

VILLAGE OF ROSEMARY
FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010

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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, 2010, 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, 2010 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.

It is understood that this report, as requested by the Minister of Alberta Municipal Affairs, is to be used primarily for statistical purposes. We have issued an audit report dated March 21, 2011 on the financial statements of the Village of Rosemary for the year ended December 31, 2010 and reference should be made to those audited financial statements for complete information.

CHARTERED ACCOUNTANTS

**BROOKS, ALBERTA
MARCH 21, 2011**

VILLAGE OF ROSEMARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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AUDITORS' REPORT

THE MAYOR AND COUNCIL OF VILLAGE OF ROSEMARY

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CHARTERED ACCOUNTANTS

**BROOKS, ALBERTA
MARCH 21, 2011**

VILLAGE OF ROSEMARY

**Statement of Financial Position
December 31, 2010**

	2010	2009
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	394,124	120,859
Taxes and grants in place of taxes (Note 3)	8,120	2,523
Trade and other receivables	98,376	53,845
Land held for resale inventory	139,227	122,084
Investments (Note 4)	10	--
Other financial assets	14,170	18,530
TOTAL FINANCIAL ASSETS	<u>654,027</u>	<u>317,841</u>
LIABILITIES		
Accounts payable and accrued liabilities	39,264	22,979
Deferred revenue (Note 5)	352,359	121,126
Long-term debt (Note 6)	118,722	128,820
	<u>510,345</u>	<u>272,925</u>
NET FINANCIAL ASSETS (DEBT)	<u>143,682</u>	<u>44,916</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	3,514,255	3,250,894
Prepaid expenses	8,049	8,111
	<u>3,522,304</u>	<u>3,259,005</u>
ACCUMULATED SURPLUS (Note 10)	<u>3,665,986</u>	<u>3,303,921</u>

VILLAGE OF ROSEMARY

**Statement of Operations
For the Year Ended December 31, 2010**

	Budget	2010	2009
	\$	\$	\$
REVENUE			
Net municipal taxes, Schedule 3	239,837	238,403	230,083
Government transfers for operating, Schedule 4	133,418	124,639	146,039
Investment income	455	305	570
User fees and sale of goods	151,231	148,086	141,368
Penalties and costs of taxes	4,500	4,708	4,449
Franchise and concession contracts	13,500	14,106	13,206
Other	4,500	6,727	6,381
	547,441	536,974	542,096
EXPENSES			
Legislative	17,000	13,978	16,772
Administration	150,738	139,395	111,933
Fire, ambulance and bylaws enforcement	91,429	74,111	98,646
Roads, streets, walks and lighting	120,025	110,570	95,639
Water and wastewater	199,855	144,921	185,097
Waste management	33,120	32,221	26,121
Parks and recreation	27,430	23,149	29,068
Other	53,234	49,046	8,451
	692,831	587,391	571,727
SHORTFALL OF REVENUE OVER EXPENSES BEFORE OTHER, Schedule 6	(145,390)	(50,417)	(29,631)
OTHER			
Government transfers for capital, Schedule 4	785,120	412,482	607,765
EXCESS OF REVENUE OVER EXPENSES	639,730	362,065	578,134
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,303,921	3,303,921	2,725,787
ACCUMULATED SURPLUS, END OF YEAR, Schedule 1	3,943,651	3,665,986	3,303,921

VILLAGE OF ROSEMARY

**Statement of Change in Net Financial Assets (Debt)
For the Year Ended December 31, 2010**

	Budget	2010	2009
	\$	\$	\$
EXCESS OF REVENUE OVER EXPENSES	639,730	362,065	578,134
Acquisition of tangible capital assets	(789,730)	(416,095)	(618,541)
Amortization of tangible capital assets	150,000	152,734	140,905
	<u>(639,730)</u>	<u>(263,361)</u>	<u>(477,636)</u>
Acquisition of prepaid assets	--	(8,049)	(9,594)
Use of prepaid assets	--	8,111	19,201
	<u>--</u>	<u>62</u>	<u>9,607</u>
INCREASE IN NET ASSETS	-	98,766	110,105
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	44,916	44,916	(65,189)
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>44,916</u>	<u>143,682</u>	<u>44,916</u>

