



Financial Statements of

# **TOWN OF BLACK DIAMOND**

Year ended December 31, 2011

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of the Town of Black Diamond (the "Town") are the responsibility of management and have been approved by the Town's Council. The financial statements have been prepared in conformity with Canadian public sector accounting standards established by the Canadian Institute of Chartered Accountants, using management's best estimates and judgments, where appropriate. In the opinion of management, these financial statements reflect fairly the financial position, the results of its operations, changes in net financial assets, and cash flows of the Town within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. Council carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These financial statements have been audited, in accordance with Canadian generally accepted auditing standards, by KPMG, who were appointed by Council. KPMG have full and unrestricted access to management and Council to discuss their audit and related findings. The Auditors' Report outlining the scope of their examination and their opinion on the financial statements is presented on the following page.



Chief Administrative Officer

June 28, 2012



KPMG LLP  
Chartered Accountants  
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To the Members of Council of the Town of Black Diamond

We have audited the accompanying financial statements of the Town of Black Diamond, which comprise the statement of financial position as at December 31, 2011, the statements of operations, changes 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 Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of Black Diamond as at December 31, 2011, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Comparative Information*

The financial statements of the Town of Black Diamond as at and for the year ended December 31, 2010 were audited by another auditor who expressed an unmodified opinion on those statements on July 13, 2011.

**KPMG LLP**

Chartered Accountants

Calgary, Canada

June 28, 2012

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# TOWN OF BLACK DIAMOND

## Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	2011	2010
<b>Financial Assets</b>		
Cash	\$ 4,601,251	\$ 4,382,279
Temporary Investments (note 4)	2,914,390	2,866,828
Receivables:		
Taxes and grants in lieu of taxes (note 5)	244,382	264,251
Trade and other receivables	399,674	694,014
	<u>\$ 8,159,677</u>	<u>\$ 8,207,372</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 252,409	\$ 187,821
Employee benefit obligation (note 8)	112,381	92,110
Deposit liabilities	992,381	995,353
Deferred revenue (note 6)	5,860	5,198
Deferred grants (note 7)	604,480	527,366
Long-term debt (note 9)	1,447,039	1,621,115
	<u>3,414,550</u>	<u>3,428,963</u>
Net financial assets	4,745,127	4,778,409
Non-financial assets:		
Tangible capital assets (note 11 and Schedule 2)	19,403,917	18,587,437
Inventory for consumption	86,389	116,599
Prepaid expenses	86,382	55,628
	<u>19,576,688</u>	<u>18,759,664</u>
Accumulated surplus (note 13 and Schedule 1)	<u>\$24,321,815</u>	<u>\$23,538,073</u>

See accompanying notes to financial statements.

# TOWN OF BLACK DIAMOND

## Statement of Operations

Year December 31, 2011, with comparative figures for 2010

	Budget (unaudited - note 17)	2011	2010
<b>Revenue:</b>			
Net municipal taxes (Schedule 3)	\$ 2,265,007	\$ 2,264,656	\$ 2,374,143
Sales and user charges:			
Water and wastewater	885,000	878,992	876,912
Rentals	213,292	217,779	210,251
Waste management	166,764	166,875	140,437
Other	40,380	93,096	69,926
Licenses, permits and fines	213,050	154,007	219,670
Penalties and costs on taxes	65,000	73,290	92,405
Franchise fees	117,000	151,312	123,684
Return on investments	14,000	96,557	107,559
Government transfers for operating (Schedule 4)	159,006	208,713	177,637
Offsite levies and assessments	—	124,672	337,639
Other	5,250	137,566	45,724
	<b>4,143,749</b>	<b>4,567,515</b>	<b>4,775,967</b>
<b>Expenses (Schedule 5):</b>			
Legislative	134,698	118,537	109,872
Administration	528,099	530,172	497,898
Fire, ambulance and policing	453,542	480,120	507,460
Disaster and emergency services	8,714	14,242	12,889
Road, street, walks and lighting	724,227	886,889	728,727
Water and wastewater	781,521	974,820	985,983
Waste management	154,108	179,536	150,510
Planning and development	217,836	295,266	166,155
Recreation and parks	635,906	730,009	704,126
Other	206,934	212,831	174,086
	<b>3,845,685</b>	<b>4,432,422</b>	<b>4,037,686</b>
<b>Excess of revenue over expenses before other items</b>	<b>298,064</b>	<b>135,093</b>	<b>738,281</b>
<b>Other items:</b>			
Government transfers for capital (Schedule 4)	603,809	648,649	603,809
<b>Excess of revenue over expenses</b>	<b>901,873</b>	<b>783,742</b>	<b>1,342,090</b>
<b>Accumulated surplus, beginning of year</b>	<b>23,630,184</b>	<b>23,538,073</b>	<b>22,195,983</b>
<b>Accumulated surplus, end of year</b>	<b>\$24,532,057</b>	<b>\$24,321,815</b>	<b>\$23,538,073</b>

