



Wilde and Company

Chartered Accountants

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AUDITORS' REPORT

To the Mayor and Council of Village of Bawlf

We have audited the consolidated statement of financial position as at December 31, 2009, the consolidated statement of change in net financial assets, the consolidated statement of operations and the consolidated statement of cash flows for the year then ended. These consolidated financial statements are the responsibility of the municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2009 and the change in its net financial assets, the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vegreville, AB
March 2, 2010

Wilde & Company
Chartered Accountants

VILLAGE OF BAWLF
Consolidated Statement of Financial Position
As at December 31, 2009

	2009 \$	2008 \$ (Restated)
Financial Assets		
Cash and temporary investments (Note 4)	299,749	328,812
Receivables		
Taxes and grants in place of taxes receivable (Note 5)	2,693	7,971
Due from governments	5,513	13,308
Trade and other receivables	85,465	24,530
Notes receivable (Note 7)	12,500	-
Inventory of land held for resale	69,878	62,659
Investments (Note 6)	168,178	69,265
	643,976	506,545
Liabilities		
Accounts payable and accrued liabilities	70,713	17,033
Deposit liabilities	894	1,094
Deferred revenue (Note 8)	278,143	203,350
Long term debt (Note 9)	57,783	-
	407,533	221,477
Net Financial Assets	236,443	285,068
Non-Financial Assets		
Tangible capital assets (Schedule 1, Note 11)	3,972,852	3,852,556
Accumulated Surplus (Note 13)	4,209,295	4,137,624

Contingencies (Note 16)

VILLAGE OF BAWLF
Consolidated Statement of Operations
Year Ended December 31, 2009

	Budget \$ (Unaudited)	2009 \$	2008 \$ (Restated)
Revenue			
Net municipal taxes (Schedule 3)	204,078	203,807	174,768
User fees and sales of goods	159,350	171,864	186,848
Government transfers for operating (Schedule 4)	78,551	82,676	98,614
Investment income	2,000	1,210	3,304
Penalties and costs on taxes	5,000	8,960	9,646
Rentals	-	8,385	11,740
Other	45,875	40,652	19,386
Total revenue	494,854	517,554	504,306
Expenses			
Administration and legislative	175,200	209,940	194,587
Fire protection and safety services	20,100	24,645	28,081
Ambulance services	-	-	6,013
Bylaw enforcement	6,800	6,207	6,541
Roads, streets, walks, lighting	43,200	100,650	75,637
Drainage	500	300	270
Water supply and distribution	31,700	51,893	50,278
Wastewater treatment and disposal	19,004	108,841	45,466
Waste management	29,400	33,300	55,122
Family and community support	2,700	2,940	2,015
Cemetery	400	8	188
Subdivision land and development	950	-	6,005
Parks and recreation	62,850	57,577	66,156
Culture	6,700	13,833	8,723
Total expenses	399,504	610,134	545,082
Excess (deficiency) of revenue over expenses before other	95,350	(92,580)	(40,776)
Other			
Government transfers for capital (Schedule 4)	177,450	159,206	206,419
Other capital contributions	-	5,045	56,348
Excess of revenues over expenses	272,800	71,671	221,991
Accumulated surplus - beginning of the year	4,137,624	4,137,624	3,915,633
Accumulated surplus - end of the year	4,410,424	4,209,295	4,137,624

VILLAGE OF BAWLF
Consolidated Statement of Change in Net Financial Assets
Year Ended December 31, 2009

	Budget \$ (Unaudited)	2009 \$	2008 \$ (Restated)
Excess of revenues over expenses	272,800	71,671	221,991
Acquisition of tangible capital assets	(278,100)	(260,156)	(185,522)
Amortization of tangible capital assets	-	139,860	133,202
	(278,100)	(120,296)	(52,320)
Increase (decrease) in net assets	(5,300)	(48,625)	169,671
Net Financial Assets, beginning of year	258,439	285,068	115,397
Net Financial Assets, end of year	253,139	236,443	285,068

