ANNUAL FINANCIAL REPORT 2012

FOR THE YEAR ENDING DECEMBER 31, 2012
THE CORPORATION OF PARKLAND COUNTY, ALBERTA, CANADA

Prepared By: Corporate Services Division

parkland county

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WELCOME TO PARKLAND COUNTY

parkland county

Welcome to Parkland County

Parkland County is a rural municipality with a population of over 30,000 residents and is the eleventh largest municipality in Alberta. It covers an area of 242,595 hectares and is located immediately west of the City of Edmonton.

- County Auditor – KPMG LLP, Chartered Accountants
- Financial Institution – Servus Credit Union Ltd.
- County Solicitor – Reynolds, Mirth, Richards & Farmer

Mission and Vision

Mission

Parkland County will be the rural community of choice for its progressive and strategic governance efforts to create one of the most competitive business environments in Alberta, and enhance the lives of our residents in pursuit of quality of life.

Vision

The land is the tie that binds us and it shows. We're innovative and responsible land stewards. We're progressive enablers of economic prosperity. We strive to ensure land use planning, policies, and development bring together and respect the distinctiveness of rurban and rural populations. In our efforts, we are, at our core, a reflection of strong rural values.

Core Business

- Fulfilling requirements of provincial legislation
- Making and enforcing laws
- Answering the needs of people through local municipal services
- Being responsible stewards of taxpayers' money
- Providing long-term viability for the municipality

Core Values

Parkland County espouses the following values, which provide a foundation for a strong, vibrant and sustainable community.

Leadership

Parkland County will create a harmonious environment, through mutual respect, trust and support that will establish the County as a leader in the field of municipal government.

Responsibility

Parkland County will conduct itself in an open and transparent manner and provide quality service to residents and clients through efficient and effective practices while we embrace continuous improvement.

Progressive

Parkland County will be innovative and creative by capitalizing on opportunities, embracing new technologies and adapting to change.

Cooperation

Parkland County will build and maintain strong relationships with residents, neighbouring municipalities, First Nations communities and other orders of government through collaboration, mutual respect and open communication.

Community

Parkland County believes in the value of communities and will continue to support local groups and organizations. We will create and maintain safe, vibrant, sustainable and prosperous communities by maintaining and expanding infrastructure and services.

County Profile

Parkland County is a rural municipality with easy access to big city amenities. Immediately west of Edmonton, the County boasts a charming mix of agricultural, residential, industrial, commercial and recreational opportunities. Parkland County is home to a population of over 30,000 and sees generations of families continue to enjoy country living.

Committed to maintaining an environment where families can grow and enjoy life, Parkland County partners with local organizations and surrounding municipalities to offer programs and services that contribute to vibrant communities and create a sense of unity and pride among residents. Parkland County's dedication to fostering many opportunities for County residents is evident simply through the number of cost sharing agreements, such as the TransAlta Tri Leisure Centre and the Horizon Stage in Spruce Grove, the Multicultural Centre and Pioneer Museum in Stony Plain, and a variety of pools and arenas throughout the region.

As our name suggests, we are host to a wide range of parks and recreation opportunities. Parkland County is home to four primary parks and some of Alberta's most scenic lakes and campgrounds. It is not necessary to travel far from home as Parkland County offers camping, fishing, hiking, skiing, boating and much more. Facilities such as Chickakoo Lake Recreation Area, Kokomoko Park, Entwistle Outdoor Pool and the Meridian Sports Park offer everything from picnicking, swimming, and mountain biking to cross-country skiing. Parkland County is a popular destination for golfers, with 17 golf courses in the region, eight of which are rated as top-calibre courses. Parkland County also boasts a variety of tourism prospects. The Devonian Botanic Gardens, owned and operated by the University of Alberta, is world-renowned for its splendor. Sites such as the Wagner Natural Area and the Clifford E. Lee Nature Sanctuary allow visitors opportunities to take peaceful hikes with a tremendous view.

Parkland County values the growth and security of residents, and therefore offers a wide range of protective services, including a first-rate 9-1-1 Emergency Communications Centre. Educational opportunities are plentiful, with 22 public schools, five catholic schools and easy access to secondary institutions.

Regardless of an individual's lifestyle needs, Parkland County offers clean and quiet living, a wealth of attractions, a thriving industry, plenty of conveniences and breathtaking surroundings.

Economic Profile

Parkland County is a popular destination for businesses. Strategically situated on the western border of Edmonton, Parkland County has outstanding transportation links with Highways 16, 60, 43 and 16A, as well as close proximity to transportation hubs with the International Airport within 15 minutes and the CN intermodal yard five minutes from the 10,000 acre Acheson Industrial Area.

With one of the most competitive non-residential property taxes in the region, it is no surprise that Parkland County has attracted over 400 million dollars in commercial/industrial building in the last six years alone. In addition, developed land located within the Acheson Industrial Area has one of the lowest per acre price ranges in the entire greater Edmonton region. With all of these benefits, it's obvious why Parkland County was recognized in 2012 as one of Alberta Venture's Top 25 Best Communities for Business in Western Canada.

Power generation and associated coal extraction are two of the major industries in Parkland County, which have a significant influence on both rural and urban areas in our region. There are approximately 1,500 jobs associated with TransAlta Utilities power generation operations, which provide power to a significant portion of this province through their Keephills, Sundance and the brand new Keephills 3 plants, which came online in 2011.

Transportation, Distribution & Logistics as well as Advanced Manufacturing have also been identified as strong industries in Parkland County. Many prestigious transportation, distribution & logistics companies as well as several high-profile manufacturing facilities have decided to locate in Parkland County. The area also supports an active farming community including traditional livestock operations, dairy farms, grain production as well as a significant number of market gardens and world-class potato growing operations. In addition, there are exotic game ranchers who raise elk, bison, ostrich and emu.

All in all, Parkland County has something for everyone – large business, small business, agricultural and industrial – Parkland County is the perfect home for your business.

Message From The Mayor

2012 was a year that marked exciting change for Parkland County. It was the year that we gained a new understanding of long-term vision and strategic planning.

In February, Council and senior management took part in a review of Council's Strategic Plan to revisit the goals and strategies to ensure that they were still current and appropriate. What transpired over the course of those two days was nothing short of enlightening and inspiring. We took what we thought was a great strategic plan, we refined it and articulated clear goals that truly set out the future vision of Parkland County, goals that will help move the County forward as an organization and as a community.

Our greatest priority continues to be maintaining and advancing the quality of life for our residents. Parkland County has long been recognized for its diversity and quality of life; we offer a blend of rural tranquility with access to urban amenities. Strong economic development initiatives assist in maintaining that high quality of life and Council will continue to direct administration to advance development in a manner that will result in sustainable growth and prosperity.

Council made the environment a priority and we have lived this commitment through establishment of the new Environmental Advisory Committee and adoption and implementation of the Integrated Community Sustainability Plan (ICSP), a plan that has already seen significant progress. We need to balance development with the environment and not sacrifice one for the other to ensure a legacy for future generations.

Parkland County continues its commitment to the agricultural sector, as we recognize agri-business - particularly providing access to locally-grown foods – as being integral to the future of any community. Farm operations face many pressures and challenges, and we will continue to support, lobby and intervene on behalf of the agricultural sector to ensure its sustainability and vitality.

We also recognize Parkland County's role in the region, and we are committed to working with all orders of government, including our municipal neighbours, to forge stronger relationships and to work collaboratively in building the region. We will work together to expand our services in a more efficient manner, whether cost-sharing on infrastructure and facilities, or collaborating to provide better levels of service to all our residents. Our new Strategic Plan offers long-term goals and short-term strategies, strategies that are measurable and meaningful. This combination allows us the flexibility to adapt and alter strategies according to outside influences, such as the global economy, or to take advantage of new opportunities that may land on our doorstep.

I am proud of this Council, that we still have the same goals, same priorities, that we are focused and realize and recognize the end goal, which is not just to make Parkland County a preeminent rural municipality, but a premiere municipality throughout Alberta.

Mayor Rod Shaigec
June 2013

Message From The Chief Administrative Officer

Each year, when I sit to write my message for the annual report, I reflect on my message from the previous year, and find myself in awe of what can happen in such a short period of time.

Each year, I comment on how exceptional my team is at Parkland County, the progress we have made in strategic planning, and the progress we have made in fulfilling Council's Strategic Plan. And each year, I comment on the exceptional relationship between Council and Administration, and how that relationship has helped propel Parkland County as a premiere organization in the Capital Region.

This year is no different.

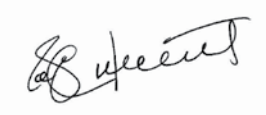
Indeed, when I reflect on 2012 and compare to the experiences of 2011, I can see that Parkland County continues to grow and adapt as an organization and as a community. It is the ability to grow and adapt that enables us to be flexible and capable of managing issues and capitalizing on opportunities that come our way. It is what ensures Parkland County can operate from a position of strength and allows us to keep pace with the demands of the region. There are always challenges, but we in Parkland County look at those as opportunities.

In 2012, Parkland County took the bold step of refreshing its image. After over 20 years as the official logo of Parkland County, the spruce tree and sun/cog that have been the face of Parkland County have taken their final bow. Trademarked in 1989, the outgoing Parkland County logo has served this community well for a long time. However, it had come to the point where the logo no longer captured a clear direction for the future. After years of ubiquity, the image had become safe and predictable. It had lost its lustre.

It was time to step out of our comfort zone and present a new face - one that better reflected the organization and the community. Therefore, on September 4th, Parkland County unveiled its newest logo design, a design we believe reflects a new energy for the County.

