(87,160)	(952,213)	(9,941,330)	(809,580)	-	(13,136,583)
Transfers	-	459,487	13,218,739	3,094,940	2,165,826	594,224	(19,533,216)	-
Balance, End of Year	163,771,838	10,248,126	63,141,547	581,317,315	27,424,772	18,920,879	18,826,772	883,651,249
Accumulated Amortization:								
Balance, beginning of year	-	3,111,249	14,354,280	290,250,743	12,294,211	7,339,239	-	327,349,722
Amortization expense	-	543,209	1,354,740	12,433,335	2,533,692	1,169,846	-	18,034,822
Disposals	-	-	(10,798)	(790,583)	(3,604,375)	(617,989)	-	(5,023,745)
Balance, End of Year	-	3,654,458	15,698,222	301,893,495	11,223,528	7,891,096	-	340,360,799
Net Book Value, End of Year	\$ 163,771,838	\$ 6,593,668	\$ 47,443,325	\$ 279,423,820	\$ 16,201,244	\$ 11,029,783	\$ 18,826,772	\$ 543,290,450

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

	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	(2,492.00)	-	-	(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

(a) Construction in Progress

Construction in progress having a value of \$18,826,772 (2020 - \$22,048,747) 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 \$8,112,406 (2020 - \$5,831,118).

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

11. CONSUMABLE INVENTORIES

	2021	2020
Gravel - pit run	\$ 7,871,279	\$ 8,227,727
Gravel - crushed	1,104,314	1,043,524
Gas, oil, and parts	174,197	160,848
Other	250,416	231,965
	<u>\$ 9,400,206</u>	<u>\$ 9,664,064</u>

12. ACCUMULATED SURPLUS

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

	2021	2020
Restricted surplus	\$ 136,566,497	\$ 106,790,152
Invested in tangible capital assets	505,178,484	482,846,982
Unrestricted surplus	832,124	967,964
	<u>\$ 642,577,105</u>	<u>\$ 590,605,098</u>

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

12. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS

	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Benefit premium stabilization	\$ 391,526	\$ -	\$ -	\$ 391,526
Business attraction fund	3,677,924	1,368,730	322,115	4,724,539
County facilities	9,963,094	756,961	278,342	10,441,713
Development charges	93,852	522	25,900	68,474
Entwistle community development	10,299	-	-	10,299
Environmental	794,770	-	-	794,770
Extreme events	8,205,433	-	-	8,205,433
Future capital	1,955,788	2,945,405	391,751	4,509,442
Future operating	8,596,957	4,003,096	56,308	12,543,745
Future transportation	2,160,195	521,377	2,940	2,678,632
Granular aggregates	842,939	184,947	115,692	912,194
Hamlet sustainability	43,065	772,291	141,474	673,882
Information technology	1,082,347	2,035,000	-	3,117,347
Lifecycle plans	15,444,843	5,932,357	7,138,378	14,238,822
Local improvement	66,214	-	40,895	25,319
Long term sustainability	27,607,016	18,546,494	175,742	45,977,768
Municipal park	2,336,784	186,602	520,487	2,002,899
Overland drainage	506,690	-	-	506,690
Recreation facilities	7,692,732	2,356,599	88,600	9,960,731
Waste management	7,373,446	102,409	40,280	7,435,575
Water and waste water	7,380,279	504,415	1,256,442	6,628,252
	<u>106,226,193</u>	<u>40,217,205</u>	<u>10,595,346</u>	<u>135,848,052</u>
TransAlta Tri-Leisure Centre	304,060	-	69,794	234,266
Parkland County Library Board	259,899	224,280	-	484,179
Total restricted surplus	<u>\$ 106,790,152</u>	<u>\$ 40,441,485</u>	<u>\$ 10,665,140</u>	<u>\$ 136,566,497</u>

INVESTED IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets	\$ 543,290,450	\$ 515,888,983
Long term debt	(38,111,966)	(33,042,001)
	<u>\$ 505,178,484</u>	<u>\$ 482,846,982</u>

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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 another government organization. This lease revenue is for the use of a County-owned facility. The lease term expires March 31, 2027 with an annual lease payment of \$12,744.

The County entered into three separate Memorandum of Agreements with Alberta Transportation. The lesser of \$52,500 or seventy-five percent (75%) of the actual shareable costs for the eligible project expenditures will be contributed for a bridge replacement design. The lesser of \$67,500 or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for bridge maintenance struts. The lesser of \$131,250 or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for bridge maintenance struts.

