

PARKLAND COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

**PARKLAND COUNTY
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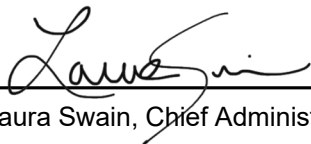
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The elected Mayor and Council of Parkland County are composed entirely of individuals who are neither management nor employees of the County. The Mayor and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the County's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and management to discuss their audit findings.



Laura Swain, Chief Administrative Officer



Jeff Dyck, CPA, CA General Manager Corporate Services and CFO

Parkland County, Alberta

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Parkland County

Opinion

We have audited the accompanying consolidated financial statements of Parkland County (the “County”), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2022, and the results of its consolidated operations 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 report. We are independent of the County 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 those 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 these 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 consolidated financial statements, management is responsible for assessing the County'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 County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County'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 it 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 County's internal control.
- Evaluate the appropriateness of accounting policies 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 County'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 consolidated 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 County 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.
- 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.

We 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

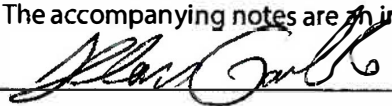
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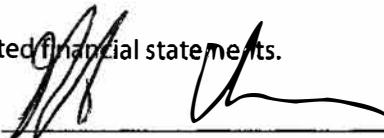
PARKLAND COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Financial Assets | | |
| Cash and cash equivalents (Note 2) | \$ 29,891,715 | \$ 21,222,119 |
| Accounts receivable (Note 3) | 16,199,274 | 27,807,234 |
| Investments (Note 4) | 137,426,996 | 132,016,887 |
| Land held for resale | 1,022,000 | 1,136,000 |
| | 184,539,985 | 182,182,240 |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | 10,969,259 | 13,738,623 |
| Deposit liabilities | 3,306,075 | 3,722,925 |
| Deferred revenue (Note 6) | 22,911,212 | 32,742,227 |
| Long term debt (Note 7) | 39,917,097 | 38,111,966 |
| Environmental liabilities (Note 9) | 5,706,057 | 5,606,220 |
| | 82,809,700 | 93,921,961 |
| Net Financial Assets | 101,730,285 | 88,260,279 |
| Non-Financial Assets | | |
| Tangible capital assets (Note 10) | 558,794,968 | 543,290,450 |
| Consumable inventories (Note 11) | 10,762,105 | 9,400,206 |
| Prepaid expenses | 1,620,564 | 1,626,170 |
| | 571,177,637 | 554,316,826 |
| Accumulated Surplus (Note 12) | \$ 672,907,922 | \$ 642,577,105 |

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


 Rob Wiedeman
 Deputy Mayor

PARKLAND COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2022

| | BUDGET (Note 25) | 2022 | 2021 |
|--|---------------------------|------------------------------|------------------------------|
| Revenues | | | |
| Taxation (Note 16) | \$ 69,176,000 | \$ 68,591,540 | \$ 66,875,076 |
| User fees and sales | 10,839,320 | 11,510,670 | 10,979,669 |
| Penalties | 908,500 | 1,083,416 | 1,201,695 |
| Investment income | 2,056,325 | 3,870,653 | 3,298,350 |
| Government transfers for operating (Note 17) | 7,419,424 | 6,961,870 | 8,921,088 |
| Licenses and permits | 1,355,000 | 1,308,052 | 4,039,373 |
| Other revenue - operating | 458,440 | 644,671 | 925,634 |
| Total Revenues | <u>92,213,009</u> | <u>93,970,872</u> | <u>96,240,885</u> |
| Expenses | | | |
| Salaries, wages and employee benefits | 37,536,435 | 35,407,422 | 34,370,167 |
| Contracted and general services | 20,796,130 | 19,386,546 | 20,518,720 |
| Materials, goods, supplies and utilities | 7,992,410 | 8,631,010 | 8,963,588 |
| Interest on long term debt | 1,007,200 | 951,940 | 775,857 |
| Bank charges | 40,200 | 58,458 | 52,751 |
| Transfers to governments, agencies and organizations | 8,188,450 | 7,856,165 | 4,263,317 |
| Purchases from other governments | 3,803,250 | 4,938,616 | 4,886,255 |
| Amortization of tangible capital assets | 17,504,200 | 18,523,478 | 18,034,822 |
| Other expenses - operating | 869,993 | 170,302 | 133,289 |
| Total Expenses | <u>97,738,268</u> | <u>95,923,937</u> | <u>91,998,766</u> |
| Surplus (Deficiency) of Revenues over Expenses Before Other | (5,525,259) | (1,953,065) | 4,242,119 |
| Other | | | |
| Contributed tangible capital assets | 15,340,500 | 15,805,880 | 8,112,406 |
| Government transfers for capital (Note 17) | 15,732,717 | 10,565,949 | 16,678,312 |
| Developer and customer contributions - capital | - | 4,596,778 | 11,486,566 |
| Gain/(Loss) on disposal of tangible capital assets | (617,500) | 1,315,275 | (4,610,986) |
| Other revenue - capital | - | - | 1,199,820 |
| Restructuring | - | - | 14,863,770 |
| Annual Surplus | <u>24,930,458</u> | <u>30,330,817</u> | <u>51,972,007</u> |
| Accumulated Surplus, Beginning of Year | <u>642,577,105</u> | <u>642,577,105</u> | <u>590,605,098</u> |
| Accumulated Surplus, End of Year | <u><u>667,507,563</u></u> | <u><u>\$ 672,907,922</u></u> | <u><u>\$ 642,577,105</u></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, 2022

