

**TOWN OF DIAMOND VALLEY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

## Management's Responsibility

To the Members of Council of the Town of Diamond Valley:

Management is responsible for the preparation, accuracy, objectivity, integrity, and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required. Management believes that the consolidated financial statements present fairly the Town's financial position as at December 31, 2024 and the results of its operations for the year then ended.

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

Council is composed entirely of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

April 16, 2025

  
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Chief Administrative Officer

## Independent Auditor's Report

To the Members of Council of the Town of Diamond Valley:

### ***Qualified Opinion***

We have audited the consolidated financial statements of Town of Diamond Valley (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, remeasurement gains and losses and cash flows and the related schedules I to VI for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis of Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis of Qualified Opinion***

As described in Note 1(k), information was not available to determine the costs associated with potential asset retirement obligations. Therefore, we were unable to determine the amount of adjustments, if any, that may be necessary to tangible capital assets, asset retirement obligations, accretion expense, excess (deficiency) of revenue over expenses, or accumulated surplus as at, and for the year ended, December 31, 2024.

### ***Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

- **Debt Limit Regulation:**  
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 9.
- **Supplementary Accounting Principles and Standards Regulation:**  
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 14.

Calgary, Alberta  
April 16, 2025

*MNP LLP*  
Chartered Professional Accountants

**MNP**

# Town of Diamond Valley

## Consolidated Statement of Financial Position

As at December 31, 2024

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	8,418,116	10,612,939
Receivables		
Taxes and grants in place of taxes receivable (Note 3)	620,266	621,851
Trade and other receivables (Note 4)	4,087,458	1,679,209
Investments (Note 5)	7,043,177	6,674,502
	<b>20,169,017</b>	<b>19,588,501</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	835,534	576,781
Deposit liabilities	2,039,488	1,721,935
Deferred revenue (Note 6)	3,666,794	3,932,188
Employee benefit obligations (Note 7)	135,287	133,330
Long-term debt (Note 8)	1,224,313	1,418,711
	<b>7,901,416</b>	<b>7,782,945</b>
<b>NET FINANCIAL ASSETS</b>	<b>12,267,601</b>	<b>11,805,556</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule II)	82,406,276	82,384,405
Long-lived assets held for sale (Schedule II)	246,300	-
Inventory for consumption	53,213	73,746
Prepaid expenses	266,658	251,597
	<b>82,972,447</b>	<b>82,709,748</b>
<b>ACCUMULATED SURPLUS</b> (Schedule I, Note 11)	<b>95,240,048</b>	<b>94,515,304</b>

Contingencies (Note 15)

Approved on behalf of Council

  
Mayor

  
Councillor

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

# Town of Diamond Valley

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2024

	2024 Budget (Note 18)	2024	2023
<b>REVENUE</b>			
Net municipal taxes (Schedule III)	6,775,210	<b>6,797,058</b>	6,602,702
User fees and sales of goods	5,158,814	<b>5,227,798</b>	4,315,301
Government transfers for operating (Schedule IV)	733,311	<b>609,136</b>	2,317,573
Investment income	306,842	<b>910,823</b>	775,504
Penalties and costs of taxes	109,500	<b>168,828</b>	141,114
Development levies	-	<b>71,678</b>	183,027
Fines, rentals, licenses and permits	112,491	<b>640,923</b>	672,025
Franchise, concession contracts and other revenue	1,560,203	<b>719,495</b>	594,583
Gain on disposal of tangible capital assets	-	<b>99,992</b>	286,104
	14,756,371	<b>15,245,731</b>	15,887,933
<b>EXPENSES</b>			
Administration	2,364,190	<b>2,078,929</b>	2,575,968
Bylaw enforcement	408,063	<b>937,611</b>	938,834
Cemeteries and crematoriums	74,625	<b>74,845</b>	74,046
Culture - libraries, museums, halls	374,160	<b>409,912</b>	410,402
Disaster services	-	-	60,767
Economic and agricultural development	152,026	<b>35,787</b>	41,270
Family and community support services	172,499	<b>165,023</b>	168,301
Fire and emergency services	1,417,268	<b>2,052,065</b>	1,302,752
Land use planning, zoning and development	745,260	<b>811,824</b>	777,757
Legislative	338,176	<b>235,672</b>	258,905
Parks and recreation	1,831,098	<b>2,347,114</b>	2,267,852
Transportation services	1,876,096	<b>2,984,053</b>	2,703,667
Waste management	691,673	<b>797,279</b>	650,395
Wastewater treatment and disposal	3,170,857	<b>3,392,320</b>	4,135,267
Sheep River Regional Utility Corporation ("SRRUC")	926,142	<b>650,243</b>	702,087
	14,542,133	<b>16,972,677</b>	17,068,270
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER</b>	214,238	<b>(1,726,946)</b>	(1,180,337)
<b>OTHER</b>			
Government transfers for capital (Schedule IV)	-	<b>2,451,690</b>	1,295,648
<b>EXCESS OF REVENUE OVER EXPENSES</b>	214,238	<b>724,744</b>	115,311
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	94,515,304	<b>94,515,304</b>	94,399,993
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	94,729,542	<b>95,240,048</b>	94,515,304

