

VILLAGE OF BAWLF
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2007

	2007 \$	2006 \$
ASSETS		
Financial Assets		
Cash and temporary investments - Note 2	168,131	112,133
Taxes and grants in place of taxes receivable - Note 3	8,889	10,615
Receivable from other governments	28,140	8,458
Trade and other receivables	152,620	131,169
Inventory of land held for resale	36,030	66,850
Investments - Note 4	67,080	290,109
	460,890	619,334
Physical Assets		
Capital assets - Note 5	3,077,244	2,510,090
Total assets	3,538,134	3,129,424
LIABILITIES		
Liabilities		
Accounts payable and accrued liabilities	22,434	178,060
Deposit liabilities	894	994
Deferred revenue - Note 6	207,778	291,234
Long term debt - Note 7	116,095	-
	347,201	470,288
MUNICIPAL EQUITY		
Fund Balances		
Operating fund	110,026	109,827
Reserve fund - Note 8	119,758	39,219
Total fund balances	229,784	149,046
Equity in capital assets - Note 9	2,961,149	2,510,090
	3,190,933	2,659,136
Total liabilities and municipal equity	3,538,134	3,129,424

Approved by:

Mayor

Chief Administrative Officer

VILLAGE OF BAWLF**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES WITH CHANGE IN FUND BALANCES**

For the year ended December 31, 2007

	Capital	Reserves	Operating	2007	Budget	2006
	\$	\$	\$	\$	\$	\$
					(unaudited)	
Revenues						
Net municipal taxes - Page 5			143,065	143,065	143,206	146,046
User fees			213,963	213,963	157,361	171,849
Government transfers	222,879		233,539	456,418	462,261	233,016
Investment income			6,319	6,319	3,500	4,719
Rentals			843	843	-	3,475
Penalties and costs of taxes			4,372	4,372	5,000	4,809
Land sales			95,871	95,871	96,000	44,090
Other	209,427		-	209,427	-	17,180
	432,306	-	697,972	1,130,278	867,328	625,184
Expenditures						
Administration and Council			116,633	116,633	122,566	103,608
Fire protection services	1,355		15,898	17,253	18,300	13,620
Ambulance			6,932	6,932	6,933	6,013
Roads, streets, walks, lighting			231,297	231,297	324,500	112,018
Drainage			420	420	-	223
Water and wastewater	15,274		60,944	76,218	116,620	84,137
Garbage collection and disposal			21,156	21,156	18,120	18,780
Community support services			2,015	2,015	2,015	2,174
Subdivision land			47,947	47,947	104,465	16,914
Recreation and culture	550,525		95,239	645,764	797,100	249,278
	567,154	-	598,481	1,165,635	1,510,619	606,765
Excess of revenues over expenditures	(134,848)	-	99,491	(35,357)	(643,291)	18,419
Net interfund transfers						
From (to) reserves	-	80,539	(80,539)	-	55,000	-
From (to) capital	18,753	-	(18,753)	-	-	-
Debt proceeds	175,000	-	-	175,000	532,500	-
Debt principal repayment	(58,905)	-	-	(58,905)	-	(36,475)
	134,848	80,539	(99,292)	116,095	587,500	(36,475)
Change in fund balances	-	80,539	199	80,738	(55,791)	(18,056)
Balance, beginning of year	-	39,219	109,827	149,046	-	167,102
Balance, end of year	-	119,758	110,026	229,784	(55,791)	149,046

See accompanying notes

VILLAGE OF BAWLF
STATEMENT OF OPERATING REVENUE AND EXPENDITURES
For the year ended December 31, 2007

