

VILLAGE OF STIRLING

Financial Statements

December 31, 2010

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INDEPENDENT AUDITORS' REPORT

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An Association of Chartered Accountants

To The Mayor and Council
of the Village of Stirling

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Village of Stirling, which comprise the statement of financial position as at December 31, 2010 and the statements of operations, changes in net financial assets and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Stirling as at December 31, 2010, the results of its operations, change in its net financial assets and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.

Lethbridge, Alberta

April 12, 2011

Chartered Accountants

VILLAGE OF STIRLING
Consolidated Statement of Financial Position
As at December 31, 2010

	2010 \$	2009 \$
FINANCIAL ASSETS		
Cash	147,807	215,184
Receivables		
Taxes and grants in place of taxes (Note 2)	115,647	141,114
Trade and other	205,214	247,996
Land held for resale	<u>8,000</u>	<u>8,000</u>
	<u>476,668</u>	<u>612,294</u>
LIABILITIES		
Accounts payable and accrued liabilities	169,446	449,669
Deferred revenue (Note 3)	1,000	-
Long-term debt (Note 4)	<u>523,460</u>	<u>544,904</u>
	<u>693,906</u>	<u>994,573</u>
NET FINANCIAL ASSETS (DEBT)	<u>(217,238)</u>	<u>(382,279)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	10,125,890	10,104,220
Inventory for consumption	30,862	28,173
Prepaid expenses and deposits	<u>2,603</u>	<u>6,369</u>
	<u>10,159,355</u>	<u>10,138,762</u>
ACCUMULATED SURPLUS (Note 7 and Schedule 1)	<u>9,942,117</u>	<u>9,756,483</u>
CONTINGENCIES (Note 11)		

VILLAGE OF STIRLING
Consolidated Statement of Operations
For the year ended December 31, 2010

	Budget (Unaudited) \$	2010 \$	2009 \$
REVENUES			
Net municipal property taxes (Schedule 3)	529,996	531,204	504,871
User fees and sales of goods	613,500	635,933	459,117
Government transfers (Schedule 4)	361,630	361,630	229,528
Investment income	400	439	872
Penalties and costs of taxes	15,000	15,145	18,835
Franchise and concession contracts	<u>18,000</u>	<u>18,408</u>	<u>16,367</u>
	<u>1,538,526</u>	<u>1,562,759</u>	<u>1,229,590</u>
EXPENSES			
Legislative	49,300	42,445	43,650
Administration	325,550	313,467	315,436
Police, fire, ambulance and bylaw enforcement	58,700	56,261	48,194
Roads, streets, walks, lighting	470,150	460,652	428,358
Water, wastewater and waste management	185,645	177,058	269,925
Land use planning, zoning and development	9,900	8,715	23,806
Parks and recreation	342,515	324,388	222,886
Amortization	-	439,201	424,271
Other	<u>12,250</u>	<u>12,105</u>	<u>9,970</u>
	<u>1,454,010</u>	<u>1,834,292</u>	<u>1,786,496</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	84,516	(271,533)	(556,906)
OTHER			
Government transfers for capital (Schedule 4)	<u>457,167</u>	<u>457,167</u>	<u>718,761</u>
EXCESS OF REVENUES OVER EXPENSES	<u>541,683</u>	<u>185,634</u>	<u>161,855</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>9,756,483</u>	<u>9,756,483</u>	<u>9,594,628</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>10,298,166</u>	<u>9,942,117</u>	<u>9,756,483</u>

VILLAGE OF STIRLING

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31, 2010

	Budget (Unaudited) \$	2010 \$	2009 \$
EXCESS OF REVENUES OVER EXPENSES	<u>541,683</u>	<u>185,634</u>	<u>161,855</u>
Acquisition of tangible capital assets	(520,238)	(460,871)	(1,128,424)
Proceeds on disposal of tangible capital assets	-	-	500
Amortization of tangible capital assets	<u>-</u>	<u>439,201</u>	<u>424,271</u>
	<u>(520,238)</u>	<u>(21,670)</u>	<u>(703,653)</u>
Acquisition (use) of prepaid assets	-	3,766	(6,369)
(Use) acquisition of supplies inventory	<u>-</u>	<u>(2,689)</u>	<u>43,495</u>
	<u>-</u>	<u>1,077</u>	<u>37,126</u>
DECREASE (INCREASE) IN NET DEBT	21,445	165,041	(504,672)
NET FINANCIAL (DEBT) ASSETS, BEGINNING OF YEAR	<u>(382,279)</u>	<u>(382,279)</u>	<u>122,393</u>
NET FINANCIAL DEBT, END OF YEAR	<u>(360,834)</u>	<u>(217,238)</u>	<u>(382,279)</u>