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

**Town of Diamond Valley**  
**Consolidated Statement of Changes in Net Financial Assets**

For the year ended December 31, 2024

	2024 Budget (Note 18)	2024	2023
<b>EXCESS OF REVENUE OVER EXPENSES</b>	214,238	<b>724,744</b>	115,311
Acquisition of tangible capital assets	(4,588,500)	<b>(3,338,380)</b>	(1,896,152)
Proceeds on disposal of tangible capital assets	-	<b>155,363</b>	314,255
Amortization of tangible capital assets	201,732	<b>3,014,838</b>	2,991,473
Gain on disposal of tangible capital assets	-	<b>(99,992)</b>	(286,104)
(Acquisition) use of inventory for consumption	-	<b>20,533</b>	(3,457)
(Acquisition) use of prepaid expenses	-	<b>(15,061)</b>	(32,930)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(4,172,530)	<b>462,045</b>	1,202,396
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	11,805,556	<b>11,805,556</b>	10,603,160
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	7,633,026	<b>12,267,601</b>	11,805,556

**Consolidated Statement of Remeasurement Gains and Losses**

For the year ended December 31, 2024

	2024	2023
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b>	-	-
No change during the year	-	-
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>	-	-

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

**Town of Diamond Valley**  
**Consolidated Statement of Cash Flows**  
For the year ended December 31, 2024

	2024	2023
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenses	724,744	115,311
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	3,014,838	2,991,473
Gain on disposal of tangible capital assets	(99,992)	(286,104)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivable	1,585	(154,707)
Decrease (increase) in trade and other accounts receivable	(2,408,249)	149,212
Decrease (increase) in inventory for consumption	20,533	(3,457)
Increase in prepaid expenses	(15,061)	(32,930)
(Decrease) in accounts payable and accrued liabilities after adjustments for tangible capital assets (Schedule II)	(68,439)	(792,992)
Increase in deposit liabilities	317,553	69,002
Decrease in deferred revenue	(265,394)	(1,254,182)
Cash provided by operating transactions	1,222,118	800,626
<b>CAPITAL</b>		
Acquisition of tangible capital assets (Schedule II)	(3,009,231)	(1,667,995)
Proceeds on disposal of tangible capital assets	155,363	314,255
Cash applied to capital transactions	(2,853,868)	(1,353,740)
<b>INVESTING</b>		
Increase in investments	(368,675)	(235,680)
<b>FINANCING</b>		
Repayment of long-term debt	(194,398)	(214,553)
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>(2,194,823)</b>	<b>(1,003,347)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>10,612,939</b>	<b>11,616,286</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b>8,418,116</b>	<b>10,612,939</b>

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



**Town of Diamond Valley**  
**Schedule I - Consolidated Schedule of Changes in Accumulated Surplus**  
For the year ended December 31, 2024

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
		(Note 13)	(Note 10)		
<b>BALANCE, BEGINNING OF YEAR</b>	<b>612,791</b>	<b>12,936,819</b>	<b>80,965,694</b>	<b>94,515,304</b>	94,399,993
Excess of revenue over expenses	724,744	-	-	<b>724,744</b>	115,311
Transfers from operating reserve (Note 13)	122,450	(122,450)	-	-	-
Transfers from capital reserves (Note 13)	426,152	(426,152)	-	-	-
Acquisition of tangible capital assets	(3,338,380)	-	3,338,380	-	-
Disposal of tangible capital assets	301,671	-	(301,671)	-	-
Annual amortization expense	3,014,838	-	(3,014,838)	-	-
Long-term debt repaid	(194,398)	-	194,398	-	-
<b>Change in accumulated surplus</b>	<b>1,057,077</b>	<b>(548,602)</b>	<b>216,269</b>	<b>724,744</b>	<b>115,311</b>
<b>BALANCE, END OF YEAR</b>	<b>1,669,868</b>	<b>12,388,217</b>	<b>81,181,963</b>	<b>95,240,048</b>	<b>94,515,304</b>

