

VILLAGE OF ROSEMARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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AUDITORS' REPORT

THE MAYOR AND COUNCIL OF VILLAGE OF ROSEMARY

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Rosemary, which comprise the statement of financial position as at December 31, 2011, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2011 and the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Johnston Morrison Hunter & Co. Professional Corporation

CHARTERED ACCOUNTANTS

BROOKS, ALBERTA
MARCH 5, 2012

VILLAGE OF ROSEMARY

**Statement of Financial Position
December 31, 2011**

	2011	2010
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	237,675	394,124
Taxes and grants in place of taxes (Note 3)	12,658	8,120
Trade and other receivables	92,927	98,376
Land held for resale inventory	107,098	139,227
Investments (Note 4)	10	10
Other financial assets	11,990	14,170
TOTAL FINANCIAL ASSETS	<u>462,358</u>	<u>654,027</u>
LIABILITIES		
Accounts payable and accrued liabilities	183,431	39,264
Deferred revenue (Note 5)	100,057	352,359
Long-term debt (Note 6)	108,178	118,722
	<u>391,666</u>	<u>510,345</u>
NET FINANCIAL ASSETS (DEBT)	<u>70,692</u>	<u>143,682</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	4,145,833	3,514,255
Prepaid expenses	7,451	8,049
	<u>4,153,284</u>	<u>3,522,304</u>
ACCUMULATED SURPLUS (Note 10)	<u>4,223,976</u>	<u>3,665,986</u>

VILLAGE OF ROSEMARY

**Statement of Operations
For the Year Ended December 31, 2011**

	Budget	2011	2010
	\$	\$	\$
REVENUE			
Net municipal taxes, Schedule 3	252,918	251,790	238,403
Government transfers for operating, Schedule 4	201,410	128,423	124,639
Investment income	1,005	1,876	305
User fees and sale of goods	176,487	197,274	148,086
Penalties and costs of taxes	4,600	8,045	4,708
Franchise and concession contracts	16,950	17,093	14,106
Other	5,700	8,467	6,727
	<u>659,070</u>	<u>612,968</u>	<u>536,974</u>
EXPENSES			
Legislative	19,500	24,253	13,978
Administration	157,493	139,586	139,395
Fire, ambulance and bylaws enforcement	91,538	75,791	74,111
Roads, streets, walks and lighting	121,060	143,087	110,570
Water and wastewater	186,766	176,502	144,921
Waste management	29,220	28,202	32,221
Parks and recreation	30,696	31,803	23,149
Other	61,857	53,555	49,046
	<u>698,130</u>	<u>672,779</u>	<u>587,391</u>
SHORTFALL OF REVENUE OVER EXPENSES BEFORE OTHER, Schedule 6	(39,060)	(59,811)	(50,417)
OTHER			
Government transfers for capital, Schedule 4	<u>595,936</u>	<u>617,801</u>	<u>412,482</u>
EXCESS OF REVENUE OVER EXPENSES	<u>556,876</u>	<u>557,990</u>	<u>362,065</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,665,986</u>	<u>3,665,986</u>	<u>3,303,921</u>
ACCUMULATED SURPLUS, END OF YEAR, Schedule 1	<u><u>4,222,862</u></u>	<u><u>4,223,976</u></u>	<u><u>3,665,986</u></u>

VILLAGE OF ROSEMARY

**Statement of Change in Net Financial Assets (Debt)
For the Year Ended December 31, 2011**

	Budget	2011	2010
	\$	\$	\$
EXCESS OF REVENUE OVER EXPENSES	556,876	557,990	362,065
Acquisition of tangible capital assets	(728,376)	(805,872)	(416,095)
Amortization of tangible capital assets	175,000	174,294	152,734
	<u>(553,376)</u>	<u>(631,578)</u>	<u>(263,361)</u>
Acquisition of prepaid assets	--	(7,451)	(8,049)
Use of prepaid assets	--	8,049	8,111
	<u>--</u>	<u>598</u>	<u>62</u>
(DECREASE) INCREASE IN NET ASSETS	3,500	(72,990)	98,766
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>143,682</u>	<u>143,682</u>	<u>44,916</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u><u>147,182</u></u>	<u><u>70,692</u></u>	<u><u>143,682</u></u>

