

**TOWN OF BISHOP'S FALLS
AUDITORS' REPORT
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

CONTENTS

	<u>Page</u>
MANAGEMENT STATEMENT OF RESPONSIBILITY	1
AUDITORS'S REPORT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF OPERATIONS	4
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7 - 14
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS	15
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES	16
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES	17 - 19
SCHEDULE 4 - RECONCILIATION OF FINANCIAL PLAN TO BUDGET	20

Lori K. Mercer

CHARTERED ACCOUNTANT

P.O. Box 673, 28 Hardy Ave
Grand Falls-Windsor, NL
A2A 2K2
Tel: (709) 489-5555
Fax: (709) 489-5556

STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the Town of Bishop's Falls and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Institute of Chartered Accountants.

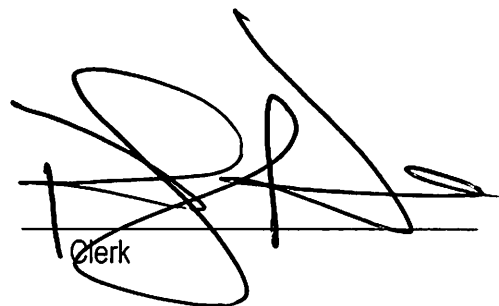
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Municipality met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

Lori Mercer, Chartered Accountant, as the Municipality's appointed external auditor, has audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Her opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as she considers necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Mayor


Clerk

LORI K. MERCER

CHARTERED ACCOUNTANT

28 Hardy Ave, P.O. Box 673
Grand Falls-Windsor, NL
A2A 2K2
Tel: (709)489-5555
Fax: (709)256-5556

AUDITORS' REPORT

To The Town Council
Town of Bishop's Falls

I have audited the balance sheet of Town of Bishop's Falls as at December 31, 2009 and the statements of revenues and expenditures, equity and cash flows for the year then ended. These financial statements are the responsibility of the Town Council. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the Town Council, as well as evaluating the overall financial statement presentation.

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

Grand Falls-Windsor, NL
July 20, 2010

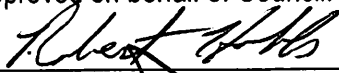
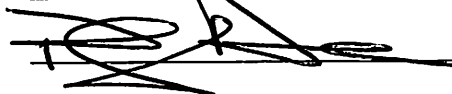

LORI K. MERCER
Chartered Accountant

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
FINANCIAL ASSETS		
Accounts receivable (Note 7)	\$ <u>432,013</u>	\$ <u>805,080</u>
 LIABILITIES		
Current account overdraft (Note 6)	\$ 120,522	\$ 232,232
Accounts, payable and accrued (Note 8)	572,395	633,875
Long term debt	<u>4,651,760</u>	<u>5,208,016</u>
	<u>5,344,677</u>	<u>6,074,123</u>
 NET FINANCIAL ASSETS (NET DEBT)	<u>(4,912,664)</u>	<u>(5,269,043)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>3,135,817</u>	<u>3,307,394</u>
 ACCUMULATED SURPLUS (DEFICIT)	<u>\$(1,776,847)</u>	<u>\$(1,961,649)</u>

See accompanying notes

Approved on behalf of Council:

 _____, Mayor
 _____, Town Clerk

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
REVENUES			
Taxation	\$ 2,056,356	\$ 2,092,192	\$ 1,998,099
Sale of goods and services	83,000	(611)	593,328
Other revenue from own sources	656,252	96,975	119,028
Government transfers	<u>70,300</u>	<u>732,628</u>	<u>643,062</u>
Total revenue (Schedules 2)	\$ <u>2,865,908</u>	<u>2,921,184</u>	<u>3,353,517</u>
EXPENDITURES			
General Government	469,031	486,637	490,980
Protective services	112,452	103,634	109,407
Transportation services	767,463	857,243	886,907
Environmental health	375,319	360,563	367,886
Recreation, planning & development	-	11,930	48,677
Recreation and cultural services	262,704	202,308	217,565
Fiscal services	<u>603,650</u>	<u>714,067</u>	<u>604,195</u>
Total expenses (Schedules 3)	<u>2,590,619</u>	<u>2,736,382</u>	<u>2,725,617</u>
ANNUAL SURPLUS (DEFICIT)	275,289	184,802	627,900
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>(1,961,649)</u>	<u>(1,961,649)</u>	<u>(2,589,549)</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ <u>(1,686,360)</u>	\$ <u>(1,776,847)</u>	\$ <u>(1,961,649)</u>

