



Financial Statements of

## **TOWN OF BLACK DIAMOND**

Year ended December 31, 2015

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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 Lehaci Professional Corporations, CGA ("Lehaci"), who were appointed by Council. Lehaci 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.

  
Shirley Campbell, Finance Manager

June 1, 2016



**LEHACI PROFESSIONAL CORPORATION**  
**CPA, CGA**

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May 4, 2016

**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, 2015, 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, 2015, 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.

Yours very truly,



**Lehaci Professional Corporation**



town of black diamond  
Statement of Financial Position

December 31, 2015, with comparative figures for 2014

	2015	2014
<b>Financial Assets</b>		
Cash	\$ 14,471,176	\$ 11,035,493
Temporary investments (note 3)	1,494,921	6,065,252
Receivables:		
Taxes and grants in lieu of taxes (note 4)	171,516	200,999
Trade and other receivables	496,784	794,868
	<u>\$ 16,634,397</u>	<u>\$ 18,096,612</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 771,982	\$ 501,349
Employee benefit obligations (note 5)	87,448	88,231
Deposit liabilities	717,948	805,267
Deferred revenue (note 6)	7,592	9,352
Deferred grants (note 7)	5,994,773	8,269,737
Long-term debt (note 8)	1,365,552	1,052,777
	<u>8,945,295</u>	<u>10,726,713</u>
Net financial assets	7,689,102	7,369,899
Non-financial assets:		
Tangible capital assets (note 10 and Schedule 2)	37,047,361	31,008,413
Inventory for consumption	75,894	67,709
Prepaid expenses	85,919	112,455
	<u>37,209,174</u>	<u>31,188,577</u>
Accumulated surplus (note 12 and Schedule 1)	<u>\$ 44,898,276</u>	<u>\$ 38,558,476</u>

See accompanying notes to financial statements.



# TOWN OF BLACK DIAMOND

## Statement of Operations

Year December 31, 2015, with comparative figures for 2014

	Budget (note 15)	2015	2014
<b>Revenue:</b>			
Net municipal taxes (Schedule 3)	\$ 2,866,645	\$ 2,875,533	\$ 2,795,553
Sales and user charges:			
Water and wastewater	1,179,515	1,212,006	1,024,696
Rentals	224,752	252,883	222,110
Waste management	187,100	190,945	188,394
Licenses, permits and fines	154,439	176,395	145,345
Other	85,450	125,516	94,028
Government transfers for operating (Schedule 4)	1,169,062	728,673	803,156
Franchise fees	170,900	188,127	175,796
Return on investments	100,000	184,563	204,694
Offsite levies and assessments	-	43,875	128,515
Penalties and costs on taxes	60,000	60,472	62,199
Other	231,718	259,274	322,176
	6,429,581	6,298,262	6,166,662
<b>Expenses (Schedule 5):</b>			
Legislative	220,082	160,272	153,767
Administration	861,642	705,151	642,328
Fire, ambulance and policing	503,183	528,981	524,961
Disaster and emergency services	346,545	316,935	836,261
Road, street, walks and lighting	816,611	887,747	965,146
Water and wastewater	3,794,055	1,497,247	1,226,526
Waste management	195,692	168,187	167,178
Planning and development	683,959	470,100	390,344
Recreation and parks	823,903	842,797	1,029,664
Other	272,096	269,223	248,566
	8,517,768	5,846,640	6,184,741
Excess (deficiency) of revenue over expenses before other items	(2,088,187)	451,622	(18,079)
Other items:			
Government transfers for capital (Schedule 4)	9,331,693	5,888,178	7,239,959
Excess of revenue over expenses	7,243,506	6,339,800	7,221,880
Accumulated surplus, beginning of year	38,558,476	38,558,476	31,336,596
Accumulated surplus, end of year	\$ 45,801,982	\$ 44,898,276	\$ 38,558,476

See accompanying notes to financial statements.

# TOWN OF BLACK DIAMOND

## Statement of Changes in Net Financial Assets

Year December 31, 2015, with comparative figures for 2014

	Budget (note 15)	2015	2014
Excess of revenue over expenses	\$ 7,243,506	\$ 6,339,800	\$ 7,221,880
Acquisition of tangible capital assets	(10,131,169)	(6,871,455)	(7,263,116)
Amortization of tangible capital assets	-	832,507	798,285
	(2,887,663)	300,852	757,049
Usage (purchase) of inventory for consumption	(18,000)	(8,185)	3,995
Acquisition of prepaid expenses	-	26,536	(36,066)
	(18,000)	18,351	(32,071)
Increase (decrease) in net financial assets	(2,905,663)	319,203	724,978
Net financial assets, beginning of year	7,369,899	7,369,899	6,644,921
Net financial assets, end of year	\$ 4,464,236	\$ 7,689,102	\$ 7,369,899

See accompanying notes to financial statements.



# TOWN OF BLACK DIAMOND

## Statement of Cash Flows

Year December 31, 2015, with comparative figures for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 6,339,800	\$ 7,221,880
Non-cash items:		
Amortization of tangible capital assets	832,507	798,285
Changes in non-cash working capital balances:		
Temporary investments	4,570,331	(77,968)
Taxes and grants in lieu receivable	29,483	14,179
Trade and other receivables	298,084	885,805
Inventory for consumption	(8,185)	3,995
Prepaid expenses	26,536	(36,066)
Accounts payable and accrued liabilities	270,633	(914,801)
Employee benefit obligation	(783)	(12,234)
Deposit liabilities	(87,319)	55,496
Deferred grants	(2,274,964)	4,751,879
Deferred revenue	(1,760)	6,121
	9,994,363	12,696,571
Financing:		
Proceeds on long-term debt	443,784	-
Long-term debt repaid	(131,009)	(134,987)
	312,775	(134,987)
Capital:		
Acquisition of tangible capital assets	(6,871,455)	(7,263,116)
	(6,871,455)	(7,263,116)
Increase in cash	3,435,683	5,298,468
Cash, beginning of year	11,035,493	5,737,025
Cash, end of year	\$14,471,176	\$11,035,493

See accompanying notes to financial statements.



# TOWN OF BLACK DIAMOND

## Notes to Financial Statements

Year ended December 31, 2015, with comparative figures for 2014

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### 1. Significant accounting policies:

The financial statements of Town of Black Diamond (the "Town") 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.

Inter-departmental 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, 2015, with comparative figures for 2014

## 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 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

Year ended December 31, 2015, with comparative figures for 2014

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## 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) 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.

### (c) 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.



# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 4

Year ended December 31, 2015, with comparative figures for 2014

## 3. Temporary investments:

Temporary investments consist of Guaranteed Investment Certificates.

Interest earned on temporary investments varies from 1.55% to 1.75% (2014 – 1.485% to 1.94%) per annum and maturities are all within 12 months. Interest paid on cash on deposit is bank prime less 2% (2014 – bank prime less 2%).

The fair market value of temporary investments as at December 31, 2015 is \$1,494,921 (2014 – \$6,065,252) which includes accrued interest.

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

	2015	2014
Current	\$ 134,397	\$ 134,713
Arrears	37,119	66,286
	\$ 171,516	\$ 200,999

## 5. Employee benefit obligations:

	2015	2014
Vacation	\$ 78,584	\$ 68,395
Overtime	8,864	19,836
	\$ 87,448	\$ 88,231

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.

	2015	2014
Prepaid items	\$ 6,447	\$ 8,512
Business licenses	500	300
Dog tags	645	540
	\$ 7,592	\$ 9,352

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 5

Year ended December 31, 2015, with comparative figures for 2014

## 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:

	2014 balance	Grants received and interest	Government transfer revenue	2015 balance
<u>Capital grant</u>				
Municipal Sustainability Initiative	\$ 2,103,775	\$ 655,340	\$ (57,091)	\$ 2,702,024
Federal Gas Tax Fund	202,769	253,362	(143,342)	312,789
Alberta Municipal Infrastructure Program	93,008	-	(35,060)	57,948
Basic Municipal Transportation Grant	324,453	-	(27,816)	296,637
Disaster Recovery Program	284,506	1,065,000	(972,352)	377,154
Flood Recovery Erosion Control Program	5,103,243	1,161,970	(4,585,218)	1,679,995
Water Purchase Refund	109,053	-	(109,053)	-
<u>Operating grant</u>				
Municipal Sustainability Initiative	-	63,609	(55,033)	8,576
Alberta Community Partnership - Intermunicipal Collaboration Component	-	262,000	(131,627)	130,373
Southern Alberta Flood Response - Program SAFC131426	-	463,534	(206,984)	256,550
Regional Collaboration Program - Friendship Agreement Mediation	24,315	-	(769)	23,546
Innovation and Advanced Education - Program	24,615	-	(19,100)	5,515
Southern Alberta Flood Response - Program OPE-0043	-	174,680	(31,014)	143,666
	\$ 8,269,737	\$ 4,099,495	\$(6,374,459)	\$ 5,994,773

