

VILLAGE OF BAWLF

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2007

8. Reserve fund

Reserves for operating and capital activities changed as follows:

	Balance, beginning of year \$	Transfers to Reserves \$	Transfers from Reserves \$	Balance end of year \$
Operating				
Genotaph	1,000	-	-	1,000
Fire	2,255	11,539	-	13,794
Future operating contingencies	-	29,000	-	29,000
Subdivision land and development	10,964	40,000	-	50,964
	14,219	80,539	-	94,758
Capital				
Fire	25,000	-	-	25,000
	39,219	80,539	-	119,758

9. Equity in capital assets

	2007 \$	2006 \$
Acquisition of capital assets		
Administration and council	-	-
Fire protection	-	-
Recreation and culture	567,153	166,057
	567,153	166,057
Capital financing		
Capital debt borrowing	(175,000)	-
Capital debt repaid from operating fund	58,905	36,475
	(116,095)	36,475
Change in equity balance	451,058	202,531
Equity balance, beginning of year	2,510,090	2,307,559
Equity balance, beginning of year	2,961,148	2,510,090
Capital assets - Note 5	3,077,244	2,510,090
Long term debt	(116,095)	-
	2,961,149	2,510,090

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10. 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:

	2007			2006
	Salary	Benefits & Allowances	Total	Total
	\$ (i)	\$ (ii)	\$	\$
Mayor -				
Jerry Iwanus	1,325	-	1,325	-
Rob Pasychnyk	2,200	-	2,200	3,055
Councillors -				
Darrel Szott	3,045	-	3,045	1,945
Gordie Blatz	955	-	955	-
Jody Yuha	1,080	-	1,080	-
Reta Porter	1,280	-	1,280	-
Denise Blatz	2,390	-	2,390	3,070
Linda Knight	1,790	-	1,790	1,835
Armand Magnin	1,590	-	1,590	3,215
Chief Administrative Officer	32,910	2,285	35,195	31,963

- i) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
- ii) Employer's share of all employee benefits and contributions of 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.

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11. Contingency

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

12. Financial instruments

The Village of Bawlf's financial instruments consist of cash and temporary investments, accounts receivables, investment accounts payable, accrued liabilities and long term debt. It is management's opinion that the Village of Bawlf 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.

13. 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 Bawlf be disclosed as follows:

	2007	2006
	\$	\$
Total debt limit	1,361,099	764,945
Total debt	116,095	-
Amount of debt limit unused	1,245,004	764,945
Debt servicing limit	221,850	127,172
Debt servicing	27,600	-
Amount of debt servicing limit unused	194,250	127,172

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.

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14. Budget figures

Budget figures are included for information purposes only and are not audited.

15. Approval of financial statements

Council and management have approved these financial statements.

16. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation