VILLAGE OF DELIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

VILLAGE OF DELIA

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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ENDEAVOR
CHARTERED ACCOUNTANTS

TIM L. ELL, B. Mgmt., C.A. *
JEFF M. FAUPEL, B. Mgmt., C.A.*
MONICA N. FAUPEL, B. Mgmt., C.A.*

302-2nd Avenue W.
Box 2110, Hanna,
Alberta T0J 1P0
Phone: (403) 854-4421
Fax: (403) 854-2023

5015 Victoria Avenue
Box 720, Coronation,
Alberta T0C 1C0
Phone: (403) 578-4014
Fax: (403) 578-3561

AUDITOR'S REPORT

To the Members of Council:

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of the Village of Delia, which comprise the statement of financial position as at December 31, 2010 and the statement 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 auditor considers 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 Delia as at December 31, 2010, 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.

Endeavor.
CHARTERED ACCOUNTANTS

HANNA, ALBERTA
MARCH 15, 2011

CA Member of
The Institute of Chartered Accountants of Alberta

* denotes operating as a professional corporation.

VILLAGE OF DELIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

		2010		2009 (Restated)
FINANCIAL ASSETS				
Cash and temporary investments (Note 2)	$	927,092	$	618,977
Receivables				
Taxes and grants in place of taxes (Note 3)		20,032		30,876
Trade and other receivables		20,754		13,647
Receivables from other governments		138,079		685,732
Land inventory held for resale		59,880		59,880
Investments (Note 4)		1,758		1,559
		1,167,595		1,410,671
LIABILITIES				
Accounts payable and accrued liabilities		44,087		472,466
Deposit liabilities (Note 5)		2,165		1,215
Deferred revenue (Note 6)		735,983		503,554
Long-term debt (Note 7)		7,880		18,844
		790,115		996,079
NET FINANCIAL ASSETS (DEBT)		377,480		414,592
NON-FINANCIAL ASSETS				
Tangible capital assets		1,732,697		1,775,414
Prepaid expenses		11,471		9,028
		1,744,168		1,784,442
ACCUMULATED SURPLUS	$	2,121,648	$	2,199,034

CONTINGENCIES (SEE NOTE 12)

VILLAGE OF DELIA

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget (Unaudited)	2010	2009 (Restated)
REVENUE			
Net municipal taxes (Schedule 2)	$ 209,852	$ 213,947	$ 202,502
User fees and sale of goods	152,080	134,396	140,081
Government transfers for operating (Schedule 3)	559,624	25,817	53,563
Investment income	9,300	5,031	7,280
Penalties and costs on taxes	7,000	4,362	6,506
Licenses and permits	875	1,330	875
Franchise and concession contracts	9,489	8,781	8,893
Insurance proceeds		3,748	12,356
Gain on disposal of capital assets			31,391
Other	24,324	42,801	2,786
Total Revenue	972,544	440,213	466,233
EXPENSES			
Legislative	13,950	16,624	11,159
Administration	164,118	174,327	150,927
Protective services	12,785	16,470	160,205
Transportation	420,288	83,206	79,472
Water supply and distribution	110,034	77,924	94,438
Wastewater treatment and disposal	254,854	9,693	11,950
Waste management	19,689	15,321	16,416
Public health and welfare	1,367	2,152	
Subdivision land and development	3,401	4,581	8,486
Parks and recreation	17,590	19,653	9,966
Culture	1,887	9,846	1,403
Amortization of tangible capital assets	74,122	74,122	54,878
Loss on disposal of capital assets		24,355	3,281
Total Expenses	1,094,085	528,274	602,581
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	121,541	(88,061)	(136,348)
Government transfers for capital (Schedule 3)		10,675	563,235
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	121,541	(77,386)	426,887
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,199,034	2,199,034	1,772,147
ACCUMULATED SURPLUS, END OF YEAR	$ 2,077,493	$ 2,121,648	$ 2,199,034

VILLAGE OF DELIA

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget (Unaudited)	2010	2009 (Restated)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	$ 121,541	$ (77,386)	$ 426,887
Acquisition of tangible capital assets	(36,650)	(86,861)	(585,525)
Proceeds on sale of tangible capital assets		31,100	253,193
Amortization of tangible capital assets	74,122	74,122	54,878
Gain(loss) on sale of tangible capital assets	3,281	24,355	(28,110)
	40,753	42,716	(305,564)
Change in prepaid expenses		(2,443)	(869)
(INCREASE) DECREASE IN NET DEBT	80,788	(37,113)	120,454
NET FINANCIAL ASSETS, BEGINNING OF YEAR	414,592	414,592	294,138
NET FINANCIAL ASSETS, END OF YEAR	$ 333,804	$ 377,479	$ 414,592

VILLAGE OF DELIA

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009 (Restated)
NET INFLOW(OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (shortfall) of revenues over expenses	(77,386)	426,887
Non-cash items included in excess(shortfall) of revenues over expenses:		
Amortization on tangible capital assets	74,122	54,878
Gain(loss) on sale of tangible capital assets	24,355	(28,110)
	21,091	453,655
Changes in net financial asset(debt) items:		
Decrease(increase) in taxes and grants in place of taxes receivable	$ 10,844	$ (6,187)
Decrease(increase) in trade and other receivables	(7,107)	261
Decrease(increase) in receivables from other governments	547,653	(602,871)
Decrease(increase) in land held for resale		7,152
Decrease(increase) in investments	(199)	(217)
Decrease(increase) in prepaid expenses	(2,443)	(869)
Increase(decrease) in accounts payable and accrued liabilities	(428,378)	444,317
Increase(decrease) in deposit liabilities	950	1,215
Increase(decrease) in deferred revenue	232,429	(42,407)
Cash provided by (applied to) operating transactions	374,840	254,049
CAPITAL		
Acquisition of tangible capital assets	(86,861)	(585,525)
Proceeds on sale of tangible capital assets	31,100	253,193
Cash provided by (applied to) capital transactions	(55,761)	(332,332)
FINANCING		
Long term debt repaid	(10,964)	(22,517)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	308,115	(100,800)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	618,977	719,777
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 927,092	$ 618,977
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 2)	$ 927,092	$ 618,977

VILLAGE OF DELIA

SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2010	2009 (Restated)
COST:								
BALANCE, BEGINNING OF YEAR	$ 13,550	$ 50,804	$ 232,807	$ 1,928,076	$ 137,652	$ 497,090	$ 2,859,979	$ 2,588,412
Acquisition of tangible capital assets			23,716	1,733	50,175		75,624	585,525
Construction-in-progress				11,237			11,237	
Disposal of tangible capital assets					(83,499)		(83,499)	(313,958)
BALANCE, END OF YEAR	13,550	50,804	256,523	1,941,046	104,328	497,090	2,863,341	2,859,979
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR		30,921	91,150	876,883	40,739	44,873	1,084,566	1,118,563
Annual amortization		2,367	4,281	39,809	7,444	20,221	74,122	54,878
Accumulated amortization on disposals					(28,044)		(28,044)	(88,875)
BALANCE, END OF YEAR		33,288	95,431	916,692	20,139	65,094	1,130,644	1,084,566
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 13,550	$ 17,516	$ 161,092	$ 1,024,354	$ 84,189	$ 431,996	$ 1,732,697	$ 1,775,413

VILLAGE OF DELIA

SCHEDULE OF PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 2

	Budget (Unaudited)	2010	2009
TAXATION			
Real property taxes	$ 241,317	$ 229,264	$ 216,588
Linear property taxes		14,406	15,807
Government grants in place of property taxes		1,317	1,288
Special assessments and local improvement taxes	1,200	1,625	1,625
	242,517	246,612	235,308
REQUISITIONS			
Alberta School Foundation Fund	30,973	30,973	31,819
Seniors requisition	1,692	1,692	987
	32,665	32,665	32,806
NET MUNICIPAL TAXES	$ 209,852	$ 213,947	$ 202,502

SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 3

	Budget (Unaudited)	2010	2009 (Restated)
TRANSFERS FOR OPERATING			
Provincial Government	$ 551,624	$ 12,519	$ 45,563
Local Government	8,000	13,298	8,000
	559,624	25,817	53,563
TRANSFERS FOR CAPITAL			
Provincial Government		10,675	276,880
Local Government			286,355
		10,675	563,235
TOTAL GOVERNMENT TRANSFERS	$ 559,624	$ 36,492	$ 616,798

VILLAGE OF DELIA

SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 4

	Budget (Unaudited)	2010	2009 (Restated)
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	$ 163,871	$ 171,148	$ 130,835
Contracted and general services	738,595	154,101	136,825
Materials, goods, supplies and utilities	102,083	89,370	111,229
Provision for Allowances		231	
Transfers to individuals and organizations	2,954	6,523	152,809
Interest on long term debt	10,965	1,262	2,210
Amortization of tangible capital assets	74,122	74,122	54,878
Loss on disposal of tangible capital assets		24,355	3,281
Other	1,495	7,162	10,514
	$ 1,094,085	$ 528,274	$ 602,581

VILLAGE OF DELIA

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2010

Schedule 5

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2010	2009 (Restated)
BALANCE, BEGINNING OF YEAR	$ 318,367	$ 124,098	$ 1,756,569	$ 2,199,034	$ 1,772,147
Excess (deficiency) of revenues over expenses	(77,386)			(77,386)	426,887
Current year funds used for tangible capital assets	(86,861)		86,861		
Disposal of tangible capital assets	55,455		(55,455)		
Annual amortization expense	74,122		(74,122)		
Long term debt repaid	(10,964)		10,964		
Change in accumulated surplus	(45,634)		(31,752)	(77,386)	426,887
BALANCE, END OF YEAR	$ 272,733	$ 124,098	$ 1,724,817	$ 2,121,648	$ 2,199,034

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Delia 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 polices adopted by the village 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. This 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 period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) 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.

1.. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

e) Requisition Over-levy and Under-levy

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

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

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

f) 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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

g) 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 collectable 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 borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

h) 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.

i) 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.

i. Tangible Capital Assets

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

	YEARS
Land improvements	10-45
Buildings	25-50
Engineering structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	5-75
Machinery and equipment	5-40
Vehicles	10-40

In the year of acquisition of a tangible capital asset, annual amortization is charged based on the number of months owned and in the year of disposal no amortization is charged. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

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

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. CASH AND TEMPORARY INVESTMENTS

	2010	2009
Cash	$ 342,359	$ 272,309
Temporary investments	584,733	346,668
	$ 927,092	$ 618,977

Temporary investments are comprised of term deposits bearing interest at 1.75% that mature between July 31, 2011 and August 14, 2011.

The Village received certain Alberta Government grants that are restricted in their use and are to be utilized as funding for certain projects. Since certain projects have not been completed for which this restricted funding has been received, $735,983 of the cash and temporary investments on hand are not available for general use by the Village (Note 6).

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2010	2009
Current taxes and grants in place receivables	$ 12,282	$ 20,451
Arrears taxes	7,750	10,425
	$ 20,032	$ 30,876

4. INVESTMENTS

	2010		2009	
	Cost	Market Value	Cost	Market Value
Other institutional and private corporation bonds	$ 1,758	$ 1,758	$ 1,559	$ 1,559

5. DEPOSIT LIABILITIES

The village maintains utility deposits of $2,165 (2009 - $1,215).

6. DEFERRED REVENUE

		2010		2009 (Restated)
Alberta Municipal Infrastructure Program	$	214,879	$	211,186
Alberta Municipal Sustainability Initiative Program - Capital		227,089		93,902
Alberta Municipal Sustainability Initiative Program - Operating		80,115		34,249
Alberta Street Improvement Program		160,634		144,644
Federal Gas Tax Fund		51,178		11,625
Alberta Family and Community Support Services Program				5,443
Prepaid Local Improvement Charges		2,088		2,505
	$	735,983	$	503,554

Alberta Municipal Infrastructure Program

Provincial government funding was received in the current year to undertake certain eligible infrastructure expenditures within the village that have not yet been expended.