The boldness of the text reflects that of the County. The green of the logo is fresh and energetic, striking and contemporary in the marketplace. Separating "park" and "land" with different colours is counterintuitive and striking, emphasizing "land," something we have a lot of here in Parkland County. In addition, the use of lowercase letters is modern and less predictable.

The icon is reflective of both industry and agriculture, evocative of our land-based value proposition and our agricultural roots. Parkland County is an exciting, vibrant community on the rise and we feel our new branding image depicts that quite nicely.



Pat Vincent
Chief Administrative Officer
June 2013

County Council and Administration

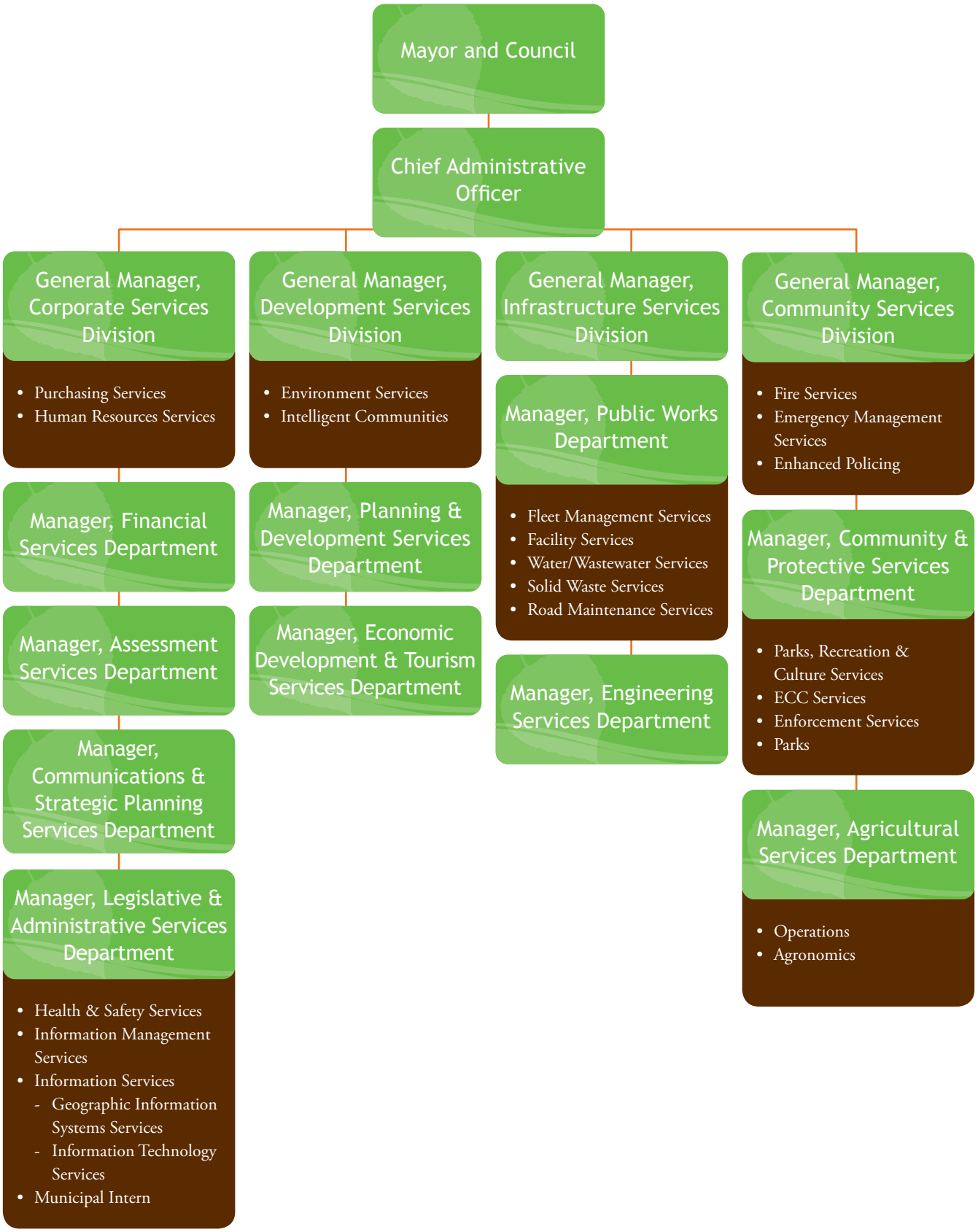
(L-R) Councillor Division #4 Darrell Hollands; Councillor Division #2 Dianne Allen; Councillor Division #3 Phyllis Kobasiuk (seated); Councillor Division #1 Jo Szady; Councillor Division #6 Tracey Melnyk; Mayor Rod Shaigec; Councillor Division #5 Denise Locher (seated)

(L-R) Pat Vincent (CAO), Tracy Kibblewhite, General Manager, Corporate Services; Ken Van Buul, General Manager, Community Services; Rob McGowan, General Manager, Infrastructure Services; Al McCully, General Manager, Development Services

Parkland County Council consists of a Mayor elected at large and one Councillor for each division of Parkland County. Municipal elections are held every three years in the month of October. Council holds two types of meetings: Council Meetings and Governance & Priorities Committee Meetings. Council Meetings are more formal and are where Council makes decisions on important matters in the community. Governance & Priorities Meetings are less formal and provide Administration opportunities to share information, discuss issues, and obtain direction from Council.

Reporting directly to Council is the Chief Administrative Officer (CAO), who is the head of County Administration. The County has grouped its departments into four divisions: Community Services, Corporate Services, Infrastructure Services, and Development Services. Each division has a General Manager who oversees the division, coordinates all County operations, and ensures the implementation of Council directives and Strategic Plan initiatives. The General Managers report to the CAO and complete the Executive Administration team.

2013 Organizational Chart



Strategic Plan

Strategic planning brings together a willed future and the means to that future through evaluating strengths, weaknesses, threats and opportunities. Parkland County believes in being proactive. By conducting environmental scans as part of the planning process, Parkland County can incorporate strategies that mitigate issues before they arise and position the County to capitalize on opportunities as they present themselves.

The Strategic Plan is a disciplined, open and honest assessment of where we are today, where we want to be in the future, and what actions are necessary to achieve that desired future. It is an opportunity for Parkland County to share with its internal and external audiences the direction the County is taking, the principles guiding the way, and the targets we are striving to meet.

The Process

Parkland County Council is required, under the Municipal Government Act (MGA), to evaluate and develop policies; as such, Council meets annually to review and update its Strategic Plan.

Council's Strategic Plan is the framework to guide Parkland County's long-term planning and decision-making process. The Plan identifies goals and strategies that will assist Parkland County in achieving its vision and mission. Parkland County Council established six priority goal areas on which it will direct its decisions and actions.

Economic Development

Goal 1 Parkland County will mitigate its revenue risks through diversification of its revenue stream.

Strategies:

1. Parkland County will promote itself to all industry sectors as a great place to do business.
2. Parkland County will investigate and pursue all funding sources and explore potential partnerships.
3. Parkland County will research and implement different assessment approaches.
4. Parkland County will expand the services we provide to other municipalities and private organizations.
5. Parkland County will pursue opportunities that both service our residents and generate revenue.

Goal 2 Parkland County will balance economic development with quality of life.

Strategies:

1. Parkland County will further enhance access to parks, recreation and cultural facilities.
2. Parkland County will ensure that development enhances quality of life.
3. Parkland County will take steps to further promote and foster sustainable development.

Strategic Plan Achievements:

Parkland County's Emergency Communications Centre continues to expand and grow businesses, including new contracts with both local government and private sector organizations. The Intelligent Community initiative continues to grow, with increased interest in our tower network for the provision of internet services to County residents and those in other municipalities.

Strategic Plan *continued*

Quality of Life

Goal 1 Parkland County is a diverse and inclusive community that will balance the needs of its residents and provide a choice of lifestyles in a harmonious and safe environment.

Strategies:

1. Parkland County will increase awareness of existing services and programs.
2. Parkland County will review the Municipal Development Plan and identify appropriate areas for higher-density residential growth.
3. Parkland County will enhance the services we provide to our residents.
4. Parkland County will streamline our regional cooperation process.
5. Parkland County will add to existing services and initiatives to increase public safety.

Strategic Plan Achievements:

Parkland County continues to make progress on using technology to make interacting with County easier for residents and businesses through the use of online services. Emergency Services departments have also moved forward with public education campaigns, including school visits, and educating on how and when to call 9-1-1 and fire safety.

Environment

Goal 1 Parkland County will be a steward of the environment.

Strategies:

1. Parkland County will increase public education.
2. Parkland County will introduce practices to make operations more environmentally friendly.
3. Parkland County will expand patrol services to better protect natural areas.
4. Parkland County will do more to encourage green development.

Strategic Plan Achievements:

Parkland County has made great strides in educating the community on the environment, including monthly articles in the Parkland Communicator newsletter, as well as developing sustainability calculator tools to assist in residents making environmentally and wallet-friendly purchases. The Environmental Advisory Committee was also busy putting together the indicators for a State of the Environment Report, which will help set the baseline to measure the success of our environmental efforts.

Strategic Plan *continued*

Agriculture

Goal 1 Parkland County will strive to ensure the long-term viability of our agricultural community.

Strategies:

1. Parkland County will increase education and training opportunities for the public.
2. Parkland County will incorporate the use of technology to advance agricultural practices.
3. Parkland County will promote and further the economic benefits of agriculture.
4. Parkland County will adopt land use practices that place a greater priority on agricultural lands.

Strategic Plan Achievements:

Parkland County continues to partner with local groups and agencies, including Seed an Idea and Green Hectares, to advance education programs and information sessions to assist the agricultural community.