See accompanying notes to financial statements.

# TOWN OF BLACK DIAMOND

## Statement of Changes in Net Financial Assets

Year December 31, 2011, with comparative figures for 2010

	2011	2010
Excess of revenue over expenses	\$ 783,742	\$ 1,342,090
Acquisition of tangible capital assets	(1,394,256)	(964,593)
Proceeds on disposal of tangible capital assets	3,250	-
Amortization of tangible capital assets	567,474	522,817
Loss on sale of tangible capital assets	7,052	-
	(32,738)	900,314
Usage (acquisition) of inventory for consumption	30,210	(39,407)
(Acquisition) reduction of prepaid assets	(30,754)	8,544
	(544)	(30,863)
Increase in net financial assets	(33,282)	869,451
Net financial assets, beginning of year	4,778,409	3,908,958
Net financial assets, end of year	\$ 4,745,127	\$ 4,778,409

See accompanying notes to financial statements.

# TOWN OF BLACK DIAMOND

## Statement of Cash Flows

Year December 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 783,742	\$ 1,342,090
Non-cash items:		
Amortization of tangible capital assets	567,474	522,817
Loss on disposal of tangible capital assets	7,052	-
Changes in non-cash working capital balances:		
Temporary investments	(47,562)	(113,792)
Taxes and grants in lieu receivable	19,889	2,064
Trade and other receivables	294,340	(242,973)
Inventory for consumption	30,210	(39,407)
Prepaid expenses	(30,754)	8,544
Accounts payable and accrued liabilities	19,632	(6,417)
Employee benefit obligation	20,271	13,663
Deposit liabilities	(2,972)	673,337
Deferred grants	77,114	-
Deferred revenue	662	525,166
	1,739,098	2,685,052
Financing:		
Proceeds on long-term debt	-	98,519
Long-term debt repaid	(174,076)	(163,380)
	(174,076)	(64,861)
Capital:		
Acquisition of tangible capital assets	(1,394,256)	(964,593)
Proceeds on sale of tangible capital assets	3,250	-
Change in non-cash working capital:		
Accounts payable and accrued liabilities	44,956	14,621
	(1,346,050)	(949,972)
Change in cash	218,972	1,670,219
Cash, beginning of year	4,382,279	2,712,020
Cash, end of year	\$ 4,601,251	\$ 4,382,279

See accompanying notes to financial statements.

# TOWN OF BLACK DIAMOND

## Notes to Financial Statements

For the Year December 31, 2011, with comparative figures for 2010

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### 1. Significant accounting policies:

The financial statements of Town of Black Diamond are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the Town are as follows:

#### (a) Reporting entity:

The financial statements reflect the assets liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Interdepartmental and inter organizational transactions and balances have been eliminated.

The schedule of taxes levied also includes operating requisitions for many educational, health, social and other external organizations that are not part of the municipal reporting entity.

