

**TOWN OF BISHOP'S FALLS**

**AUDITORS' REPORT**

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2010**

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## STATEMENT OF RESPONSIBILITY

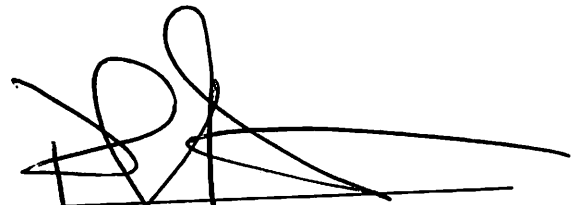
The accompanying Financial Statements are the responsibility of the management of the Town of Bishop's Falls and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Institute of Chartered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

**INDEPENDENT AUDITORS' REPORT**

To The Town Council  
Town of Bishop's Falls

I have audited the accompanying financial statements of the Town of Bishop's Falls which comprise the consolidated statement of financial position as at December 31, 2010 and the statements of consolidated statement of operations, consolidated statement of change in net financial assets (net debt), and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

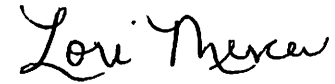
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report Continued

### Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Bishop's Falls as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grand Falls-Windsor, NL  
August 31, 2011



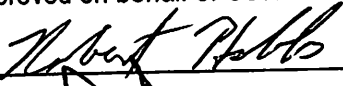
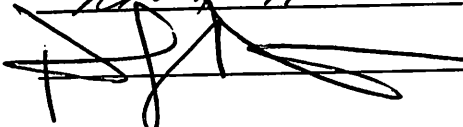
LORI K. MERCER  
Chartered Accountant

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments(Note 6)	\$ 395,567	\$ -
Accounts receivable (Note 7)	465,781	432,013
Inventory for sale	<u>29,830</u>	<u>-</u>
	<u>891,178</u>	<u>432,013</u>
 <b>LIABILITIES</b>		
Current account overdraft (Note 6)	\$ -	\$ 120,522
Accounts, payable and accrued (Note 8)	745,586	572,394
Long term debt	<u>4,256,436</u>	<u>4,651,760</u>
	<u>5,002,022</u>	<u>5,344,676</u>
 <b>NET FINANCIAL ASSETS (NET DEBT)</b>	 <u>(4,110,844)</u>	 <u>(4,912,663)</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	<u>3,179,977</u>	<u>3,135,817</u>
 <b>ACCUMULATED SURPLUS (DEFICIT)</b>	 <u>\$ (930,867)</u>	 <u>\$ (1,776,846)</u>

See accompanying notes

Approved on behalf of Council:

 \_\_\_\_\_, Mayor  
 \_\_\_\_\_, Town Clerk

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>BUDGET</u>	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>			
Taxation	\$ 2,257,392	\$ 2,273,123	\$ 2,092,192
Sale of goods and services	105,243	15,812	(611)
Other revenue from own sources	846,731	133,694	96,975
Government transfers	<u>43,622</u>	<u>830,116</u>	<u>732,628</u>
Total revenue (Schedules 2)	<u>\$ 3,252,988</u>	<u>3,252,745</u>	<u>2,921,184</u>
<b>EXPENDITURES</b>			
General Government	606,257	549,719	486,637
Protective services	110,523	104,232	103,634
Transportation services	831,685	819,214	857,243
Environmental health	368,231	359,731	360,563
Recreation, planning & development	-	56,758	11,930
Recreation and cultural services	250,554	157,570	202,308
Fiscal services	<u>495,898</u>	<u>359,542</u>	<u>714,067</u>
Total expenses (Schedules 3)	<u>2,663,148</u>	<u>2,406,766</u>	<u>2,736,382</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	589,840	845,979	184,802
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	<u>(1,776,846)</u>	<u>(1,776,846)</u>	<u>(1,961,648)</u>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	<u>\$ (1,187,006)</u>	<u>\$ (930,867)</u>	<u>\$ (1,776,846)</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, 2010**