Infrastructure

Goal 1 Parkland County will develop and maintain high-quality infrastructure that will ensure sustainable growth and quality of life.

Strategies:

1. Parkland County will adopt best practices in the management of infrastructure.
2. Parkland County will incorporate sound fiscal management and explore additional revenue sources.
3. Parkland County will increase the importance of environmental protection.
4. Parkland County will do more to encourage green development.

Goal 2 Parkland County will take an entrepreneurial approach to infrastructure as a revenue stream.

Strategies:

1. Parkland County will expand and enhance the Intelligent Community project.
2. Parkland County will explore partnerships with private recreational property owners to expand and enhance development.
3. Parkland County will investigate the feasibility of regional waste management, which would include an Eco-Centre for recycling and composting.
4. Parkland County will explore development of Part 9 companies for provision of important municipal services.

Strategic Plan Achievements:

Parkland County continues to move forward with projects to enhance the existing GIS database to make infrastructure information more readily available. We are also continuing to market the Intelligent Community network to various private and public enterprises, and are looking at the acquisition of dark fibre to increase choices for services and pricing.

Strategic Plan *continued*

Governance

Goal 1 Parkland County will be recognized as a well-led, well-managed municipality with a solid foundation of sound policies, good planning, responsive processes and effective decision-making that are focused on the responsible use of the resources entrusted to it and the long-term best interests of the community as a whole.

Strategies:

1. Parkland County will enhance communications with the public.
2. Parkland County will further our commitment to transparency.

Goal 2 Parkland County will have mutually beneficial partnerships with other municipalities and orders of government based on respect for the aspirations, autonomy and right to self-determination of each.

Strategies:

1. Parkland County will further relationships with municipal neighbours and associations.
2. Parkland County will actively seek out joint project opportunities that will benefit our communities.

Goal 3 Parkland County will have a strong, cohesive identity throughout the community and the region.

Strategies:

1. Parkland County will work to enhance, promote, and celebrate the new Parkland County branding concept.

Strategic Plan Achievements:

Parkland County has partnered with regional municipalities and agencies on various initiatives and events, including TRACTS, a multi-agency enforcement group that includes municipal enforcement, fire services, and RCMP, and the Aboriginal Day planning committee. Parkland County also continues to connect and collaborate with its municipal neighbours on land use planning and service delivery projects to create a stronger, prosperous region. The County also launched its new brand image in September, with substantial completion of the changeover by December 31st.

Report from the General Manager of Corporate Services and Manager of Financial Services

In accordance with Section 276 of the Municipal Government Act of the Province of Alberta, it is our pleasure to submit Parkland County's Annual Financial Report for the year ended December 31, 2012. The purpose of this Annual Financial Report is to provide users and readers with a clear insight of the financial results for the municipality.

Parkland County maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. These controls are subject to regular reviews and revisions as required. Parkland County's elected Council reviews and formally approves the consolidated financial statements after the Audit Findings Report has been presented by Parkland County's appointed Auditor and management presents the financial statements at a public Council meeting.

Within Canada, the Government Finance Officers Association has established the "Canadian Award for Financial Reporting" program. In order to receive this award, a municipality must publish an easy-to-read and efficiently-organized annual financial report that goes beyond the minimum requirements of generally-accepted accounting principles and clearly communicates the municipal government's financial picture. We believe this report will conform to these program requirements. Parkland County has received this award annually since 1998.

Financial Highlights for 2012:

Parkland County's 2012 financial statements are prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board known as PSAB. Management has made every effort to ensure the financial statements present a fair accounting of the County's consolidated operations for the fiscal year ending December 31, 2012. Included entities are the Parkland/Stony Plain Regional Waste Authority and the Tri-Municipal Leisure Facility Corporation.

In 2009, a number of off-site levy charges collected for future development were brought into revenue. Upon further review of these off-site levy charges, it has been determined that the revenue recognition criteria had not been met and the amounts collected should have remained in a liability account until they were earned.

In 2012, as a result of continued usage and refinement of evolving capital asset accounting and management systems, the County identified land that was incorrectly valued and recorded in the financial statements. To correct the change in off-site levy charges and capital assets, a recast of the January 1, 2011 financial position has been performed as reflected in Note 22 of the financial statements.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position highlights four key figures that describe the financial position of the municipality at the reporting date as follows:

- The financial assets position
- The net debt/net financial assets position
- The non-financial assets position
- The accumulated surplus or deficit position

Report from the General Manager of Corporate Services and Manager of Financial Services *continued*

The Consolidated Statement of Financial Position is used to evaluate the County's ability to finance its activities and meet its liabilities and commitments. The municipality's financial assets increased from 2011 in the amount of $15.4 million. Financial liabilities increased by $8.2 million for an increase in net financial assets of $7.2 million. Non-financial assets, which includes tangible capital assets, have increased by $23.5 million. As a result, the net change in accumulated surplus is $30.7 million.

Consolidated Statement of Operations and Accumulated Surplus

The Consolidated Statement of Operations and Accumulated Surplus outlines what revenues were raised in the year, expenses reflecting how funds were used during the year, and the net change to accumulated surplus. Municipal revenues were on budget overall. County Council approved a 2.58% tax increase to residential taxes and a 7.64% increase in non-residential taxes. This additional levy, along with new growth, resulted in an increase to net municipal taxes in the amount of $6.3 million. Local improvement charges in 2012 increased, as compared to 2011, because of the adoption of a new accounting standard that requires revenue to be recognized when a taxable event occurs. Revenue recognized from government transfers was less than budgeted. The County did receive the government transfers that were budgeted but was not able to fully recognize them into revenue due to a short construction season. These transfers will be recognized into revenue in future years as construction is completed. Other revenue increased due to the recovery of funds issued under the Building Parkland Fund policy. During the year, the County received $21.9 million of contributed tangible capital assets. Municipal expenditures were within budget targets with few major variances.

Accumulated Surplus

The accumulated surplus reflects the net economic resources that Parkland County has built up over time. As reflected in Note 12 of the financial statements, the accumulated surplus consists of restricted and unrestricted amounts, including operating surplus, restricted surplus, and equity invested in tangible capital assets. Restricted surplus amounts increased by $7.8 million due in part to budgeted funds being set aside in accumulated surplus to meet specific future operating and capital expenditure requirements. Those restricted uses are primarily for future maintenance and capital asset purchases based on replacement plans and 10 year capital asset plans and to fund unforeseen revenue losses or additional expenditures.

Consolidated Statement of Net Financial Assets

The change in net financial assets is an indicator of whether revenues raised in the year were sufficient to cover current year spending. Parkland County ended the year with a net financial asset position (financial assets less liabilities) of $42.5 million, an increase of $7.2 million over the prior year. The increase is largely due to the increase in cash and cash equivalents and investments.

Consolidated Statement of Cashflows

The Consolidated Statement of Cash Flows summarizes the sources and uses of cash in 2012. The cash position, comprised of cash and cash equivalents reported a net increase of $9.0 million. During the year, $29.3 million cash was raised from operating activities and $66,000 was raised through the issuance of long-term debt. $6.3 million was used to acquire investments and $14.0 million was used to purchase tangible capital assets.

Report from the General Manager of Corporate Services and Manager of Financial Services *continued*

Financial Management Policies:

Investment Policy

Parkland County's investment policy is reviewed every three years and provides direction on all investment matters for all funds based on the objectives of safety of principal, liquidity, rate of return and compliance with the Municipal Government Act. Parkland County only invests in high-grade securities.

Debt Management

In 1993, Council approved the early retirement of all municipal debt. As a result, Parkland County had no tax-supported debt until the December 2000 plebiscite approving the borrowing of $3.4 million to fund the County's share of the Tri-Municipal Family Leisure Centre. Since then, under the terms of the Building Parkland Fund policy, a further $694,000 was borrowed in 2009, $670,000 in 2010, $436,000 in 2011, and $1.4 million in 2012. This debt was used to pay for the installation of a water line, sanitary sewer, and a portion of a roadway in the Acheson Industrial Park which has encouraged further development in this area. The cost of this debt is secured by letters of credit and is to be repaid to the municipality through development levies.

The balance of tax supported debt at December 31, 2012 was $1.5 million. Local improvement and other user-supported debt as of December 31, 2012 was $4.3 million.

Financial Management Control:

Budget Process

County Council provides budget direction to administration through Parkland County's Strategic Plan. This direction sets the desired service levels. Parkland County's budget lays out the revenues and expenses planned to deliver these services. Long-range capital plans are updated and reviewed by administration and help with the preparation of the capital budget. The budget process begins in June and culminates with budget presentations by management to Council at open Council meetings in November. Formal adoption of the budget occurs in December for the subsequent year. Council approved the 2012 budget and received as information forecasted budgets for years 2013 and 2014.

Accounting Process

Parkland County has a centralized accounting process. The Financial Services department is responsible for the common financial and computer systems used to record all financial transactions. The Financial Services department prepares the annual financial statements and provides monthly financial reporting to both Council, senior administration and line department managers.

Audit Process

The Municipal Government Act requires County Council to appoint an auditor, who cannot be either a County Councillor or employee. Accordingly, County Council has appointed the firm of KPMG, LLP Chartered Accountants as auditors for Parkland County. The Auditor must report to Council on the annual financial statements. The act also requires that municipal financial statements are prepared in accordance with generally accepted accounting principles for municipal governments as recommended by the Canadian Institute of Chartered Accountants.