14. CONTRACTUAL OBLIGATIONS

The County has outstanding commitments of \$14,288,840 (2020 - \$12,011,964). Significant commitments included in this balance are services for aggregate crushing, infrastructure costs for Acheson Zones 5 and 7, and construction of the Walker Lake water loop.

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

2022	\$ 10,824
2023	11,041
2024	11,262
2025	11,487
2026	11,717
Thereafter	<u>222,757</u>
	\$ 279,088

The County has entered into a License of Occupation for the transit stop area located in Acheson. The annual license fee is \$26,400 and the agreement extends to December 31, 2024.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

15. CONTINGENT ASSETS AND 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, 2021. 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 CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

16. TAXATION

	Budget (Note 26)	2021	2020
Taxation revenue is made up of the following:			
Taxation			
Residential	\$ 44,443,334	\$ 44,517,167	\$ 45,010,441
Non-residential	50,493,957	49,608,253	46,624,061
Government grants in place of property taxes	22,020	22,020	20,786
	<u>94,959,311</u>	<u>94,147,440</u>	<u>91,655,288</u>
Less taxes collected on behalf of:			
Alberta School Foundation Fund	(26,332,660)	(25,600,939)	(24,354,419)
Evergreen Separate School	(2,314,537)	(2,282,865)	(2,089,572)
St. Thomas Aquinas	(9,668)	(10,709)	(8,030)
Senior's Foundation	(806,146)	(806,232)	(755,040)
Designated Industrial Property	-	(162,991)	(161,036)
	<u>(29,463,011)</u>	<u>(28,863,736)</u>	<u>(27,368,097)</u>
Net Municipal Property Taxes	65,496,300	65,283,704	64,287,191
Other Taxes			
Community aggregate levy	953,300	1,151,134	923,707
Special taxes and frontages	400,000	440,238	399,576
Net Municipal Taxes	<u>\$ 66,849,600</u>	<u>\$ 66,875,076</u>	<u>\$ 65,610,474</u>

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

17. GOVERNMENT TRANSFERS

	Budget (Note 26)	2021	2020
Operating Transfers			
Federal	\$ 1,026,950	\$ 897,784	\$ 4,010,670
Provincial	3,137,200	7,720,787	3,537,156
Other local government	301,797	302,517	100,302
	<u>4,465,947</u>	<u>8,921,088</u>	<u>7,648,128</u>
Capital Transfers			
Federal	-	-	-
Provincial	24,827,700	16,612,067	9,061,147
Other local government	13,263	66,245	41,633
	<u>24,840,963</u>	<u>16,678,312</u>	<u>9,102,780</u>
Total Government Transfers	<u>\$ 29,306,910</u>	<u>\$ 25,599,400</u>	<u>\$ 16,750,908</u>

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

18. RESTRUCTURING - DISSOLUTION OF THE VILLAGE OF WABAMUN

Pursuant to a Province of Alberta Order in Council 386-2020, the Village of Wabamun (the "Village") was dissolved effective January 1, 2021. The Village's assets, liabilities, and accumulated surplus as at December 31, 2020 were transferred to the County effective January 1, 2021 as follows:

	2020
Financial Assets	
Cash and cash equivalents	\$ 959,290
Accounts receivable	760,296
Investments	57,450
Land held for resale	1,212,000
	2,989,036
 Liabilities	
Accounts payable and accrued liabilities	169,088
Deposit liabilities	2,000
Deferred revenue	196,813
	367,901
 Net Financial Assets	2,621,135
 Non-Financial Assets	
Tangible capital assets	12,242,635
	12,242,635
 Accumulated Surplus	\$ 14,863,770