VILLAGE OF ROSEMARY

**Statement of Cash Flows
For the Year Ended December 31, 2010**

	2010	2009
	\$	\$
OPERATING		
Excess of revenue over expenses	362,065	578,134
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	152,734	140,905
Non-cash charges to operations (net change):		
(Increase) decrease in taxes and grants in place	(5,597)	3,299
(Increase) decrease in trade and other receivables	(44,531)	62,132
Increase in land held for resale inventory	(17,143)	(61,752)
Decrease in prepaid expenses	62	9,607
Increase in investments	(10)	--
Decrease in other financial assets	4,360	3,270
Increase (decrease) in accounts payable and accrued liabilities	16,284	(31,588)
Increase (decrease) in deferred revenue	231,233	(294,788)
CASH PROVIDED BY OPERATING TRANSACTIONS	<u>699,457</u>	<u>409,219</u>
CAPITAL		
Acquisition of tangible capital assets	(416,095)	(618,541)
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(416,095)</u>	<u>(618,541)</u>
FINANCING		
Long-term debt repaid	(10,097)	(9,670)
CASH APPLIED TO FINANCING TRANSACTIONS	<u>(10,097)</u>	<u>(9,670)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	273,265	(218,992)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>120,859</u>	<u>339,851</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>394,124</u></u>	<u><u>120,859</u></u>
CASH AND CASH EQUIVALENTS ARE MADE UP OF:		
Cash and temporary investments (Note 2)	<u>394,124</u>	<u>120,859</u>

VILLAGE OF ROSEMARY

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 year	131,847	50,000	3,122,074	3,303,921	2,725,787
Excess (deficiency) of revenues over expenses	362,065	-	-	362,065	578,134
Unrestricted funds designated for future use	(50,000)	50,000	-	-	-
Current year funds used for tangible capital assets	(416,096)	-	416,096	-	-
Annual amortization expense	152,734	-	(152,734)	-	-
Long term debt repaid	(10,097)	-	10,097	-	-
Change in accumulated surplus	<u>38,606</u>	<u>50,000</u>	<u>273,459</u>	<u>362,065</u>	<u>578,134</u>
Balance, end of year	<u>170,453</u>	<u>100,000</u>	<u>3,395,533</u>	<u>3,665,986</u>	<u>3,303,921</u>

VILLAGE OF ROSEMARY

**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	167,938	28,665	184,574	4,110,983	130,683	327,406	4,950,249	4,331,708
Acquisition of tangible capital assets	-	66,998	-	221,153	20,678	-	308,829	618,541
Construction-in-progress	-	107,266	-	-	-	-	107,266	-
Balance, end of year	<u>167,938</u>	<u>202,929</u>	<u>184,574</u>	<u>4,332,136</u>	<u>151,361</u>	<u>327,406</u>	<u>5,366,344</u>	<u>4,950,249</u>
Accumulated Amortization:								
Balance, beginning of year	-	2,866	32,815	1,472,093	67,853	123,728	1,699,355	1,558,450
Annual amortization	-	5,252	3,692	108,855	17,329	17,606	152,734	140,905
Balance, end of year	<u>-</u>	<u>8,118</u>	<u>36,507</u>	<u>1,580,948</u>	<u>85,182</u>	<u>141,334</u>	<u>1,852,089</u>	<u>1,699,355</u>
Net Book Value of Tangible Capital Assets	<u>167,938</u>	<u>194,811</u>	<u>148,067</u>	<u>2,751,188</u>	<u>66,179</u>	<u>186,072</u>	<u>3,514,255</u>	<u>3,250,894</u>

VILLAGE OF ROSEMARY

**Schedule of Property And Other Taxes
For the Year Ended December 31, 2010
Schedule 3**

	Budget	2010	2009
	\$	\$	\$
TAXATION			
Real property taxes	294,973	293,539	284,516
Government grants in place of property taxes	3,180	3,180	3,028
	<u>298,153</u>	<u>296,719</u>	<u>287,544</u>
REQUISITIONS			
Alberta School foundation fund	54,833	54,833	54,530
Newell seniors foundation	3,483	3,483	2,931
	<u>58,316</u>	<u>58,316</u>	<u>57,461</u>
NET MUNICIPAL TAXES	<u>239,837</u>	<u>238,403</u>	<u>230,083</u>