#### (b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

#### (c) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.



# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 2

For the Year December 31, 2011, with comparative figures for 2010

## 1. Significant accounting policies (continued):

### (d) Government transfers:

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue 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 amount can be made.

### (e) 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. The change in non-financial assets during the year, together with the excess of revenues over expenses provides the change in net financial assets for the year.

### (i) Tangible capital assets:

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

	Years
Land improvements	10-50
Buildings	40
Engineered structures:	
Water system	50
Wastewater system	50
Other engineered structures	50
Machinery and equipment	10-45
Vehicles	7-25

Assets under construction are not amortized until the asset is available for productive use.

# **TOWN OF BLACK DIAMOND**

Notes to Financial Statements, page 3

For the Year December 31, 2011, with comparative figures for 2010

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## **1. Significant accounting policies (continued):**

### **(e) 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) Leases:**

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

#### **(iv) Inventory for consumption:**

Inventories held for consumption are valued at the lower of cost or net realizable value with cost determined by the average cost method.

## **2. Expense adjustments:**

During the current year, the Town identified an error in its financial statements for the year ended December 31, 2010. The Town did not account for its vacation and banked overtime accrual for previous years. Accordingly, salaries, wages and benefits expense has increased by \$13,639 for the year ended December 31, 2010, accumulated surplus decreased by \$78,471, and employee benefit obligation increased by \$82,110 at December 31, 2010. This error is not considered material to the financial statements taken as a whole as at and for the year ended December 31, 2010.

## **3. Recent accounting pronouncements:**

The Public Sector Accounting Board recently announced the following accounting pronouncements:

### **(a) Liability for contaminated sites:**

This accounting pronouncement establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. It is effective for fiscal years beginning on or after April 1, 2014, with early adoption encouraged.

### **(b) Government transfers:**

This accounting pronouncement establishes standards on how to account for and report government transfers to individuals, organizations, and other governments from both a transferring government and a recipient government perspective. It is effective for fiscal years beginning on or after April 1, 2012, with early adoption encouraged.

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 4

For the Year December 31, 2011, with comparative figures for 2010

## 3. Recent accounting pronouncements (continued):

### (c) Financial instruments:

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2015 for governments and for fiscal years beginning on or after April 1, 2012 for government organizations, with early adoption encouraged.

### (d) Foreign currency translation:

This accounting pronouncement establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements. It is effective for fiscal years beginning on or after April 1, 2015 for governments and for fiscal years beginning on or after April 1, 2012 for government organizations, with early adoption encouraged.

Management is assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

## 4. Temporary Investments:

Temporary investments consist of Guaranteed Investment Certificates which are 100% guaranteed by either the Canadian Deposit Insurance Corporation (CDIC) or the Government of Alberta.

Interest earned on temporary investments varies from 1.35% to 1.94% (2010 – 1.55% to 1.94%) per annum and maturities are all within 17 months. Interest paid on cash on deposit is bank prime less 2%.

The Fair Market Value of temporary investments as at December 31, 2011 is \$2,914,390 (2010 – \$2,866,828) which includes accrued interest.

## 5. Taxes and grants in lieu of taxes receivable:

	2011	2010
Current		
Arrears	\$ 161,842	\$ 172,042
	82,520	92,209
	\$ 244,362	\$ 264,251

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 5

For the Year December 31, 2011, with comparative figures for 2010

## 6. Deferred revenue:

Deferred revenue includes amounts received by the Town for services or items that pertain to the following financial year.