See accompanying notes

TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>70,991</u>	\$ <u>184,802</u>	\$ <u>627,900</u>
Acquisition of tangible capital assets	-	(109,390)	-
Amortization of tangible capital assets	280,967	280,967	311,877
Loss (gain) on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in supplies inventories	-	-	-
Decrease (increase) in prepaids	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET FINANCIAL ASSETS	351,958	356,379	939,777
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>(5,269,043)</u>	<u>(5,269,043)</u>	<u>(6,208,820)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ <u>(4,917,085)</u>	\$ <u>(4,912,664)</u>	\$ <u>(5,269,043)</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ <u>184,802</u>	\$ <u>627,900</u>
Changes in non-cash items		
Receivables	373,068	(88,121)
Payables and accruals	(61,481)	(336,843)
Amortization	<u>280,967</u>	<u>311,877</u>
Cash applied to operating transactions	<u>777,356</u>	<u>514,813</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(109,390)</u>	<u>-</u>
Cash applied to capital transactions	<u>(109,390)</u>	<u>-</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	(556,256)	(1,786,279)
Increase in long term debt	<u>-</u>	<u>1,377,557</u>
Cash applied to financing transactions	<u>(556,256)</u>	<u>(408,722)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	111,710	106,091
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(232,232)</u>	<u>(338,323)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>(120,522)</u>	\$ <u>(232,232)</u>
 COMPRISED OF:		
Cash	\$ 410	\$ 410
Current account (overdraft)	<u>(120,932)</u>	<u>(232,642)</u>
	\$ <u>(120,522)</u>	\$ <u>(232,232)</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

1. STATUS OF THE TOWN

The incorporated Town of Bishop's Falls is a municipal government that was incorporated pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The Municipality provides or funds municipal services such as fire, public works, parks and recreation, library, tourism and other general government operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

(a) Basis of Consolidation

The consolidated financial assets include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, agencies, local boards and committees of the Council which are controlled by the Municipality. There exist no controlled entities for the Town of Bishop's Falls.

(b) Basis of Accounting

The consolidated 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 the receipt of goods and services or the creation of an obligation to pay.

(c) CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments include cash and short term investments with maturities of three months or less from the date of acquisition.

(d) INVESTMENTS

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

(e) NON-FINANCIAL ASSETS

Non-financial assets are 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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets is amortized on a straight line basis over their estimated useful lives as follows:

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 50 years
Buildings	25 to 40 years
Leaseholds	Term of lease
Vehicle	5 years
Machinery, equipment and furniture	5 years
Maintenance and road construction equipment	10 years
Computer hardware and software	4 years
Furniture and fixtures	5 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	5 to 20 years
Road grade	30 years
Bridges	30 to 50 years
Traffic lights and equipment	10 to 15 years
Marine structures	25 years
Water and sewer	
Land	Indefinite
Land improvements	50 years
Buildings	25 to 40 years
Underground networks	15 to 100 years
Machinery and equipment	15 years
Dams and other surface water structures	25 to 50 years

(g) LEASES

Leases are classified as capital and operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of the 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.

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) INVENTORIES

Inventories held for sale are recorded at the lower of cost and net realizable value.

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

(i) REVENUE RECOGNITION

Revenues are recognized as earned and when collection is reasonably assured. Tax rates are approved annually by Council.

(j) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. THE MANNER IN WHICH THE ACCOUNTS HAVE BEEN KEPT AND THE SAFEGUARDS AGAINST FRAUD:

The position in these respects was considered satisfactory; however, there are some control weaknesses which are inherent with municipalities with only one employee performing all clerical duties.

4. SUFFICIENCY OF BONDS

Fidelity bond coverage of \$10,000 was carried on the town clerk and is considered adequate.

5. FINANCIAL INSTRUMENTS

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term to maturity of these items.

The fair value of long-term debt approximates the carrying amount based on cash flows discounted at market rates currently available for financial instruments with similar terms and remaining maturities.

6. CASH

	<u>2009</u>	<u>2008</u>
Cash	\$ 410	\$ 410
Capital	71,813	54,029
Bank - economic development	-	28,411
Current account	<u>(192,745)</u>	<u>(315,082)</u>
	<u>\$ (120,522)</u>	<u>\$ (232,232)</u>

The bank indebtedness is secured by a general assignment of book debts.