VILLAGE OF BAWLF
Consolidated Statement of Cash Flows
Year Ended December 31, 2009

	2009 \$	2008 \$ (Restated)
Operating		
Excess of revenue over expenses	71,671	221,991
Net changes in non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	139,860	133,202
Net changes in non-cash charges to operation		
Decrease in taxes and grants in lieu receivable	5,278	918
Decrease in government receivables	7,795	14,833
Decrease (increase) in trade and other receivables	(73,435)	128,090
Increase in inventory of land held for resale	(7,219)	(24,920)
Increase (decrease) in accounts payable and accrued liabilities	53,680	(5,398)
Increase (decrease) in deposit liabilities and deferred revenues	74,593	(4,228)
<i>Cash provided by operating transactions</i>	272,223	464,488
Capital		
Acquisition of tangible capital assets	(260,156)	(185,522)
<i>Cash applied to capital transactions</i>	(260,156)	(185,522)
Investing		
Decrease in restricted cash or cash equivalents	24,120	6,613
(Increase) in investments	(98,913)	(2,186)
<i>Cash provided by (used in) investing transactions</i>	(74,793)	4,427
Financing		
Long term debt issued	60,000	-
Long term debt repaid	(2,217)	(116,095)
<i>Cash provided by (used in) financing transactions</i>	57,783	(116,095)
Change in cash and cash equivalents during the year	(4,943)	167,298
Cash and cash equivalents, beginning of year	194,727	27,429
Cash and cash equivalents, end of year	189,784	194,727
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 4)	299,749	328,812
Less: restricted portion of cash and temporary investments (Note 4)	(109,965)	(134,085)
	189,784	194,727

See accompanying notes

VILLAGE OF BAWLF
 Schedule of Tangible Capital Assets
 Year Ended December 31, 2009
 Schedule 1

	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2009 \$	2008 \$ (Restated)
Cost							
Balance, beginning of year	46,453	1,220,963	4,757,237	192,507	31,800	6,248,960	6,063,438
Acquisition of tangible capital assets	-	205,579	25,377	29,200	-	260,156	185,522
Balance, end of year	46,453	1,426,542	4,782,614	221,707	31,800	6,509,116	6,248,960
Accumulated amortization							
Balance, beginning of year	-	272,170	2,015,708	94,486	14,040	2,396,404	2,263,202
Annual amortization	-	28,462	89,883	19,835	1,680	139,860	133,202
Balance, end of year	-	300,632	2,105,591	114,321	15,720	2,536,264	2,396,404
Net Book Value of tangible capital assets	46,453	1,125,910	2,677,023	107,386	16,080	3,972,852	3,852,556
2008 Net Book Value of tangible capital assets (restated)	46,453	948,793	2,741,529	98,021	17,760	3,852,556	-

VILLAGE OF BAWLW
 Schedule of Changes in Accumulated Surplus
 Year Ended December 31, 2009
 Schedule 2

	Unrestricted Surplus	Restricted Operating Reserves	Restricted Capital Reserves	Equity in Capital Assets	2009 \$	2008 \$ (Restated)
Balance, beginning of year	136,810	123,258	25,000	3,852,556	4,137,624	3,915,633
Excess (deficiency) of revenues over expenses	71,671	-	-	-	71,671	221,991
Unrestricted funds designated for future use	(21,789)	(122,258)	144,047	-	-	-
Current year funds used for TCA	(200,156)	-	-	200,156	-	-
TCA purchased with capital debt	(60,000)	-	-	60,000	-	-
Annual amortization expense	139,860	-	-	(139,860)	-	-
TCA long term debt issued	60,000	-	-	(60,000)	-	-
TCA long term debt repaid	(2,217)	-	-	2,217	-	-
Balance, end of year	(12,631)	(122,258)	144,047	62,513	71,671	221,991
	124,179	1,000	169,047	3,915,069	4,209,295	4,137,624
2008 Accumulated Surplus (restated)						
Balance, end of year - before restatement	110,181	123,258	25,000	3,284,962	3,543,401	
Adjustment to land held for resale costs	26,629	-	-	-	26,629	
Adjustment to net book value of TCA	-	-	-	567,594	567,594	
Balance, end of year - after restatement	136,810	123,258	25,000	3,852,556	4,137,624	