*The accompanying notes are an integral part of these financial statements*

**Town of Diamond Valley**  
**Schedule II - Consolidated Schedule of Tangible Capital Assets**  
For the year ended December 31, 2024

	Land & Land Improvements	Vehicles	Buildings	Engineered Structures	Machinery & Equipment	Assets Under Construction	2024	2023
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	5,465,446	5,217,747	15,809,099	92,691,292	9,443,342	285,922	128,912,848	127,389,321
Acquisition of tangible capital assets	5,938	-	32,685	40,390	96,688	3,162,679	3,338,380	1,896,152
Transfers of assets	44,187	-	-	-	-	(44,187)	-	-
Disposal of tangible capital assets	-	(459,672)	(331,000)	-	(99,064)	-	(889,736)	(372,625)
BALANCE, END OF YEAR	5,515,571	4,758,075	15,510,784	92,731,682	9,440,966	3,404,414	131,361,492	128,912,848
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	622,187	2,492,906	6,394,128	31,620,800	5,398,422	-	46,528,443	43,881,444
Annual amortization	113,105	221,486	320,136	1,869,661	490,450	-	3,014,838	2,991,473
Accumulated amortization on disposals	-	(418,908)	(84,700)	-	(84,457)	-	(588,065)	(344,474)
BALANCE, END OF YEAR	735,292	2,295,484	6,629,564	33,490,461	5,804,415	-	48,955,216	46,528,443
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>4,780,279</b>	<b>2,462,591</b>	<b>8,881,220</b>	<b>59,241,221</b>	<b>3,636,551</b>	<b>3,404,414</b>	<b>82,406,276</b>	<b>82,384,405</b>
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,843,259	2,724,841	9,414,971	61,070,492	4,044,920	285,922	82,384,405	

During the year, tangible capital assets were acquired at an aggregate cost of \$3,338,380 (2023 - \$1,896,152) of which \$329,149 (2023 - \$228,157) is included in accounts payable at year end, consequently, \$3,009,231 (2023 - \$1,667,995) was paid in cash to acquire tangible capital assets during the year.

During the year, assets with a net book value of \$55,371 were disposed of for proceeds of \$155,363 resulting in a gain on disposal of tangible capital assets of \$99,992.

During the year, a building with a carrying cost of \$331,000 and accumulated amortization of \$84,700 was designated as held-for-sale. The net book value of this asset, \$246,300, has been classified as long-lived asset held for sale on the consolidated statement of financial position.

*The accompanying notes are an integral part of these financial statements*

**Town of Diamond Valley**  
**Schedule III - Consolidated Schedule of Property and Other Taxes**  
For the year ended December 31, 2024

	2024 Budget	2024	2023
<b>TAXATION</b>			
Real property taxes	9,413,112	<b>9,293,471</b>	8,904,107
Linear property taxes	-	<b>107,416</b>	90,722
Government grants in lieu of property taxes	-	<b>20,197</b>	20,322
	9,413,112	<b>9,421,084</b>	9,015,151
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	2,357,376	<b>2,337,043</b>	2,102,431
Christ the Redeemer School Division	176,381	<b>176,381</b>	157,914
Westwinds Communities	102,989	<b>109,446</b>	152,104
Designated Industrial Property	1,156	<b>1,156</b>	-
	2,637,902	<b>2,624,026</b>	2,412,449
<b>NET MUNICIPAL PROPERTY TAXES</b>	6,775,210	<b>6,797,058</b>	6,602,702

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

**Town of Diamond Valley**  
**Schedule IV - Consolidated Schedule of Government Transfers**  
For the year ended December 31, 2024