## 8. Long-term debt:

	2015	2014
Capital leases	\$ 5,010	\$ 12,235
Tax-supported debentures	780,892	398,138
Self-supported debentures	579,650	642,404
	\$ 1,365,552	\$ 1,052,777

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2016	\$ 168,067	\$ 62,759	\$ 230,826
2017	145,875	54,187	200,062
2018	151,307	48,755	200,062
2019	150,249	43,044	193,293
2020	138,728	37,417	176,145
Thereafter	611,326	133,865	745,191
	\$ 1,365,552	\$ 380,027	\$ 1,745,579

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 6

Year ended December 31, 2015, with comparative figures for 2014

## 8. Long-term debt (continued):

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 1.339% to 10.625% per annum, and mature in periods 2016 through 2027. The average annual interest rate is 5.402% for 2015 (5.445% for 2014). 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 \$725.22 including principal and interest. The leases will mature by September 2016.

## 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:

	2015	2014
Total debt limit	\$ 9,447,393	\$ 9,249,993
Total debt	1,365,552	1,052,777
Total debt limit available	\$ 8,081,841	\$ 8,197,216
Service on debt limit	\$ 1,574,566	\$ 1,541,666
Service on debt	230,826	183,751
Service on debt limit available	\$ 1,343,740	\$ 1,357,915

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.

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 7

Year ended December 31, 2015, with comparative figures for 2014

## 10. Tangible capital assets:

	2015	2014
Net book value:		
Land	\$ 880,361	\$ 880,361
Land improvements	1,436,571	350,349
Building	4,707,077	4,407,086
Distribution systems:		
Water	7,490,893	7,654,115
Wastewater	2,256,689	2,308,512
Other engineered structures	16,825,009	12,185,124
Machinery and equipment	2,020,337	1,943,919
Vehicles	1,429,485	1,262,199
Vehicles under capital lease	939	16,748
	<u>\$ 37,047,361</u>	<u>\$ 31,008,413</u>

## 11. Equity in tangible capital assets:

	2015	2015
Tangible capital assets cost (Schedule 2)	\$ 41,922,526	\$ 35,051,071
Accumulated amortization (Schedule 2)	(4,875,165)	(4,042,658)
Long-term debt (note 8)	(1,365,552)	(1,052,777)
	<u>\$ 35,681,809</u>	<u>\$ 29,955,636</u>

## 12. Accumulated surplus:

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

	2015	2014
Unrestricted surplus	\$ 1,050,176	\$ 950,576
Restricted surplus:		
Operating reserves	2,150,045	1,843,812
Capital reserves	6,016,246	5,808,452
Equity in tangible capital assets (note 11)	35,681,809	29,955,636
	<u>\$ 44,898,276</u>	<u>\$ 38,558,476</u>

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 8

Year ended December 31, 2015, with comparative figures for 2014

## 13. Salary and benefits disclosure:

	2015		2014	
	Salary (1)	Benefits and allowances (2)	Total	Total
Mayor:				
Brown, S.	\$ 12,090	\$ 6,761	\$ 18,851	\$ 14,158
Councillors:				
Deacon, J.	10,217	5,713	15,930	14,153
Goodwin, R.	10,200	5,683	15,883	12,253
Jackson, M.	9,933	6,425	16,358	16,588
Ross, M.	10,593	5,983	16,576	14,628
Stickel, J.	9,617	5,463	15,080	14,103
Thomson, J.	9,489	6,004	15,493	13,737
	72,139	42,032	114,171	99,620
Chief Administrative Officer	130,357	2,541	132,898	117,413
Designated Officer(s)	233,646	16,407	250,053	222,483
	364,003	18,948	382,951	339,896
	\$ 436,142	\$ 60,980	\$ 497,122	\$ 439,516

- (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. 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.