	2011	2010
Prepaid items	\$ 4,785	\$ 4,018
Business licenses	550	225
Dog tags	525	275
Garden Plot fees	-	680
	\$ 5,860	\$ 5,198

## 7. Deferred grants:

These grants were received by the Town and will be recognized as revenue as the expenses for the designated projects are incurred:

	2010 balance	Grants received and interest	Government transfer revenue	2011 balance
Municipal Sustainability Initiative - capital grant	\$ 161,297	\$ 1,614	\$ -	\$ 162,911
Municipal Sustainability Initiative - operating grant	47,542	48,489	(53,947)	42,084
Quad Regional Water Project - operating grant	75,000	-	(75,000)	-
New Deal for Cities and Communities - capital grant	243,527	1,144	(244,671)	-
Alberta Municipal Infrastructure Program - capital grant	-	355,754	-	355,754
Basic Municipal Transportation Grant	-	43,731	-	43,731
	\$ 527,366	\$ 450,732	\$ (373,618)	\$ 604,480

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 6

For the Year December 31, 2011, with comparative figures for 2010

## 8. Employee benefit obligations:

	2011	2010
Vacation	\$ 99,197	\$ 87,126
Overtime	13,184	4,984
	<u>\$ 112,381</u>	<u>\$ 92,110</u>

Vacation and overtime liability is comprised of vacation and overtime that employees are deferring to future years. Employees have earned these benefits, which have vested.

## 9. Long-term debt:

	2011	2010
Capital leases	\$ 22,949	\$ 54,582
Tax-supported debentures	882,687	607,553
Self-supported debentures	541,403	958,980
	<u>\$ 1,447,039</u>	<u>\$ 1,621,115</u>

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2012	\$ 138,195	\$ 81,572	\$ 219,767
2013	139,173	74,308	213,479
2014	127,763	67,511	195,274
2015	114,082	60,966	175,048
2016	99,669	54,330	153,999
Thereafter	828,157	478,422	1,306,579
	<u>\$ 1,447,039</u>	<u>\$ 817,107</u>	<u>\$ 2,264,146</u>

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 2.44% to 10.63% per annum, and mature in periods 2012 through 2027. The average annual interest rate is 5.99% for 2011 (5.77% for 2010). Debenture debt is issued on the credit and security of the Town of Black Diamond at large.

Capital leases are repayable in monthly instalments of \$2,762 including principal and interest. The leases will mature by August 2014.

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 7

For the Year December 31, 2011, with comparative figures for 2010

## 10. Debt limits:

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Black Diamond be disclosed as follows:

	2011	2010
Total debt limit	\$ 6,851,273	\$ 7,163,951
Total debt	1,447,039	1,621,115
Total debt limit available	\$ 5,404,234	\$ 5,542,836
Service on debt limit	\$ 1,141,879	\$ 1,193,994
Service on debt	219,767	221,344
Service on debt limit available	\$ 922,112	\$ 972,650

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) 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 Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipality. Rather, the financial statements must be interpreted as a whole.

## 11. Tangible capital assets:

	2011	2010
Net book value:		
Land	\$ 701,965	\$ 701,965
Land improvements	188,471	178,309
Building	3,975,203	4,042,753
Distribution systems:		
Water	3,568,550	3,498,794
Wastewater	2,412,677	1,503,698
Other engineered structures	5,715,056	5,835,933
Machinery and equipment	1,676,363	1,565,808
Vehicles	1,016,407	1,126,605
Vehicles under capital lease	149,225	133,572
	\$19,403,917	\$18,587,437

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 8

For the Year December 31, 2011, with comparative figures for 2010

## 12. Equity in tangible capital assets:

	2011	2010
Tangible capital assets (Schedule 2)	\$21,471,583	\$20,092,045
Accumulated amortization (Schedule 2)	(2,067,666)	(1,504,608)
Long-term debt (note 9)	(1,447,039)	(1,621,115)
	<u>\$17,956,878</u>	<u>\$16,966,322</u>

## 13. Accumulated surplus:

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

	2011	2010
Unrestricted surplus	\$ 869,691	\$ 837,953
Restricted surplus:		
Operating reserves	1,072,936	1,066,647
Capital reserves	4,422,310	4,667,151
Equity in tangible capital assets	17,956,878	16,966,322
	<u>\$24,321,815</u>	<u>\$23,538,073</u>

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 9

For the Year December 31, 2011, with comparative figures for 2010

## 14. Salary and benefits disclosure:

			2011	2010
	Salary	Benefits and allowances	Total	Total
	(1)	(2)		
Mayor:				
Brown, S.	\$ 10,503	\$ 553	\$ 11,056	\$ 14,808
Councillors:				
Osberg, D.	7,483	228	7,711	1,667
Ross, M.	8,250	903	9,153	10,828
Jackson, M.	8,800	79	8,879	13,528
Price, W.	—	—	—	10,161
Deacon, J.	7,367	91	7,458	1,817
Thomson, J.	6,917	228	7,145	11,003
Bray, T.	—	—	—	8,786
Hart, S.	6,650	228	6,878	10,303
	55,870	2,310	58,280	82,701
Chief Administrative Officer	93,961	11,235	105,196	93,435
Designated Officer(s):				
Peace Officer(s)	124,111	11,235	135,346	124,883
Development Officer	71,804	3,708	75,512	—
	\$ 345,846	\$ 28,488	\$ 374,334	\$ 301,019

- (1) Salary includes regular base pay, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employee's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, and professional memberships.

## 15. Contingencies:

The Town of Black Diamond is a member of Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.



# **TOWN OF BLACK DIAMOND**

Notes to Financial Statements, page 10

For the Year December 31, 2011, with comparative figures for 2010

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## **16. Financial Instruments:**

The Town's financial instruments consist of cash, temporary investments, receivables, accounts payable and accrued liabilities, employee benefit obligation, deposit liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest, or currency risks arising from these financial instruments.

The Town 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 Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of tax payers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

## **17. Budget Information:**

The unaudited budget information presented in these financial statements is based upon the 2011 operating and capital budgets approved by Council on May 4, 2011 and any subsequent budget adjustments.

## **18. Segmented disclosures:**

The Schedule of Segmented Disclosure (Schedule 6) has been prepared in accordance with PSAB 2700 Segmented Disclosures. Segmented disclosures are intended to help users of the financial statements identify the resources allocated to support major government activities and allow the user to make more informed judgments regarding the government reporting entity. Segmented information has been identified based upon functional activities provided by the Town. For each reported segment, revenue and expenses represent amounts directly attributable to the functional activity and amounts allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

### **a) General Government**

General Government includes net municipal taxes, sales and user charges, licence penalties and cost on taxes, franchise and concession contracts, investment income, and government grants.

### **b) Protective and Emergency Services**

Protective and emergency services includes dispatch, police, fire, emergency management, building inspection and, animal control

### **c) Transportation Services**

Transportation services includes common services, roads, storm sewers and drainage.

# **TOWN OF BLACK DIAMOND**

Notes to Financial Statements, page 11

For the Year December 31, 2011, with comparative figures for 2010

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## **18. Segmented disclosures (continued):**

### **d) Environmental Services**

Environmental services includes water, sanitary sewage, and garbage removal.

### **e) Planning and Development**

Planning and development includes planning and development, sustainability, economic development, and tourism.

### **f) Recreation**

Recreation includes parks and recreation.

### **g) Other**

Other includes cemetery, family and community support services, and library

## **19. Comparative Information**

Certain 2010 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

## **20. Approval of financial statements:**

Council and Management have approved these financial statements as of June 28, 2012.

