



Financial Statements of

TOWN OF BLACK DIAMOND

Year ended December 31, 2012

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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 Public Sector Accounting Board of 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 LLP ("KPMG"), who were appointed by Council. KPMG have full and unrestricted access to management and Council to discuss their audit and related findings. The Independent Auditors' Report outlining the scope of their examination and their opinion on the financial statements is presented on the following page.



Chief Administrative Officer

April 24, 2013





KPMG LLP
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

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, 2012, 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 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, 2012, 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.

KPMG LLP

Chartered Accountants

Calgary, Canada

April 24, 2013

TOWN OF BLACK DIAMOND

Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial Assets		
Cash	\$ 7,803,864	\$ 4,601,251
Temporary investments (note 3)	2,462,353	2,914,390
Receivables:		
Taxes and grants in lieu of taxes (note 4)	180,779	244,362
Trade and other receivables	353,590	399,674
	<u>\$ 10,800,586</u>	<u>\$ 8,159,677</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 428,430	\$ 252,409
Employee benefit obligations (note 5)	123,001	112,381
Deposit liabilities	919,435	992,381
Deferred revenue (note 6)	7,930	5,860
Deferred grants (note 7)	3,152,179	604,480
Long-term debt (note 8)	1,325,400	1,447,039
	<u>5,956,375</u>	<u>3,414,550</u>
Net financial assets	<u>4,844,211</u>	<u>4,745,127</u>
Non-financial assets:		
Tangible capital assets (note 10 and Schedule 2)	19,584,515	19,403,917
Inventory for consumption	73,933	86,389
Prepaid expenses	62,317	86,382
	<u>19,720,765</u>	<u>19,576,688</u>
Accumulated surplus (note 12 and Schedule 1)	<u>\$ 24,564,976</u>	<u>\$ 24,321,815</u>

See accompanying notes to financial statements.



TOWN OF BLACK DIAMOND

Statement of Operations

Year December 31, 2012, with comparative figures for 2011

	Budget (unaudited - note 16)	2012	2011
Revenue:			
Net municipal taxes (Schedule 3)	\$ 2,299,040	\$ 2,319,658	\$ 2,264,656
Sales and user charges:			
Water and wastewater	905,697	937,715	878,992
Rentals	211,175	225,794	217,779
Waste management	179,140	182,388	166,875
Licenses, permits and fines	172,400	129,243	154,007
Other	46,880	97,686	93,096
Government transfers for operating (Schedule 4)	328,089	392,742	208,713
Franchise fees	102,000	145,373	151,312
Return on investments	87,500	102,690	96,557
Offsite levies and assessments	—	68,618	124,672
Penalties and costs on taxes	66,800	66,890	73,290
Other	16,054	61,364	137,566
	4,414,775	4,730,161	4,567,515
Expenses (Schedule 5):			
Legislative	136,822	124,019	118,537
Administration	675,753	634,749	530,172
Fire, ambulance and policing	456,304	522,627	490,120
Disaster and emergency services	9,797	11,536	14,242
Road, street, walks and lighting	796,962	863,579	886,889
Water and wastewater	864,609	1,017,668	974,820
Waste management	188,300	183,247	179,536
Planning and development	321,365	301,402	295,266
Recreation and parks	667,462	755,278	730,009
Other	220,555	292,995	212,831
	4,337,929	4,707,100	4,432,422
Excess of revenue over expenses before other items	76,846	23,061	135,093
Other items:			
Government transfers for capital (Schedule 4)	1,575,782	220,100	648,649
Excess of revenue over expenses	1,652,628	243,161	783,742
Accumulated surplus, beginning of year	24,321,815	24,321,815	23,538,073
Accumulated surplus, end of year	\$ 25,974,443	\$ 24,564,976	\$ 24,321,815

See accompanying notes to financial statements.

TOWN OF BLACK DIAMOND

Statement of Changes in Net Financial Assets

Year December 31, 2012, with comparative figures for 2011

	2012	2011
Excess of revenue over expenses	\$ 243,161	\$ 783,742
Acquisition of tangible capital assets	(783,705)	(1,394,256)
Proceeds on disposal of tangible capital assets	-	3,250
Amortization of tangible capital assets	603,107	567,474
Loss on disposal of tangible capital assets	-	7,052
	62,563	(32,738)
Usage of inventory for consumption	12,456	30,210
Usage (acquisition) of prepaid expenses	24,065	(30,754)
	36,521	(544)
Increase (decrease) in net financial assets	99,084	(33,282)
Net financial assets, beginning of year	4,745,127	4,778,409
Net financial assets, end of year	\$ 4,844,211	\$ 4,745,127

See accompanying notes to financial statements.



