

TOWN OF MUNDARE

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2007

TOWN OF MUNDARE

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AUDITORS' REPORT

To the Mayor and Council of the Town of Mundare

We have audited the consolidated statement of financial position of the Town of Mundare as at December 31, 2007 and the consolidated statement of financial activities and changes in fund balances, and the consolidated statement of changes in financial position for the year then ended. These financial statements are the responsibility of the town's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Mundare as at December 31, 2007 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ST. PAUL, ALBERTA
February 13, 2008

Joly, M^cCarthy & Dion
CHARTERED ACCOUNTANTS

**TOWN OF MUNDARE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

	<u>2007</u>	<u>2006</u>
ASSETS		
Financial assets		
Cash and temporary investments	\$ 724,286	\$ 439,316
Taxes and grants in place receivable (note 2)	45,833	49,115
Receivable from other governments	34,702	92,803
Trade and other receivables	387,296	94,679
Long-term investments (note 3)	20	20
Inventory of land held for resale	13,566	13,566
Prepaid expenses	<u>7,218</u>	<u>7,070</u>
Total financial assets	1,212,921	696,569
Capital assets (note 4)	<u>5,806,486</u>	<u>5,778,186</u>
Total assets	<u>\$ 7,019,407</u>	<u>\$ 6,474,755</u>

LIABILITIES AND MUNICIPAL EQUITY

Liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 62,736	\$ 30,895
Deposit liabilities	11,406	117,572
Deferred revenue (note 6)	483,414	253,738
Long-term debt (note 7)	<u>139,976</u>	<u>148,869</u>
Total liabilities	<u>697,532</u>	<u>551,074</u>
Municipal equity		
Fund balances		
Reserve fund (note 8)	524,109	163,209
Operating fund	<u>131,256</u>	<u>131,155</u>
Total fund balances	655,365	294,364
Equity in capital assets (note 9)	<u>5,666,510</u>	<u>5,629,317</u>
Total municipal equity	<u>6,321,875</u>	<u>5,923,681</u>
Total liabilities and municipal equity	<u>\$ 7,019,407</u>	<u>\$ 6,474,755</u>

Contingency (note 12)

Approved by:



Mayor



Chief Administrative Officer

TOWN OF MUNDARE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Capital</u>	<u>Reserves</u>	<u>Operating</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenues				2007	2007	2006
Net property taxes - Schedule 1	\$ --	\$ --	\$ 520,196	\$ 520,196	\$ 517,400	\$ 470,884
Penalties and costs on taxes	--	--	16,248	16,248	13,000	13,367
Sales and user fees	335,000	--	395,983	730,983	368,800	379,154
Fines issued	--	--	2,526	2,526	7,000	2,344
Government transfers - Schedule 2	--	--	146,313	146,313	479,303	346,307
Franchise and concession contracts	--	--	28,267	28,267	28,000	27,823
Investment income	--	--	26,242	26,242	9,000	14,373
Licenses and permits	--	--	42,618	42,618	4,800	600
Rentals and leases	--	--	23,744	23,744	15,400	11,610
Donations and other	--	--	18,098	18,098	64,000	7,452
	<u>335,000</u>	<u>--</u>	<u>1,220,235</u>	<u>1,555,235</u>	<u>1,506,703</u>	<u>1,273,914</u>
Expenditures - Schedule 3						
Council	--	--	46,726	46,726	39,000	30,086
Administration	--	--	279,072	279,072	246,100	247,391
Protective services	--	--	92,397	92,397	86,050	78,104
Roads, streets, walks, lighting	19,100	--	229,412	248,512	392,600	437,710
Water and wastewater	--	--	253,505	253,505	284,200	218,197
Waste management	--	--	68,607	68,607	74,550	64,812
Municipal planning, community and economic development	--	--	36,467	36,467	8,000	45,015
Recreation and culture	13,500	--	146,555	160,055	411,650	109,517
	<u>32,600</u>	<u>--</u>	<u>1,152,741</u>	<u>1,185,341</u>	<u>1,542,150</u>	<u>1,230,832</u>
Excess (deficiency) of revenues over expenditures	302,400	--	67,494	369,894	(35,447)	43,082
Net inter-fund transfers						
From (to) reserves	(302,400)	360,900	(58,500)	--	51,100	--
From (to) capital	--	--	--	--	--	--
Debt proceeds (repayment)	--	--	(8,893)	(8,893)	(8,950)	(8,462)
Change in fund balances	--	360,900	101	361,001	6,703	34,620
Balance, beginning of year	--	163,209	131,155	294,364	294,364	259,744
Balance, end of year	<u>--</u>	<u>\$ 524,109</u>	<u>\$ 131,256</u>	<u>\$ 655,365</u>	<u>\$ 301,067</u>	<u>\$ 294,364</u>