	2007			2006	
	Revenues \$	Expenditures (recoveries) \$	Net revenue (expenditure) \$	Budget \$ (unaudited)	Net revenue (expenditure) \$
General Municipal Revenues to fund Municipal Operations					
Municipal taxes - Page 5	143,065		143,065	143,206	146,046
Franchise fees	-		-	-	-
User fees	-		-	-	-
Government transfers	1,059		1,059	-	550
Penalties and costs of taxes	4,372		4,372	5,000	4,809
Licenses and permits	-		-	-	-
Investment income	6,319		6,319	3,500	4,720
	154,815	-	154,815	151,706	156,125
Municipal operations					
Administration and Council	14,249	(140,745)	(126,496)	(33,917)	(130,067)
Fire protection services	20,937	(15,898)	5,039	(7,180)	(7,143)
Ambulance	6,013	(6,932)	(919)	(920)	-
Roads, streets, walks, lighting	213,964	(231,297)	(17,333)	(15,083)	(19,240)
Water and sanitary sewer	116,104	(60,944)	55,160	29,392	37,625
Waste management	18,144	(21,156)	(3,012)	120	(780)
Cemetery	500	(420)	80	-	380
Sale of land	95,871	(47,947)	47,924	(8,465)	27,176
Recreation and culture	57,375	(73,142)	(15,767)	156	(9,521)
	543,157	(598,481)	(55,324)	(35,897)	(101,570)
Excess of revenues over expenditures	697,972	(598,481)	99,491	115,809	54,555
Net transfer from (to) reserves			(80,539)	55,000	18,336
Net transfer to capital fund			(134,848)	(759,100)	(36,136)
Debenture proceeds			175,000	532,500	-
Principal repayments of long term debt			(58,905)	-	(36,475)
Changes in operating fund during the year	697,972	(598,481)	199	(55,791)	280

VILLAGE OF BAWLF**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

For the year ended December 31, 2007

	2007	2006
	\$	\$
Operations		
Excess (deficiency) of revenue over expenditures before financing activities	(35,357)	18,419
Net changes in non-cash operating working capital balances		
Taxes and grants in place receivable	1,726	(609)
Receivable from other governments	(19,682)	11,692
Trade and other receivables	(21,451)	(121,805)
Inventory of land held for resale	30,820	10,398
Accounts payable and accrued liabilities	(155,626)	158,925
Deposit liabilities	(100)	100
Deferred revenue	(83,456)	(78,036)
	(247,769)	(19,335)
<i>Net cash provided by (used in) operating activities</i>	(283,126)	(916)
Investing		
Decrease in investments	223,029	16,193
Decrease (increase) in restricted cash	(141,823)	89,092
<i>Net cash provided by investing activities</i>	81,206	105,285
Financing		
Net proceeds (repayment) of long-term debt	116,095	(36,475)
<i>Net cash provided by (used in) financing activities</i>	116,095	(36,475)
Increase (decrease) in cash	(85,825)	67,894
Cash and temporary investments at beginning of year	113,258	45,364
Cash, end of year	27,433	113,258
Cash is made up of:		
Cash - Note 2	168,131	112,133
Less: restricted portion of cash and temporary investments - Note 2	(140,698)	1,125
	27,433	113,258

See accompanying notes

VILLAGE OF BAWLF
SCHEDULE OF PROPERTY TAXES LEVIED
For the year ended December 31, 2007

	2007 \$	Budget \$ (unaudited)	2006 \$
Taxation			
Real property	180,396	187,037	185,811
Real property - fire department	6,500	-	-
Grants in place	2,956	2,956	2,961
Linear property	8,049	8,049	9,879
Total taxes and grants in place	197,901	198,042	198,651
Requisitions			
Alberta School Foundation Fund	54,836	54,836	52,605
Total requisitions	54,836	54,836	52,605
Net taxes available for general municipal operations	143,065	143,206	146,046

SCHEDULE OF WATER AND SEWER OPERATIONS
For the year ended December 31, 2007

	2007 \$	Budget \$ (unaudited)	2006 \$
Revenue			
Sale of water	58,024	58,155	51,509
Sale of sewer services	58,080	58,465	51,075
Grants - interest stabilization	-	29,392	336
	116,104	146,012	102,920
Expenditures			
Operating and maintenance	60,944	116,620	80,683
Debenture interest payments	-	-	3,454
Capital - water supply	15,274	-	-
	76,218	116,620	84,137
Excess revenue over expenditures	39,886	29,392	18,783

See accompanying notes

VILLAGE OF BAWLF
 SCHEDULE OF EXPENDITURES BY OBJECT
 For the year ended December 31, 2007