	2024 Budget	2024	2023
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	733,311	<b>354,235</b>	1,512,286
Federal government	-	<b>2,500</b>	34,883
Other local governments	-	<b>252,401</b>	770,404
	733,311	<b>609,136</b>	2,317,573
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	-	<b>2,451,690</b>	1,295,648
<b>TOTAL GOVERNMENT TRANSFERS</b>	733,311	<b>3,060,826</b>	3,613,221

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

**Town of Diamond Valley**  
**Schedule V - Consolidated Schedule of Expenses by Object**  
For the year ended December 31, 2024

	2024 Budget	2024	2023
<b>EXPENSES BY OBJECT</b>			
Amortization of tangible capital assets	201,732	<b>3,014,838</b>	2,991,473
Bank charges and short-term interest	1,125	<b>7,619</b>	7,247
Contracted and general services	3,792,584	<b>3,578,375</b>	3,743,289
Interest on long-term debt	55,857	<b>55,858</b>	65,030
Materials, goods and utilities	1,323,730	<b>1,614,842</b>	1,480,248
Other expenses	-	<b>228,144</b>	124,030
Salaries, wages and benefits	5,414,121	<b>5,433,628</b>	5,022,778
Transfers to local boards and agencies (Note 19)	3,752,984	<b>2,324,601</b>	3,028,958
Transfers to other organizations	-	<b>714,772</b>	605,217
	14,542,133	<b>16,972,677</b>	17,068,270

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

**Town of Diamond Valley**  
**Schedule VI - Consolidated Schedule of Segmented Disclosure**  
For the year ended December 31, 2024

	SRRUC	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Public Health Services	Total
<b>REVENUE</b>									
Net municipal taxes	-	6,797,059	-	-	-	-	-	-	6,797,059
User fees and sales of goods	20,171	26,827	894,692	147,518	63,475	117,773	3,957,343	-	5,227,799
Government transfer	-	230,572	25,610	-	-	226,791	-	126,162	609,135
Investment income	41,600	869,222	-	-	-	-	-	-	910,822
Penalties and costs of taxes	-	124,306	-	-	860	-	43,661	-	168,827
Fines, rentals, licenses, permits and development levies	-	2,390	155,765	3,862	195,866	348,918	5,400	400	712,601
Gain on disposal of assets	-	4,705	6,864	85,729	-	-	2,694	-	99,992
Franchise, concession contracts and other revenue	1,008	677,021	2,250	-	324	29,566	9,327	-	719,496
	62,779	8,732,102	1,085,181	237,109	260,525	723,048	4,018,425	126,562	15,245,731
<b>EXPENSES</b>									
Bank charges and short-term interest	587	6,413	-	619	-	-	-	-	7,619
Contracted and general services	165,017	714,543	619,375	694,599	228,304	512,494	577,925	66,118	3,578,375
Interest on long-term debt	-	-	5,312	19,244	-	16,775	14,527	-	55,858
Materials, goods and utilities	33,354	160,935	402,594	475,847	29,503	291,220	218,550	2,839	1,614,842
Other expenses	31,050	197,094	-	-	-	-	-	-	228,144
Salaries, wages and benefits	213,178	1,190,228	1,232,988	490,863	565,528	1,119,587	524,245	97,011	5,433,628
Transfers to local boards	-	-	379,052	-	22,354	301,036	2,263,031	73,900	3,039,373
agencies and other organizations	-	-	-	-	-	-	-	-	-
	443,186	2,269,213	2,639,321	1,681,172	845,689	2,241,112	3,598,278	239,868	13,957,839
<b>NET REVENUE,</b>									
<b>BEFORE AMORTIZATION</b>	(380,407)	6,462,889	(1,554,140)	(1,444,063)	(585,164)	(1,518,064)	420,147	(113,306)	1,287,892
Government transfers for capital	-	198,177	4,311	1,696,674	-	419,383	133,145	-	2,451,690
Amortization expense	207,057	45,388	350,355	1,302,881	1,922	515,914	591,321	-	3,014,838
<b>NET REVENUE</b>	<b>(587,464)</b>	<b>6,417,501</b>	<b>(1,904,495)</b>	<b>(2,746,944)</b>	<b>(587,086)</b>	<b>(2,033,978)</b>	<b>(171,174)</b>	<b>(113,306)</b>	<b>724,744</b>

**Town of Diamond Valley**  
**Schedule VI - Consolidated Schedule of Segmented Disclosure**  
For the year ended December 31, 2023