VILLAGE OF STIRLING
Consolidated Statement of Cash Flows
For the year ended December 31, 2010

	2010	2009
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	185,634	161,855
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	439,201	424,271
Non-cash charges to operations (net changes)		
Decrease (increase) in taxes and grants in lieu receivable	25,467	(44,294)
Decrease (increase) in trade and other receivables	42,782	179,677
Decrease (increase) in inventory for consumption	(2,689)	43,495
Decrease (increase) in prepaid expenses	3,766	(6,369)
Increase in accounts payable and accrued liabilities	(280,223)	319,648
Increase (decrease) in deferred revenue	1,000	(290,491)
	<u>414,938</u>	<u>787,792</u>
CAPITAL		
Acquisition of tangible capital assets	(460,871)	(1,128,424)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>500</u>
	<u>(460,871)</u>	<u>(1,127,924)</u>
FINANCING		
Long-term debt repaid	<u>(21,444)</u>	<u>(20,498)</u>
CHANGE IN CASH DURING THE YEAR	(67,377)	(360,630)
CASH, BEGINNING OF YEAR	<u>215,184</u>	<u>575,814</u>
CASH, END OF YEAR	<u>147,807</u>	<u>215,184</u>

VILLAGE OF STIRLING
Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2010

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010	2009
BALANCE, BEGINNING OF THE YEAR	\$ 167,226	\$ 29,941	\$ 9,559,316	\$ 9,756,483	\$ 9,594,628
Excess of revenues over expenses	185,634	-	-	185,634	161,855
Unrestricted funds designated for future use	(4,251)	4,251	-	-	-
Current year funds used for tangible capital assets	(460,871)	-	460,871	-	-
Annual amortization expense	439,201	-	(439,201)	-	-
Long-term debt repaid	(21,444)	-	21,444	-	-
Change in accumulated surplus	\$ 138,269	\$ 4,251	\$ 43,114	\$ 185,634	\$ 161,855
BALANCE, END OF YEAR	\$ 305,495	\$ 34,192	\$ 9,602,430	\$ 9,942,117	\$ 9,756,483

VILLAGE OF STIRLING
Schedule of Tangible Capital Assets
For the year ended December 31, 2010

SCHEDULE 2

	Land \$	Land Improvements \$	Buildings \$	Engineered Structures \$	Machinery & Equipment \$	Vehicles \$	2010 \$	2009 \$
COST:								
BALANCE, BEGINNING OF YEAR	16,780	52,838	3,297,437	8,966,487	528,491	59,884	12,921,917	11,798,493
Acquisition of tangible capital assets	-	29,962	422,174	-	8,735	-	460,871	1,128,424
Disposal of tangible capital assets	-	-	-	-	-	-	-	(5,000)
BALANCE, END OF YEAR	<u>16,780</u>	<u>82,800</u>	<u>3,719,611</u>	<u>8,966,487</u>	<u>537,226</u>	<u>59,884</u>	<u>13,382,788</u>	<u>12,921,917</u>
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	-	1,093,156	1,473,078	238,874	12,589	2,817,697	2,397,926
Annual amortization	-	2,102	90,725	304,461	35,925	5,988	439,201	424,271
Accumulated amortization on disposals	-	-	-	-	-	-	-	(4,500)
BALANCE, END OF YEAR	-	<u>2,102</u>	<u>1,183,881</u>	<u>1,777,539</u>	<u>274,799</u>	<u>18,577</u>	<u>3,256,898</u>	<u>2,817,697</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>16,780</u>	<u>80,698</u>	<u>2,535,730</u>	<u>7,188,948</u>	<u>262,427</u>	<u>41,307</u>	<u>10,125,890</u>	<u>10,104,220</u>
2009 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>16,780</u>	<u>52,838</u>	<u>2,204,281</u>	<u>7,493,409</u>	<u>289,617</u>	<u>47,295</u>	<u>10,104,220</u>	

VILLAGE OF STIRLING
Schedule of Property Taxes Levied
For the Year Ended December 31, 2010

SCHEDULE 3

	Budget (Unaudited) \$	2010 \$	2009 \$
TAXATION			
Real property taxes	692,485	693,693	646,439
Linear property taxes	<u>11,565</u>	<u>11,565</u>	<u>12,980</u>
	<u>704,050</u>	<u>705,258</u>	<u>659,419</u>
REQUISITIONS			
Alberta School Foundation Fund	146,123	146,123	131,249
Separate school	3,064	3,064	3,333
Seniors foundation	<u>24,867</u>	<u>24,867</u>	<u>19,966</u>
	<u>174,054</u>	<u>174,054</u>	<u>154,548</u>
NET MUNICIPAL PROPERTY TAXES	<u>529,996</u>	<u>531,204</u>	<u>504,871</u>