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

19. 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	2021	2020
Mayor - Former	\$ 91,584	\$ 14,764	\$ 2,477	\$ 108,825	\$ 123,995
Mayor - Current	24,452	4,843	856	30,151	-
Councillor - Division 1 - Former	50,705	12,405	2,479	65,589	84,640
Councillor - Division 1 - Current	15,056	3,246	809	19,111	-
Councillor - Division 2 - Former	-	29	400	429	79,889
Councillor - Division 2 - Current	14,162	3,085	618	17,865	-
Councillor - Division 3 - Current	79,071	10,307	1,657	91,035	77,825
Councillor - Division 4 - Former	53,102	12,088	2,743	67,933	73,578
Councillor - Division 4 - Current	13,715	2,998	438	17,151	-
Councillor - Division 5 - Former	51,450	12,537	2,606	66,593	88,349
Councillor - Division 5 - Current	14,907	3,221	798	18,926	-
Councillor - Division 6 - Former	59,164	11,216	2,466	72,846	87,732
Councillor - Division 6 - Current	14,857	2,347	2,548	19,752	-
	\$ 482,225	\$ 93,086	\$ 20,895	\$ 596,206	\$ 616,008
Interim CAO	\$ 195,000	\$ 40,113	\$ 7,670	\$ 242,783	\$ 467,119
Designated Assessor, Legislative Services	\$ 125,520	\$ 26,625	\$ 980	\$ 153,125	\$ 154,002

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

Council benefits include an employer's share of all employee benefits (pension or Registered Retirement Savings Plan, health, vision, dental, life insurance, accidental death and dismemberment, and 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, and mileage to attend Council meetings as well as car allowance and other cash payments.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

20. PENSION PLANS

(a) APEX

The APEX supplementary pension plan commenced on January 1, 2006 and provides supplementary pension benefits to a prescribed class of employees (approximately 42 in 2021). 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% (2020 - 2.61% and 3.85%) respectively of pensionable earnings up to \$162,278 in 2021 (2020 - \$154,611).

Total current service contributions by the County to APEX in 2021 were \$205,336 (2020 - \$199,410). Total current service contributions by the employees of the County were \$139,201 (2020 - \$135,186).

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 275,863 people and 433 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% (2020 - 9.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84% (2020 - 13.84%) for the excess. Employees of the County are required to make current service contributions of 8.39% (2020 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2020 - 12.84%) on pensionable salary above this amount.

Total current service contributions by Parkland County to LAPP in 2021 were \$2,188,193 (2020 - \$2,202,235). Total current service contributions by the employees of Parkland County to the LAPP in 2021 were \$1,993,012 (2020 - \$2,012,314).

At December 31, 2020 the Plan disclosed a surplus of \$4.961 billion.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

21. 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 proving 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.

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

21. SEGMENTED INFORMATION (CONTINUED)

2021	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
Revenues							
Taxation	\$ 24,581,045	\$ 7,711,234	\$ 22,461,261	\$ 3,752,894	\$ 5,077,761	\$ 3,290,881	\$ 66,875,076
User fees and sales	776,093	2,467,000	332,429	5,537,483	1,465,795	400,869	10,979,669
Penalties	1,188,451	-	-	13,244	-	-	1,201,695
Investment income	3,117,438	-	14,508	55,719	110,685	-	3,298,350
Government transfers	8,393,085	3,436,988	10,721,366	767,687	1,381,363	898,911	25,599,400
Licenses and permits	(13,562)	10,985	11,914	-	-	4,030,036	4,039,373
Other revenues	304,683	16,843	200,260	106,269	297,579	1,199,820	2,125,454
Developer and customer contributions - capital	11,486,566	-	-	-	-	-	11,486,566
Contributed tangible capital assets	361,402	-	7,751,004	-	-	-	8,112,406
Restructuring	5,827,506	32,590	2,752,625	4,988,778	1,262,271	-	14,863,770
Total Revenues	56,022,707	13,675,640	44,245,367	15,222,074	9,595,454	9,820,517	148,581,759
Budgeted Revenues	38,124,850	10,824,150	41,429,050	12,309,710	9,198,720	8,397,000	120,283,480
Expenses							
Salaries, wages, and benefits	9,913,406	6,398,551	8,014,130	2,625,631	2,562,590	4,855,859	34,370,167
Contracted and general services	7,053,416	2,739,981	5,295,889	2,344,072	1,561,571	1,523,791	20,518,720
Materials, supplies, and utilities	1,488,013	730,681	5,300,614	487,197	738,216	218,867	8,963,588
Interest on long term debt	-	-	597,771	167,032	11,054	-	775,857
Bank charges	52,033	-	-	19	699	-	52,751
Transfers to governments, agencies, and organizations	114,651	1,335,095	6,575	193,405	2,511,959	101,632	4,263,317
Purchases from other governments	56,291	1,079,319	256,389	3,494,256	-	-	4,886,255
Amortization of tangible capital assets	897,206	563,377	6,252,323	1,798,236	1,002,291	7,521,389	18,034,822
Loss on disposal of tangible capital assets	1,326,289	-	344,864	(10,095)	2,788,297	161,631	4,610,986
Other expenses	31,870	-	-	-	101,419	-	133,289
Total Expenses	20,933,175	12,847,004	26,068,555	11,099,753	11,278,096	14,383,169	96,609,752
Budgeted Expenses	22,768,050	10,079,000	33,521,120	9,474,480	9,888,390	7,323,000	93,054,040
Annual Surplus (Deficit)	35,089,532	828,636	18,176,812	4,122,321	(1,682,642)	(4,562,652)	51,972,007
Net Budget	\$ 15,356,800	\$ 745,150	\$ 7,907,930	\$ 2,835,230	\$ (689,670)	\$ 1,074,000	\$ 27,229,440