# TOWN OF BLACK DIAMOND

Notes to Financial Statements, page 9

Year ended December 31, 2015, with comparative figures for 2014

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## 15. Budget information:

The budget information presented in these financial statements is based upon the 2015 operating and capital budgets approved by Council on May 6, 2015 and any subsequent budget adjustments. The budget numbers are presented for information purposes only and have not been audited.

## 16. 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.

### (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.





# **TOWN OF BLACK DIAMOND**

Notes to Financial Statements, page 10

Year ended December 31, 2015, with comparative figures for 2014

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**17. Contingency disclosure:**

In the ordinary course of business, various claims and actions are brought against the Town. At the time of the financial statement preparation, there has been no resolution or indication that the settlement of these actions will result in any material liabilities.

**18. Approval of financial statements:**

Council and Management have approved these financial statements as of June 1, 2016.

**19. 2014 Comparative Financial Information:**

The 2014 Comparative financial information was been reported on by other Auditors.



# TOWN OF BLACK DIAMOND

## Schedule of Changes in Accumulated Surplus

Schedule 1

For the year ended December 31, 2015, with comparative figures in 2014

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2015	2014
Balance, beginning of year	\$ 950,576	\$ 7,652,264	\$ 29,955,636	\$ 38,558,476	\$ 31,336,596
Excess of revenue over expenses	6,339,800	-	-	6,339,800	7,221,880
Funds designated for future use	(514,027)	514,027	-	-	-
Funds used to purchase tangible capital assets	(6,871,455)	-	6,871,455	-	-
Amortization expense	832,507	-	(832,507)	-	-
Long-term debt - repaid	(131,009)	-	131,009	-	-
Long-term debt - issued	443,784	-	(443,784)	-	-
Accumulated surplus, end of year	\$ 1,050,176	\$ 8,166,291	\$ 35,681,809	\$ 44,898,276	\$ 38,558,476

2

# TOWN OF BLACK DIAMOND

## Schedule of Capital Assets

Schedule 2

For the year ended December 31, 2015, with comparative figures for 2014

	Land	Land Improvements	Buildings	Engineered Structures	Vehicles	Machinery and Equipment	2015	2014
<b>Cost:</b>								
Balance, beginning of year	\$ 880,361	\$ 394,398	\$ 5,173,248	\$ 23,899,951	\$ 1,861,820	\$ 2,841,293	\$ 35,051,071	\$ 27,787,955
Acquisitions	-	1,098,572	411,838	4,850,471	253,312	257,262	6,871,455	7,263,116
	880,361	1,492,970	5,585,086	28,750,422	2,115,132	3,098,555	41,922,526	35,051,071
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	44,049	766,162	1,752,200	582,872	897,375	4,042,658	3,244,373
Annual amortization	-	12,350	111,848	425,630	101,836	180,843	832,507	798,285
	-	56,399	878,010	2,177,830	684,708	1,078,218	4,875,165	4,042,658
<b>Net book value</b>	<b>\$ 880,361</b>	<b>\$ 1,436,571</b>	<b>\$ 4,707,076</b>	<b>\$ 26,572,592</b>	<b>\$ 1,430,424</b>	<b>\$ 2,020,337</b>	<b>\$ 37,047,361</b>	<b>\$ 31,008,413</b>

4

# TOWN OF BLACK DIAMOND

## Schedule of Taxes Levied

## Schedule 3

For the year ended December 31, 2015, with comparative figures for 2014

	2015	2014
<b>Taxation:</b>		
Real property taxes	\$ 3,677,049	\$ 3,577,874
Business taxes	729	704
Linear property taxes	36,358	34,843
Government grants in lieu of property taxes	42,511	43,016
	<u>3,756,647</u>	<u>3,656,437</u>
<b>Requisitions:</b>		
Alberta School Foundation Fund	805,443	782,068
Separate School Division	34,428	33,535
Foothills Seniors Foundation	41,243	45,281
	<u>881,114</u>	<u>860,884</u>
<b>Net municipal taxes</b>	<u>\$ 2,875,533</u>	<u>\$ 2,795,553</u>