# TOWN OF BLACK DIAMOND

## Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2011

Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2011	2010
Balance, beginning of year	\$ 837,953	\$ 5,733,798	\$ 16,966,322	\$ 23,538,073	\$ 22,195,983
Excess of revenue over expenses	783,742	-	-	783,742	1,342,090
Funds designated for future use	244,841	(244,841)	-	-	-
Restricted funds -- used for operations	(6,289)	6,289	-	-	-
Current year funds used to purchase tangible capital assets	(1,394,256)	-	1,394,256	-	-
Net book value of tangible capital assets disposed of	10,302	-	(10,302)	-	-
Annual amortization expense	567,474	-	(567,474)	-	-
Long-term debt -- issued	-	-	-	-	-
Long-term debt -- repaid	(174,076)	-	174,076	-	(98,519)
Capital debt -- used to acquire tangible capital assets	-	-	-	-	98,519
Accumulated surplus, end of year	\$ 869,691	\$ 5,495,246	\$ 17,956,878	\$ 24,321,815	\$ 23,538,073

# **TOWN OF BLACK DIAMOND** Schedule of Capital Assets

Schedule 2

For the year ended December 31, 2011

	Land	Land Improvements	Buildings	Engineered Structures	Vehicles	Machinery and Equipment	2011	2010
<b>Cost:</b>								
Balance, beginning of year	\$ 701,965	\$ 188,974	\$ 4,356,404	\$ 11,493,413	\$ 1,242,414	\$ 1,897,312	\$ 19,880,482	\$ 18,915,889
Leased, beginning of year	-	-	-	-	211,583	-	211,583	211,583
Balance, beginning of year	701,965	188,974	4,356,404	11,493,413	1,453,977	1,897,312	20,092,045	19,127,452
Acquisitions	-	14,500	41,884	1,088,716	-	239,156	1,394,258	984,593
Disposals	-	-	-	-	(14,718)	-	(14,718)	-
	701,965	203,474	4,398,288	12,582,129	1,439,259	2,136,468	21,471,583	20,082,045
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	10,665	313,651	654,988	193,801	331,503	1,504,808	981,791
Annual amortization	-	4,338	109,434	240,658	84,242	128,602	567,474	522,817
Accumulated amortization on disposals	-	-	-	-	(4,416)	-	(4,416)	-
	-	15,003	423,085	895,646	273,627	460,105	2,067,866	1,504,608
<b>Net book value</b>	<b>\$ 701,965</b>	<b>\$ 188,471</b>	<b>\$ 3,975,203</b>	<b>\$ 11,686,283</b>	<b>\$ 1,165,632</b>	<b>\$ 1,676,363</b>	<b>\$ 19,403,917</b>	<b>\$ 18,587,437</b>

# TOWN OF BLACK DIAMOND

## Schedule of Taxes Levied

Schedule 3

For the year ended December 31, 2011

	2011	2010
<b>Taxation:</b>		
Real property taxes	\$ 2,996,875	\$ 3,026,347
Business taxes	539	569
Linear property taxes	27,665	26,865
Government grants in lieu of property taxes	36,884	37,402
	<u>3,061,963</u>	<u>3,091,183</u>
<b>Requisitions:</b>		
Alberta School Foundation Fund	732,210	667,034
Separate School Division	30,701	26,839
Foothills Seniors Foundation	34,396	23,167
	<u>797,307</u>	<u>717,040</u>
<b>Net municipal taxes</b>	<b>\$ 2,264,656</b>	<b>\$ 2,374,143</b>

# TOWN OF BLACK DIAMOND

## Schedule of Government Transfers

Schedule 4

For the year ended December 31, 2011

	2011	2010
<b>Operating:</b>		
Provincial transfers:		
Shared cost agreements:		
Administration	\$ 56,058	\$ -
By-law	-	25,518
Parks and recreation	24,000	22,173
Family and Community Support	47,772	47,772
Tourism	3,000	1,850
	<u>130,828</u>	<u>97,313</u>
Local transfers:		
Shared cost agreements and grants:		
Fire	48,378	51,751
Recreation	21,294	26,894
Other	8,213	1,679
	<u>77,885</u>	<u>80,324</u>
	<u>208,713</u>	<u>177,637</u>
<b>Capital:</b>		
Provincial transfers:		
Roads	-	233,367
Wastewater	406,794	116,027
Water	241,855	255,415
	<u>648,649</u>	<u>603,809</u>
	<u>\$ 857,362</u>	<u>\$ 781,446</u>