| | BUDGET (Note 25) | 2022 | 2021 |
|--|----------------------|-----------------------|----------------------|
| Annual Surplus | \$ 24,930,458 | \$ 30,330,817 | \$ 51,972,007 |
| Acquisition of tangible capital assets (Note 10) | (33,551,180) | (19,494,116) | (33,194,086) |
| Restructuring transfer of tangible capital assets | - | - | (12,242,635) |
| Contributed tangible capital assets (Note 10) | (15,340,500) | (15,805,880) | (8,112,406) |
| Proceeds on disposals of tangible capital assets | 845,300 | 2,587,275 | 3,501,852 |
| Amortization of tangible capital assets (Note 10) | 17,504,200 | 18,523,478 | 18,034,822 |
| Loss/(Gain) on disposal of tangible capital assets | 617,500 | (1,315,275) | 4,610,986 |
| | <u>(29,924,680)</u> | <u>(15,504,518)</u> | <u>(27,401,467)</u> |
| Change in consumable inventories | - | (1,361,899) | 263,858 |
| Change in prepaid expenses | - | 5,606 | (438,612) |
| | <u>-</u> | <u>(1,356,293)</u> | <u>(174,754)</u> |
| Change in Net Financial Assets | (4,994,222) | 13,470,006 | 24,395,786 |
| Net Financial Assets, Beginning of Year | 88,260,279 | 88,260,279 | 63,864,493 |
| Net Financial Assets, End of Year | <u>\$ 83,266,057</u> | <u>\$ 101,730,285</u> | <u>\$ 88,260,279</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, 2022

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| Operating Activities: | | |
| Annual Surplus | \$ 30,330,817 | \$ 51,972,007 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 18,523,478 | 18,034,822 |
| Loss/(Gain) on disposal of tangible capital assets | (1,315,275) | 4,610,986 |
| Restructuring transfer of tangible capital assets | - | (12,242,635) |
| Contributed tangible capital assets | (15,805,880) | (8,112,406) |
| Change in non-cash items: | | |
| Accounts receivable | 11,607,960 | (11,089,645) |
| Land held for resale | 114,000 | (990,688) |
| Accounts payable and accrued liabilities | (2,769,364) | (20,822) |
| Deposit liabilities | (416,850) | 1,301,473 |
| Deferred revenue | (9,831,015) | (17,193,656) |
| Environmental liabilities | 99,837 | (88,995) |
| Consumable inventories | (1,361,899) | 263,858 |
| Prepaid expenses | 5,606 | (438,612) |
| | <u>29,181,415</u> | <u>26,005,687</u> |
| Capital Activities | | |
| Acquisition of tangible capital assets | (19,494,116) | (33,194,086) |
| Proceeds from disposals of tangible capital assets | 2,587,275 | 3,501,852 |
| | <u>(16,906,841)</u> | <u>(29,692,234)</u> |
| Investing Activities | | |
| Acquisition of investments | (71,112,589) | (113,948,536) |
| Maturity of investments | 65,722,472 | 116,544,658 |
| Amortization of investment premium/discounts | (19,992) | (28,266) |
| | <u>(5,410,109)</u> | <u>2,567,856</u> |
| Financing Activities | | |
| Long-term debt issued | 3,997,001 | 7,338,136 |
| Long-term debt repaid | (2,191,870) | (2,268,171) |
| | <u>1,805,131</u> | <u>5,069,965</u> |
| Net Change in Cash and Cash Equivalents | 8,669,596 | 3,951,274 |
| Cash and Cash Equivalents, Beginning of Year | 21,222,119 | 17,270,845 |
| Cash and Cash Equivalents, End of Year | <u>\$ 29,891,715</u> | <u>\$ 21,222,119</u> |