TOWN OF BLACK DIAMOND

Statement of Cash Flows

Year December 31, 2012, with comparative figures for 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 243,161	\$ 783,742
Non-cash items:		
Amortization of tangible capital assets	603,107	567,474
Loss on disposal of tangible capital assets	-	7,052
Changes in non-cash working capital balances:		
Temporary investments	452,037	(47,562)
Taxes and grants in lieu receivable	63,583	19,889
Trade and other receivables	46,084	294,340
Inventory for consumption	12,456	30,210
Prepaid expenses	24,065	(30,754)
Accounts payable and accrued liabilities	176,021	19,632
Employee benefit obligation	10,620	20,271
Deposit liabilities	(72,946)	(2,972)
Deferred grants	2,547,699	77,114
Deferred revenue	2,070	662
	4,107,957	1,739,098
Financing:		
Long-term debt repaid	(121,639)	(174,076)
	(121,639)	(174,076)
Capital:		
Acquisition of tangible capital assets	(783,705)	(1,394,256)
Proceeds on sale of tangible capital assets	-	3,250
Change in non-cash working capital:		
Accounts payable and accrued liabilities	-	44,956
	(783,705)	(1,346,050)
Increase in cash	3,202,613	218,972
Cash, beginning of year	4,601,251	4,382,279
Cash, end of year	\$ 7,803,864	\$ 4,601,251

See accompanying notes to financial statements.



TOWN OF BLACK DIAMOND

Notes to Financial Statements

Year ended December 31, 2012, with comparative figures for 2011

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

Year ended December 31, 2012, with comparative figures for 2011

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 amounts can be made.

(e) Investments:

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Interest is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue 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.



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Notes to Financial Statements, page 3

Year ended December 31, 2012, with comparative figures for 2011

1. Significant accounting policies (continued):

(f) 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. 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.

(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.



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Notes to Financial Statements, page 4

Year ended December 31, 2012, with comparative figures for 2011

2. Recent accounting pronouncements (continued):

(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 on the Town's future financial statements, which is not anticipated to be significant.

3. Temporary investments:

Temporary investments consist of Guaranteed Investment Certificates.

Interest earned on temporary investments varies from 1.35% to 1.94% (2011 - 1.35% to 1.94%) per annum and maturities are all within 11 months. Interest paid on cash on deposit is bank prime less 2%.

The fair market value of temporary investments as at December 31, 2012 is \$2,462,353 (2011 - \$2,914,390) which includes accrued interest.

4. Taxes and grants in lieu of taxes receivable:

	2012	2011
Current	\$ 145,073	\$ 161,842
Arrears	35,706	82,520
	<u>\$ 180,779</u>	<u>\$ 244,362</u>

5. Employee benefit obligations:

	2012	2011
Vacation	\$ 108,421	\$ 99,197
Overtime	14,580	13,184
	<u>\$ 123,001</u>	<u>\$ 112,381</u>



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Notes to Financial Statements, page 5

Year ended December 31, 2012, with comparative figures for 2011

5. Employee benefit obligations (continued):

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.

6. Deferred revenue:

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

	2012	2011
Prepaid items	\$ 6,710	\$ 4,785
Business licenses	800	550
Dog tags	420	525
	<u>\$ 7,930</u>	<u>\$ 5,860</u>

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:

	2011 balance	Grants received and interest	Government transfer revenue	2012 balance
Municipal Sustainability Initiative - capital grant	\$ 162,911	\$ 1,479,322	\$ (38,468)	\$ 1,603,765
Municipal Sustainability Initiative - operating grant	42,084	48,378	(58,765)	31,697
Federal Gas Tax Fund - capital grant	-	74,144	-	74,144
Alberta Municipal Infrastructure Program - capital grant	355,754	1,053,290	(169,469)	1,239,574
Basic Municipal Transportation Grant	43,731	-	-	43,731
Regional Collaboration Program - capital grant	-	248,000	(88,733)	159,267
	<u>\$ 604,480</u>	<u>\$ 2,903,134</u>	<u>\$ (355,435)</u>	<u>\$ 3,152,179</u>

