

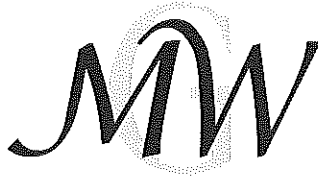
VILLAGE OF STIRLING

Financial Statements

December 31, 2017

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INDEPENDENT AUDITORS' REPORT

**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, 2017 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, 2017, 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 18, 2018

A handwritten signature in black ink, consisting of a series of fluid, connected loops and strokes, typical of a professional signature.

Chartered Accountants

VILLAGE OF STIRLING
Consolidated Statement of Financial Position
As at December 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash (Note 2)	635,284	96,269
Receivables		
Taxes and grants in place of taxes (Note 3)	109,774	111,351
Trade and other	<u>385,699</u>	<u>563,164</u>
	<u>1,130,757</u>	<u>770,784</u>
LIABILITIES		
Accounts payable and accrued liabilities	165,300	156,787
Deferred revenue (Note 4)	116,529	-
Long-term debt (Note 5)	<u>342,937</u>	<u>381,343</u>
	<u>624,766</u>	<u>538,130</u>
NET FINANCIAL ASSETS	<u>505,991</u>	<u>232,654</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	9,564,679	9,900,357
Inventory for consumption	<u>17,443</u>	<u>17,943</u>
	<u>9,582,122</u>	<u>9,918,300</u>
ACCUMULATED SURPLUS (Note 8 and Schedule 1)	<u><u>10,088,113</u></u>	<u><u>10,150,954</u></u>
CONTINGENCIES (Note 12)		



VILLAGE OF STIRLING
Consolidated Statement of Operations
For the year ended December 31, 2017

	Budget (Unaudited) \$	2017 \$	2016 \$
REVENUES			
Net municipal property taxes (Schedule 3)	717,853	716,922	688,653
User fees and sales of goods	806,145	931,608	905,846
Government transfers (Schedule 4)	168,316	177,905	149,626
Investment income	2,150	5,242	3,904
Penalties and costs of taxes	27,000	29,686	29,970
Franchise and concession contracts	45,500	49,868	45,389
Gain on disposal of tangible capital assets	-	3,161	-
	<u>1,766,964</u>	<u>1,914,392</u>	<u>1,823,388</u>
EXPENSES			
Legislative	53,700	29,324	27,813
Administration	370,537	338,263	291,295
Police, fire, ambulance and bylaw enforcement	61,300	58,293	58,237
Roads, streets, walks, lighting	534,399	390,765	386,944
Water, wastewater and waste management	391,767	449,572	438,073
Land use planning, zoning and development	36,100	15,112	29,087
Parks and recreation	270,067	343,524	296,672
Amortization	-	520,232	523,705
Other	9,300	13,507	14,425
	<u>1,727,170</u>	<u>2,158,592</u>	<u>2,066,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER	39,794	(244,200)	(242,863)
OTHER			
Government transfers for capital (Schedule 4)	<u>412,972</u>	<u>181,359</u>	<u>619,387</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	452,766	(62,841)	376,524
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>10,150,954</u>	<u>10,150,954</u>	<u>9,774,430</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>10,603,720</u></u>	<u><u>10,088,113</u></u>	<u><u>10,150,954</u></u>



VILLAGE OF STIRLING

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31, 2017

	Budget (Unaudited) \$	2017 \$	2016 \$
EXCESS OF REVENUES OVER EXPENSES	452,766	(62,841)	376,524
Acquisition of tangible capital assets	(414,667)	(184,554)	(591,086)
Proceeds on disposal of tangible capital assets	-	3,161	-
Amortization of tangible capital assets	-	520,232	523,705
(Gain) on disposal of tangible capital assets	-	(3,161)	-
	<u>(414,667)</u>	<u>335,678</u>	<u>(67,381)</u>
Use of inventory for consumption	-	500	2,351
INCREASE IN NET ASSETS	38,099	273,337	311,494
NET FINANCIAL (DEBT), BEGINNING OF YEAR	<u>232,654</u>	<u>232,654</u>	<u>(78,840)</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u><u>270,753</u></u>	<u><u>505,991</u></u>	<u><u>232,654</u></u>

VILLAGE OF STIRLING
Consolidated Statement of Cash Flows
For the year ended December 31, 2017