VILLAGE OF BAWLF
Schedule of Property and Other Taxes
Year Ended December 31, 2009
Schedule 3

	Budget \$ (Unaudited)	2009 \$	2008 \$
Taxation			
Real property taxes	257,607	257,299	223,739
Linear property	4,016	4,034	5,056
Government grants in place of property taxes	3,982	4,001	3,705
	265,605	265,334	232,500
Requisitions			
Alberta School Foundation Fund	61,527	61,527	57,732
Total requisitions	61,527	61,527	57,732
Net Municipal Taxes	204,078	203,807	174,768

VILLAGE OF BAWLF
Schedule of Government Transfers
Year Ended December 31, 2009
Schedule 4

	Budget \$ (Unaudited)	2009 \$	2008 \$ (Restated)
Transfers for operating			
Federal Government	2,400	2,332	11,957
Provincial Government	63,651	67,844	74,157
Other Local Governments	12,500	12,500	12,500
	78,551	82,676	98,614
Transfers for Capital			
Provincial Government	172,750	154,507	206,419
Other Local Governments	4,700	4,699	-
	177,450	159,206	206,419
Total Government Transfers	256,001	241,882	305,033

VILLAGE OF BAWLF
Schedule of Consolidated Expenses by Object
Year Ended December 31, 2009
Schedule 5

	Budget \$ (Unaudited)	2009 \$	2008 \$ (Restated)
Consolidated Expenses by Object			
Salaries, wages and benefits	174,600	175,710	140,751
Contracted and general services	117,200	158,800	97,127
Purchases from other governments	13,200	18,309	40,427
Materials, goods, supplies and utilities	65,000	73,460	104,286
Transfers to local boards and agencies	25,004	43,463	24,837
Interest on long term debt	4,500	532	4,452
Amortization of tangible capital assets	-	139,860	133,202
	399,504	610,134	545,082

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality 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 municipality are as follows:

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 municipality and are, therefore, accountable to 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.

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 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.

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VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

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.

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 physical assets under the respective function.

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.

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VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 for the year.

a) 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	15-50
Machinery and equipment	5-20
Vehicles	3-20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

b) 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.

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VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

c) 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.

d) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

2. ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

Section PS 1000, PS 1100 and PS 1200 – Financial Statement Concepts, Objectives and Presentation

On January 1, 2009, the municipality adopted the new accounting standards of the Canadian Institute of Chartered Accountants (CICA) entitled “Financial Statement Concepts” (PS 1000), “Financial Statement Objectives” (PS 1100) and “Financial Statement Presentation” (PS 1200). PS 1000 and PS 1100 describe the concepts underlying the development and use of accounting principles in government financial statements and identify the objectives of government financial statements. PS 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements and are based on the concepts in PS 1000 and PS 1100.

These new sections replace PS 1700 “Objectives of Financial Statements” and PS 1800 “General Standards of Financial Statement Presentation”.

Section PS 3150 – Tangible Capital Assets

On January 1, 2009 the municipality adopted the new accounting standards of the Canadian Institute of Chartered Accountants (CICA) entitled “Tangible Capital Assets”. The new standard establishes standards on how to account for and report tangible capital assets.

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

3. RECENT ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective. The municipality is currently evaluating the effect of adopting these standards on their financial statements.

Canadian Auditing Standards

The Canadian Auditing and Assurance Standards Board (AASB) is adopting the International Standards on Auditing (ISA's) as Canadian Auditing Standards (CAS's) for the audits of financial statements. Once effective, the CAS's will constitute Canadian Generally Accepted Auditing Standards (GAAS) for financial statement audits. The change to audit standards will come into effect for all financial statement audits for periods ending on or after December 14, 2010.