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

7. RECEIVABLES

	<u>2009</u>	<u>2008</u>
Property tax	\$ 138,186	\$ 128,827
Poll tax	344,393	285,283
Water and sewer tax	91,543	91,694
Business tax	<u>41,739</u>	<u>39,597</u>
	615,861	545,401
Allowance for doubtful receivables	<u>(357,719)</u>	<u>(140,723)</u>
	258,142	404,678
Miscellaneous	103,957	158,816
HST rebate	<u>11,920</u>	<u>123,519</u>
	374,019	687,013
Economic development - net	57,328	54,398
Land rents	666	1,040
Gas tax	<u>-</u>	<u>62,629</u>
	<u>\$ 432,013</u>	<u>\$ 805,080</u>

ARREARS OF REVENUE

Taxes and rates receivable totalled \$615,861 at December 31, 2009. Of this amount \$456,966 has been outstanding for one year or longer, while the balance of \$158,895 represents arrears on account of taxes and rates levied in 2009. Current collections in 2009, on taxes, amounted to 94% of the amounts levied in 2009.

The amount for doubtful accounts amounted to \$357,719 at December 31, 2009 (2008 - \$140,723). In our opinion, this allowance appears reasonable. However, Council should continue efforts to reduce this allowance as much as possible before it gets too difficult to manage.

8. ACCOUNTS, PAYABLE AND ACCRUED

	<u>2009</u>	<u>2008</u>
Trade	\$ 137,546	\$ 288,325
Taxes paid in advance	16,702	13,796
Unearned revenue	138,816	26,000
Trade - economic development	-	15,706
Accrued interest	117,495	47,428
Accrued severance	<u>152,797</u>	<u>146,081</u>
	563,356	537,336
Capital payable	-	87,500
HST payable to province	<u>9,039</u>	<u>9,039</u>
	<u>\$ 572,395</u>	<u>\$ 633,875</u>

TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

9. LONG-TERM DEBT

		<u>2009</u>	<u>2008</u>
Newfoundland Municipal Financing Corporation			
8.375% repayable in semi-annual installments of \$3,557 including interest, repaid during year	Street Improvements	-	6,691
7.75% repayable in semi-annual installments of \$6,619 including interest, maturing 2011	Water Supply	24,096	34,838
8.375% repayable in semi-annual installments of \$4,434 including interest, repaid during year	Street Improvements	-	8,341
7.375% repayable in semi-annual installments of \$7,458 including interest, maturing 2012	Water supply	33,495	45,285
8.375% repayable in semi-annual installments of \$3,130 including interest, repaid during year	1987 Street Improv.	-	5,887
6.375% repayable in semi-annual installments of \$30,077 including interest, maturing Feb 2014	Paving	232,148	275,422
7.25% repayable in semi-annual instalments of \$2,172 maturing 2011		23,182	37,317
6.375% repayable in semi-annual installments of \$2,640 including interest, maturing Feb 2014	Paving	20,379	24,178
10.625% repayable in semi-annual installments of \$17,981 including interest, repaid during year	Water Treatment	-	17,074
9.75% repayable in semi-annual installments of \$18,211 including interest, maturing 2011		49,709	79,117
9.75% repayable in semi-annual installments of \$1,842 including interest, maturing 2011		5,029	8,005
7.375% repayable in semi-annual installments of \$21,891 including interest, repaid during the year		-	21,100
7.25% repayable in semi-annual installments of \$1,373 including interest, maturing 2016		14,032	15,671
7.25% repayable in semi-annual installments of \$14,658 including interest, maturing 2011		<u>40,968</u>	<u>65,948</u>
Subtotal		\$ <u>443,038</u>	\$ <u>644,874</u>

TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

9. LONG TERM DEBT (CONTINUED)

	<u>2009</u>	<u>2008</u>
Balance forward	\$ <u>443,038</u>	\$ <u>644,874</u>
7.25% repayable in semi-annual installments of \$2,172 including interest, maturing 2016	22,204	24,797
6.75% repayable in semi-annual installments of \$2,400 including interest, maturing 2013	14,743	18,363
6.75% repayable in semi-annual installments of \$19,457 including interest, maturing 2013	119,527	148,878
6.75% repayable in semi-annual installments of \$9,599 including interest, maturing 2018	122,654	133,044
Canadian Imperial Bank of Commerce		
NMFC refinancing, repayable in annual instalments of \$122,529 including interest at 5.82%, maturing 2012	1,023,141	1,101,908
NMFC refinancing, repayable in annual instalments of \$71,473 including interest at 6.04%, maturing 2019	533,575	581,345
5.53% repayable in annual installments of \$53,387 including interest, maturing 2012	508,783	529,149
NMFC refinancing for street reconstruction, repayable in annual instalments of \$154,859, including interest at 5.88% maturing 2013	521,254	626,315
Capital Works for sewer loan, repayable in annual instalments of \$6,484, including interest at 7.35%, maturing May, 2012	16,903	21,786
Credit Union		
loan repayable in annual instalments of \$11,482, including interest at 5.5%, repayable October, 2008	<u>1,325,938</u>	<u>1,377,557</u>
	4,651,760	5,208,016
Current maturities	<u>(622,248)</u>	<u>(556,505)</u>
	<u>\$ 4,029,512</u>	<u>\$ 4,651,511</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

9. LONG TERM DEBT (CONTINUED)

The aggregate amount of payments required to meet debt retirement provisions for the next 5 years is as follows:

2010	\$ 622,248
2011	609,659
2012	572,675
2013	551,218
2014	381,217

The NMFC loans listed are the responsibility of the Provincial government. The town receives an annual grant from the Provincial government to cover the principal and interest payments on these loans.

10. STADIUM

	<u>2009</u>	<u>2008</u>
Income	\$ <u>70,991</u>	\$ <u>50,278</u>
Expenditure		
Salaries	67,790	58,399
Purchased services	66,623	65,924
Supplies	<u>24,665</u>	<u>26,031</u>
	<u>159,078</u>	<u>150,354</u>
Deficit, end of year	\$ <u>(88,087)</u>	\$ <u>(100,076)</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

11.CONTRACTUAL COMMITMENTS

The town entered into a lease with Caterpillar Financial Services Limited during the year for the purchase of a Caterpillar Wheel Loader. The lease payments of \$3,690.61 plus HST is being recorded in the financial statements as a rental expense. The term of the lease is 72 months, at the end of which, the town has the option to purchase the equipment for \$1.00.

12. BUDGET

In accordance with the Province of Newfoundland and Labrador's Municipalities Act, every council must adopt a financial plan for each fiscal period in a form approved by the minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendation of PSAB. For comparative purposes, the town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by Council.

The reconciliation between the municipality's cash based financial plan and the PSAB accrual based budget figures used in these statements is disclosed in Schedule 4 - Reconciliation of the Financial Plan to the Budget.

13.CHANGES IN ACCOUNTING POLICIES

The municipality has restated its financial statements to comply with the adoption of generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB).

Section PS3150 requires government to record and amortize their tangible capital assets on their financial statements. In addition, leases which substantially transfer all of the risks and benefits of ownership to the government, should be treated as capital leases.

PS3270 requires government to accrue their landfill closure and post closure costs as the landfill is used. In accordance with PSAB's recommendations on liabilities and contingent liabilities the Municipality has for the first time recorded the cost of remediation for contaminated sites.

Finally, PSAB also requires that the government reporting entity include all organizations controlled by the government. PSAB also requires governments to account for government partnerships on a proportional consolidation basis whereby the government consolidates their pro-rata share of the partnership's assets, liabilities, revenues and expenses.

14.CONTINGENT LIABILITY

The Town of Bishops Falls entered into an agreement with the Bishop's Falls Centennial Committee whereby it agreed to cover some of the shortfall of the Committee upon its dissolution. To date, the amount of this shortfall and the impact it will have on the town has yet to be determined.

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Schedule 1.