VILLAGE OF ROSEMARY

**Schedule of Government Transfers
For the Year Ended December 31, 2010
Schedule 4**

	Budget	2010	2009
	\$	\$	\$
TRANSFERS FOR OPERATING			
Provincial government	133,418	123,299	125,521
Other local governments	--	1,340	20,518
	<u>133,418</u>	<u>124,639</u>	<u>146,039</u>
TRANSFERS FOR CAPITAL			
Provincial government	521,997	184,372	588,629
Federal government	263,123	221,610	--
Other local governments	--	6,500	19,136
	<u>785,120</u>	<u>412,482</u>	<u>607,765</u>
TOTAL GOVERNMENT TRANSFERS	<u>918,538</u>	<u>537,121</u>	<u>753,804</u>

VILLAGE OF ROSEMARY

**Schedule of Expenses by Object
For the Year Ended December 31, 2010
Schedule 5**

	Budget	2010	2009
	\$	\$	\$
EXPENDITURES			
Salaries, wages and benefits	135,533	132,244	120,783
Contracted and general services	158,389	122,014	87,010
Materials, goods and utilities	192,395	128,417	161,299
Interest on long-term debt	6,691	6,691	7,118
Amortization of tangible capital assets	150,000	152,734	140,905
Other expenditures	49,823	45,291	54,612
	<hr/>	<hr/>	<hr/>
	692,831	587,391	571,727
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

VILLAGE OF ROSEMARY

**Schedule of Segmented Disclosures
For The Year Ended December 31, 2010
Schedule 6**

	General Government	Protective Services	Transportation Services	Water and Waste Management	Recreation & Culture	Other	2010
	\$	\$	\$	\$	\$	\$	\$
Revenue:							
Net municipal taxes	238,403	-	-	-	-	-	238,403
Government transfers	8,470	45,740	6,279	49,031	15,119	-	124,639
User fees and sales of goods	9,171	1,450	-	137,465	-	-	148,086
Investment income	305	-	-	-	-	-	305
Franchise and concession contracts	14,106	-	-	-	-	-	14,106
Other revenues	11,435	-	-	-	-	-	11,435
	<u>281,890</u>	<u>47,190</u>	<u>6,279</u>	<u>186,496</u>	<u>15,119</u>	<u>-</u>	<u>536,974</u>
Expenses:							
Salaries & wages	40,631	15,485	8,921	56,977	-	-	132,244
Contract & general services	54,793	-	33,395	44,056	-	-	122,014
Goods & supplies	50,075	20,545	26,477	31,320	-	-	128,417
Long-term debt interest	-	5,082	-	1,609	-	-	6,691
Other expenses	2,194	10,742	-	13,382	17,897	1,076	45,291
	<u>147,693</u>	<u>51,854</u>	<u>68,793</u>	<u>147,344</u>	<u>17,897</u>	<u>1,076</u>	<u>434,657</u>
Net revenue, before amortization	<u>134,197</u>	<u>(4,664)</u>	<u>(62,514)</u>	<u>39,152</u>	<u>(2,778)</u>	<u>(1,076)</u>	<u>102,317</u>
Amortization expense	<u>(5,680)</u>	<u>(22,257)</u>	<u>(41,777)</u>	<u>(77,768)</u>	<u>(5,252)</u>	<u>-</u>	<u>(152,734)</u>
Net Revenue	<u>128,517</u>	<u>(26,921)</u>	<u>(104,291)</u>	<u>(38,616)</u>	<u>(8,030)</u>	<u>(1,076)</u>	<u>(50,417)</u>

VILLAGE OF ROSEMARY

Notes to the Financial Statements For The Year Ended December 31, 2010

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, 2010

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, roads, 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, 2010

2. Cash

	2010	2009
	\$	\$
Cash	69,124	120,859
Temporary investments	<u>325,000</u>	<u>-</u>
	<u>394,124</u>	<u>120,859</u>