	2007 \$	Budget \$ (unaudited)	2006 \$
Expenditures			
Salaries, wages and benefits	95,822	88,750	85,642
Contracted and general services	111,876	124,308	175,351
Purchases from other governments	10,751	8,135	8,942
Materials, goods, supplies and utilities	347,840	267,326	134,817
Interest on long term debt	10,095	-	3,454
Other	22,097	22,302	32,518
Capital	567,154	999,798	166,041
	1,165,635	1,510,619	606,765

VILLAGE OF BAWLF
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2007

1. Significant accounting policies

The consolidated financial statements of the Village of Bawlf 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 Bawlf 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 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

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

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) Fund Accounting

Management funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from land sales are recorded as operating fund revenues.

e) 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 BAWLF
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2007

f) Inventories

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

g) Capital Assets

Capital assets are reported as expenditures in the period they are acquired. Capital assets are reported at cost except for donated assets, which are reported at estimated fair value.

Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the related capital asset costs.

Capital assets for government purposes are not depreciated.

Effective January 1, 2007, the Village of Bawlf has adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

During 2007, the Village of Bawlf will work towards compliance with the new recommendations for accounting for tangible capital assets.

As of January 1, 2008, capital assets including assets held under capital leases will be recorded at cost in the period they are acquired and recorded as an expenditure within the capital fund. Donated assets related to waterworks and wastewater distribution and collection systems will be capitalized and recorded at their estimated fair value upon acquisition. Certain capital assets for which historical cost information is not available will be recorded at current fair market value discounted by a relevant inflation factor.

h) 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.

i) Operating Fund

Operating fund represents the amounts available to offset future operational revenue requirements (or the shortfall which will be financed from future operational revenues).

j) Capital Fund

Capital fund represents the amounts available to finance (or the shortfall in financing available for) capital projects.

VILLAGE OF BAWLF
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2007

k) Reserve Fund

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

l) Equity in Capital Assets

Equity in capital assets represents the Village of Bawlf's net investment in its capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

2. Cash and temporary investments	2007	2006
	\$	\$
Cash	93,125	39,389
Temporary investments	75,006	72,744
	168,131	112,133

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

Previously, included in cash and temporary investments was a restricted amount of \$140,698 (2006 - \$26,125) received from grants which are held exclusively for restricted purposes - Note 6.

3. Taxes receivable	2007	2006
	\$	\$
Current taxes receivable	3,424	4,537
Arrears receivable	5,465	6,078
	8,889	10,615

VILLAGE OF BAWLF
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2007

4. Investments	2007	2006
	\$	\$
Guaranteed investment certificates	67,080	290,109

Guaranteed investment certificates have effective interest rates of 3.2% to 3.45% and maturity dates from April 3, 2008 to March 25, 2009. Included in long term investments is a restricted amount of \$67,080 (2006 - \$290,109) which are held exclusively for restricted purposes - Note 6.

5. Capital assets	2007	2006
	\$	\$
Land	34,023	34,023
Buildings	772,116	268,078
Engineering structures	1,886,851	1,871,577
Machinery and equipment	205,409	204,054
Vehicles	178,845	132,358
	3,077,244	2,510,090

6. Deferred revenue	2007	2006
	\$	\$
Provincial community hall renovation grant	20,339	191,804
Alberta Municipal Infrastructure Program	78,973	52,816
Municipal sponsorship program	27,642	-
New deals for cities and communities	12,717	-
Provincial street improvement program	68,107	46,614
	207,778	291,234

7. Long term debt	2007	2006
	\$	\$
ATB loan, bearing interest at prime plus .25%, repayable in blended monthly instalments of \$2,300. The loan matures on June 30, 2012 and is secured by general security agreement.	116,095	-

The current portion of the long term debt amounts to \$21,211.

Principal repayment terms are approximately:

	Principal	Interest	Total
2008			
2009	\$ 21,211	\$ 6,389	\$ 27,600
2010	22,520	5,080	27,600
2011	23,909	3,691	27,600
2012	25,383	2,217	27,600
	23,072	659	23,731
	\$ 116,095	\$ 18,036	\$ 134,131

Interest paid on long term debt totaled \$10,095 (2006 - \$3,454).