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Notes to Financial Statements, page 6

Year ended December 31, 2012, with comparative figures for 2011

8. Long-term debt:

	2012	2011
Capital leases	\$ 28,029	\$ 22,949
Tax-supported debentures	802,007	882,687
Self-supported debentures	495,364	541,403
	<u>\$ 1,325,400</u>	<u>\$ 1,447,039</u>

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2013	\$ 144,061	\$ 75,311	\$ 219,372
2014	132,651	68,416	201,067
2015	118,970	61,669	180,639
2016	102,928	54,798	157,726
2017	81,676	47,607	129,283
Thereafter	745,114	208,563	953,677
	<u>\$ 1,325,400</u>	<u>\$ 516,364</u>	<u>\$ 1,841,764</u>

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at fixed rates ranging from 2.439% to 10.625% per annum, and mature in periods 2013 through 2027. The average annual interest rate is 5.45% for 2012 (5.99% for 2011). 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 \$1,185 including principal and interest. The leases will mature by August 2016.



TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 7

Year ended December 31, 2012, with comparative figures for 2011

9. 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:

	2012	2011
Total debt limit	\$ 7,095,242	\$ 6,851,273
Total debt	1,325,400	1,447,039
Total debt limit available	\$ 5,769,842	\$ 5,404,234
Service on debt limit	\$ 1,182,540	\$ 1,141,879
Service on debt	219,372	219,767
Service on debt limit available	\$ 963,168	\$ 922,112

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.

10. Tangible capital assets:

	2012	2011
Net book value:		
Land	\$ 701,965	\$ 701,965
Land improvements	275,963	188,471
Building	3,947,231	3,975,203
Distribution systems:		
Water	3,491,394	3,568,550
Wastewater	2,369,954	2,412,677
Other engineered structures	5,750,868	5,715,056
Machinery and equipment	1,701,728	1,676,363
Vehicles	1,221,938	1,016,407
Vehicles under capital lease	123,474	149,225
	\$ 19,584,515	\$ 19,403,917

TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 8

Year ended December 31, 2012, with comparative figures for 2011

11. Equity in tangible capital assets:

	2012	2011
Tangible capital assets (Schedule 2)	\$ 22,255,289	\$ 21,471,583
Accumulated amortization (Schedule 2)	(2,670,774)	(2,067,666)
Long-term debt (note 8)	(1,325,400)	(1,447,039)
	<u>\$ 18,259,115</u>	<u>\$ 17,956,878</u>

12. Accumulated surplus:

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

	2012	2011
Unrestricted surplus	\$ 849,870	\$ 869,691
Restricted surplus:		
Operating reserves	1,214,323	1,072,936
Capital reserves	4,241,668	4,422,310
Equity in tangible capital assets	18,259,115	17,956,878
	<u>\$ 24,564,976</u>	<u>\$ 24,321,815</u>



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Notes to Financial Statements, page 9

Year ended December 31, 2012, with comparative figures for 2011

13. Salary and benefits disclosure:

	2012		2011	
	Salary	Benefits and allowances	Total	Total
	(1)	(2)		
Mayor:				
Brown, S.	\$ 15,780	\$ 1,573	\$ 17,353	\$ 11,056
Councillors:				
Osberg, D.	10,425	28	10,453	7,711
Ross, M.	13,276	1,033	14,309	9,153
Jackson, M.	14,375	3,677	18,052	8,879
Deacon, J.	11,450	28	11,478	7,458
Thomson, J.	11,400	103	11,503	7,145
Hart, S.	10,500	28	10,528	6,878
	87,206	6,470	93,676	58,280
Chief Administrative Officer	93,497	12,371	105,868	105,196
Designated Officer(s):				
Peace Officer(s)	123,073	5,885	128,958	135,346
Development Officer	75,712	10,912	86,624	75,512
	\$ 379,488	\$ 35,638	\$ 415,126	\$ 374,334

- (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.