	SRRUC	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Public Health Services	Total
<b>REVENUE</b>									
Net municipal taxes	-	6,366,791	-	-	-	-	-	-	6,366,791
User fees and sales of goods	23,638	23,571	244,810	79,935	26,409	108,208	3,808,730	-	4,315,301
Government transfer	-	502,250	592,658	20,604	-	177,746	900,000	124,315	2,317,573
Investment income	30,255	745,249	-	-	-	-	-	-	775,504
Penalties and costs of taxes	-	101,766	-	-	560	-	38,788	-	141,114
Fines, rentals, licenses, permits and development levies	-	8,455	82,393	849	316,206	441,749	5,400	-	855,052
Gain on disposal of assets	-	-	49,335	-	231,289	5,480	-	-	286,104
Franchise, concession contracts and other revenue	-	544,689	11,253	-	-	38,641	-	-	594,583
	53,893	8,292,771	980,449	101,388	574,464	771,824	4,752,918	124,315	15,652,022
<b>EXPENSES</b>									
Bank charges and short-term interest	560	6,455	-	232	-	-	-	-	7,247
Contracted and general services	194,619	1,167,685	344,207	408,866	349,815	638,607	574,462	65,028	3,743,289
Interest on long-term debt	-	-	5,849	22,129	-	18,757	18,295	-	65,030
Materials, goods and utilities	52,566	215,817	269,434	471,124	24,255	248,402	191,246	7,404	1,480,248
Other expenses	29,249	87,880	-	-	775	4,626	-	1,500	124,030
Salaries, wages and benefits	219,044	1,309,636	1,026,672	500,925	411,225	1,001,756	459,005	94,515	5,022,778
Transfers to (from) local boards and agencies	-	-	60,767	-	30,124	280,572	2,952,901	73,900	3,398,264
	496,038	2,787,473	1,706,929	1,403,276	816,194	2,192,720	4,195,909	242,347	13,840,886
<b>NET REVENUE,</b>									
<b>BEFORE AMORTIZATION</b>	(442,145)	5,505,298	(726,480)	(1,301,888)	(241,730)	(1,420,896)	557,009	(118,032)	1,811,136
Government transfers for capital	-	-	194,351	454,990	-	529,116	117,191	-	1,295,648
Amortization expense	206,049	47,400	359,513	1,300,391	2,833	485,534	589,753	-	2,991,473
<b>NET REVENUE</b>	<b>(648,194)</b>	<b>5,457,898</b>	<b>(1,085,993)</b>	<b>(2,602,279)</b>	<b>(244,563)</b>	<b>(1,906,430)</b>	<b>(32,744)</b>	<b>(118,032)</b>	<b>115,311</b>

# Town of Diamond Valley

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Diamond Valley (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of CPA Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

#### a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town for the administration of their financial affairs and resources. The consolidated financial statements also include the Town's 90% ownership of the assets, liabilities, revenue and expenses of the Sheep River Regional Utility Corporation ("SRRUC") after the inter-entity transactions have been eliminated.

The Town is a member of various other boards, commissions and other organizations that are not part of the municipal reporting entity, including the Westend Regional Sewage Services Commission.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

#### b) Basis of accounting

The consolidated 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.

#### c) Measurement uncertainty (use of estimates)

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The area which requires management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

##### i) Amortization

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives. Management reviews useful lives and residual values of the depreciable assets at each reporting date, based on the expected utilization of the assets by the Town. Significant judgement is involved in the determination of useful life and residual values will not differ significantly from current assumptions.

##### ii) Allowance for doubtful accounts

Trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

##### iii) Government transfers

Government transfers are stated after evaluation as to their collectibility and that all eligibility criteria, if any, have been met.



**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2024

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**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**d) Valuation of financial assets and liabilities**

The Town's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

**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.

**f) Long-term debt**

Long-term debt is initially recognized net of any premiums, discounts, fees, and transaction costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

**g) Requisition over-levy and under-levy**

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

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

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

**h) Inventories for resale**

Long lived assets held for resale are recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, street lighting and buildings are recorded as physical assets under the respective function. Proceeds from sales of land held for resale are recorded as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and reasonable estimates of the amounts can be made.

**i) Revenue recognition**

Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset. Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor.