Report from the General Manager of Corporate Services and Manager of Financial Services *continued*

Future Outlook

Parkland County continues to maintain its strong financial position. Parkland residents can be confident that their County's finances are managed in a prudent and responsible manner. In looking ahead, the biggest challenge facing Parkland County will be to balance fiscal responsibility with the service levels needed by our residents. Parkland County will continue to develop strategies and seek the necessary funding to undertake projects required to maintain the programs, services and infrastructure provided by the County.

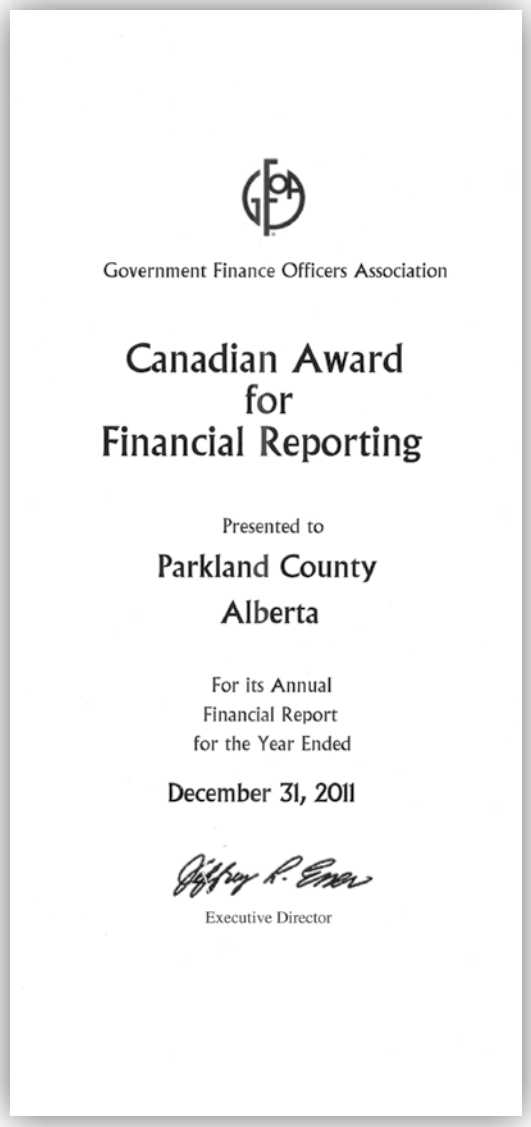
Respectfully submitted,

Tracy Kibblewhite, CMA
General Manager,
Corporate Services
May 3, 2013

Maria Stevens, CMA
Manager,
Financial Services
May 3, 2013

GFOA Recognition

In 2012, Parkland County was once again awarded a Canadian Award for Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for our annual financial report for the fiscal year ended December 31, 2011. This marks the 14th year in a row Parkland County has received this award.


Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

Parkland County
Alberta

For its Annual Financial Report for the Year Ended

December 31, 2011

Executive Director

The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally-accepted accounting principles and demonstrate an effort to communicate clearly the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting Program requirements and we are submitting it to GFOA.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

parkland county

PARKLAND COUNTY

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the consolidated financial statements. In addition, Parkland County management has relied on the audited financial statements, and underlying management review and internal controls for Tri-Municipal Leisure Facility Corporation.

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

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

Pat Vincent, CLGM
Chief Administrative Officer

Tracy Kibblewhite, CMA, CLGM
General Manager, Corporate Services

April 23, 2013

KPMG LLP
Chartered Accountants
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Edmonton AB T5J V8
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INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of Parkland County

We have audited the accompanying consolidated financial statements of Parkland County, which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

KPMG Confidential

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Parkland County as at December 31, 2012, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

April 23, 2013
Edmonton, Canada

PARKLAND COUNTY

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

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

Contingent Liabilities (Note 13)
Commitments (Note 14)

Rod Shaigec
Mayor

Phyllis Kobasiuk
Deputy Mayor

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

PARKLAND COUNTY

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

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

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

PARKLAND COUNTY

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended December 31, 2012, with comparative figures for 2011

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

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

PARKLAND COUNTY

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

	2012	2011 (Note 22)
Operating Activities:		
Annual Surplus	**$ 30,730,272**	$ 37,728,190
Items not involving cash:		
Amortization of tangible capital assets	**12,595,526**	11,597,282
Amortization of investment premium/discounts	**(156,208)**	(242,117)
Loss (gain) on disposal of tangible capital assets	**275,006**	(1,650,311)
Contributed tangible capital assets	**(21,870,325)**	(30,210,654)
Change in non cash assets and liabilities		
Accounts receivable	**78,115**	5,972,015
Accounts payable and accrued liabilities	**(250,028)**	1,258,252
Deposit liabilities	**741,346**	(2,293,334)
Employee benefits and other liabilities	**371,117**	189,588
Deferred revenue	**7,342,321**	1,832,149
Landfill liability	**(116,266)**	(88,674)
Consumable inventories	**(652,048)**	(454,726)
Prepaid expenses	**186,233**	(26,378)
Net change in cash from operating activities	**29,275,061**	23,611,282
Capital Activities:		
Acquisition of tangible capital assets	**(14,355,969)**	(16,028,630)
Proceeds from disposals of tangible capital assets	**319,536**	2,820,175
Net change in cash from capital activities	**(14,036,433)**	(13,208,455)
Investing Activities:		
Acquisition of investments	**(29,421,350)**	(21,887,762)
Maturity of investments	**23,161,923**	26,354,121
Net change in cash from investing activities	**(6,259,427)**	4,466,359
Financing Activities:		
Long-term debt issued	**1,355,159**	454,549
Long-term debt repaid	**(1,288,751)**	(958,821)
Net change in cash from financing activities	**66,408**	(504,272)
Net Change in Cash and Cash Equivalents	**9,045,609**	14,364,914
Cash and cash equivalents at beginning of year	**45,937,186**	31,572,272
Cash and cash equivalents, End of Year	**$ 54,982,795**	$ 45,937,186
Cash paid for interest	**310,926**	335,633
Cash received from interest	**1,510,784**	1,508,073

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

Parkland County is a municipality in the Province of Alberta, Canada and operates under the provisions of the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Parkland County (the "County") are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the County are as follows:

(a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned or controlled by the County.

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

The County is also a member of a board that is not included in the government reporting entity.

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

The taxes levied for education and senior's lodges that are not controlled by the County are not included in these consolidated financial statements.

(b) Basis of Accounting

The County follows the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the specified purpose. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of legal obligation to pay.

(c) Cash and Cash Equivalents

Cash equivalents are term deposits and guaranteed investment certificates that mature in less than three months and are recorded at cost.

(d) Investments

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee Future Benefits

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

(f) Landfill Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the County is required to fund the closure of its landfill sites and provide for post closure care of the facilities. Closure and post closure activities included the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill sites based on usage.

(g) Non-Financial Assets

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

(i) Tangible Capital Assets

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Non-Financial Assets (CONTINUED)

(ii) Contributions of Tangible Capital Assets

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

(iii) Works of Art and Cultural and Historic Assets

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

(iv) Interest Capitalization

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

(v) Consumable Inventories

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

(h) Government Transfers

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

(i) Requisition Over-Levies and Under-Levies

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

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

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

(j) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and the landfill liability. Actual results could differ from those estimates.

2. CHANGE IN ACCOUNTING POLICY

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

3. CASH AND CASH EQUIVALENTS

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

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

4. ACCOUNTS RECEIVABLE

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

5. INVESTMENTS

Investments have carrying and market values as follows:

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

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

The market value of the bonds is based on quoted market values received on December 31, 2012. The market value of the bonds fluctuate with changes in market interest rates. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss. The carry amounts exclude accrued interest receivable in the amount of $263,878 (2011 - $271,640) which has been included in accounts receivable.

6. EMPLOYEE BENEFITS AND OTHER LIABILITIES

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

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

7. DEFERRED REVENUE

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

8. LONG-TERM DEBT

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

Debentures are repayable to Alberta Capital Finance Authority. The debentures have been issued on the credit and security of the County at large. They are payable and due over various periods up to the year 2024 with effective interest rates ranging from 1.38% to 10.63% (2011 - 1.78% to 10.63%). Capital lease for Parkland County is due December 2014 with an interest rate of 1.2%. Partnership debt (capital lease) expired April 2012 and there were no subsequent lease arrangements made.

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

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

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

9. LANDFILL LIABILITY

The accrued liability for post closure care of the County's landfills is recognized over the life of the facilities using the net present value of the total estimated costs of post closure care costs. Landfill post closure costs are recognized over 25 years using a net present value calculation with an interest rate of 3.5% (2011 - 3.5%) in excess of the assumed inflation rate.

The total net present value for the estimated costs of post closure care have been fully accrued.

	2012	2011
Estimated post-closure costs	**$ 863,068**	$ 979,334

It is estimated that post closure care should be required for a minimum period of 25 years. The County has designated Waste Management Restricted Surplus for settling post closure liabilities.