# TOWN OF BLACK DIAMOND

## Schedule of Government Transfers

Schedule 4

For the year ended December 31, 2015, with comparative figures for 2014

	2015	2014
Operating:		
Provincial transfers:		
Shared cost agreements:		
Administration	\$ 46,260	\$ 4,661
Emergency Services	220,921	383,229
Water and wastewater	27,816	—
Family and Community Support	131,627	39,249
Tourism	51,417	47,772
Recreation	50,131	88,774
	528,172	563,685
Federal transfers:		
Shared cost agreements:		
Tourism	2,000	4,000
	2,000	4,000
Local transfers:		
Shared cost agreements and grants:		
Administration	385	2,343
Emergency Services	50,199	68,380
Water and wastewater	—	6,941
Recreation	111,900	124,207
Other	36,017	33,600
	198,501	235,471
	728,673	803,156
Capital:		
Provincial transfers:		
Emergency Services	5,630,228	6,025,909
Roads	4,091	299,834
Water and wastewater	33,397	510,154
Waste management	—	79,494
Tourism	—	178,396
Recreation	220,462	146,172
	5,888,178	7,239,959
	\$ 6,616,851	\$ 8,043,115

# TOWN OF BLACK DIAMOND

## Schedule of Expenses by Object

## Schedule 5

For the year ended December 31, 2015, with comparative figures for 2014

	Budget (note 15)	2015	2014
Expenses:			
Salaries, wages and benefits	\$ 2,095,007	\$ 1,962,649	\$ 1,820,061
Contracted and general services	2,629,442	1,798,050	2,059,975
Materials, goods, supplies and utilities	654,090	492,721	821,505
Amortization of tangible capital assets	—	832,507	798,285
Transfer to Local Boards and Agencies	3,023,236	641,818	534,817
Transfer to Individuals and Organizations	39,184	39,512	40,614
Interest and bank charges	63,857	63,676	69,699
Miscellaneous	10,950	14,904	39,785
Bad debt allowances	2,002	803	—
	\$ 8,517,768	\$ 5,846,640	\$ 6,184,741

# TOWN OF BLACK DIAMOND

## Schedule of Segmented Disclosure

Schedule 6

For the year ended December 31, 2015, with comparative figures for 2014

	Protective and			Planning and		Other	2015 Total	2014 Total
	General Government	Emergency Services	Transportation Services	Environmental Services	Development			
Revenue:								
Net municipal taxes	\$ 2,875,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,875,533	\$ 2,795,553
Sales and user charges	5,946	57,939	775	1,402,951	45,497	261,918	1,781,350	1,529,228
Licence, permits and fines	14,834	145,260	-	8,151	8,150	-	176,395	145,345
Penalties and costs on taxes	60,472	-	-	-	-	-	-	-
Franchise and concession contracts	64,467	-	-	-	-	123,660	-	60,472
Return of investments	146,401	32,022	5,030	700	410	-	188,127	175,796
Governmental Grants	46,645	5,901,348	31,907	165,024	52,131	332,362	184,563	204,694
Offsite levies and assessments	-	606	8,878	34,149	242	-	6,616,851	8,043,115
Other revenues	16,983	7,613	37,808	-	24,360	172,500	43,875	128,515
	3,231,291	6,144,788	84,398	1,610,975	130,790	890,440	259,274	322,176
							93,758	13,406,621
Expenses:								
Salaries, wages and benefits	520,183	248,041	262,173	285,337	237,453	370,854	38,608	1,820,061
Contract and general services	247,671	369,514	194,852	580,116	194,368	197,398	14,131	1,798,050
Materials, goods, supplies, and utilities	49,090	55,766	165,379	54,426	35,282	131,191	1,587	2,059,975
Transfers to local boards, agencies, individuals and organizations	-	24,454	-	442,436	-	-	214,440	821,505
Interest and bank charges	941	-	15,857	44,730	-	2,148	-	575,431
Other expenses	4,770	2,969	-	7,004	112	740	112	69,699
	822,655	700,744	638,261	1,414,049	467,215	702,331	15,707	39,785
							268,878	5,386,456
Excess (deficiency) of revenue over expenses before amortization	2,408,636	5,444,044	(553,863)	196,926	(336,425)	188,109	(175,120)	8,020,165
Amortization of tangible capital assets	42,768	145,172	249,486	251,385	2,885	140,466	345	798,285
Excess (deficiency) of revenue over expenses	\$ 2,365,868	\$ 5,298,872	\$ (803,349)	\$ (54,459)	\$ (339,310)	\$ 47,643	\$ (175,465)	\$ 7,221,880