Alberta Municipal Sustainability Initiative Program - Capital

Provincial government funding was received in the current year to undertake certain eligible infrastructure expenditures within the village that have not yet been expended.

Alberta Municipal Sustainability Initiative Program - Operating

Provincial government funding was received or considered receivable in the current year to undertake certain eligible expenditures within the village that have not yet been expended.

Alberta Street Improvement Program

Provincial government funding was received or considered receivable in the current year to undertake certain eligible street improvement infrastructure expenditures within the village that have not yet been expended.

Federal Gas Tax Fund

Federal and provincial government funding was received in the current year to undertake certain eligible environmentally sustainable projects within the village that has not yet been expended.

Prepaid Local Improvement Charges

Prepaid local improvement charges are being amortized to revenue at a rate of $417 per year over 10 years.

7. LONG TERM DEBT

	2010	2009
Starland County loan agreement	$ 7,880	$ 18,844

The current portion of the long-term debt amounts to $10,964 (2008 - $10,964)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2011	$ 7,880	$ 271	$ 8,151

The Starland County loan agreement is repayable in annual instalments of $12,226 including principal and interest at $9.25%. The loan is secured by the assets of the village at large

Interest on long-term debt amounted to $1,262 (2009 - $2,210).

8. 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 Delia be disclosed as follows:

	2010	2009
Total debt limit	$ 706,970	$ 1,032,053
Total debt	7,880	18,844
Amount of debit limit unused	$ 699,090	$ 1,013,209
Debt servicing limit	$ 117,828	$ 172,009
Debt servicing	12,226	22,517
Amount of debt servicing limit unused	$ 105,602	$ 149,492

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.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2010	2009 (Restated)
Tangible capital assets	$ 2,863,341	$ 2,859,979
Accumulated amortization	(1,130,644)	(1,084,566)
Long-term debt (Note 7)	(7,880)	(18,844)
	$ 1,724,817	$ 1,756,569

10. ACCUMULATED SURPLUS

		2010		2009 (Restated)
Unrestricted surplus	$	272,733	$	318,367
Restricted surplus:				
Operating contingency		3,508		3,508
Transportation		88,419		88,419
Wastewater treatment and disposal		32,171		32,171
Equity in tangible capital assets		1,724,817		1,756,569
	$	2,121,648	$	2,199,034

11. SALARY AND BENEFITS

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

	2010			2009
	Salary	Benefits & allowances	Total	Total
Councillors:				
Gordon Issac	$ 3,750	$	$ 3,750	$ 2,780
Jeff Collins	1,725		1,725	
Richard Fair	2,625		2,625	3,140
John Rogers	2,625		2,625	1,830
Chief Administrative Officer (2 positions)	36,037	2,369	38,406	34,781

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, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

12. CONTINGENCIES

The village is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of the membership, the Village could become liable for its proportionate share of any claim loses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year losses are determined.

13. FINANCIAL INSTRUMENTS

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

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. PRIOR PERIOD ADJUSTMENTS

The village has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

		2009
Adjustments to opening accumulated surplus:		
As previously reported	$	3,372,879
Adjustment to net book value of tangible capital assets		(1,440,819)
Prior period adjustments related to restatement of deferred revenues		(159,913)
As restated	$	1,772,147
Adjustment to shortfall of revenues over expenses:		
As previously reported	$	(104,910)
Tangible capital assets recorded but previously expensed		128,839
Adjustment to previously reported loss on disposal of tangible capital assets		13,034
Gain on sale of tangible capital assets		31,391
Adjustment to capital government grant revenues		373,256
Adjustment to operating revenues		40,154
Annual amortization expense		(54,878)
As restated	$	426,886
Adjustments to tangible capital assets:		
As previously reported	$	3,121,619
Adjustment to historical cost of tangible capital assets		(261,640)
Accumulated amortization recorded		(1,084,566)
As restated	$	1,775,413

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.