	<u>BUDGET</u>	<u>2010</u>	<u>2009</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>56,994</u>	\$ <u>845,979</u>	\$ <u>184,802</u>
Acquisition of tangible capital assets	-	(337,021)	(109,390)
Amortization of tangible capital assets	292,862	292,861	280,967
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>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	349,856	801,819	356,379
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>	<u>(4,912,663)</u>	<u>(4,912,663)</u>	<u>(5,269,042)</u>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	<u><u>\$ (4,562,807)</u></u>	<u><u>\$ (4,110,844)</u></u>	<u><u>\$ (4,912,663)</u></u>



**TOWN OF BISHOP'S FALLS  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ <u>845,979</u>	\$ <u>184,802</u>
Changes in non-cash items		
Receivables	(33,770)	373,068
Inventory	(29,830)	-
Payables and accruals	173,193	(61,481)
Amortization	<u>292,861</u>	<u>280,967</u>
Cash applied to operating transactions	<u>1,248,433</u>	<u>777,356</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	<u>(337,021)</u>	<u>(109,390)</u>
<b>FINANCING TRANSACTIONS</b>		
Repayment of long term debt	(506,184)	(556,256)
Increase in long term debt	<u>110,860</u>	<u>-</u>
Cash applied to financing transactions	<u>(395,324)</u>	<u>(556,256)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 516,088	 111,710
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(120,522)</u>	<u>(232,232)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>395,566</u></u>	\$ <u><u>(120,522)</u></u>
 <b>COMPRISED OF:</b>		
Cash	\$ 410	\$ 410
Current account (overdraft)	250,789	(191,979)
Capital accounts	<u>144,368</u>	<u>71,047</u>
	\$ <u><u>395,567</u></u>	\$ <u><u>(120,522)</u></u>

**TOWN OF BISHOP'S FALLS  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2010**

**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, 2010**

**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, 2010**

**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>2010</u>	<u>2009</u>
Cash	\$ 410	\$ 410
Capital	144,368	71,813
Current account	<u>250,789</u>	<u>(192,745)</u>
	<u>\$ 395,567</u>	<u>\$ (120,522)</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, 2010**

**7. RECEIVABLES**

	<u>2010</u>	<u>2009</u>
Property tax	\$ 72,899	\$ 138,186
Poll tax	69,523	344,393
Water and sewer tax	40,206	91,543
Business tax	<u>15,975</u>	<u>41,739</u>
	198,603	615,861
Allowance for doubtful receivables	<u>(50,866)</u>	<u>(357,719)</u>
	147,737	258,142
Miscellaneous	46,429	103,957
HST rebate	<u>20,823</u>	<u>11,920</u>
	214,989	374,019
Economic development - net	57,328	57,328
Land rents	718	666
Capital	<u>192,746</u>	<u>-</u>
	<u>\$ 465,781</u>	<u>\$ 432,013</u>

**ARREARS OF REVENUE**

Taxes and rates receivable totalled \$198,603 at December 31, 2010. Of this amount \$127,544 has been outstanding for one year or longer, while the balance of \$71,059 represents arrears on account of taxes and rates levied in 2010. Current collections in 2010, on taxes, amounted to 96% of the amounts levied in 2010.

The amount for doubtful accounts amounted to \$50,866 at December 31, 2010 (2009 - \$357,719). 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>2010</u>	<u>2009</u>
Trade	\$ 121,767	\$ 137,545
Taxes paid in advance	16,744	16,702
Unearned revenue	114,263	138,816
Accrued interest	85,528	117,495
Accrued severance	<u>172,864</u>	<u>152,797</u>
	511,166	563,355
Capital payable	225,381	-
HST payable to province	<u>9,039</u>	<u>9,039</u>
	<u>\$ 745,586</u>	<u>\$ 572,394</u>