10. TANGIBLE CAPITAL ASSETS

2012 (Note 22)

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

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

2011 - (Note 22)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	**Total**
Cost:								
Balance, beginning of year	$ 89,692,032	$ 1,483,220	$ 24,369,195	$ 328,706,399	$ 13,032,952	$ 5,834,729	$ 14,115,539	**$ 477,234,066**
Additions	8,281,085	3,616	-	24,611,576	1,804,625	1,015,649	10,522,733	**46,239,284**
Disposals	(4,809)	-	-	-	(2,479,212)	(550,852)	-	**(3,034,873)**
Write down	-	-	-	-	(289,498)	-	-	**(289,498)**
Transfers	-	8,092	-	2,795,405	3,033,990	61,033	(5,898,520)	**-**
Balance, end of year	97,968,308	1,494,928	24,369,195	356,113,380	15,102,857	6,360,559	18,739,752	**520,148,979**
Accumulated Amortization:								
Balance, beginning of year	-	618,882	6,040,688	185,452,347	6,988,018	2,796,526	-	**201,896,461**
Amortization expense	-	47,550	490,658	9,471,637	1,119,552	467,885	-	**11,597,282**
Disposals	-	-	-	-	(1,550,165)	(482,475)	-	**(2,032,640)**
Write down	-	-	-	-	(121,867)	-	-	**(121,867)**
Balance, end of year	-	666,432	6,531,346	194,923,984	6,435,538	2,781,936	-	**211,339,236**
Net Book Value, end of year	$ 97,968,308	$ 828,496	$ 17,837,849	$ 161,189,396	$ 8,667,319	$ 3,578,623	$ 18,739,752	**$ 308,809,743**

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

(a) Construction in Progress

Construction in progress having a value of $11,042,506 (2011 - $18,739,752) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed assets consisting of land and roads received during the year has a value of $21,870,325 (2011 $30,210,654).

(c) Cultural and Historical Tangible Capital Assets

The County owns 88 original artworks that are on permanent display at the County Centre. The artworks were purchased by the County and have significant cultural and historical value in perpetuity. The artworks are not recorded as tangible capital assets in the financial statements and are not amortized.

11. CONSUMABLE INVENTORIES

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

12. ACCUMULATED SURPLUS

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

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

12. ACCUMULATED SURPLUS (CONTINUED)

RESTRICTED SURPLUS (Note 22)

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

12. ACCUMULATED SURPLUS (CONTINUED)

INVESTED IN TANGIBLE CAPITAL ASSETS

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

13. CONTINGENT LIABILITIES

The County is defendant in various lawsuits as at December 31, 2012. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

14. COMMITMENTS

(a) The County has outstanding contractual obligations of approximately $7,777,000 (2011 - $924,000) for tower site agreements, geometric design study and surfacing strategy for Acheson Zone 3 roads, county center additions, recreation upgrades at Chickakoo Lake, the implementation of the Park Improvement Plan and the construction of the Acheson firehall. Council has authorized the financing of these obligations.

(b) As at December 31, 2012 and pursuant to Section 655 of the Municipal Government Act, developers have entered into development agreements with the County in the outstanding amount of approximately $6,112,000 (2011 - $4,467,000), and are committed to installing and constructing certain local improvements to serve the development of lands within Parkland County. The County has taken security from the developers in the form of cash deposit liabilities in the amount $1,749,282 (2011- $2,016,602) and letters of credit in the amount of $7,417,751 (2011 - $4,583,731) to ensure performance by the developers under the agreements. Security is taken by the County pursuant to Parkland County Policy PD-001 - Security Practices for Development Permits and Subdivision (150% of estimated cost) and is reduced accordingly as the above noted works are constructed.

(c) As at December 31, 2012 and pursuant to Section 655 of the Municipal Government Act, developers have entered into Development Agreements with the County under the Building Parkland Fund Policy FI-007 with the County in the outstanding amount of $1,480,126 (2011 - $1,405,820), and are committed to installing and constructing certain local improvements on behalf of Parkland County to serve the development of lands within the County. The County has taken security from the developers in the form of letters of credit in the amount of $2,496,000 (2011 - $1,880,967) to ensure performance by the developers under the agreements.

(d) As at December 31, 2012, the County has entered into agreements related to other services. The County has taken security in the form of cash deposits in the amount of $2,660,653 (2011 - $1,809,225) and letters of credit in the amount of $365,595 (2011 - $345,595) to ensure performance of the agreement.

15. TAXATION

Taxation revenue is made up of the following:

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

16. GOVERNMENT TRANSFERS

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

17. SALARY AND BENEFITS

Councillors attend a number of Council/Committee/Board meetings for which they receive remuneration directly from the County. The remuneration they receive is listed below.

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

Salary for Council includes regular base pay and honoraria and the Deputy Mayor receives an additional $637 in salary per month. A portion of the honoraria and benefits includes attendance at Capital Region Board meetings.

Council benefits include: employer share of all employee benefits (pension or Registered Retirement Savings Plan, health, vision, dental, life insurance, accidental death and dismemberment, Workers' Compensation coverage).

Allowances include costs for internet, phone (or cost to provide cell phone) and mileage to attend Council meetings.

Councillors also serve on a number of other Committees/Boards for which they receive remuneration directly from that organization and which are not included in the above salary and benefits disclosure.

The list of Committee/Boards that Council members are appointed to at the annual organizational meeting are listed on the County's website for public access.

18. PENSION PLAN

(a) APEX

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2006, and provides supplementary pension benefits to a prescribed class of employees (approximately 24 in 2012). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the County, at a rate of 2.5% and 3.0% (2011 - 2.5% and 3%) respectively of pensionable earnings up to $132,334 in 2012 (2011 - $127,611).

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

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. The cost of post retirement benefits is fully funded.

(b) Local Authorities Pension Plan

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 210,000 people and 423 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

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

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

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

19. DEBT LIMITS

Provincial legislation (Section 276 (2) of the Municipal Government Act) requires that debt and service on debt limits as defined by regulation for the County be disclosed as follows:

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

The debt limit is calculated on a consolidated basis at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by the Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

20. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the County. County services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Protection

Protection is comprised of Enhanced Policing, Patrol and Bylaw Services, Fire, Disaster and Emergency Management. The purpose of Enhanced Policing is to provide additional manpower targeted towards specific enforcement initiatives. Patrol and Bylaw Services provides enforcement in the areas of Provincial Acts and Municipal Bylaws. Fire is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The mandate of Emergency Management is to help maintain safe communities and manage risk. The Emergency Communications Centre provides emergency fire dispatch, community peace officer dispatch, and alarm monitoring.

(b) Transportation

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

(c) Recreation

Recreation provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to municipal cemeteries.

(d) Environment

The County is responsible for environmental programs such as the engineering and operation of Water and Wastewater Systems and Waste Management. Environmental Management focuses on the maintenance and stewardship of the environment. This includes water conservation, efficiency, and protection and promoting green construction, energy and technology, identifying natural areas for preservation, restoration and rehabilitation, and promoting awareness regarding environmental protection, conservancy, recycling and other initiatives.

(e) Other and Unallocated

Other and unallocated is comprised of Council and Other Legislative, General Administration, Planning and Development, and Intelligent Community. County Council makes decisions regarding service delivery and service levels on behalf of the municipality in order to balance the needs and wants of County residents in a financially responsible manner. General Administration is responsible for the administration of the municipality as a whole. Planning and Development Department manages long term planning, current planning and subdivision, development permits and safety code disciplines. Intelligent Community is a comprehensive plan that will see Parkland County become a community in which broadband technology is fully utilized by residents and business.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segment based upon the segment that generated the 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.

20. SEGMENTED INFORMATION (CONTINUED)

2012

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

20. SEGMENTED INFORMATION (CONTINUED)

2011

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

21. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, employee benefit and other liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

22. COMPARATIVE FIGURES

a) In 2009, the County implemented PSAB Section 3150 Tangible Capital Assets which required local governments to record and amortize their tangible capital assets in their financial statements. During 2012 the County discovered land that was incorrectly valued and recorded in the financial statements. The effect of this correction was to decrease both the value of land in Tangible capital assets and Accumulated Surplus by $1,655,342 effective December 31, 2010. In 2012, it was discovered that a section of road was contributed to the County in 2010 and was not recognized as a contributed asset. The effect of this correction is to increase both the value of Tangible capital assets and Accumulated Surplus by $587,948. The net effect of these two corrections is to decrease the value of Tangible capital assets and Accumulated Surplus by $1,067,394.

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

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

22. COMPARATIVE FIGURES (CONTINUED)

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

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

23. CAPITAL BUDGET

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

24. BUDGET FIGURES

The 2012 budget figures which appear in these consolidated financial statements have not been audited. Budgets established for capital acquisitions and their related financing are calculated on a project by project basis. As these transactions may be carried out over a number of years, they are not directly comparable with current year actual amounts.

The unaudited budget data presented is based upon the 2012 budget approved by Council. While amortization was included on the budgets, they were removed for the calculation of the taxation requirement.