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, 2022

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 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, 2022

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, 2022

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, 2022

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, 2022

2. Cash & Cash Equivalents

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Cash | \$ 6,096,899 | \$ 3,793,924 |
| Cash equivalents | 23,794,816 | 17,428,195 |
| | \$ 29,891,715 | \$ 21,222,119 |

Cash equivalents include investments that have effective interest rates of 4.65% to 4.75% (2021 - 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:

| | 2022 | 2021 |
|---------------------------------|---------------|---------------|
| Accrued interest receivable | \$ 3,639,793 | \$ 2,137,955 |
| Government transfers receivable | 6,105,103 | 17,418,903 |
| Local improvements | 340,691 | 515,359 |
| Requisition underlevy | 175,286 | 78,224 |
| Taxes - arrears | 1,246,998 | 1,394,787 |
| Taxes - current | 2,648,637 | 2,229,577 |
| Trade and other | 2,052,843 | 4,051,306 |
| | 16,209,351 | 27,826,111 |
| Less: Valuation allowance | 10,077 | 18,877 |
| | \$ 16,199,274 | \$ 27,807,234 |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

4. Investments

Investments have carrying and market values as follows:

| | 2022 | 2022 | 2021 | 2021 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Carrying Amount | Market Value | Carrying Amount | Market Value |
| Cash invested | \$ 51,501 | \$ 51,501 | \$ 51,501 | \$ 51,501 |
| Other: | | | | |
| Notes and deposits | 94 | 94 | 17,868 | 17,868 |
| Bank and callable bonds | 90,652,817 | 80,740,014 | 95,766,434 | 96,576,609 |
| Principal protected notes | 41,519,400 | 39,154,529 | 35,977,900 | 35,559,736 |
| Guaranteed investment certificate | 5,000,000 | 5,000,000 | - | - |
| Memberships/shares | 203,184 | 203,184 | 203,184 | 203,184 |
| | <u>\$ 137,426,996</u> | <u>\$ 125,149,322</u> | <u>\$ 132,016,887</u> | <u>\$ 132,408,898</u> |

Investments have effective interest rates of 1.80% to 5.00% (2021 - 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 May 2028 to April 2032 (2021 - April 2022 to July 2035).

Market values are based on quoted market values received on December 31, 2022. 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:

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Accrued interest on long term debt | \$ 59,826 | \$ 47,065 |
| Earned vacation and overtime liability | 1,874,440 | 1,852,122 |
| Holdbacks | 430,471 | 1,152,437 |
| Other government payables | 5,179 | 2,342 |
| Trade payables and accrued liabilities | 7,607,797 | 9,530,089 |
| Wage and benefit obligations | 991,546 | 1,154,568 |
| | <u>\$ 10,969,259</u> | <u>\$ 13,738,623</u> |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

6. Deferred Revenue

| | <u>2021</u> | <u>Contributions</u> | <u>Interest Earned</u> | <u>Amount Utilized</u> | <u>2022</u> |
|---|----------------------|----------------------|------------------------|------------------------|----------------------|
| Government Transfers | | | | | |
| Municipal Sustainability Initiative - capital | \$ 13,915,386 | \$ 4,196,170 | \$ 190,323 | \$ 9,639,748 | \$ 8,662,131 |
| Canada Community-building fund | 8,412,551 | 1,973,443 | 119,203 | 2,381,420 | 8,123,777 |
| Other capital grant | 453,715 | 908,529 | 10,158 | 1,000,829 | 371,573 |
| Municipal Sustainability Initiative - operating | 351,040 | 343,726 | 6,095 | 698,960 | 1,901 |
| Family and Community Support Services | 248,366 | 584,253 | - | 826,935 | 5,684 |
| 9-1-1 grant | 75,772 | 1,921,801 | 11,087 | 1,341,201 | 667,459 |
| Other operating grant | 581,875 | 1,412,984 | (10,085) | 1,638,726 | 346,048 |
| | <u>24,038,705</u> | <u>11,340,906</u> | <u>326,781</u> | <u>17,527,819</u> | <u>18,178,573</u> |
| Other Deferred Revenue | | | | | |
| Offsite levies | 7,772,368 | 20,548 | 216,984 | 4,596,778 | 3,413,122 |
| Other revenue | 931,154 | 1,681,559 | 8,687 | 1,301,883 | 1,319,517 |
| | <u>8,703,522</u> | <u>1,702,107</u> | <u>225,671</u> | <u>5,898,661</u> | <u>4,732,639</u> |
| | <u>\$ 32,742,227</u> | <u>\$ 13,043,013</u> | <u>\$ 552,452</u> | <u>\$ 23,426,480</u> | <u>\$ 22,911,212</u> |