**TOWN OF BISHOP'S FALLS  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2010**

**9. LONG-TERM DEBT**

**Newfoundland Municipal Financing Corporation**

		<u>2010</u>	<u>2009</u>
7.75% repayable in semi-annual installments of \$6,619 including interest, maturing 2011	Water Supply	12,506	24,096
7.375% repayable in semi-annual installments of \$7,458 including interest, maturing 2012	Water supply	20,820	33,495
6.375% repayable in semi-annual installments of \$30,077 including interest, maturing Feb 2014	Paving	186,070	232,148
7.25% repayable in semi-annual instalments of \$2,172 maturing 2011		8,004	23,182
6.375% repayable in semi-annual installments of \$2,640 including interest, maturing Feb 2014	Paving	16,334	20,379
9.75% repayable in semi-annual installments of \$18,211 including interest, maturing 2011		17,364	49,709
9.75% repayable in semi-annual installments of \$1,842 including interest, maturing 2011		1,757	5,029
7.25% repayable in semi-annual installments of \$1,373 including interest, maturing 2016		12,273	14,032
7.25% repayable in semi-annual installments of \$14,658 including interest, maturing 2011		<u>14,145</u>	<u>40,968</u>
Subtotal		<u>\$ 289,273</u>	<u>\$ 443,038</u>

**TOWN OF BISHOP'S FALLS  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2010**

**9. LONG TERM DEBT (CONTINUED)**

	<u>2010</u>	<u>2009</u>
Balance forward	\$ <u>289,273</u>	\$ <u>443,038</u>
7.25% repayable in semi-annual installments of \$2,172 including interest, maturing 2016	19,420	22,204
6.75% repayable in semi-annual installments of \$2,400 including interest, maturing 2013	10,874	14,743
6.75% repayable in semi-annual installments of \$19,457 including interest, maturing 2013	88,160	119,527
6.75% repayable in semi-annual installments of \$9,599 including interest, maturing 2018	111,550	122,654
<b>Canadian Imperial Bank of Commerce</b>		
NMFC refinancing, repayable in annual instalments of \$122,529 including interest at 5.82%, maturing 2012	963,479	1,023,141
NMFC refinancing, repayable in annual instalments of \$71,473 including interest at 6.04%, maturing 2019	495,444	533,575
5.53% repayable in annual installments of \$53,387 including interest, maturing 2012	486,958	508,783
NMFC refinancing for street reconstruction, repayable in annual instalments of \$154,859, including interest at 5.88% maturing 2013	399,021	521,254
Capital Works for sewer loan, repayable in annual instalments of \$6,484, including interest at 7.35%, maturing May, 2012	11,661	16,903
<b>Bank of Montreal</b>		
Temporary loan, water and sewer	77,860	-
Arena loan, repayable in 10 annual instalments of \$3,300, plus interest, maturing 2020	33,000	-
<b>NLCU loan</b>		
loan repayable in annual instalments of \$169,956 including interest at 5.5%, maturing 2018	<u>1,269,736</u>	<u>1,325,938</u>
	4,256,436	4,651,760
Current maturities	<u>(612,956)</u>	<u>(622,748)</u>
	<u>\$ 3,643,480</u>	<u>\$ 4,029,012</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2010**

**9. LONG TERM DEBT (CONTINUED)**

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

2011	\$ 612,956
2012	575,975
2013	563,691
2014	384,517
2015	363,968

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>2010</u>	<u>2009</u>
Income	\$ <u>56,994</u>	\$ <u>70,991</u>
Expenditure		
Salaries	44,128	67,790
Purchased services	51,872	66,623
Supplies	<u>15,734</u>	<u>24,665</u>
	<u>111,734</u>	<u>159,078</u>
Deficit, end of year	\$ <u>(54,740)</u>	\$ <u>(88,087)</u>



**TOWN OF BISHOP'S FALLS  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2010**

**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, 2010**

Schedule 1.