	Opening Balance	Additions	Disposals & Write downs	2009 Closing Balance	2008 Totals
COST					
Land	\$ 104,952	\$ -	\$ -	\$ 104,952	\$ 104,952
Buildings & leaseholds	137,104	8,231	-	145,335	137,104
Recreation	2,066,803	-	-	2,066,803	2,066,803
Equipment	1,700,799	-	-	1,700,799	1,700,799
Roads and bridges	3,064,159	-	-	3,064,159	3,064,159
Water and sewer	<u>6,155,221</u>	<u>101,159</u>	<u>-</u>	<u>6,256,380</u>	<u>6,155,221</u>
	<u>\$13,229,038</u>	<u>\$ 109,390</u>	<u>\$ -</u>	<u>\$13,338,428</u>	<u>\$13,229,038</u>
ACCUMULATED AMORTIZATION					
Land	\$ -	\$ -	\$ -	\$ -	
Buildings and leaseholds	80,426	3,249	-	83,675	80,426
Recreation	1,831,589	29,740	-	1,861,329	1,831,589
Equipment	1,352,723	54,120	-	1,406,843	1,352,723
Roads and bridges	2,217,202	74,467	-	2,291,669	2,217,202
Water and sewer	<u>4,439,704</u>	<u>119,391</u>	<u>-</u>	<u>4,559,095</u>	<u>4,439,704</u>
	<u>\$ 9,921,644</u>	<u>280,967</u>	<u>\$ -</u>	<u>\$10,202,611</u>	<u>\$ 9,921,644</u>
NET BOOK VALUE				<u>\$ 3,135,817</u>	<u>\$ 3,307,394</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Schedule 2.

	<u>2009</u>	<u>2008</u>
REVENUE FROM TAXATION		
- Property tax	\$ 1,001,977	\$ 912,926
- Poll tax	103,509	105,000
- Water and sewer tax	638,386	629,204
- Grants in lieu of taxes	252,043	228,318
- Business tax	<u>96,277</u>	<u>122,651</u>
	<u>\$ 2,092,192</u>	<u>\$ 1,998,099</u>
 SALE OF GOODS AND SERVICES		
- Sale of land and building sites	\$ (611)	\$ 11,704
- Sale of fixed assets	<u>-</u>	<u>581,624</u>
	<u>\$ (611)</u>	<u>\$ 593,328</u>
 OTHER REVENUES FROM OWN SERVICES		
- Licences and permits	\$ 2,150	\$ 2,380
- Tax certificates	2,500	2,250
- Rentals	33,600	12,262
- Interest collected on overdue accounts	40,234	40,000
- Other general	<u>18,491</u>	<u>62,136</u>
	<u>\$ 96,975</u>	<u>\$ 119,028</u>
 GOVERNMENT TRANSFERS		
- Municipal operating grant	\$ 167,464	\$ 148,008
- Province portion of debt charges	311,716	396,143
- Grants - other	<u>253,448</u>	<u>98,911</u>
	<u>\$ 732,628</u>	<u>\$ 643,062</u>
 TOTAL REVENUES	 <u>\$ 2,921,184</u>	 <u>\$ 3,353,517</u>

TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule 3.

	<u>2009</u>	<u>2008</u>
GENERAL GOVERNMENT		
Council		
- remuneration for councillors	\$ <u>45,796</u>	\$ <u>47,035</u>
General Administration		
- wages and benefits	248,117	222,026
- travel	13,853	1,511
- supplies	28,423	39,750
- purchased services	35,241	28,606
- professional services	13,181	33,546
- insurance	46,194	65,947
- elections	5,162	-
- Professional development	<u>-</u>	<u>4,858</u>
	<u>390,171</u>	<u>396,244</u>
Property Assessment Services		
- purchased services	<u>44,518</u>	<u>41,548</u>
General Maintenance		
- amortization of building & equipment	<u>6,152</u>	<u>6,153</u>
TOTAL GENERAL GOVERNMENT	\$ <u>486,637</u>	\$ <u>490,980</u>

PROTECTIVE SERVICES

Fire Protection		
- Fire protection -supplies & purchased services	\$ 74,382	\$ 74,899
- Amortization of building, vehicles & equipment	26,152	31,143
- Animal control	<u>3,100</u>	<u>3,365</u>
	<u>\$ 103,634</u>	<u>\$ 109,407</u>

TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Schedule 3.	
	<u>2009</u>	<u>2008</u>
Schedule 2 (Continued)		
TRANSPORTATION SERVICES		
Vehicle and Fleet Operation and Maintenance		
- wages, benefits & supplies	\$ 236,205	\$ 208,023
- Amortization of building, equipment, roads, etc	<u>99,532</u>	<u>125,451</u>
	<u>335,737</u>	<u>333,474</u>
Road Maintenance		
- wages and benefits	233,825	253,582
- purchased services	39,543	52,980
- supplies	<u>50,790</u>	<u>52,365</u>
	<u>324,158</u>	<u>358,927</u>
Snow Removal		
- supplies	26,250	30,179
- wages and benefits	<u>87,994</u>	<u>94,937</u>
	<u>114,244</u>	<u>125,116</u>
Street Lighting		
- purchased services	<u>83,104</u>	<u>69,390</u>
TOTAL TRANSPORTATION SERVICES	<u>\$ 857,243</u>	<u>\$ 886,907</u>
 ENVIRONMENTAL HEALTH		
Water and Sewer		
- wages and benefits	\$ 21,015	\$ 16,084
- supplies and travel	15,224	15,297
- purchased services	114,280	140,896
- Amortization	<u>119,391</u>	<u>119,391</u>
	<u>269,910</u>	<u>291,668</u>
Garbage and Waste Collection and Disposal		
- wages and benefits	32,602	24,207
- supplies	<u>58,051</u>	<u>52,011</u>
	<u>90,653</u>	<u>76,218</u>
TOTAL ENVIRONMENTAL HEALTH	<u>\$ 360,563</u>	<u>\$ 367,886</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SHCEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009</u>	<u>2008</u>
Schedule 2 (Continued)		
PUBLIC RELATIONS		
Community Improvement & Development		
- Grants and subsidies	\$ 10,263	\$ 42,090
- Purchased services	<u>1,667</u>	<u>6,587</u>
TOTAL PLANNING AND DEVELOPMENT	<u>\$ 11,930</u>	<u>\$ 48,677</u>
 RECREATION AND CULTURAL SERVICES		
Programs	\$ 4,975	\$ 5,985
Amortization	29,740	29,740
Administration salaries	71,835	77,918
Stadium (note 7)	88,087	100,076
Parks and playgrounds	<u>7,671</u>	<u>3,846</u>
TOTAL RECREATION AND CULTURAL SERVICES	<u>\$ 202,308</u>	<u>\$ 217,565</u>
 FISCAL SERVICES		
Interest charges from all Sources	\$ <u>442,042</u>	\$ <u>372,028</u>
Transfer to Own Reserves and Other Funds		
- provision for uncollectible taxes	254,546	209,940
- other losses or allowances	-	-
- capital expenditures out of revenue	-	-
- bank service charges	<u>17,479</u>	<u>22,227</u>
	<u>272,025</u>	<u>232,167</u>
TOTAL FISCAL SERVICES	<u>\$ 714,067</u>	<u>\$ 604,195</u>
 TOTAL EXPENDITURES	<u>\$ 2,736,382</u>	<u>\$ 2,725,617</u>

**TOWN OF BISHOP'S FALLS
RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009**

Schedule 4.

REVENUE	FINANCIAL PLAN	AMORTIZATION TCA	PRINCIPAL EXPENSE	LONG TERM ACCRUALS	CONSOLIDATED ENTITIES	PSAB BUDGET
Taxation	\$ 2,056,356	\$ -	\$ -	\$ -	\$ -	\$ 2,056,356
Sales of goods and services	83,000	-	-	-	-	83,000
Grants and transfers	656,252	-	-	-	-	656,252
Other revenue	<u>70,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,300</u>
Total revenue	<u>2,865,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,865,908</u>
EXPENSES						
General government	\$ 462,879	\$ 6,152	\$ -	\$ -	\$ -	\$ 469,031
Protective Services	86,300	26,152	-	-	-	112,452
Transportation Services	667,931	99,532	-	-	-	767,463
Environmental health services	255,928	119,391	-	-	-	375,319
Recreational and cultural services	232,964	29,740	-	-	-	262,704
Fiscal services						
Other	228,548	-	-	-	-	228,548
Debt charges	<u>931,358</u>	<u>-</u>	<u>-</u>	<u>(556,256)</u>	<u>-</u>	<u>375,102</u>
Total Expenses	<u>\$ 2,865,908</u>	<u>\$ 280,967</u>	<u>\$ -</u>	<u>\$ (556,256)</u>	<u>\$ -</u>	<u>\$ 2,590,619</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (280,967)</u>	<u>\$ -</u>	<u>\$ 556,256</u>	<u>\$ -</u>	<u>\$ 275,289</u>

Lori K. Mercer, Chartered Accountant