# TOWN OF BLACK DIAMOND

## Schedule of Expenses by Object

Schedule 5

For the year ended December 31, 2011

	Budget (unaudited - note 17)	2011	2010
Expenses:			
Salaries, wages and benefits	\$ 1,717,881	\$ 1,638,382	\$ 1,468,198
Contracted and general services	957,595	989,748	864,809
Materials, goods, supplies and utilities	588,183	636,832	638,367
Amortization of tangible capital assets	—	567,474	522,817
Transfer to Local Boards and Agencies	433,503	439,958	333,854
Transfers to Individuals and Organizations	42,935	42,935	94,123
Interest and bank charges	91,338	91,150	95,289
Miscellaneous	11,750	17,005	17,971
Loss on disposal of tangible capital assets	—	7,052	—
Bad debt allowances	2,500	890	2,258
	<b>\$ 3,845,685</b>	<b>\$ 4,432,422</b>	<b>\$ 4,037,686</b>

# TOWN OF BLACK DIAMOND

## Schedule of Segmented Disclosure

Schedule 6

For the year ended December 31, 2011

	Protective and											
	General Government	Emergency Services	Transportation Services	Environmental Services	Planning and Development	Recreation	Other	2011 Total	2010 Total			
<b>Revenue:</b>												
Net municipal taxes	\$ 2,284,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,284,656	\$ 2,374,143			
Sales and user charges	7,136	55,877	1,527	1,045,868	23,825	220,002	2,507	1,358,742	1,297,526			
Licenses, permits and fines	16,830	125,243	-	6,284	6,860	-	-	154,007	218,670			
Penalties and costs on taxes	73,290	-	-	-	-	-	-	-	92,405			
Franchises and concession contracts	48,398	-	-	-	-	101,916	-	151,312	123,684			
Return of investments	53,622	2,573	9,503	17,533	6,120	6,480	716	98,557	107,559			
Governmental Grants	58,058	48,378	-	688,862	3,000	45,284	47,772	857,362	781,446			
Off-site fees and assessments	-	10,749	26,816	60,434	-	-	28,873	124,672	337,539			
Other revenues	240	4,011	353	281	120,861	12,040	-	137,566	45,724			
	2,520,226	246,831	37,898	1,787,242	180,256	385,742	77,868	5,216,184	5,379,776			
<b>Expenses:</b>												
Salaries, wages and benefits	418,061	216,501	243,148	268,049	124,498	337,148	30,978	1,839,382	1,488,198			
Contract and general services	180,888	131,350	221,540	281,580	87,432	117,033	9,923	888,746	894,809			
Materials, goods, supplies, and utilities	33,282	43,428	222,604	114,242	72,883	148,718	1,665	638,832	638,367			
Transfers to local boards, agencies, individuals and organizations	-	18,991	-	287,029	-	4,000	162,871	482,891	427,977			
Interest and bank charges	2,802	2,804	22,773	62,339	-	432	-	91,150	95,289			
Other expenses	180	2,755	7,327	-	7,941	6,744	-	24,847	20,229			
	615,223	415,829	717,383	1,004,239	282,754	614,075	205,435	3,864,948	3,514,889			
Excess (deficiency) of revenue over expenses before amortization	1,905,003	(168,998)	(579,394)	783,003	(132,498)	(228,333)	(127,567)	1,351,216	1,864,907			
Amortization of tangible capital assets	33,487	88,534	181,228	146,435	-	115,834	2,858	567,474	522,817			
Excess (deficiency) of revenue over expenses	\$ 1,871,516	\$ (257,532)	\$ (860,622)	\$ 636,568	\$ (132,498)	\$ (344,267)	\$ (130,423)	\$ 783,742	\$ 1,342,090			