VILLAGE OF ROSEMARY

**Statement of Cash Flows
For the Year Ended December 31, 2011**

	2011	2010
	\$	\$
OPERATING		
Excess of revenue over expenses	557,990	362,065
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	174,294	152,734
Non-cash charges to operations (net change):		
Increase in taxes and grants in place	(4,538)	(5,597)
Decrease (increase) in trade and other receivables	5,449	(44,531)
Decrease (increase) in land held for resale inventory	32,129	(17,143)
Decrease in prepaid expenses	598	62
Increase in investments	-	(10)
Decrease in other financial assets	2,180	4,360
Increase in accounts payable and accrued liabilities	144,167	16,284
(Decrease) increase in deferred revenue	(252,302)	231,233
CASH PROVIDED BY OPERATING TRANSACTIONS	<u>659,967</u>	<u>699,457</u>
CAPITAL		
Acquisition of tangible capital assets	(805,872)	(416,095)
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(805,872)</u>	<u>(416,095)</u>
FINANCING		
Long-term debt repaid	(10,544)	(10,097)
CASH APPLIED TO FINANCING TRANSACTIONS	<u>(10,544)</u>	<u>(10,097)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(156,449)	273,265
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>394,124</u>	<u>120,859</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>237,675</u></u>	<u><u>394,124</u></u>
CASH AND CASH EQUIVALENTS ARE MADE UP OF:		
Cash and temporary investments (Note 2)	<u><u>237,675</u></u>	<u><u>394,124</u></u>

VILLAGE OF ROSEMARY
Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2011
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2011	2010
	\$	\$	\$	\$	\$
Revenue:					
Balance, beginning of year	170,453	100,000	3,395,533	3,665,986	3,303,921
Excess (deficiency) of revenues over expenses	557,990	-	-	557,990	362,065
Restricted funds used for operations	50,000	(50,000)	-	-	-
Current year funds used for tangible capital assets	(805,872)	-	805,872	-	-
Annual amortization expense	174,294	-	(174,294)	-	-
Long term debt repaid	(10,544)	-	10,544	-	-
Change in accumulated surplus	<u>(34,132)</u>	<u>(50,000)</u>	<u>642,122</u>	<u>557,990</u>	<u>362,065</u>
Balance, end of year	<u>136,321</u>	<u>50,000</u>	<u>4,037,655</u>	<u>4,223,976</u>	<u>3,665,986</u>

The accompanying is an integral part of these financial statements

VILLAGE OF ROSEMARY
Schedule of Tangible Capital Assets
For The Year Ended December 31, 2011
Schedule 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Cost:								
Balance, beginning of year	167,938	202,929	184,574	4,332,136	151,361	327,406	5,366,344	4,950,249
Acquisition of tangible capital assets	-	53,967	-	695,541	56,364	-	805,872	308,829
Construction-in-progress	-	-	-	-	-	-	-	107,266
Disposal of tangible capital assets	-	-	-	(4,820)	-	-	(4,820)	-
Balance, end of year	<u>167,938</u>	<u>256,896</u>	<u>184,574</u>	<u>5,022,857</u>	<u>207,725</u>	<u>327,406</u>	<u>6,167,396</u>	<u>5,366,344</u>
Accumulated Amortization:								
Balance, beginning of year	-	8,118	36,507	1,580,948	85,182	141,334	1,852,089	1,699,355
Annual amortization	-	10,016	3,692	125,113	17,866	17,607	174,294	152,734
Accumulated amortization on disposals	-	-	-	(4,820)	-	-	(4,820)	-
Balance, end of year	<u>-</u>	<u>18,134</u>	<u>40,199</u>	<u>1,701,241</u>	<u>103,048</u>	<u>158,941</u>	<u>2,021,563</u>	<u>1,852,089</u>
Net Book Value of								
Tangible Capital Assets	<u>167,938</u>	<u>238,762</u>	<u>144,375</u>	<u>3,321,616</u>	<u>104,677</u>	<u>168,465</u>	<u>4,145,833</u>	<u>3,514,255</u>

The accompanying is an integral part of these financial statements

VILLAGE OF ROSEMARY

**Schedule of Property And Other Taxes
 For the Year Ended December 31, 2011
 Schedule 3**

	Budget	2011	2010
	\$	\$	\$
TAXATION			
Real property taxes	310,138	309,010	293,539
Government grants in place of property taxes	2,454	2,454	3,180
	<u>312,592</u>	<u>311,464</u>	<u>296,719</u>
REQUISITIONS			
Alberta School foundation fund	56,088	56,088	54,833
Newell seniors foundation	3,586	3,586	3,483
	<u>59,674</u>	<u>59,674</u>	<u>58,316</u>
NET MUNICIPAL TAXES	<u>252,918</u>	<u>251,790</u>	<u>238,403</u>

VILLAGE OF ROSEMARY

**Schedule of Government Transfers
 For the Year Ended December 31, 2011
 Schedule 4**

	Budget	2011	2010
	\$	\$	\$
TRANSFERS FOR OPERATING			
Provincial government	139,560	67,915	62,429
Other local governments	61,850	60,508	62,210
	<u>201,410</u>	<u>128,423</u>	<u>124,639</u>
TRANSFERS FOR CAPITAL			
Provincial government	555,783	577,153	184,372
Federal government	40,153	39,711	221,610
Other local governments	-	937	6,500
	<u>595,936</u>	<u>617,801</u>	<u>412,482</u>
TOTAL GOVERNMENT TRANSFERS	<u><u>797,346</u></u>	<u><u>746,224</u></u>	<u><u>537,121</u></u>