STATISTICS

YEAR ENDED DECEMBER 31, 2012

parkland county

PARKLAND COUNTY

DEMOGRAPHIC and OTHER STATISTICS
Years Ended December 31 for 2008 to 2012

	2012	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)
POPULATION (Municipal census taken in 2009 and Federal census taken in 2011)	**30,568**	30,568	30,089	30,089	29,679
AREA OF MUNICIPALITY IN HECTARES	**242,595**	242,595	242,595	242,595	242,595
KILOMETRES OF ROAD MAINTAINED	**2,137**	2,048	2,048	2,048	1,997
BUILDING AND DEVELOPMENT TRENDS					
Construction starts:					
Residential	**379**	356	479	520	590
Renovations	**190**	169	138	116	167
Building permit value (in $000's):					
Residential	**$ 81,667**	$ 73,837	$ 87,181	$ 65,952	$ 86,948
Renovations	**8,181**	3,687	4,549	2,588	4,077
Non-residential	**71,513**	39,199	27,139	8,882	46,864
	$161,361	$ 116,723	$ 118,869	$ 77,422	$137,889
Other activity indicators:					
Subdivision applications	**61**	56	75	73	125
Development permits	**798**	640	707	526	398
PARKS (area in hectares)					
Meridian Sports Park ball diamonds, football/soccer fields	**11.3**	11.3	11.3	11.2	11.2
Chickakoo Lake day use, boating, x-country skiing	**194.0**	194.0	194.0	174.3	174.3
Hasse Lake day use, boating, x-country skiing, fishing	**121.0**	121.0	121.0	77.8	77.8
Jackfish Lake day use, boating, fishing	**3.6**	3.6	3.6	3.8	3.8
Muir Lake day use, boating, fishing	**36.4**	36.4	36.4	37.3	37.3
Kokomoko day use	**61.0**	61.0	61.0	-	-
Ascot Beach day use	**0.4**	0.4	0.4	-	-
Rich's Point day use	**0.4**	0.4	0.4	-	-
Prospectors Point day use	**1.0**	1.0	1.0	-	-
FIRE DISTRICTS (approx number of volunteers)					
District 1 - Devon	**30**	33	34	32	36
District 2 - Parkland County	**46**	36	36	34	34
District 3 - Stony Plain	**42**	41	41	38	38
District 4 - Wabamun	**20**	21	21	25	18
District 5 - Yellowhead County Dist. #10 *	**12**	6	6	12	12
District 6 - Tomahawk	**19**	19	19	28	20
District 7 - Seba Beach	**7**	8	8	8	12
MUNICIPAL EMPLOYEES					
Full time equivalents **	**198**	191	187	180	176
Full time equivalents per 1,000 population	**6.48**	6.25	6.21	5.98	5.93
ANNUAL CHANGE IN CPI (Statistics Canada)					
Edmonton	**1.1%**	2.5%	1.1%	0.2%	3.4%
Alberta	**1.1%**	2.4%	1.0%	-0.1%	3.1%
Canada	**1.5%**	2.9%	1.8%	0.3%	2.3%
UNEMPLOYMENT RATE (Statistics Canada)					
Edmonton	**4.7%**	5.4%	6.7%	6.7%	3.7%
Alberta	**4.6%**	5.5%	6.5%	6.6%	3.6%
Canada	**7.2%**	7.4%	8.0%	8.3%	6.1%

* Formerly known as Pembina

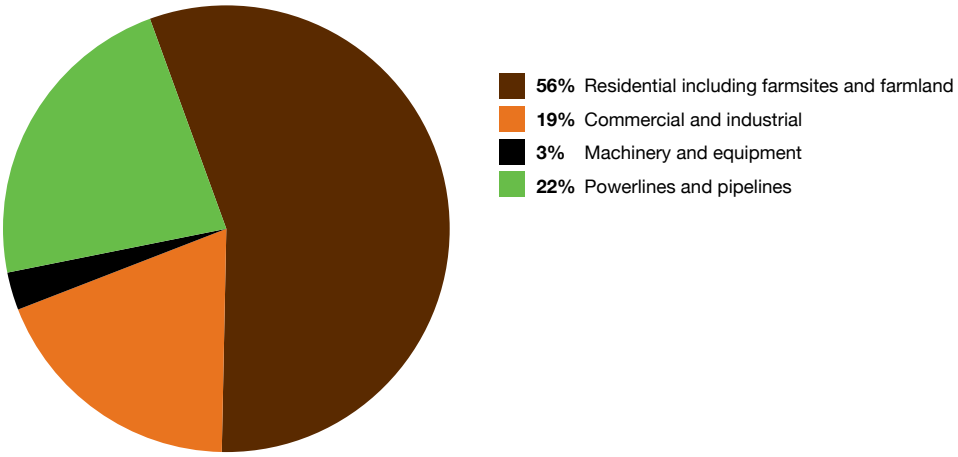
** Full time equivalents no longer includes casual employees

PARKLAND COUNTY

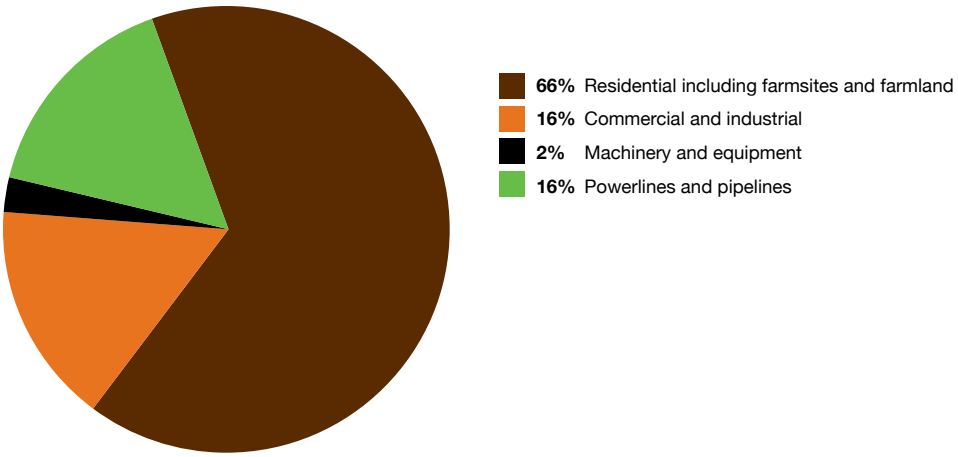
TAX LEVY
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011	2010	2009	2008
TAXATION					
Residential including farmsites and farmland	**$ 31,108**	$ 29,755	$ 28,345	$ 27,610	$ 26,048
Commercial and industrial	**10,458**	9,443	8,656	7,776	6,302
Machinery and equipment	**1,526**	1,551	1,187	1,176	985
Powerlines and pipelines	**12,576**	6,838	7,280	7,220	6,220
	$ 55,668	$ 47,587	$ 45,468	$ 43,782	$ 39,555

2012 TAX LEVY



2008 TAX LEVY



PARKLAND COUNTY

TAX RATES
Years Ended December 31 for 2008 to 2012

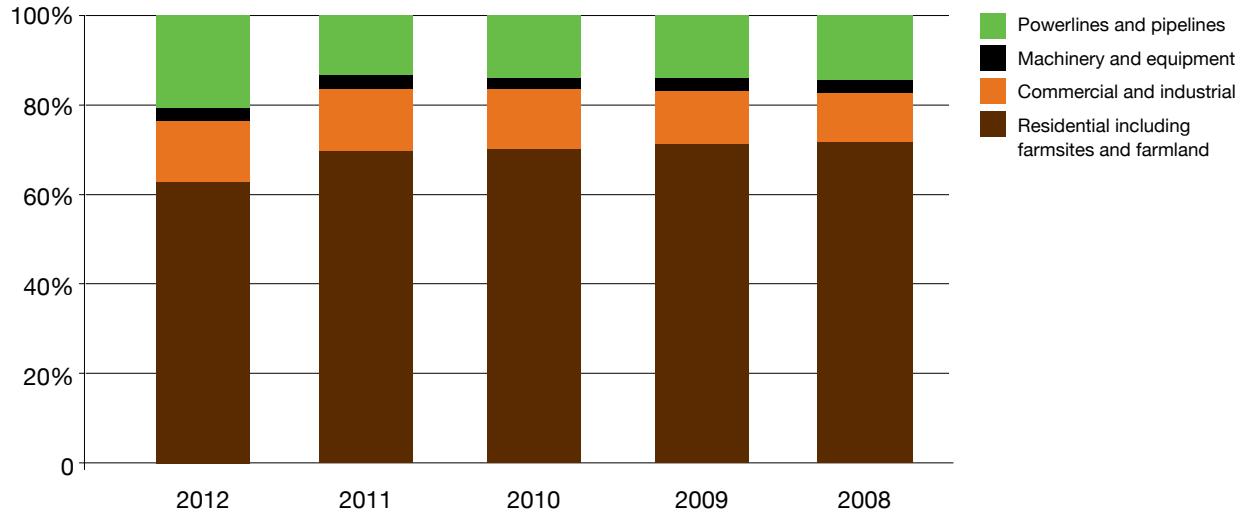
	2012	2011	2010	2009	2008
TAX RATES					
Residential including farmsites and farmland	**0.0061342**	0.0060955	0.0062563	0.0056990	0.0054905
Commercial and industrial	**0.0097211**	0.0098838	0.0102223	0.0094988	0.0088255
Machinery and equipment	**0.0065836**	0.0067842	0.0069818	0.0063969	0.0053854
Powerlines and pipelines	**0.0097211**	0.0098838	0.0102223	0.0094988	0.0088255

PARKLAND COUNTY

LIVE ASSESSMENT
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011	2010	2009	2008
LIVE ASSESSMENT					
Residential including farmsites and farmland	**$5,079,262**	$4,864,641	$4,539,492	$4,846,640	$4,759,817
Commercial and industrial	**1,088,941**	974,166	860,465	831,012	722,633
Machinery and equipment	**231,936**	228,583	169,973	183,826	184,164
Powerlines and pipelines	**1,716,284**	926,547	879,214	953,751	952,442
TOTAL LIVE ASSESSMENT	**$8,116,423**	$6,993,937	$6,449,144	$6,815,229	$6,619,056