Section PS 3510 – Tax Revenue

This new standard establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements. This section is effective for fiscal periods beginning on or after April 1, 2012.

Section PS 3260 – Liability for Contaminated Sites

This new section establishes recognition, measurement, and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the CICA Public Sector Accounting Handbook. This section is effective for fiscal periods beginning on or after April 1, 2014.

4. CASH AND TEMPORARY INVESTMENTS

	2009	2008
Cash	\$ 223,354	\$ 252,490
Temporary investments	76,395	76,322
	\$ 299,749	\$ 328,812

Temporary investments are short term deposits with original maturities of three months or less.

Included in cash and temporary investments was a restricted amount of \$109,965 (2008 - \$134,085) received from grants which are held exclusively for restricted purposes - Note 7.

Council has designated \$169,047 for capital replacement.

5. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2009	2008
Current taxes and grants in place of taxes	\$ 2,154	\$ 2,726
Arrears taxes	539	5,245
	\$ 2,693	\$ 7,971

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

6. INVESTMENTS

	2009		2008	
	Cost	Market value	Cost	Market Value
Guaranteed investment certificates	\$ 168,178	\$ 168,178	\$ 69,265	\$ 69,265

Guaranteed investment certificates have effective interest rates of 0.2% to 2.85% (2008 – 1.05% to 6.0%) and maturity dates from March 25, 2010, to December 20, 2010. Included in long term investments is a restricted amount of \$168,178 (2008 - \$69,265) which are held exclusively for restricted purposes.

7. NOTES RECEIVABLE

	2009	2008
Current receivable	\$ 1,250	\$ -
Long term receivable	11,250	-
	\$ 12,500	\$ -

Village of Bawlf Public Library Board has pledged \$12,500 toward renovation costs of the library. The note receivable is interest free with annual payments of \$1,250 to be paid in December of each year with the first payment commencing in 2010. If the library is able to raise more funds than anticipated in any year, the municipality has agreed to accept a shorter repayment term.

8. DEFERRED REVENUE

	2009	2008
Provincial community hall renovation grant	\$ 10,326	\$ 20,339
Alberta Municipal Infrastructure Program	144,918	44,918
Municipal sponsorship program	14,434	8,068
Provincial street improvement program	69,946	47,293
Municipal Sustainability Initiative	-	77,744
New deals for cities and communities	31,795	-
Prepaid property taxes - net	6,724	4,988
	\$ 278,143	\$ 203,350

The use of funds is restricted to eligible projects, as approved under the funding agreement. Unexpended funds related to advances are supported by cash and investments held exclusively for these projects (Note 4 and Note 6).

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

9. LONG TERM DEBT

	2009	2008
Bank loans	\$ 57,783	\$ -

Principal and interest repayments are as follows:

	Principal	Interest	Total
2010	\$ 5,215	\$ 1,385	\$ 6,600
2011	5,347	1,253	6,600
2012	5,482	1,118	6,600
2013	5,621	979	6,600
2014	5,763	837	6,600
Thereafter	30,355	1,926	32,281
	<u>\$ 57,783</u>	<u>\$ 7,498</u>	<u>\$ 65,281</u>

The current portion of the long term debt amounts to \$5,215 (2008 - \$0).

Debenture debt is issued on the credit and security of the municipality at large.

Bank loans are repayable in monthly instalments of \$550 including principal and interest at prime plus 0.25% due November 30, 2019. The bank loans are secured by a general assignment of property taxes receivable.

Interest on long term debt amounted to \$533 (2008 - \$4,452).

10. 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 municipality be disclosed as follows:

	2009	2008
Total debt limit	\$ 771,750	\$ 840,977
Total debt	(57,783)	-
Amount of debt limit unused	\$ 713,967	\$ 840,977
Debt servicing limit	\$ 128,625	\$ 140,163
Debt servicing	(6,600)	-
Amount of debt servicing limit unused	\$ 122,025	\$ 140,163

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VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

10. 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.