TOWN OF MUNDARE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007</u>	<u>2006</u>
Cash provided by (used in):		
Operating activities		
Net operating revenue	\$ 67,494	\$ 97,087
Net changes in non-cash working capital balances		
Decrease (increase) in		
Taxes and grants in place receivable	3,282	(15,243)
Receivables from other governments	58,101	(76,410)
Trade and other receivables	(292,617)	86,775
Inventory of land held for resale	--	2,813
Prepaid expenses	(148)	(2,281)
Increase (decrease) in		
Accounts payable and accrued liabilities	31,841	(28,894)
Deposit liabilities	(106,166)	110,601
Deferred revenue	<u>229,676</u>	<u>8,487</u>
Net cash from operations	<u>(8,537)</u>	<u>182,935</u>
Investing activities		
Decrease (increase) in long-term investments	--	205,695
Acquisition of capital assets	(32,600)	(57,805)
Government transfers for capital assets	<u>--</u>	<u>3,800</u>
Net cash from investing activities	<u>(32,600)</u>	<u>151,690</u>
Financing activities		
Off-site levies collected	335,000	--
Long-term debt repaid	<u>(8,893)</u>	<u>(8,462)</u>
	<u>326,107</u>	<u>(8,462)</u>
Change in cash and cash equivalents during the year	284,970	326,163
Cash and cash equivalents, beginning of year	<u>439,316</u>	<u>113,153</u>
Cash and cash equivalents, end of year	<u>\$ 724,286</u>	<u>\$ 439,316</u>
 Cash and cash equivalents consist of:		
Cash	\$ 31,594	\$ 322,331
Temporary investments	<u>692,692</u>	<u>116,985</u>
	<u>\$ 724,286</u>	<u>\$ 439,316</u>

**TOWN OF MUNDARE
SCHEDULE 1 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2007**

		<u>2007</u>	
	Budget (unaudited)	Actual	<u>2006</u> Actual
Taxation			
Residential land and improvements	\$ 532,000	\$ 531,520	\$ 492,683
Commercial property	<u>106,500</u>	<u>109,832</u>	<u>94,192</u>
	<u>638,500</u>	<u>641,352</u>	<u>586,875</u>
Requisitions			
Alberta School Foundation	110,000	110,063	104,757
County of Lamont Foundation	<u>11,100</u>	<u>11,093</u>	<u>11,234</u>
	<u>121,100</u>	<u>121,156</u>	<u>115,991</u>
Net taxes for general municipal operations	\$ <u>517,400</u>	\$ <u>520,196</u>	\$ <u>470,884</u>

SCHEDULE 2 - GOVERNMENT TRANSFERS

Provincial transfers			
Shared-cost agreements	\$ 431,400	\$ 89,849	\$ 253,575
Grants	<u>1,903</u>	<u>1,903</u>	<u>59,103</u>
	433,303	91,752	312,678
Local government transfers			
Shared-cost agreements	<u>46,000</u>	<u>54,561</u>	<u>33,629</u>
Total government transfers	\$ <u>479,303</u>	\$ <u>146,313</u>	\$ <u>346,307</u>

SCHEDULE 3 - CONSOLIDATED EXPENDITURES BY OBJECT

Expenditures			
Salaries, wages and benefits	\$ 296,350	\$ 285,163	\$ 243,212
Contracted and general services	611,500	490,806	592,684
Purchases from other governments	89,000	89,923	85,094
Materials, goods, supplies and utilities	179,550	200,735	136,607
Provision for allowances and bad debts	--	--	387
Transfers to individuals and organizations	21,100	20,988	19,088
Bank charges & short term interest	700	783	662
Interest on long-term debt	8,300	8,180	8,594
Shared cost agreement	26,500	31,200	20,436
Other expenditures	12,550	24,963	66,263
Capital assets acquired	<u>296,600</u>	<u>32,600</u>	<u>57,805</u>
Total expenditures	\$ <u>1,542,150</u>	\$ <u>1,185,341</u>	\$ <u>1,230,832</u>

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

1. Significant Accounting Policies

The consolidated financial statements of the Town of Mundare are prepared by management in accordance with Canadian 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 town 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 town 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 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 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.