**i) Tax revenue**

The Town recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at Management's best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value from the original taxable event. At each financial statement date, the Town evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2024

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**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**i) Revenue recognition (continued from previous page)**

**ii) Government transfers**

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

The Town recognizes a government transfer as revenue when the event giving rise to the transfer occurs, the transfer is authorized, all eligibility criteria, if any, have been met, as determined by management, and reasonable estimates of the amounts can be determined. These transfers are subject to review by the government funder to ensure compliance. Management believes their allocations are accurate. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recorded as a liability. In such circumstances, the Town recognizes revenue as a liability is settled.

**iii) Other revenue**

User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied. The Town accounts for all other revenue in the period in which the transactions or events giving rise to the revenue occurred and collectibility is reasonably assured.

**j) Contaminated sites liability**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Town is directly responsible or accepts responsibility;
- it is expected that the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

It is management's assessment that no contaminated sites exist for the Town.

**k) Asset retirement**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

# Town of Diamond Valley

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

#### k) Asset retirement *(continued from previous page)*

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Currently no asset retirement obligations have been recognized and the Town has not determined if there are items that would require an asset retirement obligation.

#### l) 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:

	<u>Years</u>
Buildings	20 - 50
Engineered structures	10 - 65
Machinery and equipment	5 - 40
Vehicles	8 - 25

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

##### ii) Contributions of tangible capital assets

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

##### iii) 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) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

##### v) Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

# Town of Diamond Valley

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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**m) Segmented information**

The Town conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Town's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in the segments are consistent with those followed in the preparation of the consolidated financial statements. For additional information, see the consolidated schedule of segmented disclosure (Schedule VI).

**n) Cash and Cash Equivalents**

Cash and cash equivalents consists of petty cash and cash in bank accounts. The operating line is included when balance fluctuate frequently between positive and negative.

**o) Accounting Changes**

**i. Public Private Partnerships**

Effective January 1, 2024, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement, and disclosure of public private partnership arrangements under PS3160 Public Private Partnerships. The new standard establishes when an agreement between the Town and a private sector partner to procure infrastructure (or better infrastructure) meets the requirements to be recognize and how to measure infrastructure assets and the related liabilities within public private partnership arrangements and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have been restated.

Under the new standard, an infrastructure asset is recognized in accordance with PS 3150 Tangible Capital Assets and a related financial liability or performance obligation. The liability is differentiated between a liability arising from an exchange for a contractual right to receive cash or other financial assets referred to as a "financial liability", and transactions that include an exchange for a right to charge end users to as "performance obligations".

There was no material impact on the financial statements from the retroactive application of the new account recommendations.

**ii. Revenue**

Effective January 1, 2024, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have been restated.

Under the new standards, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

There was no material impact on the financial statements from the retroactive application of the new account recommendations.

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**  
For the year ended December 31, 2024

**2. CASH AND TEMPORARY INVESTMENTS**

Temporary investments are short-term deposits with maturities of three months or less.

Included in cash and temporary investments and investments disclosed in Note 5 are restricted amounts aggregating \$3,666,794 (2023 - \$3,932,188) to be used for specific capital and other projects, as disclosed in deferred revenue (Note 6).

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

	2024	2023
Current taxes and grants in place of taxes	502,834	501,476
Arrears	117,432	120,375
	<b>620,266</b>	621,851

**4. TRADE AND OTHER RECEIVABLES**

	2024	2023
Trade and other receivables	595,098	479,803
Local improvement levies	186,361	210,172
Utilities accounts receivable	658,204	601,729
Goods and services tax receivable	219,371	68,641
Government grants receivable	2,428,424	318,864
	<b>4,087,458</b>	1,679,209

**5. INVESTMENTS**

Investments consist of various Guaranteed Income Certificates ("GICs") which have effective interest rates of 3.10% to 6.10% (2023 - 2.50% to 6.10%) and mature in less than one year.

Within these GICs, The Town also administers \$66,768 (2023 - \$63,607) that represent funds held in trust for the benefit of external parties.