VILLAGE OF STIRLING
Schedule of Government Transfers
For the Year Ended December 31, 2010

SCHEDULE 4

	Budget (Unaudited) \$	2010 \$	2009 \$
TRANSFERS FOR OPERATIONS			
Federal Government	2,464	2,464	-
Provincial Government	343,091	343,091	213,850
Other Local Governments	<u>16,075</u>	<u>16,075</u>	<u>15,678</u>
	<u>361,630</u>	<u>361,630</u>	<u>229,528</u>
TRANSFERS FOR CAPITAL			
Federal Government	101,667	101,667	2,586
Provincial Government	<u>355,500</u>	<u>355,500</u>	<u>716,175</u>
	<u>457,167</u>	<u>457,167</u>	<u>718,761</u>
	<u>818,797</u>	<u>818,797</u>	<u>948,289</u>

VILLAGE OF STIRLING
Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2010

SCHEDULE 5

	Budget (Unaudited) \$	2010 \$	2009 \$
EXPENDITURES			
Salaries, wages and benefits	576,650	559,980	539,040
Contracted and general services	440,335	407,697	388,351
Materials, goods, and utilities	380,750	371,191	377,887
Transfers to local boards and agencies	25,300	25,243	26,504
Bank charges and short-term interest	6,500	6,506	5,017
Interest on long-term debt	24,475	24,474	25,426
Amortization	-	439,201	424,271
	<u>1,454,010</u>	<u>1,834,292</u>	<u>1,786,496</u>

VILLAGE OF STIRLING
Schedule of Segmented Disclosure
For the year ended December 31, 2010

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 531,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 531,204
Government transfers	-	97,099	106,324	-	615,374	-	-	818,797
User fees and sales of goods	(188)	9,982	1,219	7,875	291,254	325,791	-	635,933
Investment income	439	-	-	-	-	-	-	439
Other revenue	33,553	-	-	-	-	-	-	33,553
	<u>\$ 565,008</u>	<u>\$ 107,081</u>	<u>\$ 107,543</u>	<u>\$ 7,875</u>	<u>\$ 906,628</u>	<u>\$ 325,791</u>	<u>\$ -</u>	<u>\$ 2,019,926</u>
EXPENSES								
Contracted and general services	\$ 159,664	\$ 26,002	\$ 92,481	\$ 7,661	\$ 37,547	\$ 84,342	\$ -	\$ 407,697
Salaries and wages	161,574	9,260	197,026	-	166,941	25,179	-	559,980
Goods and supplies	28,168	20,999	171,145	1,054	95,947	53,878	-	371,191
Transfers to local boards	-	-	-	-	25,243	-	-	25,243
Long-term debt interest	-	-	-	-	10,815	13,659	-	24,474
Other expenses	6,506	-	-	-	-	-	-	6,506
	<u>\$ 355,912</u>	<u>\$ 56,261</u>	<u>\$ 460,652</u>	<u>\$ 8,715</u>	<u>\$ 336,493</u>	<u>\$ 177,058</u>	<u>\$ -</u>	<u>\$ 1,395,091</u>
NET REVENUE BEFORE AMORTIZATION								
Amortization expense	\$ 209,096	\$ 50,820	\$ (353,109)	\$ (840)	\$ 570,135	\$ 148,733	\$ -	\$ 624,835
	<u>\$ 2,900</u>	<u>\$ 9,101</u>	<u>\$ 307,389</u>	<u>\$ -</u>	<u>\$ 47,945</u>	<u>\$ 71,866</u>	<u>\$ -</u>	<u>\$ 439,201</u>
NET REVENUE	<u>\$ 206,196</u>	<u>\$ 41,719</u>	<u>\$ (660,498)</u>	<u>\$ (840)</u>	<u>\$ 522,190</u>	<u>\$ 76,867</u>	<u>\$ -</u>	<u>\$ 185,634</u>

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

1. Significant Accounting Policies

The consolidated financial statements of the Village of Stirling 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 Chartered Accountants. Significant aspects of the accounting policies adopted by the Village of Stirling are as follows:

a) **Reporting Entity -**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village and are, therefore, accountable to the village council for the administration of their financial affairs and resources.

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

The 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 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 generally accepted accounting principles 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 expenditure during the reported period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) **Inventories for Resale -**

Land held for resale is 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 and street lighting are recorded as physical assets under their respective function.

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

1. Significant Accounting Policies (continued)

- e) **Prepaid Local Improvement Charges -**
 Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowing, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

- f) **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 determined.