	2017	2016
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	(62,841)	376,524
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	520,232	523,705
(Gain) on disposal of tangible capital assets	(3,161)	-
Non-cash charges to operations (net changes)		
Decrease (increase) in taxes and grants in lieu receivable	1,577	(30,803)
Decrease (increase) in trade and other receivables	177,465	(117,042)
Decrease in inventory for consumption	500	2,351
Increase (decrease) in accounts payable and accrued liabilities	8,513	(7,756)
Increase (decrease) in deferred revenue	<u>116,529</u>	<u>(312,569)</u>
	<u>758,814</u>	<u>434,410</u>
CAPITAL		
Acquisition of tangible capital assets	(184,554)	(591,086)
Proceeds on disposal of tangible capital assets	<u>3,161</u>	<u>-</u>
	<u>(181,393)</u>	<u>(591,086)</u>
FINANCING		
Long-term debt repaid	<u>(38,406)</u>	<u>(37,109)</u>
CHANGE IN CASH DURING THE YEAR	539,015	(193,785)
(TEMPORARY INDEBTEDNESS) CASH, BEGINNING OF YEAR	<u>96,269</u>	<u>290,054</u>
CASH (TEMPORARY INDEBTEDNESS), END OF YEAR (Note 2)	<u><u>635,284</u></u>	<u><u>96,269</u></u>



VILLAGE OF STIRLING
Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2017

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2017	2016
BALANCE, BEGINNING OF THE YEAR	\$ 580,088	\$ 51,852	\$ 9,519,014	\$ 10,150,954	\$ 9,774,430
Excess (deficiency) of revenues over expenses	(62,841)	-	-	(62,841)	376,524
Current year funds used for tangible capital assets	(184,554)	-	184,554	-	-
Annual amortization expense	520,232	-	(520,232)	-	-
Long-term debt repaid	(38,406)	-	38,406	-	-
Change in accumulated surplus	\$ 234,431	\$ -	\$ (297,272)	\$ (62,841)	\$ 376,524
BALANCE, END OF YEAR	<u>\$ 814,519</u>	<u>\$ 51,852</u>	<u>\$ 9,221,742</u>	<u>\$ 10,088,113</u>	<u>\$ 10,150,954</u>



VILLAGE OF STIRLING
 Schedule of Tangible Capital Assets
 For the year ended December 31, 2017

SCHEDULE 2

	Land \$	Land Improvements \$	Buildings \$	Engineered Structures \$	Machinery & Equipment \$	Vehicles \$	2017 \$	2016 \$
COST:								
BALANCE, BEGINNING OF YEAR	24,780	90,300	4,075,194	10,326,096	1,317,396	105,159	15,938,925	15,347,839
Acquisition of tangible capital assets	-	-	46,937	74,517	63,100	-	184,554	591,086
BALANCE, END OF YEAR	24,780	90,300	4,122,131	10,400,613	1,380,496	105,159	16,123,479	15,938,925
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	15,462	1,757,799	3,734,824	476,194	54,289	6,038,568	5,514,863
Annual amortization	-	2,251	100,812	338,516	68,136	10,517	520,232	523,705
BALANCE, END OF YEAR	-	17,713	1,858,611	4,073,340	544,330	64,806	6,558,800	6,038,568
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>24,780</u>	<u>72,587</u>	<u>2,263,520</u>	<u>6,327,273</u>	<u>836,166</u>	<u>40,353</u>	<u>9,564,679</u>	<u>9,900,357</u>
2016 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>24,780</u>	<u>74,838</u>	<u>2,317,395</u>	<u>6,591,272</u>	<u>841,202</u>	<u>50,870</u>	<u>9,900,357</u>	

VILLAGE OF STIRLING
Schedule of Property Taxes Levied
For the Year Ended December 31, 2017

SCHEDULE 3

	Budget (Unaudited) \$	2017 \$	2016 \$
TAXATION			
Real property taxes	949,536	949,544	918,406
Linear property taxes	<u>11,767</u>	<u>10,826</u>	<u>11,491</u>
	<u>961,303</u>	<u>960,370</u>	<u>929,897</u>
REQUISITIONS			
Alberta School Foundation Fund	204,976	204,976	206,477
Separate school	5,652	5,651	5,693
Seniors foundation	<u>32,822</u>	<u>32,821</u>	<u>29,074</u>
	<u>243,450</u>	<u>243,448</u>	<u>241,244</u>
NET MUNICIPAL PROPERTY TAXES	<u><u>717,853</u></u>	<u><u>716,922</u></u>	<u><u>688,653</u></u>