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2024

**6. DEFERRED REVENUE**

	<b>2024</b>	2023
Flood Recovery Erosion Control	<b>2,582,735</b>	2,582,735
Municipal Sustainability Initiative/Local Government Fiscal Framework	<b>751,577</b>	756,763
Canada Community Building Fund ("CCBF")	<b>170,600</b>	464,709
Climate Resilience Capacity Building Program	-	27,492
Post Amalgamation	<b>8,165</b>	50,000
Calgary Foundation	<b>15,000</b>	15,000
Community Garden Fundraising	-	15,658
Other deferred revenue	<b>138,717</b>	19,831
	<b>3,666,794</b>	3,932,188

**7. EMPLOYEE BENEFITS OBLIGATIONS**

Employee benefit obligations consist of vacation and overtime. The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

**8. LONG-TERM DEBT**

	<b>2024</b>	2023
Self supported debentures	<b>1,224,313</b>	1,418,711

The current portion of the long-term debt amounts to \$202,926 (2023 - \$194,398).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	202,926	46,926	249,852
2026	157,347	38,497	195,844
2027	111,692	31,502	143,194
2028	98,513	27,213	125,726
2029	102,540	24,186	126,726
Thereafter	551,295	72,876	624,171
	1,224,313	241,200	1,465,513

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 1.748% to 7.064% (2023 - 1.497% to 7.064%) per annum, before Provincial subsidy, and matures in periods from 2025 through 2040. The average annual interest rate is 6.423% (2023 - 6.877%). Debenture debt is issued on the credit and security of the Town at large.

The Town of Diamond Valley's total cash payments for interest on long-term debt is \$55,858 (2023 - \$65,030).

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**  
For the year ended December 31, 2024

**9. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town of Diamond Valley be disclosed as follows:

	2024	2023
Total debt limit	<b>22,868,597</b>	23,831,900
Total debt (Note 8)	<b>(1,224,313)</b>	(1,418,711)
Amount debt limit remaining	<b>21,644,284</b>	22,413,189
Debt servicing limit	<b>3,811,433</b>	3,971,983
Debt servicing	<b>(249,852)</b>	(250,255)
Service on debt limit remaining	<b>3,561,581</b>	3,721,728

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

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2024	2023
Tangible capital assets (Schedule II)	<b>131,361,492</b>	128,912,848
Accumulated amortization (Schedule II)	<b>(48,955,216)</b>	(46,528,443)
Long-term debt issued for capital purposes (Note 8)	<b>(1,224,313)</b>	(1,418,711)
	<b>81,181,963</b>	80,965,694

**11. ACCUMULATED OPERATING SURPLUS**

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

	2024	2023
Unrestricted surplus (Schedule I)	<b>1,669,868</b>	612,791
Internally restricted surplus (Note 13)	<b>12,388,217</b>	12,936,819
Equity in tangible capital assets (Note 10)	<b>81,181,963</b>	80,965,694
	<b>95,240,048</b>	94,515,304

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**  
For the year ended December 31, 2024

**12. SEGMENTED DISCLOSURE**

The Town of Diamond Valley provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule VI).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks, and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental services, use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Sheep River Regional Utility Corporation, subsidiary that provide utility services, Town consolidates its 90% ownership.

**13. RESERVES**

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Net Change	Balance Closing
<b>Operating</b>			
General government	1,295,600	(130,000)	<b>1,165,600</b>
Planning and development	147,885	30,000	<b>177,885</b>
Utility and environmental services	986,331	77,550	<b>1,063,881</b>
Transportation services	15,169	-	<b>15,169</b>
Civic operations	348,645	-	<b>348,645</b>
Community services	168,574	(100,000)	<b>68,574</b>
Public safety	103,077	-	<b>103,077</b>
Amalgamation	92,603	-	<b>92,603</b>
	<b>3,157,884</b>	<b>(122,450)</b>	<b>3,035,434</b>
<b>Capital</b>			
Offsite levies	2,473,317	71,678	<b>2,544,995</b>
Engineering structures	279,840	-	<b>279,840</b>
Machinery and equipment	1,604,428	(65,379)	<b>1,539,049</b>
General Capital	4,642,032	(432,451)	<b>4,209,581</b>
Vehicles	467,662	-	<b>467,662</b>
Buildings	311,656	-	<b>311,656</b>
	<b>9,778,935</b>	<b>(426,152)</b>	<b>9,352,783</b>
	<b>12,936,819</b>	<b>(548,602)</b>	<b>12,388,217</b>



**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2024

**14. SALARY AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials and the chief administrative officer as required by Alberta Regulation 313/2000 is as follows:

	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	2024	2023
Mayor B. Crane	30,900	5,088	<b>35,988</b>	41,221
Councillors:				
Councillor C. Bain (0.5 months)	-	-	-	463
Councillor C. Dixon (0.5 months)	-	-	-	749
Councillor D. Lalonde (0.5 months)	-	-	-	743
Councillor G. Raab (0.5 months)	-	-	-	373
Councillor J. Waring (0.5 months)	-	-	-	803
Councillor C. Vandenhoeck (0.5 months)	-	-	-	357
Councillor J. Gordon	19,320	941	<b>20,261</b>	19,718
Councillor C. Holladay	18,780	6,131	<b>24,911</b>	25,542
Councillor B. Kelly	21,300	1,059	<b>22,359</b>	25,951
Councillor V. Kloiber (7 months)	9,720	457	<b>10,177</b>	19,784
Councillor H. Martin	19,140	6,156	<b>25,296</b>	24,855
Councillor H. Thomson	17,880	856	<b>18,736</b>	19,856
Administrators:				
S. Patience (4 months)	-	-	-	79,765
C. Middleton (6 months)	-	-	-	98,607
TMS Group - contracted (2 months)	20,616	-	<b>20,616</b>	30,077
A. Davey (10 months)	168,670	24,185	<b>192,855</b>	-
Designated officers (5 positions)	505,996	94,521	<b>600,517</b>	

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, mileage allowances and any other direct cash remuneration.
2. Benefits and allowances include the employer'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, professional memberships and tuition. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, and travel allowances.

# Town of Diamond Valley

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

### 15. CONTINGENCIES

The Town is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the 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.

### 16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

### 17. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest rate or currency risks arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Town manages risk exposure on these items similar to other receivables and payables.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables 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 of diversity of taxpayers and customers minimizes the credit risk.

### 18. BUDGET INFORMATION

The disclosed budget information for operations and capital has been approved by Council on December 6, 2023 and January 17, 2024. The following is a reconciliation between the budget approved and that showing in the consolidated financial statements. Adjustments represent required changes for items that do not meet the criteria for recognition within the financial statements prepared in accordance with public sector accounting standards.

	Approved Budget	Adjustment	Financial Statements
Approved operating revenue budget (Town)	14,150,593	-	14,150,593
SRRUC (Town's 90% ownership)	852,278	-	852,278
Operating draw from reserves	-	(246,500)	(246,500)
Operating revenue budget on the Statement of Operations	15,002,871	(246,500)	14,756,371
Approved operating expense budget (Town)	14,150,593	-	14,150,593
SRRUC (Town's 90% ownership)	926,142	-	926,142
Operating transfer to reserves	-	(340,203)	(340,203)
Repayment of long-term debt	-	(194,399)	(194,399)
Operating expense budget on the Statement of Operations	15,076,735	(534,602)	14,542,133
Excess (Deficiency) of Revenue over Expenses on the Statement of Operations	(73,864)	288,102	214,238
Amortization of tangible capital assets	-	201,732	201,732
Acquisition of tangible capital assets	-	(4,588,500)	(4,588,500)
Decrease in Net Financial Assets on the Statement of Changes in Net Financial Assets	(73,864)	489,834	(4,172,530)

**Town of Diamond Valley**  
**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2024

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**19. TRANSFERS TO LOCAL BOARD AND AGENCIES**

During the year, \$1,409,895 (2023 - \$2,243,461) was transferred to the Westend Regional Sewage Services Commission. Within the amount transferred, \$nil (2023 - \$900,000) relates to capital upgrades.

**20. SUBSEQUENT EVENT**

The Westend Regional Sewage Services Commission is controlled by the Town of Diamond Valley. The Commission contracts operation of its facilities and administrative services through the Town, and is funded through requisitions to the Town. The Town intends to dissolve the Commission in late 2025 through the disestablishment process noted in the Commission's Bylaw 2023-01.

Following disestablishment, the Commission's assets and liabilities will be absorbed by the Town. The Commission's facilities are composed of the Turner Valley lift station, equipment in the Black Diamond lift station, the sewage lagoons, the blower building, the transfer station, and approximately 180 acres of property on which they sit in Diamond Valley. Liabilities include debentures of \$4,052,870 repayable to the Province of Alberta.

**21. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

Council and management have approved these consolidated financial statements.