- g) **Non-Financial Assets -**
 Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Consolidated Change in Net Financial Asset (Debt) for the year.

- 1) **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>
Land Improvements	15-50
Buildings	25-50
Engineered Structures	
Water System	35-75
Wastewater System	35-75
Other Engineered Structures	15-40
Machinery and Equipment	5-20
Vehicles	5-20

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

1. Significant Accounting Policies (continued)

- 2) Inventories -
 Inventories held for consumption are recorded at the lower of cost or replacement cost.

2. Taxes and Grants in Place of Taxes Receivables

	2010 \$	2009 \$
Current taxes and grants in place of taxes	70,922	99,048
Arrears taxes	<u>44,725</u>	<u>42,066</u>
	<u>115,647</u>	<u>141,114</u>

3. Deferred Revenue

	2010 \$	2009 \$
Government of Alberta - Emergency Training Grant	<u>1,000</u>	<u>-</u>

4. Long-term Debt

	2010 \$	2009 \$
Self-supported debentures	<u>523,460</u>	<u>544,904</u>

The current portion of long-term debt amounts to \$22,434 (2009 - \$21,444).

Principle and interest repayments are as follows:

	<u>Principal</u> \$	<u>Interest</u> \$	<u>Total</u> \$
2011	22,434	23,622	46,056
2012	23,469	22,587	46,056
2013	24,552	21,504	46,056
2014	25,684	20,371	46,055
2015	26,869	19,186	46,055
Thereafter	<u>400,452</u>	<u>117,618</u>	<u>518,070</u>
	<u>523,460</u>	<u>224,888</u>	<u>748,348</u>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 4.551 % to 4.569%, before provincial subsidy and matures in periods 2025 to 2028. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9%, and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the town at large.

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

5. 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 be disclosed as follows:

	2010	2009
	\$	\$
Total debt limit	2,344,139	1,844,385
Total debt	<u>523,460</u>	<u>544,904</u>
Total unused debt limit	<u>1,820,679</u>	<u>1,299,481</u>
Service on debt limit	390,690	307,398
Service on debt	<u>46,056</u>	<u>46,055</u>
Amount of unused service on debt	<u>344,634</u>	<u>261,343</u>

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 that 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.

6. Equity in Tangible Capital Assets

	2010	2009
	\$	\$
Capital assets (Schedule 2)	13,382,788	12,921,917
Accumulated amortization (Schedule 2)	(3,256,898)	(2,817,697)
Long-term debt (Note 4)	<u>(523,460)</u>	<u>(544,904)</u>
	<u>9,602,430</u>	<u>9,559,316</u>

7. Accumulated Surplus

	2010	2009
	\$	\$
Unrestricted surplus (deficit)	305,495	167,226
Restricted surplus:		
Capital reserves		
Development	34,192	29,941
Equity in tangible capital assets	<u>9,602,430</u>	<u>9,559,316</u>
	<u>9,942,117</u>	<u>9,756,483</u>

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

8. Segmented Disclosure

The Village of Stirling provides a range of services to its ratepayers. For each reported segment, revenues 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 financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (schedule 6).

9. Salary and Benefits Disclosure

Disclosure of salaries and benefits for village officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits & Allowances (2)	2010 Total	2009 Total
	\$	\$	\$	\$
Mayor - Jason Edwards	3,350	-	3,350	4,625
- Larry Nilsson	3,983	-	3,983	8,930
Councilor - Marianne Hirsche	750	-	750	-
- Mike Maynes	2,267	-	2,267	4,175
- Mike Selk	2,350	-	2,350	4,375
- Jeff Tanner	867	-	867	-
- Al Wiersema	2,400	-	2,400	3,783
Designated officer - CAO	40,202	-	40,202	40,744

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) 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, accident 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, car and travel allowances, conferences, and memberships.

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2010

10. Local Authorities Pension Plan

Employees of the village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 133,000 people and 389 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The village is required to make current service contributions of 5.525% of pensionable earnings up to the year's maximum pensionable earnings under the Canadian Pension Plan and 7.4% on pensionable earnings above this amount. Employees of the village are required to make current service contributions of 4.525% of pensionable salary up to the year's maximum pensionable salary and 6.4% on pensionable salary above this amount.

The total current service contributions by the village to the LAPP in 2010 were \$22,351 (2009 - \$20,904). Total current year service contributions by the employees of the village to the LAPP were \$19,989 (2009 - \$18,504)

At December 31, 2009, the LAPP disclosed an actuarial deficiency of \$1,288.9 million.

11. Contingencies

The village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the village 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.

12. Financial Instruments

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

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

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

13. Approval of Financial Statements

Council and Management have approved these financial statements.