14. 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 MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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Notes to Financial Statements, page 10

Year ended December 31, 2012, with comparative figures for 2011

15. Financial instruments:

The Town's financial instruments consist of cash, temporary investments, receivables, accounts payable and accrued liabilities, employee benefit obligations, 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.

16. Budget information:

The unaudited budget information presented in these financial statements is based upon the 2012 operating and capital budgets approved by Council on May 16, 2012 and any subsequent budget adjustments.

17. Segmented disclosures:

The Schedule of Segmented Disclosure (Schedule 6) has been prepared in accordance with Public Sector Accounting Standard 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 consession 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.



TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 11

Year ended December 31, 2012, with comparative figures for 2011

17. Segmented disclosures (continued):

(c) Transportation Services

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

(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.

18. Comparative information

Certain 2011 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

19. Approval of financial statements:

Council and Management have approved these financial statements as of April 24, 2013.



TOWN OF BLACK DIAMOND

Schedule of Changes in Accumulated Surplus

Schedule 1

For the year ended December 31, 2012, with comparative figures for 2011

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2012	2011
Balance, beginning of year	\$ 869,691	\$ 5,495,246	\$ 17,956,878	\$ 24,321,815	\$ 23,538,073
Excess of revenue over expenses	243,161	-	-	243,161	783,742
Funds designated for future use	180,641	(180,641)	-	-	-
Restricted funds - used for operations	(141,386)	141,386	-	-	-
Current year funds used to purchase tangible capital assets	(783,705)	-	783,705	-	-
Annual amortization expense	603,107	-	(603,107)	-	-
Long-term debt - repaid	(141,190)	-	141,190	-	-
Capital debt - used to acquire tangible capital assets	19,551	-	(19,551)	-	-
Accumulated surplus, end of year	\$ 849,870	\$ 5,455,991	\$ 18,259,115	\$ 24,564,976	\$ 24,321,815

TOWN OF BLACK DIAMOND

Schedule of Capital Assets

Schedule 2

For the year ended December 31, 2012, with comparative figures for 2011

	Land	Land Improvements	Buildings	Engineered Structures	Vehicles	Machinery and Equipment	2012	2011								
Cost:																
Balance, beginning of year	\$	701,965	\$	203,474	\$	4,398,288	\$	12,592,128	\$	1,290,036	\$	2,136,468	\$	21,322,359	\$	19,880,482
Leased, beginning of year		-		-		-		-		149,224		-		149,224		211,563
Balance, beginning of year		701,965		203,474		4,398,288		12,592,128		1,439,260		2,136,468		21,471,583		20,092,045
Acquisitions		-		95,094		83,023		169,470		271,984		164,135		783,706		1,394,256
Disposals		-		-		-		-		-		-		-		(14,718)
		-		298,568		4,481,311		12,761,598		1,711,244		2,300,603		22,255,289		21,471,583
Accumulated amortization:																
Balance, beginning of year		-		15,003		423,085		895,846		273,627		460,106		2,067,667		1,504,608
Annual amortization		-		7,602		110,995		253,536		92,205		138,769		603,107		567,474
Accumulated amortization on disposals		-		-		-		-		-		-		-		(4,416)
		-		22,605		534,080		1,149,382		365,832		598,875		2,670,774		2,067,666
Net book value	\$	701,965	\$	275,963	\$	3,947,231	\$	11,612,216	\$	1,345,412	\$	1,701,728	\$	19,584,515	\$	19,403,917

TOWN OF BLACK DIAMOND

Schedule of Taxes Levied

Schedule 3

For the year ended December 31, 2012, with comparative figures for 2011

	2012	2011
Taxation:		
Real property taxes	\$ 3,136,175	\$ 2,996,875
Business taxes	590	539
Linear property taxes	40,539	27,665
Government grants in lieu of property taxes	37,509	36,884
	<u>3,214,813</u>	<u>3,061,963</u>
Requisitions:		
Alberta School Foundation Fund	813,917	732,210
Separate School Division	36,929	30,701
Foothills Seniors Foundation	44,309	34,396
	<u>895,155</u>	<u>797,307</u>
Net municipal taxes	<u>\$ 2,319,658</u>	<u>\$ 2,264,656</u>