(d) Fund Accounting

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

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

1. Significant Accounting Policies - continued

(e) Investments

Investments are recorded at cost.

(f) Inventory of Land Held 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 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 asset costs.

Capital assets for government purposes are not amortized.

(h) Tangible Capital Assets

Effective January 1, 2007, The Town of Mundare 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 Town of Mundare started to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2007 they have established a policy on asset classifications, capitalization thresholds, and amortization methods. A complete listing of assets and values is currently underway and expected to be completed by December 31, 2008.

(i) 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.

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

1. Significant Accounting Policies - continued

(j) 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).

(k) Capital Fund

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

(l) 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.

(m) Equity in Capital Assets

Equity in capital assets represents the town'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.

(n) Budget Figures

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

2. Taxes and Grants in Place Receivable	<u>2007</u>	<u>2006</u>
Taxes receivable		
Current	\$ 34,421	\$ 39,947
Arrears	<u>29,943</u>	<u>27,699</u>
	64,364	67,646
Less: allowance for doubtful accounts	<u>(18,531)</u>	<u>(18,531)</u>
	<u>\$ 45,833</u>	<u>\$ 49,115</u>

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

3. Long-Term Investments	<u>2007</u>	<u>2006</u>
Investment in Mundare Housing Development Corp.	\$ 10	\$ 10
AMFC share	<u>10</u>	<u>10</u>
	\$ <u>20</u>	\$ <u>20</u>

The audited financial statements of the Mundare Housing Development Corporation have been reflected in the town of Mundare's financial statements based on the modified equity method as required by the Public Sector Accounting and Auditing Board. The Corporation incurred a deficit of \$3,541 for the year ended December 31, 2007. Condensed supplementary information of the corporation's financial position and operating results are as follows:

	<u>2007</u>	<u>2006</u>
Assets	\$ 2,598	\$ 2,522
Liabilities	6,417	2,800
Accumulated deficit	(3,829)	(288)
Revenues	76	59,691
Expenditures	3,617	15,351

The town had a receivable of \$4,092 (2006 - \$ nil) from the housing corporation. The cumulative deficit as noted above is \$3,829.

4. Capital Assets	<u>2007</u>	<u>2006</u>
Engineering structures	\$ 4,273,096	\$ 4,273,096
Buildings	1,041,274	1,041,274
Machinery and equipment	362,213	335,213
Land	22,328	22,328
Vehicles	<u>107,575</u>	<u>106,275</u>
	\$ <u>5,806,486</u>	\$ <u>5,778,186</u>

5. Employee Benefit Obligation

Included in accounts payable and accrued liabilities is a vacation and overtime liability of \$10,055 (2006 - \$8,220). The vacation and overtime liability is comprised of the vacation and overtime that employees have earned and are deferring to future years.

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

6. Deferred Revenue	<u>2007</u>	<u>2006</u>
Alberta municipal infrastructure program	\$ 259,932	\$ 121,773
Street improvement program	107,349	61,532
New deal for cities and communities	6,570	25,285
Community initiatives program	1,921	10,000
Communities in bloom	7,278	9,778
Provincial ambulance grant	2,969	7,643
Water spray park	17,067	6,821
Centennial grant	--	3,774
Village of Andrew	--	3,538
PDD grant	3,500	3,500
Disaster services grant	5,000	
Prepaid lease	--	94
Municipal sustainability initiative	<u>71,828</u>	<u>--</u>
	<u>\$ 483,414</u>	<u>\$ 253,738</u>

Funding in the amount of \$332,715 was received in the current year from various grant programs, organizations and individuals. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements or as indicated by the donors. Most of the projects are scheduled for completion in 2008. The funding received under the Alberta Municipal Infrastructure program can be utilized up to 2015.

Cash and temporary investments support unexpended funds related to the advances.