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

3. Taxes and Grants in Place of Taxes

	2010	2009
	\$	\$
Current taxes and grants in place of taxes	7,752	935
Non-current taxes and grants in place of taxes	<u>368</u>	<u>1,588</u>
	<u>8,120</u>	<u>2,523</u>

4. Investments

	2010	2009
	\$	\$
Newell Regional Services Corporation, common shares	<u>10</u>	<u>-</u>

5. Deferred Revenue

	2010	2009
	\$	\$
Alberta conditional grants	<u>352,359</u>	<u>121,126</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 projects, as approved under the funding agreements, scheduled for completion in 2011. Unexpended funds related to the advance are supported by cash and temporary investments of \$325,000. .

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

6. Long-Term Debt

	2010	2009
	\$	\$
Tax supported debentures	<u>118,722</u>	<u>128,820</u>

The current portion of long-term debt is \$10,544 (2009 - \$10,097).

Principal and interest repayments are as follows:

	Principal	Interest	Total
	\$	\$	\$
2011	10,544	6,244	16,788
2012	11,012	5,776	16,788
2013	11,501	5,287	16,788
2014	12,014	4,774	16,788
2015	8,066	4,239	12,305
2016 and on	<u>65,585</u>	<u>28,288</u>	<u>93,873</u>
	<u>118,722</u>	<u>54,608</u>	<u>173,330</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 5.41% for 2010 (5.33% for 2009). 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 \$6,691 (2009 - \$7,118).

The Village's total cash payments for interest in 2010 was \$6,691 (2009 - \$7,118).

VILLAGE OF ROSEMARY

Notes to the Financial Statements For The Year Ended December 31, 2010

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:

	2010	2009
	\$	\$
Total debt limit	805,461	813,144
Total debt	<u>118,722</u>	<u>128,820</u>
Amount of debt limit unused	<u>686,739</u>	<u>684,324</u>
Debt servicing limit	134,244	135,524
Debt servicing	<u>16,788</u>	<u>16,788</u>
Amount of debt servicing limit unused	<u>117,456</u>	<u>118,736</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

	2010	2009
Net Book Value	\$	\$
Land	167,938	167,938
Land improvements	194,811	25,799
Buildings	148,067	151,759
Roadway system	195,727	211,116
Sidewalk, curb and gutter	166,290	183,534
Water distribution system	1,872,934	1,936,713
Wastewater treatment system	516,236	307,527
Machinery and equipment	66,180	62,830
Vehicles	<u>186,072</u>	<u>203,678</u>
	<u>3,514,255</u>	<u>3,250,894</u>

9 Equity in Capital Assets

	2010	2009
	\$	\$
Tangible capital assets, Schedule 2	5,366,344	4,950,249
Accumulated amortization, Schedule 2	(1,852,089)	(1,699,355)
Long term debt (Note 6)	<u>(118,722)</u>	<u>(128,820)</u>
	<u>3,395,533</u>	<u>3,122,074</u>

VILLAGE OF ROSEMARY

Notes to the Financial Statements For The Year Ended December 31, 2010

10. Accumulated Surplus

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

	2010	2009
	\$	\$
Unrestricted surplus	170,453	131,847
Restricted surplus		
General operations	100,000	50,000
Equity in tangible capital assets	<u>3,395,533</u>	<u>3,122,074</u>
	<u>3,665,986</u>	<u>3,303,921</u>

11. Segmented Disclosure

The Village of Rosemary 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).

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:

	2010			2009
	Salary	Benefits and allowances	Total	Total
	\$	\$	\$	\$
Mayor	3,925	-	3,925	2,050
Councillor 1	2,625	-	2,625	3,700
Councillor 2	2,625	-	2,625	3,125
Municipal administrator	35,229	6,015	41,244	36,614

- 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.

VILLAGE OF ROSEMARY

Notes to the Financial Statements For The Year Ended December 31, 2010

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 21, 2011.

15. Budgeted Figures

The budgeted figures, approved by Council on May 20, 2010, have not been audited and are presented for information purposes only.