	Opening Balance	Additions	Disposals & Write downs	2009 Closing Balance	2008 Totals
<b>COST</b>					
Land	\$ 104,952	\$ -	\$ -	\$ 104,952	\$ 104,952
Buildings & leaseholds	145,335	-	-	145,335	145,335
Recreation	2,066,803	241,087	-	2,307,890	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>6,256,380</u>	<u>95,934</u>	<u>-</u>	<u>6,352,314</u>	<u>6,256,380</u>
	<u>\$13,338,428</u>	<u>\$ 337,021</u>	<u>\$ -</u>	<u>\$13,675,449</u>	<u>\$13,338,428</u>
<b>ACCUMULATED AMORTIZATION</b>					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and leaseholds	83,675	3,578	-	87,253	83,675
Recreation	1,861,329	29,740	-	1,891,069	1,861,329
Equipment	1,406,843	67,823	-	1,474,666	1,406,843
Roads and bridges	2,291,669	72,938	-	2,364,607	2,291,669
Water and sewer	<u>4,559,095</u>	<u>118,782</u>	<u>-</u>	<u>4,677,877</u>	<u>4,559,095</u>
	<u>\$10,202,611</u>	<u>292,861</u>	<u>\$ -</u>	<u>\$10,495,472</u>	<u>\$10,202,611</u>
<b>NET BOOK VALUE</b>				<u>\$ 3,179,977</u>	<u>\$ 3,135,817</u>

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED SCHEDULE OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Schedule 2.**

	<u>2010</u>	<u>2009</u>
<b>REVENUE FROM TAXATION</b>		
- Property tax	\$ 1,244,690	\$ 1,001,977
- Poll tax	101,427	103,509
- Water and sewer tax	671,720	638,386
- Grants in lieu of taxes	145,530	252,043
- Business tax	<u>109,756</u>	<u>96,277</u>
	<u>\$ 2,273,123</u>	<u>\$ 2,092,192</u>
 <b>SALE OF GOODS AND SERVICES</b>		
- Sale of land and building sites	\$ 15,812	\$ (611)
	<u>\$ 15,812</u>	<u>\$ (611)</u>
 <b>OTHER REVENUES FROM OWN SERVICES</b>		
- Licences and permits	\$ 2,335	\$ 2,150
- Tax certificates	1,950	2,500
- Rentals	27,000	33,600
- Interest collected on overdue accounts	20,235	40,234
- Other general	<u>82,174</u>	<u>18,491</u>
	<u>\$ 133,694</u>	<u>\$ 96,975</u>
 <b>GOVERNMENT TRANSFERS</b>		
- Municipal operating grant	\$ 148,010	\$ 167,464
- Province portion of debt charges	249,601	311,716
- Capital grants	376,518	-
- Grants - other	<u>55,987</u>	<u>253,448</u>
	<u>\$ 830,116</u>	<u>\$ 732,628</u>
 <b>TOTAL REVENUES</b>	 <u>\$ 3,252,745</u>	 <u>\$ 2,921,184</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED SCHEDULE OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Schedule 3.**

	<u>2010</u>	<u>2009</u>
<b>GENERAL GOVERNMENT</b>		
Council		
- remuneration for councillors	\$ <u>44,037</u>	\$ <u>45,796</u>
General Administration		
- wages and benefits	255,941	248,117
- travel	8,296	13,853
- supplies	67,832	28,423
- purchased services	47,445	35,241
- professional services	11,221	13,181
- insurance	57,853	46,194
- elections	<u>-</u>	<u>5,162</u>
	<u>448,588</u>	<u>390,171</u>
Property Assessment Services		
- purchased services	<u>46,545</u>	<u>44,518</u>
General Maintenance		
- amortization of building & equipment	<u>10,549</u>	<u>6,152</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ <u>549,719</u></b>	<b>\$ <u>486,637</u></b>

**PROTECTIVE SERVICES**

Fire Protection		
- Fire protection -supplies & purchased services	\$ 73,009	\$ 74,382
- Amortization of building, vehicles & equipment	31,223	26,152
- Animal control	<u>-</u>	<u>3,100</u>
	<u>\$ 104,232</u>	<u>\$ 103,634</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED SCHEDULE OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 3.