The offsite levies amount utilized is comprised of \$4,596,778 (2021- \$11,486,566) in revenue recognized by Parkland County.

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

7. LONG TERM DEBT

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Alberta Treasury Board and Finance | \$ 38,982,819 | \$ 33,174,689 |
| Servus Credit Union | 934,278 | 4,937,277 |
| | \$ 39,917,097 | \$ 38,111,966 |

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 2047 with effective interest rates ranging from 2.08% to 5.75% (2021 - 2.08% to 6.00%).

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 5.95% (2021 - 1.95%) based on the Credit Union's prime rate less 0.5%. 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 \$8,000,000 (2021 - \$5,395,757) to the County for development of infrastructure in Acheson. A portion of these debt proceeds was used to repay \$4,937,277 (2021 - \$2,994, 898) of the infrastructure loan facility agreement. These amounts are shown on a net basis.

Principal and interest amounts due on debentures to Alberta Treasury Board and Finance in each of the next five years are as follows:

| | Principal | Interest | Total |
|------------|---------------|---------------|---------------|
| 2023 | \$ 2,321,219 | \$ 1,092,443 | \$ 3,413,662 |
| 2024 | 2,373,860 | 1,015,584 | 3,389,444 |
| 2025 | 2,366,961 | 955,500 | 3,322,461 |
| 2026 | 2,426,212 | 896,249 | 3,322,461 |
| 2027 | 2,487,071 | 835,390 | 3,322,461 |
| Thereafter | 27,007,496 | 6,691,321 | 33,698,817 |
| | \$ 38,982,819 | \$ 11,486,487 | \$ 50,469,306 |

Total interest on long-term debt which is reported on the consolidated statement of operations and accumulated surplus amounted to \$951,940 in 2022 (2021 - \$775,857).

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended, December 31, 2022

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:

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Debt | | |
| Maximum allowable debt | \$ 140,956,308 | \$ 144,361,328 |
| Total debt | (39,917,097) | (38,111,966) |
| Remaining Allowable Debt | \$ 101,039,211 | \$ 106,249,362 |
| Debt Payment | | |
| Maximum annual payment on allowable debt | \$ 23,492,718 | \$ 24,060,221 |
| Annual payments on existing debt | (3,413,662) | (7,872,051) |
| Remaining Allowable Annual Payment | \$ 20,079,056 | \$ 16,188,170 |

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, 2022

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 5.22% (2021 - 3.39%). An amount of \$583,813 (2021 - \$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 5.22% (2021 - 3.39%). An amount of \$2,989,135 (2021 - \$3,005,524) 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 5.22% (2021 - 3.39%). An amount of \$2,133,109 (2021 - \$2,199,225) 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, 2022

10. TANGIBLE CAPITAL ASSETS

| | Land | Land Improvements | Buildings | Engineered Structures | Machinery & Equipment | Vehicles | Assets Under Construction | Total |
|------------------------------------|-----------------------|----------------------|----------------------|--------------------------|--------------------------|----------------------|------------------------------|-----------------------|
| 2022 | | | | | | | | |
| Cost: | | | | | | | | |
| Balance, beginning 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 |
| Acquired | 144,432 | 2,117,798 | 406,716 | 10,954,884 | 2,782,118 | 1,224,199 | 1,863,969 | 19,494,116 |
| Contributed | 1,900,462 | - | - | 13,905,418 | - | - | - | 15,805,880 |
| Disposals | (10,373) | - | (1,859,530) | (671,854) | (2,137,633) | (1,407,997) | - | (6,087,387) |
| Transfers | - | 519,344 | 7,389,648 | 6,857,465 | 1,040,571 | 1,196,697 | (17,003,725) | - |
| Balance, End of Year | 165,806,359 | 12,885,268 | 69,078,381 | 612,363,228 | 29,109,828 | 19,933,778 | 3,687,016 | 912,863,858 |
| Accumulated Amortization: | | | | | | | | |
| Balance, beginning of year | - | 3,654,458 | 15,698,222 | 301,893,495 | 11,223,528 | 7,891,096 | - | 340,360,799 |
| Amortization expense | - | 578,529 | 1,444,109 | 12,773,574 | 2,452,252 | 1,275,014 | - | 18,523,478 |
| Disposals | - | - | (1,765,479) | (621,010) | (1,181,983) | (1,246,915) | - | (4,815,387) |
| Balance, End of Year | - | 4,232,987 | 15,376,852 | 314,046,059 | 12,493,797 | 7,919,195 | - | 354,068,890 |
| Net Book Value, End of Year | \$ 165,806,359 | \$ 8,652,281 | \$ 53,701,529 | \$ 298,317,169 | \$ 16,616,031 | \$ 12,014,583 | \$ 3,687,016 | \$ 558,794,968 |