% OF LIVE ASSESSMENT BY CATEGORY

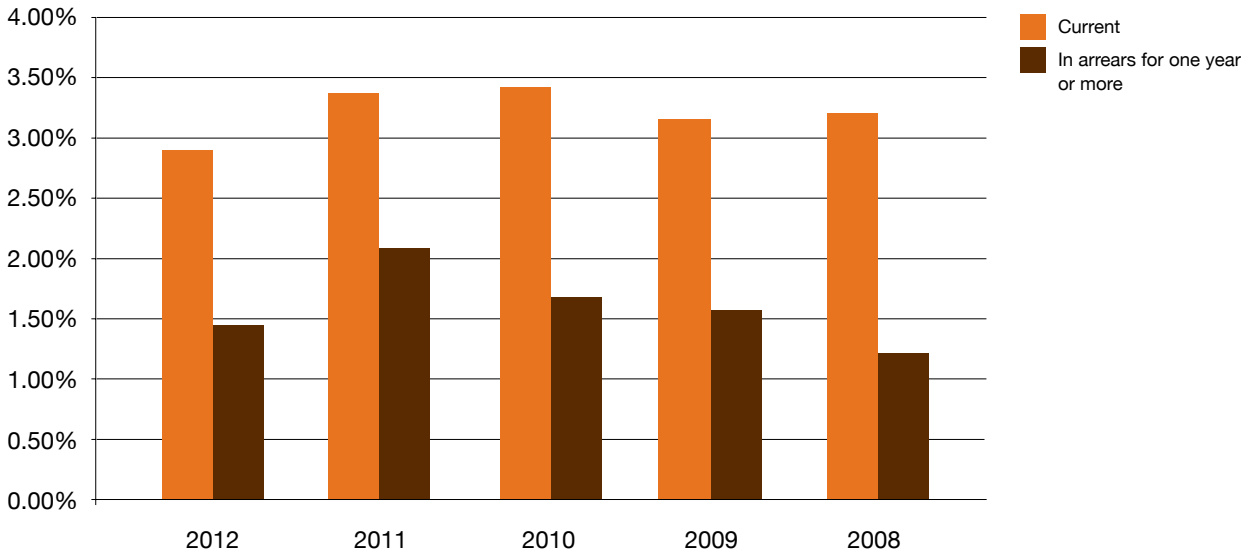


PARKLAND COUNTY

TAX COLLECTION
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011	2010	2009	2008
CURRENT LEVY	**$ 55,668**	$ 47,587	$ 45,468	$ 43,782	$ 39,555
TAXES RECEIVABLE					
Current	**$ 1,603**	$ 1,593	$ 1,550	$ 1,375	$ 1,261
In arrears for one year or more	**800**	983	759	687	480
	$ 2,403	$ 2,576	$ 2,309	$ 2,062	$ 1,741
TAXES OUTSTANDING AS A % OF THE CURRENT LEVY					
Current	**2.88%**	3.35%	3.41%	3.14%	3.19%
In arrears for one year or more	**1.44%**	2.07%	1.67%	1.57%	1.21%

TAXES OUTSTANDING AS A % OF THE CURRENT LEVY



PARKLAND COUNTY

MSI GRANT
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011	2010	2009	2008
GRANT FUNDED PROJECTS					
Strategic Planning	**$ -**	$ 5	$ 29	$ 29	$ 45
Statutory Plans	**-**	-	-	21	171
Non-Statutory Plans	**98**	69	-	140	107
Not-For-Profit Organizations	**-**	-	-	395	203
Other Plans and Reports	**729**	375	11	113	65
Capital Projects	**5,584**	2,313	1,536	235	-
TOTAL GRANT FUNDED PROJECTS	**$ 6,411**	$ 2,762	$ 1,576	$ 932	$ 591

PARKLAND COUNTY

LONG-TERM DEBT
Years Ended December 31 for 2008 to 2012 (in 000's)

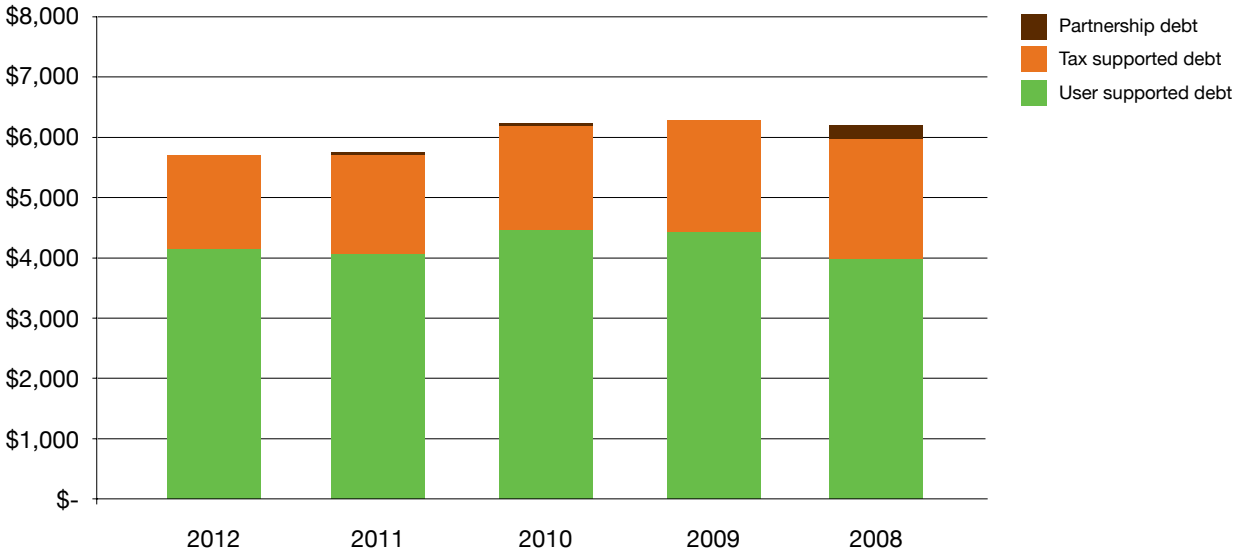
	2012	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)
USER SUPPORTED DEBT					
Acheson Industrial Park Water and Sewer Systems	**$ 3,211**	$ 2,649	$ 2,132	$ 2,309	$ 2,471
Administration - Hayes West	**-**	235	1,028	694	-
County Centre Sewer System	**49**	58	65	73	79
Duffield Hamlet Sewer System	**143**	166	188	209	229
Parkland Village Water and Sewer Systems	**415**	454	490	525	558
Entwistle Hamlet Sewer System	**90**	97	104	110	108
Parkland Ambulance Leasehold Improvements	**348**	396	442	485	526
	4,256	4,055	4,449	4,404	3,971
TAX SUPPORTED DEBT	**1,493**	1,624	1,724	1,835	1,949
PARTNERSHIP DEBT	-	3	14	-	250
TOTAL LONG-TERM DEBT	**$ 5,749**	$ 5,682	$ 6,187	$ 6,239	$ 6,170
LONG-TERM DEBT PER CAPITA	**$ 188**	$ 186	$ 206	$ 207	$ 208
Percentage of debt to be retired within 5 years	**37%**	25%	25%	11%	4%
Percentage of debt to be retired within 10 years	**89%**	74%	43%	41%	32%

PARKLAND COUNTY

DEBT LIMITS AND DEBT PAYMENTS
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)
DEBT LIMITS					
Maximum allowable debt	**$ 85,968**	$ 73,764	$ 71,723	$ 68,542	$ 69,151
Total debt	**$ 5,749**	$ 5,682	$ 6,187	$ 6,239	$ 6,170
Percentage used	**6.7%**	7.7%	8.6%	9.1%	8.9%
MAXIMUM ALLOWABLE ANNUAL DEBT PAYMENT					
Maximum allowable annual debt payment	**$ 14,328**	$ 12,294	$ 11,954	$ 11,424	$ 11,525
Annual payments on existing debt	**$ 1,474**	$ 1,368	$ 1,219	$ 977	$ 811
Percentage used	**10.3%**	11.1%	10.2%	8.6%	7.0%
Percentage of expenses	**2.7%**	2.7%	2.6%	2.0%	1.7%

LONG-TERM DEBT



PARKLAND COUNTY

RESTRICTED SURPLUS

Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)
RESTRICTED SURPLUS					
Benefit premium stabilization	**$ 151**	$ 96	$ 96	$ 87	$ 87
Contingency	**4,611**	4,603	4,166	3,747	2,574
County facilities	**7,392**	7,809	5,687	5,153	4,396
Disaster	**704**	839	839	339	339
Early retirement	**125**	186	226	191	156
Environmental	**834**	888	800	300	200
Entwistle community development	**400**	-	-	-	-
Equipment lifecyle	**2,245**	1,873	2,325	1,662	1,080
Facility maintenance	**1,674**	1,604	1,611	1,592	1,510
Fire equipment lifecycle	**266**	206	163	138	127
Fire facilities	**-**	637	629	624	624
Future capital	**687**	557	646	595	1,140
Future operating	**3,356**	1,811	1,498	1,518	2,454
Future road projects	**2,337**	1,689	2,318	1,976	1,690
Granular aggregates	**1,422**	1,469	1,041	1,043	1,051
Information technology	**330**	414	260	227	281
Internal financing	**1,322**	278	265	-	-
Investment stabilization	**499**	499	499	499	499
Local improvements	**1,062**	-	-	-	-
Long term sustainability	**2,013**	-	-	-	-
Municipal operations	**2,349**	1,714	1,664	1,953	1,665
Municipal park reserve	**3,245**	3,649	3,552	3,549	3,471
Office systems lifecyle	**1,465**	1,131	1,054	875	823
Offsite levies and development charges	**288**	236	1,500	1,046	907
Overland drainage	**507**	507	552	555	759
Protective services lifecycle	**318**	276	235	179	127
Recreation facilities	**1,355**	1,401	1,753	1,460	2,268
Survey equipment lifecycle	**66**	45	47	20	10
Waste management	**3,871**	3,087	3,277	2,581	2,123
Water and wastewater	**3,429**	3,070	2,721	2,308	708
Winter maintenance	**1,000**	1,000	1,000	1,000	1,000
Working capital	**5,000**	5,000	5,000	5,000	5,000
TOTAL RESTRICTED SURPLUS	**54,323**	46,574	45,424	40,217	37,069
Partnership Restricted Surplus	**469**	459	457	518	649
Unrestricted surplus	**2,464**	2,501	410	(755)	1,807
TOTAL RESTRICTED AND UNRESTRICTED SURPLUS	**$ 57,256**	$ 49,534	$ 46,291	$ 39,980	$ 39,525
RESTRICTED AND UNRESTRICTED SURPLUS PER CAPITA	**$ 1,873**	$ 1,620	$ 1,538	$ 1,329	$ 1,332