VILLAGE OF STIRLING
Schedule of Government Transfers
For the Year Ended December 31, 2017

SCHEDULE 4

	Budget (Unaudited) \$	2017 \$	2016 \$
TRANSFERS FOR OPERATIONS			
Federal Government	4,392	12,618	4,032
Provincial Government	142,316	141,307	116,046
Other Local Governments	<u>21,608</u>	<u>23,980</u>	<u>29,548</u>
	<u>168,316</u>	<u>177,905</u>	<u>149,626</u>
TRANSFERS FOR CAPITAL			
Provincial Government	<u>412,972</u>	<u>181,359</u>	<u>619,387</u>
	<u><u>581,288</u></u>	<u><u>359,264</u></u>	<u><u>769,013</u></u>

VILLAGE OF STIRLING
Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2017

SCHEDULE 5

	Budget (Unaudited) \$	2017 \$	2016 \$
EXPENDITURES			
Salaries, wages and benefits	713,339	720,177	634,890
Contracted and general services	585,212	548,501	522,884
Materials, goods and utilities	358,042	314,819	334,110
Transfers to local boards and agencies	22,300	27,107	22,040
Bank charges and short-term interest	13,000	11,295	10,855
Interest on long-term debt	17,277	16,461	17,767
Amortization	-	520,232	523,705
	<u>1,709,170</u>	<u>2,158,592</u>	<u>2,066,251</u>





VILLAGE OF STIRLING
 Schedule of Segmented Disclosure
 For the year ended December 31, 2017

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
REVENUE								
Net municipal taxes	\$ 716,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 716,922
Government transfers	10,000	78,742	99,181	-	128,925	42,416	-	359,264
User fees and sales of goods	56,474	2,658	1,662	28,890	209,200	632,724	-	931,608
Investment income	5,242	-	-	-	-	-	-	5,242
Other revenue	<u>79,554</u>	-	<u>3,161</u>	-	-	-	-	<u>82,715</u>
	<u>\$ 868,192</u>	<u>\$ 81,400</u>	<u>\$ 104,004</u>	<u>\$ 28,890</u>	<u>\$ 338,125</u>	<u>\$ 675,140</u>	<u>\$ -</u>	<u>\$ 2,095,751</u>
EXPENSES								
Contracted and general services	\$ 113,747	\$ 37,009	\$ 52,487	\$ 2,307	\$ 24,754	\$ 318,197	\$ -	\$ 548,501
Salaries, wages and benefits	218,838	2,850	243,961	-	178,094	76,434	-	720,177
Materials, goods and utilities	23,707	18,434	94,317	12,805	119,355	46,201	-	314,819
Transfers to local boards and agencies	-	-	-	-	27,107	-	-	27,107
Interest on long-term debt	-	-	-	-	7,721	8,740	-	16,461
Other expenses	<u>11,295</u>	-	-	-	-	-	-	<u>11,295</u>
	<u>\$ 367,587</u>	<u>\$ 58,293</u>	<u>\$ 390,765</u>	<u>\$ 15,112</u>	<u>\$ 357,031</u>	<u>\$ 449,572</u>	<u>\$ -</u>	<u>\$ 1,638,360</u>
NET REVENUE BEFORE AMORTIZATION	\$ 500,605	\$ 23,107	\$ (286,761)	\$ 13,778	\$ (18,906)	\$ 225,568	\$ -	\$ 457,391
Amortization expense	<u>4,613</u>	<u>12,057</u>	<u>344,624</u>	<u>-</u>	<u>53,804</u>	<u>105,134</u>	<u>-</u>	<u>520,232</u>
NET REVENUE	<u>\$ 495,992</u>	<u>\$ 11,050</u>	<u>\$ (631,385)</u>	<u>\$ 13,778</u>	<u>\$ (72,710)</u>	<u>\$ 120,434</u>	<u>\$ -</u>	<u>\$ (62,841)</u>

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

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, 2017

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) **Tax Revenue -**
 Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.
 Requisitions operate as a flow through and are excluded from municipal revenue.

- h) **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



VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

1. Significant Accounting Policies (continued)

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.