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

| | 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 |

(a) Construction in Progress

Construction in progress having a value of \$3,687,016 (2021 - \$18,826,772) has not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair value at the date of contribution. Contributed tangible capital assets consisting of land, roads, drainage and water/wastewater infrastructure received during the year have a value of \$15,805,880 (2021 - \$8,112,406).

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

11. CONSUMABLE INVENTORIES

| | 2022 | 2021 |
|---------------------|----------------------|---------------------|
| Gravel - pit run | \$ 8,796,531 | \$ 7,871,279 |
| Gravel - crushed | 1,452,775 | 1,104,314 |
| Gas, oil, and parts | 203,514 | 174,197 |
| Other | 309,285 | 250,416 |
| | <u>\$ 10,762,105</u> | <u>\$ 9,400,206</u> |

12. ACCUMULATED SURPLUS

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

| | 2022 | 2021 |
|-------------------------------------|-----------------------|-----------------------|
| Restricted surplus | \$ 152,793,357 | \$ 136,566,497 |
| Invested in tangible capital assets | 518,877,871 | 505,178,484 |
| Unrestricted surplus | 1,236,694 | 832,124 |
| | <u>\$ 672,907,922</u> | <u>\$ 642,577,105</u> |

(Continues)

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

12. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS

| | <u>2021</u> | <u>Reallocations</u> | <u>Increases</u> | <u>Decreases</u> | <u>2022</u> |
|---------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| Benefit premium stabilization | \$ 391,526 | \$ - | \$ - | \$ - | \$ 391,526 |
| Business attraction fund | 4,724,539 | 3,532,458 | 628,797 | 28,729 | 8,857,065 |
| County facilities | 10,441,713 | (318,809) | 1,531,235 | 411,432 | 11,242,707 |
| Developer Recoveries | | 11,530,539 | 4,633,760 | - | 16,164,299 |
| Development charges | 68,474 | (43,939) | 1,365 | 25,900 | - |
| Entwistle community development | 10,299 | (10,299) | - | - | - |
| Environmental | 794,770 | 2,314,618 | 3,000 | 8,602 | 3,103,786 |
| Extreme events | 8,205,433 | 1,215,926 | 17,506 | 571,360 | 8,867,505 |
| Future capital | 4,509,442 | 1,705,610 | 2,538,025 | 509,229 | 8,243,848 |
| Future operating | 12,543,745 | (1,481,163) | 2,685,324 | 1,725,347 | 12,022,559 |
| Future transportation | 2,678,632 | (2,724,498) | 108,431 | 62,565 | - |
| Granular aggregates | 912,194 | (933,451) | 124,190 | 102,933 | - |
| Hamlet sustainability | 673,882 | (711,821) | 70,525 | 32,586 | - |
| Information technology | 3,117,347 | - | 35,000 | - | 3,152,347 |
| Lifecycle plans | 14,238,822 | 3,616,059 | 5,817,288 | 3,971,911 | 19,700,258 |
| Local improvement | 25,319 | - | - | 25,319 | - |
| Long term sustainability | 45,977,768 | (9,485,681) | 7,579,631 | 189,563 | 43,882,155 |
| Municipal park | 2,002,899 | - | 76,867 | 948,435 | 1,131,331 |
| Overland drainage | 506,690 | (328,633) | - | 178,057 | - |
| Recreation facilities | 9,960,731 | (397,281) | 1,251,463 | 2,125,775 | 8,689,138 |
| Waste management | 7,435,575 | (7,479,635) | 215,960 | 171,900 | - |
| Water and waste water | 6,628,252 | - | 1,084,942 | 899,971 | 6,813,223 |
| | <u>135,848,052</u> | <u>-</u> | <u>28,403,309</u> | <u>11,989,614</u> | <u>152,261,747</u> |
| TransAlta Tri-Leisure Centre | 234,266 | - | - | 47,469 | 186,797 |
| Parkland County Library Board | 484,179 | - | - | 139,366 | 344,813 |
| Total restricted surplus | <u>\$ 136,566,497</u> | <u>\$ -</u> | <u>\$ 28,403,309</u> | <u>\$ 12,176,449</u> | <u>\$ 152,793,357</u> |