PARKLAND COUNTY

CONSOLIDATED REVENUE BY SOURCE

Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009	2008
TAXATION					
Residential land and improvements	**$ 30,839**	$ 29,488	$ 28,070	$ 27,359	$ 25,805
Non-residential:					
Commercial and industrial	**10,458**	9,443	8,656	7,776	6,302
Machinery and equipment	**1,526**	1,551	1,187	1,176	985
Linear	**12,576**	6,838	7,280	7,220	6,220
Farmland	**269**	267	276	251	243
	55,668	47,587	45,468	43,782	39,555
LESS REQUISITIONS					
Education requisitions	**17,510**	15,762	14,952	14,297	13,366
Meridian Foundation	**372**	327	297	257	185
	17,882	16,089	15,249	14,554	13,551
Net municipal taxes	**37,786**	31,498	30,219	29,228	26,004
Local improvement charges	**1,826**	494	658	606	446
Sales and user charges	**10,254**	9,700	8,664	9,357	10,956
Penalties on taxes	**622**	618	557	495	429
Investment income	**1,332**	1,383	1,254	1,164	1,754
Government transfers	**9,771**	11,594	11,592	7,703	5,580
Development charges and levies	**48**	50	2,779	304	308
Other	**2,295**	1,323	1,004	921	1,391
Gain on disposal of tangible capital assets	**36**	1,666	26	150	213
Contributed tangible capital assets	**21,870**	30,211	7,880	6,849	7,010
Operating revenues	**85,840**	88,537	64,634	56,777	54,091
TOTAL REVENUE	**$ 85,840**	$ 88,537	$ 64,634	$ 56,777	$ 54,091

See Note 22

PARKLAND COUNTY

CONSOLIDATED EXPENSES BY FUNCTION*
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009	2008
TOTAL REVENUE	**$ 85,840**	$ 88,537	$ 64,634	$ 56,777	$ 54,091
EXPENSES					
Legislative	**787**	816	827	704	726
General services	**2,370**	2,296	1,930	1,876	1,986
Legislative and administrative services	**2,754**	2,217	1,548	1,479	803
General office operations	**1,011**	966	902	856	839
Assessment services	**891**	776	778	702	628
Financial services	1,394	1,447	1,375	1,241	960
General municipal	**301**	129	175	291	171
Planning services	**1,959**	2,010	1,729	1,579	1,932
Protective services	**6,132**	5,524	5,147	6,113	8,294
Engineering services	**13,909**	12,563	3,680	3,884	5,295
Public works	**9,373**	9,400	7,197	7,478	5,556
Environmental services	**5,607**	4,900	3,529	4,197	4,215
Agriculture services	**1,416**	1,275	1,206	1,147	803
Recreation and parks services	**6,712**	6,171	5,272	5,764	4,286
Intelligent Community	**494**	319	158	-	-
Loss on disposal of tangible capital assets **			422	511	5
Amortization of tangible capital assets **			10,965	10,828	10,287
TOTAL EXPENSES	**55,110**	50,809	46,841	48,648	46,784
Excess (deficiency) of revenue over expenses before the following:	**30,730**	37,728	17,793	8,129	7,306
Increase (Decrease) in Financial Assets	**30,730**	37,728	17,793	8,129	7,306
Increase in Non-Financial Assets	**-**	-	-	-	-
Operating surplus for the year	**$ 30,730**	$ 37,728	$ 17,793	$ 8,129	$ 7,306

* The term 'function" refers to the grouping of expenses by department or service.
** Effective 2011, loss on disposal of TCA and amortization of TCA are grouped within each function.

PARKLAND COUNTY

CONSOLIDATED EXPENSES BY OBJECT**
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009	2008
EXPENSES					
Salaries, wages and employee benefits	**$ 21,503**	$ 19,824	$ 18,335	$ 18,258	$ 18,351
Contracted and general services	**8,985**	8,055	6,975	8,350	9,701
Materials, goods, supplies and utilities	**6,372**	5,857	5,379	6,408	4,326
Interest and bank charges	**550**	537	607	795	615
Transfers to governments, agencies and organizations	**4,793**	4,924	4,159	3,499	3,499
Amortization on tangible capital assets	**12,596**	11,597	10,965	10,828	10,287
Loss on disposal of tangible capital assets	**311**	15	422	511	5
TOTAL EXPENSES BY OBJECT	**$ 55,110**	$ 50,809	$ 46,841	$ 48,648	$ 46,784

** The term "object" refers to expenses by nature or type.

PARKLAND COUNTY

CONSOLIDATED FINANCIAL POSITION AND ANNUAL SURPLUS
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009	2008
Financial assets	**$ 96,407**	$ 81,024	$ 76,855	$ 64,836	$ 64,693
Liabilities	**53,918**	45,763	43,446	38,118	34,110
Net financial assets	**42,489**	35,261	33,409	26,718	30,583
Non-financial assets	**340,865**	317,363	284,477	269,009	257,281
Accumulated surplus	**383,354**	352,624	317,886	295,728	287,864
Annual Surplus	**$ 30,730**	$ 37,728	$ 17,794	$ 8,129	$ 7,308

PARKLAND COUNTY

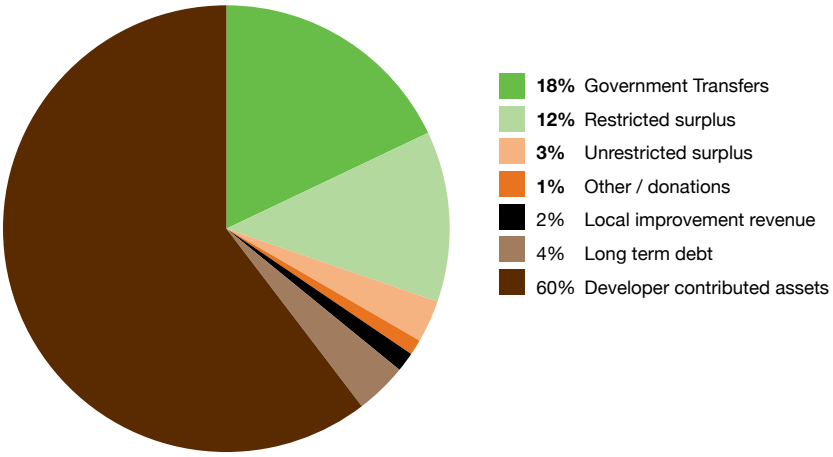
CONSOLIDATED CAPITAL EXPENDITURES SOURCES OF FINANCING

Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009
Capital Expenditures Funded by:				
Government transfers	**$ 6,499**	$ 8,569	$ 8,852	$ 6,055
Restricted surplus	**4,476**	4,376	2,273	2,882
Unrestricted surplus	**1,110**	2,212	2,861	2,510
Other/donations	**407**	70	17	-
Local improvement revenue	**509**	255	424	336
Long term debt	**1,355**	546	-	-
Developer contributed assets	**21,870**	30,211	7,880	6,849
	$ 36,226	$ 46,239	$ 22,307	$ 18,632

*Information prior to 2009 is unavailable in the current reporting format.

2012 CAPITAL — SOURCES OF FINANCING



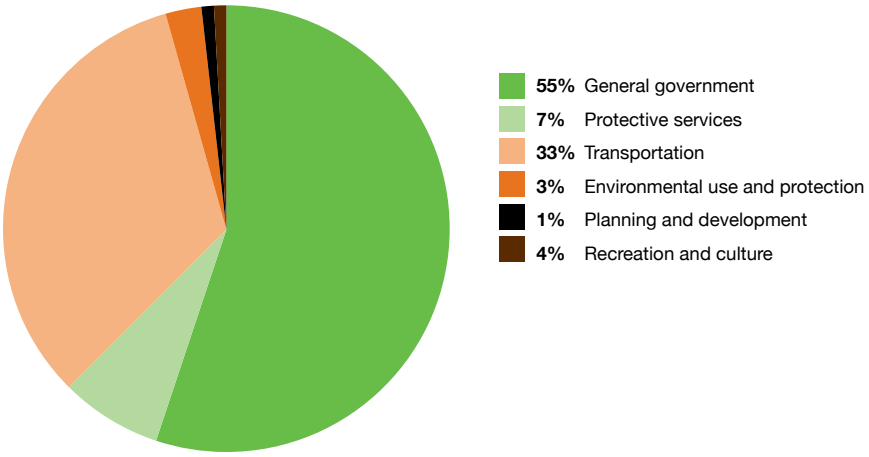
PARKLAND COUNTY

CONSOLIDATED CAPITAL EXPENDITURES
Years Ended December 31 for 2008 to 2012 (in 000's)

	2012	2011 (Restated)	2010	2009
Capital Expenditures				
General government	**$ 19,968**	$ 9,230	$ 6,309	$ 6,226
Protective services	**2,669**	1,009	56	150
Transportation	**12,004**	23,729	12,237	7,497
Environmental use and protection	**939**	11,461	3,417	4,546
Planning and development	**324**	706	50	44
Recreation and culture	**322**	104	239	169
	$ 36,226	$ 46,239	$ 22,307	$ 18,632

*Information prior to 2009 is unavailable in the current reporting format.

2012 CAPITAL EXPENDITURES



parkland county

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