VILLAGE OF ROSEMARY

**Schedule of Expenses by Object
 For the Year Ended December 31, 2011
 Schedule 5**

	Budget	2011	2010
	\$	\$	\$
EXPENDITURES			
Salaries, wages and benefits	146,768	154,963	132,244
Contracted and general services	168,090	146,853	122,014
Materials, goods and utilities	158,266	144,483	128,417
Interest on long-term debt	6,517	6,244	6,691
Amortization of tangible capital assets	175,000	174,294	152,734
Other expenditures	43,489	45,942	45,291
	<u>698,130</u>	<u>672,779</u>	<u>587,391</u>

VILLAGE OF ROSEMARY
Schedule of Segmented Disclosure
For The Year Ended December 31, 2011
Schedule 6

	General Government	Protective Services	Transportation Services	Water & Waste Management	Recreation & Culture	2011
	\$	\$	\$	\$	\$	\$
Revenue:						
Net municipal taxes	251,790	-	-	-	-	251,790
Government transfers	15,528	48,371	-	11,778	52,746	128,423
Investment income	1,629	247	-	-	-	1,876
User fees and sale of goods	45,745	84	8,266	141,683	1,495	197,274
Penalties and cost of taxes	8,045	-	-	-	-	8,045
Franchise and concession contracts	17,093	-	-	-	-	17,093
Other revenues	<u>3,635</u>	<u>4,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,467</u>
	<u>343,465</u>	<u>53,534</u>	<u>8,266</u>	<u>153,461</u>	<u>54,241</u>	<u>612,968</u>
Expenses:						
Salaries & wages	68,831	-	40,346	45,786	-	154,963
Contracted & general services	46,653	13,446	5,831	37,327	43,596	146,853
Goods & supplies	42,321	24,428	39,630	24,507	13,597	144,483
Long-term debt interest	-	4,918	-	1,326	-	6,244
Other expenses	<u>2,193</u>	<u>10,742</u>	<u>1,076</u>	<u>13,782</u>	<u>18,149</u>	<u>45,942</u>
	<u>159,998</u>	<u>53,534</u>	<u>86,883</u>	<u>122,728</u>	<u>75,342</u>	<u>498,485</u>
Net revenue, before amortization	<u>183,467</u>	<u>-</u>	<u>(78,617)</u>	<u>30,733</u>	<u>(21,101)</u>	<u>114,483</u>
Amortization expense	<u>(3,841)</u>	<u>(22,257)</u>	<u>(56,204)</u>	<u>(81,976)</u>	<u>(10,016)</u>	<u>(174,294)</u>
Net Revenue	<u>179,626</u>	<u>(22,257)</u>	<u>(134,821)</u>	<u>(51,243)</u>	<u>(31,117)</u>	<u>(59,811)</u>

The accompanying an integral part of these financial statements

VILLAGE OF ROSEMARY**Notes to the Financial Statements
For The Year Ended December 31, 2011****1. Significant Accounting Policies**

The financial statements of the Village of Rosemary are prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the Village of Rosemary are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, and change in financial position of the Village of Rosemary.

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.

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.

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 revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. 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.

VILLAGE OF ROSEMARY

**Notes to the Financial Statements
 For The Year Ended December 31, 2011**

1. Significant Accounting Policies (Continued)

Requisition Over-Levy and Under-Levy

Over-levies and under-levies arise from the difference between the actual 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.

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, road, sidewalks and street lighting are recorded as capital assets under their respective function.

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.

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 Assets (Debt) for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	15-20
Buildings	25-50
Engineered structures	
Water system	35-65
Wastewater system	35-65
Other engineered structures	15-40
Machinery and equipment	5-20
Vehicles	3-20

Assets under construction are not amortized until the asset is available for productive use.

VILLAGE OF ROSEMARY

**Notes to the Financial Statements
For The Year Ended December 31, 2011**

2. Cash and Temporary Investments

	2011	2010
	\$	\$
Cash	202,675	69,124
Temporary investments	<u>35,000</u>	<u>325,000</u>
	<u><u>237,675</u></u>	<u><u>394,124</u></u>

Temporary investments are short-term savings accounts bearing interest at 0.9% and are cashable on demand.

3. Taxes and Grants in Place of Taxes

	2011	2010
	\$	\$
Current taxes and grants in place of taxes	7,652	7,752
Non-current taxes and grants in place of taxes	<u>5,006</u>	<u>368</u>
	<u><u>12,658</u></u>	<u><u>8,120</u></u>

4. Investments

	2011	2010
	\$	\$
Newell Regional Services Corporation, common shares	<u>10</u>	<u>10</u>

5. Deferred Revenue

	2011	2010
	\$	\$
Alberta conditional grants	<u>100,057</u>	<u>352,359</u>

Alberta conditional grants were received from external sources and have not been expended in the current year.