INVESTED IN TANGIBLE CAPITAL ASSETS

| | <u>2022</u> | <u>2021</u> |
|-------------------------|-----------------------|-----------------------|
| Tangible capital assets | \$ 558,794,968 | \$ 543,290,450 |
| Long term debt | (39,917,097) | (38,111,966) |
| | <u>\$ 518,877,871</u> | <u>\$ 505,178,484</u> |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

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 \$322,500 (2021 - \$52,500) or seventy-five percent (75%) of the actual shareable costs for the eligible project expenditures will be contributed for a bridge replacement. The lesser of \$67,500 (2021 - \$67,500) or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for bridge replacement (2021 - bridge maintenance). The lesser of \$517,500 (2021 - \$131,250) or seventy-five percent (75%) of the actual shareable costs for eligible project expenditures will be contributed for bridge replacement (2021 - bridge maintenance).

14. CONTRACTUAL OBLIGATIONS

The County has outstanding commitments of \$19,650,527 (2021 - \$14,288,840). Significant commitments included in this balance are services for aggregate crushing, supply of aggregates, Helenslea Heath Rehabilitation, Emergency Communications Centre Network, purchase of custom fire apparatus, Local Government cost share agreements, and fire agreements.

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

| | | |
|------------|----|---------|
| 2023 | \$ | 11,841 |
| 2024 | | 11,262 |
| 2025 | | 11,487 |
| 2026 | | 11,717 |
| 2027 | | 11,951 |
| Thereafter | | 210,806 |
| | \$ | 269,064 |

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, 2022

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, 2022. 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, 2022

16. TAXATION

| | Budget (Note 25) | 2022 | 2021 |
|---|----------------------|----------------------|----------------------|
| Taxation revenue is made up of the following: | | | |
| Taxation | | | |
| Residential | \$ 45,674,265 | \$ 45,609,985 | \$ 44,517,167 |
| Non-residential | 51,484,093 | 51,119,571 | 49,608,253 |
| Government grants in place of property taxes | 23,571 | 23,571 | 22,020 |
| | <u>97,181,929</u> | <u>96,753,127</u> | <u>94,147,440</u> |
| Less taxes collected on behalf of: | | | |
| Alberta School Foundation Fund | (26,117,076) | (25,911,175) | (25,600,939) |
| Evergreen Separate School | (2,148,947) | (2,277,775) | (2,282,865) |
| St. Thomas Aquinas | (7,462) | (9,576) | (10,709) |
| Senior's Foundation | (1,085,744) | (1,083,555) | (806,232) |
| Designated Industrial Property | - | (153,394) | (162,991) |
| | <u>(29,359,229)</u> | <u>(29,435,475)</u> | <u>(28,863,736)</u> |
| Net Municipal Property Taxes | 67,822,700 | 67,317,652 | 65,283,704 |
| Other Taxes | | | |
| Community aggregate levy | 953,300 | 874,181 | 1,151,134 |
| Special taxes and frontages | 400,000 | 399,707 | 440,238 |
| Net Municipal Taxes | <u>\$ 69,176,000</u> | <u>\$ 68,591,540</u> | <u>\$ 66,875,076</u> |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

17. GOVERNMENT TRANSFERS

| | Budget (Note 25) | 2022 | 2021 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Operating Transfers | | | |
| Federal | \$ 167,868 | \$ 526,926 | \$ 897,784 |
| Provincial | 7,052,943 | 6,080,438 | 7,720,787 |
| Other local government | 198,613 | 354,506 | 302,517 |
| | <u>7,419,424</u> | <u>6,961,870</u> | <u>8,921,088</u> |
| Capital Transfers | | | |
| Federal | - | 710,519 | - |
| Provincial | 15,701,500 | 9,847,942 | 16,612,067 |
| Other local government | 31,217 | 7,488 | 66,245 |
| | <u>15,732,717</u> | <u>10,565,949</u> | <u>16,678,312</u> |
| Total Government Transfers | <u>\$ 23,152,141</u> | <u>\$ 17,527,819</u> | <u>\$ 25,599,400</u> |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