TOWN OF BLACK DIAMOND

Schedule of Government Transfers

Schedule 4

For the year ended December 31, 2012, with comparative figures for 2011

	2012	2011
Operating:		
Provincial transfers:		
Shared cost agreements:		
Administration	\$ 63,531	\$ 56,056
Parks and recreation	29,000	24,000
Family and Community Support	48,279	47,772
Tourism	-	3,000
Water	88,733	-
	229,543	130,828
Federal transfers:		
Shared cost agreements:		
Tourism	4,000	-
	4,000	-
Local transfers:		
Shared cost agreements and grants:		
Administration	183	-
Fire	48,888	48,378
Recreation	109,513	21,294
Other	615	8,213
	159,199	77,885
	392,742	208,713
Capital:		
Provincial transfers:		
Administration	14,348	-
Roads	161,287	-
Wastewater	8,183	406,794
Water	24,120	241,855
Recreation	12,162	-
	220,100	648,649
	\$ 612,842	\$ 857,362



TOWN OF BLACK DIAMOND

Schedule of Expenses by Object

Schedule 5

For the year ended December 31, 2012, with comparative figures for 2011

	Budget (unaudited - note 16)	2012	2011
Expenses:			
Salaries, wages and benefits	\$ 1,859,334	\$ 1,743,509	\$ 1,639,382
Contracted and general services	1,213,282	1,122,730	989,746
Materials, goods, supplies and utilities	645,116	547,384	636,832
Amortization of tangible capital assets	-	603,107	567,474
Transfer to Local Boards and Agencies	473,396	538,413	439,956
Transfers to Individuals and Organizations	46,357	50,760	42,935
Interest and bank charges	82,094	82,086	91,150
Miscellaneous	17,350	17,963	17,005
Loss on disposal of tangible capital assets	-	-	7,052
Bad debt allowances	1,000	1,148	890
	\$ 4,337,929	\$ 4,707,100	\$ 4,432,422



TOWN OF BLACK DIAMOND

Schedule of Segmented Disclosure

Schedule 6

For the year ended December 31, 2012

	Protective and					Other	2012	2011
	General Government	Emergency Services	Transportation Services	Environmental Services	Planning and Development	Recreation	Total	Total
Revenue:								
Net municipal taxes	\$ 2,319,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,319,658	\$ 2,284,656
Sales and user charges	16,982	44,656	-	1,120,103	27,238	228,131	1,443,583	1,356,742
Licence, permits and fines	10,374	106,529	2,253	6,240	6,100	-	129,243	154,007
Penalties and costs on taxes	66,890	-	-	-	-	-	66,890	73,290
Franchise and concession contracts	41,879	-	-	-	-	103,494	145,373	151,312
Return of investments	91,070	-	11,620	-	-	-	102,690	96,557
Governmental Grants	78,062	48,888	161,287	121,650	4,000	150,676	612,842	857,362
Offsite levies and assessments	-	6,718	9,312	35,792	16,796	-	68,618	124,672
Other revenues	31,969	5,624	-	-	7,988	14,783	61,364	137,566
	2,656,884	212,415	184,472	1,283,785	62,122	497,084	4,950,261	5,216,164
Expenses:								
Salaries, wages and benefits	435,166	220,964	276,746	285,564	140,412	351,769	1,743,509	1,639,382
Contract and general services	228,094	142,094	187,955	294,829	121,038	136,179	1,122,730	989,746
Materials, goods, supplies, and utilities	54,764	48,110	192,119	91,465	29,171	130,391	547,384	636,832
Transfers to local boards, agencies, individuals and organizations	-	25,994	-	313,323	1,000	4,000	589,173	482,891
Interest and bank charges	2,376	1,968	18,949	58,415	-	378	82,086	91,150
Other expenses	810	2,176	-	657	6,896	7,572	19,111	24,947
	721,210	441,306	675,769	1,044,253	298,517	630,289	4,103,993	3,864,948
Excess (deficiency) of revenue over expenses before amortization	1,935,674	(228,891)	(491,297)	239,532	(236,395)	(133,205)	846,268	1,351,216
Amortization of tangible capital assets	37,558	92,857	187,810	156,663	2,885	124,989	603,107	567,474
Excess (deficiency) of revenue over expenses	\$ 1,898,116	\$ (321,748)	\$ (679,107)	\$ 82,869	\$ (239,280)	\$ (258,194)	\$ 243,161	\$ 783,742