The use of these funds is restricted to eligible capital projects, as approved under the funding agreements, scheduled for completion in 2012. Unexpended funds related to the advance are supported by cash and temporary investments of \$100,057 .

VILLAGE OF ROSEMARY

**Notes to the Financial Statements
For The Year Ended December 31, 2011**

6. Long-Term Debt

	2011	2010
	\$	\$
Tax supported debentures	<u>108,178</u>	<u>118,722</u>

The current portion of long-term debt is \$11,012 (2010 - \$10,544).

Principal and interest repayments are as follows:

	Principal	Interest	Total
	\$	\$	\$
2012	11,012	5,776	16,788
2013	11,502	5,287	16,788
2014	12,014	4,774	16,788
2015	8,067	4,239	12,306
2016	3,888	3,935	7,823
2017 and on	<u>61,695</u>	<u>24,353</u>	<u>86,048</u>
	<u>108,178</u>	<u>48,364</u>	<u>156,541</u>

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 3.8% to 6% per annum and matures in periods 2015 through 2027. The average annual interest rate is 5.50% for 2011 (5.41% for 2010). For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8% to 12.5% depending on the date borrowed. Debenture debt is issued on the credit and security of the Village of Rosemary at large.

Interest on long-term debt amounted to \$6,244 (2010 - \$6,691).

The Village's total cash payments for interest in 2011 was \$6,244 (2010 - \$6,691).

VILLAGE OF ROSEMARY

**Notes to the Financial Statements
 For The Year Ended December 31, 2011**

7. 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 of Rosemary be disclosed as follows:

	2011	2010
	\$	\$
Total debt limit	919,452	805,461
Total debt	<u>108,178</u>	<u>118,722</u>
Amount of debt limit unused	<u>811,274</u>	<u>686,739</u>
Debt servicing limit	153,242	134,244
Debt servicing	<u>16,788</u>	<u>16,788</u>
Amount of debt servicing limit unused	<u>136,454</u>	<u>117,456</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.

8. Tangible Capital Assets

	2011	2010
Net Book Value	\$	\$
Land	167,938	167,938
Land Improvements	238,762	194,811
Buildings	144,375	148,067
Engineered Structures		
Roadway system	510,499	195,727
Sidewalk, curb and gutter	262,865	166,290
Water distribution system	1,946,415	1,872,934
Wastewater treatment system	601,837	516,236
Machinery and equipment	104,677	66,180
Vehicles	<u>168,465</u>	<u>186,072</u>
	<u>4,145,833</u>	<u>3,514,255</u>

VILLAGE OF ROSEMARY

**Notes to the Financial Statements
For The Year Ended December 31, 2011**

9. Equity in Capital Assets

	2011	2010
	\$	\$
Tangible capital assets, Schedule 2	6,167,396	5,366,344
Accumulated amortization, Schedule 2	(2,021,563)	(1,852,089)
Long-term debt (Note 6)	<u>(108,178)</u>	<u>(118,722)</u>
	<u>4,037,655</u>	<u>3,395,533</u>

10. Accumulated Surplus

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

	2011	2010
	\$	\$
Unrestricted surplus (deficit)	136,321	170,453
Restricted surplus		
General operations	50,000	100,000
Equity in tangible capital assets	<u>4,037,655</u>	<u>3,395,533</u>
	<u>4,223,976</u>	<u>3,665,986</u>

11. Segmented Disclosure

The 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 ROSEMARY

**Notes to the Financial Statements
 For The Year Ended December 31, 2011**

12. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 379/94 is as follows:

	2011			2010
	Salary	Benefits and allowances	Total	Total
	\$	\$	\$	\$
Mayor	6,263	-	6,263	3,925
Councillor 1	4,388	-	4,388	2,625
Councillor 2	4,087	-	4,087	2,625
Municipal administrator	40,778	7,215	47,993	41,244

- 1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, per diems and any other direct cash remuneration.
- 2) Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, healthcare, dental coverage, vision coverage, group life insurance, professional memberships and tuition.

13. Financial Instruments

The Village's financial instruments consist of cash and temporary investments, receivables, investments, accounts payable and accrued liabilities, deferred revenue, and long-term debt. It is management's opinion that the Village is not exposed to significant interest or currency risk 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 fair value of the financial instruments approximates their carrying values.

14. Approval of Financial Statements

These financial statements were approved by Council and Administration on March 5, 2012.

15. Budgeted Figures

The budgeted figures, approved by Council on April 11, 2011, have not been audited and are presented for information purposes only.