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

2. Cash and Temporary Investments

	2017	2016
	\$	\$
Cash on hand	225	225
Bank account (Current)	608,444	96,044
Bank account (Agency)	<u>26,615</u>	<u>-</u>
	<u><u>635,284</u></u>	<u><u>96,269</u></u>

The line of credit has a limit of \$500,000 and bears interest at 3% per annum.

3. Taxes and Grants in Place of Taxes Receivables

	2017	2016
	\$	\$
Current taxes and grants in place of taxes	81,854	89,714
Arrears taxes	<u>27,920</u>	<u>21,637</u>
	<u><u>109,774</u></u>	<u><u>111,351</u></u>

4. Deferred Revenue

	2017	2016
	\$	\$
Government of Alberta:		
- Alberta Communities Partnership Grant	97,847	-
- Municipal Sustainability Initiative - Capital Grant	<u>18,682</u>	<u>-</u>
	<u><u>116,529</u></u>	<u><u>-</u></u>

Municipal Sustainability Initiative

Funding in the amount of \$443,409 was receivable in the current year from the Municipal Sustainability Initiative. Of the \$443,409, \$331,543 is from the capital component of the program and is restricted to eligible capital projects, as approved under the funding agreement, which were scheduled for completion in 2017. The remaining \$111,866 is from the operating component of the program and is restricted to eligible operating projects, as approved under the funding agreement, which were also scheduled for completion in 2017.



VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

5. Long-Term Debt

	2017 \$	2016 \$
Self-supported debentures	<u>342,937</u>	<u>381,343</u>

The current portion of long-term debt amounts to \$30,763 (2016 - \$38,406).

Principle and interest repayments are as follows:

	<u>Principal</u> \$	<u>Interest</u> \$	<u>Total</u> \$
2018	30,763	15,292	46,055
2019	32,182	13,873	46,055
2020	33,668	12,388	46,056
2021	35,221	10,834	46,055
2022	36,846	9,209	46,055
Thereafter	<u>174,257</u>	<u>21,427</u>	<u>195,684</u>
	<u>342,937</u>	<u>83,023</u>	<u>425,960</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 village at large.

6. 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 village be disclosed as follows:

	2017 \$	2016 \$
Total debt limit	2,871,588	2,735,082
Total debt	<u>342,937</u>	<u>381,343</u>
Total unused debt limit	<u>2,528,651</u>	<u>2,353,739</u>
Service on debt limit	478,598	455,847
Service on debt	<u>46,055</u>	<u>55,055</u>
Amount of unused service on debt	<u>432,543</u>	<u>400,792</u>



VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

6. Debt Limits (continued)

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.

7. Equity in Tangible Capital Assets

	2017	2016
	\$	\$
Tangible capital assets (Schedule 2)	16,123,479	15,938,925
Accumulated amortization (Schedule 2)	(6,558,800)	(6,038,568)
Long-term debt (Note 4)	(342,937)	(381,343)
	<u>9,221,742</u>	<u>9,519,014</u>

8. Accumulated Surplus

	2017	2016
	\$	\$
Unrestricted surplus	814,519	580,088
Restricted surplus:		
Operating reserves - library	13,898	13,898
Capital reserves	37,954	37,954
Equity in tangible capital assets	<u>9,221,742</u>	<u>9,519,014</u>
	<u>10,088,113</u>	<u>10,150,954</u>

9. 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).

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

10. 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)	2017 Total	2016 Total
	\$	\$	\$	\$
Mayor - Trevor Lewington	2,991	-	2,991	2,400
- Ben Nilsson	2,850	-	2,850	3,600
Councilor - Jonathan Bikman	2,800	-	2,800	3,800
- Jason Edwards	1,900	-	1,900	3,500
- Robert Edwards	500	-	500	-
- Matthew Foss	868	-	868	-
- Mike Maynes	2,700	-	2,700	4,800
- Kevin Nelson	500	-	500	-
- Larry Nilsson	1,320	-	1,320	-
Designated officer - CAO	89,708	15,798	105,506	103,116

- (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.

11. 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 2017 were \$46,235 (2016 - \$41,215). Total current year service contributions by the employees of the village to the LAPP were \$42,433 (2016 - \$37,816).

At December 31, 2016, the LAPP disclosed an actuarial deficiency of \$637 million.

VILLAGE OF STIRLING
Notes to Financial Statements
For the Year Ended December 31, 2017

12. 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.

13. 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.

14. Approval of Financial Statements

Council and Management have approved these financial statements.