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

21. SEGMENTED INFORMATION (CONTINUED)

2020

	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
Revenue							
Taxation	\$ 24,589,054	\$ 6,171,852	\$ 21,855,750	\$ 2,753,376	\$ 5,622,107	\$ 4,618,335	\$ 65,610,474
User fees and sales	136,769	2,464,244	285,940	4,819,738	1,266,836	220,911	9,194,438
Penalties	888,802	-	-	8,151	-	-	896,953
Investment income	3,745,119	-	16,310	107,419	117,872	2,039	3,988,759
Government transfers	5,939,076	1,579,162	4,412,848	1,373,861	1,349,015	2,096,946	16,750,908
Licenses and permits	-	8,630	9,630	-	-	858,095	876,355
Other revenue	359,567	-	67,659	163,249	(115,178)	3,576	478,873
Developer and customer contributions - capital	225,000	-	-	-	-	-	225,000
Contributed tangible capital assets	-	-	2,763,635	980,877	-	2,086,606	5,831,118
Total Revenues	35,883,387	10,223,888	29,411,772	10,206,671	8,240,652	9,886,508	103,852,878
Expenses							
Salaries, wages, and benefits	9,866,737	5,599,932	7,715,406	2,207,114	2,190,783	4,935,210	32,515,182
Contracted and general services	5,643,170	731,268	4,203,492	1,750,268	1,177,718	3,371,180	16,877,096
Materials, supplies, and utilities	502,340	712,894	5,162,287	351,478	503,116	118,111	7,350,226
Interest on long term debt	-	-	534,495	114,580	22,413	47,327	718,815
Bank charges	42,601	-	-	-	482	-	43,083
Transfers to governments, agencies, and organizations	68,183	686,109	-	221,060	2,799,670	22,071	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	11,401,052	2,420,335	829,891	1,072,512	16,920,790
Loss on disposal of tangible capital assets	(5,589)	86,506	933,315	66,999	-	66,999	1,148,230
Other expenses	7,947	-	-	-	123,063	-	131,010
Total Expenses	16,750,006	9,498,767	30,264,847	9,608,339	7,647,136	9,633,410	83,402,505
Annual Surplus (Deficit)	\$ 19,133,381	\$ 725,121	\$ (853,075)	\$ 598,332	\$ 593,516	\$ 253,098	\$ 20,450,373

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

22. TRANSALTA TRI LEISURE CENTRE (TLC)

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 proportionate ownership of the TLC is 33.5% (2020 – 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% (2020 - 25.5%).

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

	2021	2020
FINANCIAL POSITION		
Financial Assets	\$ 471,049	\$ 611,505
Financial Liabilities	(285,878)	(320,660)
Net Financial Assets	185,171	290,845
Non-Financial Assets	651,963	742,007
Accumulated Surplus	837,134	1,032,852
OPERATIONS		
Revenue	1,923,682	1,831,036
Expenses	(2,119,400)	(2,084,763)
Annual Deficit	\$ (195,718)	\$ (253,727)

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

	2021	2020
Restricted surplus	\$ 234,266	\$ 304,060
Invested in tangible capital assets	602,868	695,805
Unrestricted surplus	-	32,987
	\$ 837,134	\$ 1,032,852

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

23. 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.

24. RELATED PARTIES DISCLOSURE

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

Key Management Personnel: Encompass the Council, Chief Administration 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.

25. COMPARATIVE INFORMATION

Certain other comparative information have been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

26. BUDGET INFORMATION

The budget information presented in these consolidated financial statements are based on the budget approved by Council on April 13, 2021. Amortization was included in the budget but was removed for the calculation of the taxation requirement.