7. Long-Term Debt	<u>2007</u>	<u>2006</u>
Tax supported debentures	\$ <u>139,976</u>	\$ <u>148,869</u>

Principal and interest repayments for each of the next five years and to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 9,347	\$ 7,746	\$ 17,093
2009	9,824	7,268	17,092
2010	10,327	6,765	17,092
2011	10,857	6,236	17,093
2012	11,414	5,679	17,093
Thereafter	<u>88,207</u>	<u>28,303</u>	<u>116,510</u>
	<u>\$ 139,976</u>	<u>\$ 61,997</u>	<u>\$ 210,973</u>

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at 4.23% to 6.125% per annum, before provincial subsidy, and matures in periods up to the year 2022. Debenture debt is issued on the credit and security of the Town of Mundare at large.

Interest Paid

The Town of Mundare paid interest on long-term obligations of \$8,200 (2006 -\$8,631).

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

7. Long-Term Debt (continued)

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 Town of Mundare be disclosed as follows:

	<u>2007</u>	<u>2006</u>
Total debt limit	\$ 2,332,853	\$ 1,905,171
Total debt	<u>139,976</u>	<u>148,869</u>
Debt limit remaining	\$ <u>2,192,877</u>	\$ <u>1,756,302</u>
Debt servicing limit	\$ 388,809	\$ 317,529
Debt servicing	<u>17,093</u>	<u>17,093</u>
Debt servicing limit remaining	\$ <u>371,716</u>	\$ <u>300,436</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. Reserve Fund

Reserves for operating and capital activities changed as follows:

	<u>2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>2007</u>
Operating reserve				
General operations	\$ <u>39,209</u>	\$ <u>35,000</u>	\$ <u>6,000</u>	\$ <u>68,209</u>
Capital reserves				
General capital	104,000	8,000	99,000	13,000
Fire	2,500	13,500	--	16,000
Common services	2,500	15,500	5,600	12,400
Streets	2,500	15,500	13,500	4,500
Water	7,500	15,500	--	23,000
Sewer	2,500	15,500	--	18,000
Garbage	--	15,500	--	15,500
Off-site levies	--	335,000	--	335,000
Development	--	11,000	--	11,000
Parks and recreation	2,500	15,500	13,500	4,500
Ukranic Park	<u>--</u>	<u>11,000</u>	<u>8,000</u>	<u>3,000</u>
	<u>124,000</u>	<u>471,500</u>	<u>139,600</u>	<u>455,900</u>
	\$ <u>163,209</u>	\$ <u>506,500</u>	\$ <u>145,600</u>	\$ <u>524,109</u>

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

9. Equity in Capital Assets	<u>2007</u>	<u>2006</u>
Capital assets (note 4)	\$ 5,806,486	\$ 5,778,186
Long-term debt (note 7)	<u>(139,976)</u>	<u>(148,869)</u>
	<u>\$ 5,666,510</u>	<u>\$ 5,629,317</u>

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:

		<u>2007</u>			<u>2006</u>
		Salary ⁽¹⁾	Benefits & Allowances ⁽²⁾	Total	Total
Mayor -	Saric	\$ 9,247	\$ 254	\$ 9,501	\$ 7,186
Councillors -	Yaremko	7,793	201	7,994	1,899
	Rosypal	1,947	51	1,998	--
	Sprague	1,613	52	1,665	--
	Greening	3,069	85	3,154	--
	Talaga	7,167	193	7,360	4,983
	Zackarkiw	4,887	136	5,023	5,111
	Walinski	4,367	105	4,472	4,417
	Sereda	--	--	--	700
Chief Administrative Officer					
	Colin Zyla	50,898	3,752	54,650	51,964

⁽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, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, tuition and conference fees.

11. Financial Instruments

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

The town is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the town 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 instruments approximates fair value.

TOWN OF MUNDARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

12. Contingency

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

13. Operating Loan

The town has a prime plus 1% authorized revolving loan limit of \$100,000 with the Servus Credit Union. No balance was outstanding as at December 31, 2007.

14. Commitment

The Town of Mundare is committed to making quarterly payments of \$1,220 for the next five years under a photocopier lease.

15. Approval of Financial Statements

Council and Management have approved these financial statements.