18. 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 | 2022 | 2021 |
|---|------------|------------|------------|------------|------------|
| Mayor - Former | \$ - | \$ 400 | \$ - | \$ 400 | \$ 108,825 |
| Mayor - Current | 122,797 | 21,585 | 4,773 | 149,155 | 30,151 |
| Councillor - Division 1 - Former | - | - | - | - | 65,589 |
| Councillor - Division 1 - Current | 83,174 | 17,825 | 3,452 | 104,451 | 19,111 |
| Councillor - Division 2 - Former | - | - | - | - | 429 |
| Councillor - Division 2 - Current | 87,145 | 18,194 | 3,990 | 109,329 | 17,865 |
| Councillor - Division 3 - Current | 79,746 | 10,352 | 2,093 | 92,191 | 91,035 |
| Councillor - Division 4 - Former | - | - | - | - | 67,933 |
| Councillor - Division 4 - Current | 74,367 | 16,863 | 2,426 | 93,656 | 17,151 |
| Councillor - Division 5 - Former | - | - | - | - | 66,593 |
| Councillor - Division 5 - Current | 72,913 | 16,731 | 4,987 | 94,631 | 18,926 |
| Councillor - Division 6 - Former | - | - | - | - | 72,846 |
| Councillor - Division 6 - Current | 72,315 | 13,223 | 9,659 | 95,197 | 19,752 |
| | \$ 592,457 | \$ 115,173 | \$ 31,380 | \$ 739,010 | \$ 596,206 |
| CAO | \$ 238,077 | \$ 42,212 | \$ 7,020 | \$ 287,309 | \$ 242,783 |
| Designated Assessor, Legislative Services | \$126,138 | \$27,766 | \$480 | \$ 154,384 | \$ 153,125 |

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, 2022

19. 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 45 in 2022). 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% (2021 - 2.61% and 3.85%) respectively of pensionable earnings up to \$171,000 (2021 - \$162,278).

Total current service contributions by the County to APEX in 2022 were \$196,085 (2021- \$205,336). Total current service contributions by the employees of the County were \$132,930 (2021 - \$139,201).

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 281,764 people and 435 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 8.45% (2021 - 9.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.8% (2021 - 13.84%) for the excess. Employees of the County are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 11.80% (2021 - 12.84%) on pensionable salary above this amount.

Total current service contributions by Parkland County to LAPP in 2022 were \$2,085,806 (2021 - \$2,188,193). Total current service contributions by the employees of Parkland County to the LAPP in 2022 were \$1,850,339 (2021 - \$1,993,012).

At December 31, 2021 the Plan disclosed actuarial surplus of \$11.922 billion (2020 - \$4.961 billion).

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

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 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, 2022

20. SEGMENTED INFORMATION

2022

| | General Government | Protective Services | Transportation & Roadway Services | Utilities | Community Services | Development Services | Total |
|--|-----------------------|------------------------|---|---------------------|-----------------------|-------------------------|----------------------|
| Revenues | | | | | | | |
| Taxation | \$ 24,845,460 | \$ 6,581,855 | \$ 21,302,257 | \$ 3,936,436 | \$ 5,278,744 | \$ 6,646,788 | \$ 68,591,540 |
| User fees and sales | 284,874 | 2,756,633 | 369,738 | 6,107,824 | 1,827,928 | 163,673 | 11,510,670 |
| Penalties | 1,067,334 | - | - | 16,082 | - | - | 1,083,416 |
| Investment income | 3,326,345 | - | 59,279 | 165,032 | 319,997 | - | 3,870,653 |
| Government transfers | 2,015,650 | 1,649,816 | 8,584,301 | 2,601,107 | 2,091,323 | 585,622 | 17,527,819 |
| Licenses and permits | - | 16,151 | 10,481 | - | - | 1,281,420 | 1,308,052 |
| Other revenues | 29,644 | 1,130 | 207,233 | 167,148 | 239,516 | - | 644,671 |
| Developer and customer contributions-capital | 4,596,778 | - | - | - | - | - | 4,596,778 |
| Contributed tangible capital assets | 1,328,207 | - | 9,383,411 | 4,243,349 | - | 850,913 | 15,805,880 |
| Gain on disposal of tangible capital assets | 1,494,458 | - | 256,432 | - | - | - | 1,750,890 |
| Total Revenues | 38,988,750 | 11,005,585 | 40,173,132 | 17,236,978 | 9,757,508 | 9,528,416 | 126,690,369 |
| Budgeted Revenues | 30,294,093 | 11,355,945 | 47,552,129 | 17,712,276 | 9,490,435 | 6,881,348 | 123,286,226 |
| Expenses | | | | | | | |
| Salaries, wages & benefits | 9,982,703 | 6,540,100 | 8,022,153 | 2,837,736 | 2,939,620 | 5,085,110 | 35,407,422 |
| Contracted & general services | 8,723,437 | 1,308,929 | 3,946,379 | 3,113,841 | 1,408,727 | 885,233 | 19,386,546 |
| Materials, supplies & utilities | 819,201 | 398,626 | 6,006,958 | 433,157 | 887,744 | 85,324 | 8,631,010 |
| Interest on long term debt | - | - | 750,204 | 201,736 | - | - | 951,940 |
| Bank charges | 55,021 | - | - | - | 3,437 | - | 58,458 |
| Transfers to governments, agencies and organizations | 67,883 | 1,762,906 | 4,063 | 2,029,570 | 3,784,469 | 207,274 | 7,856,165 |
| Purchases from other governments | - | 1,144,646 | 303,662 | 3,490,308 | - | - | 4,938,616 |
| Amortization of tangible capital assets | 867,606 | 599,587 | 4,032,903 | 2,248,711 | 876,319 | 9,898,352 | 18,523,478 |
| Loss on disposal of tangible capital assets | 103,449 | 17,609 | 226,099 | - | 37,614 | 50,844 | 435,615 |
| Other expenses | 11,658 | - | - | - | 158,644 | - | 170,302 |
| Total Expenses | 20,630,958 | 11,772,403 | 23,292,421 | 14,355,059 | 10,096,574 | 16,212,137 | 96,359,552 |
| Budgeted Expenses | 22,009,155 | 11,355,300 | 24,815,357 | 12,936,131 | 9,800,948 | 17,438,877 | 98,355,768 |
| Annual Surplus (Deficit) | 18,357,792 | (766,818) | 16,880,711 | 2,881,919 | (339,066) | (6,683,721) | 30,330,817 |
| Net Budget | \$ 8,284,938 | \$ 645 | \$ 22,736,772 | \$ 4,776,145 | \$ (310,513) | \$ (10,557,529) | \$ 24,930,458 |

(Continues)

PARKLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

20. SEGMENTED INFORMATION (CONTINUED)

2021

| | General Government | Protective Services | Transportation & Roadway Services | Utilities | Community Services | Development Services | Total |
|--|-----------------------|------------------------|---|---------------------|-----------------------|-------------------------|----------------------|
| Revenue | | | | | | | |
| 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 |
| Expenses | | | | | | | |
| Salaries, wages & benefits | 9,913,406 | 6,398,551 | 8,014,130 | 2,625,631 | 2,562,590 | 4,855,859 | 34,370,167 |
| Contracted & 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 & 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 |
| Annual Surplus (Deficit) | \$ 35,089,532 | \$ 828,636 | \$ 18,176,812 | \$ 4,122,321 | \$ (1,682,642) | \$ (4,562,652) | \$ 51,972,007 |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

21 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% (2021 – 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% (2021 - 25.5%).

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

| | 2022 | 2021 |
|-----------------------------|--------------------|---------------------|
| FINANCIAL POSITION | | |
| Financial Assets | \$ 509,704 | \$ 471,049 |
| Financial Liabilities | (307,753) | (285,878) |
| Net Financial Assets | 201,951 | 185,171 |
| Non-Financial Assets | 585,148 | 651,963 |
| Accumulated Surplus | 787,099 | 837,134 |
| OPERATIONS | | |
| Revenue | 2,649,076 | 1,923,682 |
| Expenses | (2,699,111) | (2,119,400) |
| Annual Deficit | \$ (50,035) | \$ (195,718) |

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

| | 2022 | 2021 |
|-------------------------------------|-------------------|-------------------|
| Restricted surplus | \$ 186,797 | \$ 234,266 |
| Invested in tangible capital assets | 529,974 | 602,868 |
| Unrestricted surplus | 70,328 | - |
| | \$ 787,099 | \$ 837,134 |

PARKLAND COUNTY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

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 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.

24. COMPARATIVE INFORMATION

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

25. BUDGET INFORMATION

The budget information presented in these consolidated financial statements are based on the budget approved by council on April 12, 2022. Amortization was included in the budget but was removed for the calculation of the taxation requirement.