11. TANGIBLE CAPITAL ASSETS *(at net book value)*

	2009	2008
Land	\$ 46,453	\$ 46,453
Buildings	1,125,910	948,793
Engineered structures		
Roadway system	1,188,095	1,228,239
Water distribution system	885,748	896,871
Wastewater treatment system	603,180	616,419
Machinery, equipment and furnishings	107,386	98,021
Vehicles	16,080	17,760
	\$ 3,972,852	\$ 3,852,556

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2009	2008
Tangible capital assets (Schedule 1)	\$ 6,509,116	\$ 6,248,960
Accumulated amortization (Schedule 1)	(2,536,264)	(2,396,404)
Long term debt (Note 9)	(57,783)	-
	\$ 3,915,069	\$ 3,852,556

13. ACCUMULATED SURPLUS

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

	2009	2008
Unrestricted surplus	\$ 124,179	\$ 136,810
Restricted surplus		
Operating reserves	1,000	123,258
Capital reserves	169,047	25,000
Equity in tangible capital assets	3,915,069	3,852,556
	\$ 4,209,295	\$ 4,137,624

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

14. SALARY AND BENEFITS DISCLOSURE

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

	2009		2008	
	Salary (1)	Benefits & allowances (2)		
Mayor: Jerry Iwanus	\$ 5,325	\$ -	\$ 5,325	\$ 3,775
Darrell Szott	3,245	-	3,245	3,340
Gordie Blatz	3,310	-	3,310	3,455
Jody Yuha	4,120	-	4,120	3,780
Reta Porter	3,295	-	3,295	3,155
Chief Administrative Officer	41,224	2,899	44,123	36,647

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.
3. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

15. COMMITMENTS

The municipality has entered into the following commitments:

1. Approved the purchase of a natural gas generator and automatic transfer switch for the lift station in the amount of \$13,965.
2. A combined in-kind and cash donation not to exceed \$20,000 toward the Regional Children's Centre Daycare Facility upgrade.
3. Garbage collection services for \$14,400 annually.
4. Assessment services for the 2010 year in the amount of \$3,632.39. The contract will be renegotiated in 2011.
5. Bylaw enforcement service for \$6,000 annually.
6. Water and sewer operator for \$9,600 annually.

The financial commitment is as follows:

2010 \$ 67,597

VILLAGE OF BAWLF
Notes to Consolidated Financial Statements
Year Ended December 31, 2009

16. CONTINGENT LIABILITY

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

17. FINANCIAL INSTRUMENTS

The municipality's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long term debt. It is management's opinion that the municipality is not exposed to significant interest or currency risks arising from these financial instruments.

The municipality 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 municipality 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.

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18. PRIOR PERIOD ADJUSTMENTS

The municipality 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.

The municipality has also restated its 2007 and 2008 financial statements to properly reflect the additions to land held for resale inventory. The 2007 financial statement impact is an increase to net assets of \$1,709. The 2008 financial statement impact is a decrease in engineering structures and capital equity of \$24,920 and an increase to net assets of \$24,920. These adjustments are as follows:

	2008
Adjustments to opening accumulated surplus:	
As previously reported	\$ 3,543,401
Adjustment to net book value of tangible capital assets	567,594
Adjustment to land held for resale	26,629
As restated	\$ 4,137,624
Adjustments to shortfall of revenues over expenses:	
As previously reported	\$ 169,671
Tangible capital assets recorded but previously expensed	185,522
Annual amortization expense	(133,202)
As restated	\$ 221,991
Adjustments to tangible capital assets:	
As previously reported	\$ 3,284,962
Adjustment to historical cost of tangible capital assets	2,963,998
Accumulated amortization recorded	(2,396,404)
As restated	\$ 3,852,556

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

20. BUDGET AMOUNTS

Budget amounts are included for information purposes only and are not audited. It should be noted that the budget is not PSAB compliant in that it does not include an estimate for amortization.

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21. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.