Schedule 2 (Continued)

**TRANSPORTATION SERVICES**

Vehicle and Fleet Operation and Maintenance

- wages, benefits & supplies

- Amortization of building, equipment, roads, etc

<u>2010</u>	<u>2009</u>
\$ 224,835	\$ 236,205
<u>102,568</u>	<u>99,532</u>
<u>327,403</u>	<u>335,737</u>

Road Maintenance

- wages and benefits

- purchased services

- supplies

249,453	233,825
25,983	39,543
<u>41,428</u>	<u>50,790</u>
<u>316,864</u>	<u>324,158</u>

Snow Removal

- supplies

- wages and benefits

16,100	26,250
<u>80,873</u>	<u>87,994</u>
<u>96,973</u>	<u>114,244</u>

Street Lighting

- purchased services

<u>77,974</u>	<u>83,104</u>
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**TOTAL TRANSPORTATION SERVICES**

<u>\$ 819,214</u>	<u>\$ 857,243</u>
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**ENVIRONMENTAL HEALTH**

Water and Sewer

- wages and benefits

- supplies and travel

- purchased services

- Amortization

\$ 19,636	\$ 21,015
5,025	15,224
142,355	114,280
<u>118,782</u>	<u>119,391</u>
<u>285,798</u>	<u>269,910</u>

Garbage and Waste Collection and Disposal

- wages and benefits

- supplies

26,973	32,602
<u>46,960</u>	<u>58,051</u>
<u>73,933</u>	<u>90,653</u>

**TOTAL ENVIRONMENTAL HEALTH**

<u>\$ 359,731</u>	<u>\$ 360,563</u>
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Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS  
CONSOLIDATED SHCEDULE OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Schedule 3.**

Schedule 2 (Continued)	<u>2010</u>	<u>2009</u>
<b>PUBLIC RELATIONS</b>		
Community Improvement & Development		
- Grants and subsidies	\$ 50,054	\$ 10,263
- Purchased services	<u>6,704</u>	<u>1,667</u>
<b>TOTAL PLANNING AND DEVELOPMENT</b>	<u>\$ 56,758</u>	<u>\$ 11,930</u>
 <b>RECREATION AND CULTURAL SERVICES</b>		
Programs	\$ 7,186	\$ 4,975
Amortization	29,740	29,740
Administration salaries	55,662	71,835
Stadium (note 7)	54,740	88,087
Parks and playgrounds	<u>10,242</u>	<u>7,671</u>
<b>TOTAL RECREATION AND CULTURAL SERVICES</b>	<u>\$ 157,570</u>	<u>\$ 202,308</u>
 <b>FISCAL SERVICES</b>		
Interest charges from all Sources	<u>\$ 259,789</u>	<u>\$ 442,042</u>
Transfer to Own Reserves and Other Funds		
- provision for uncollectible taxes	83,876	254,546
- other losses or allowances	-	-
- capital expenditures out of revenue	-	-
- bank service charges	<u>15,877</u>	<u>17,479</u>
	<u>99,753</u>	<u>272,025</u>
<b>TOTAL FISCAL SERVICES</b>	<u>\$ 359,542</u>	<u>\$ 714,067</u>
 <b>TOTAL EXPENDITURES</b>	<u>\$ 2,406,766</u>	<u>\$ 2,736,382</u>

**TOWN OF BISHOP'S FALLS  
RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 4.

REVENUE	FINANCIAL PLAN	AMORTIZATION TCA	CAPITAL ITEMS	LONG TERM ACCRUALS	CONSOLIDATED ENTITIES	PSAB BUDGET
Taxation	\$ 2,257,392	\$ -	\$ -	\$ -	\$ -	\$ 2,257,392
Sales of goods and services	105,243	-	-	-	-	105,243
Grants and transfers	618,213	-	228,518	-	-	846,731
Other revenue	<u>43,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,622</u>
Total revenue	<u>3,024,470</u>	<u>-</u>	<u>228,518</u>	<u>-</u>	<u>-</u>	<u>3,252,988</u>
<b>EXPENSES</b>						
General government	\$ 595,708	\$ 10,549	\$ -	\$ -	\$ -	\$ 606,257
Protective Services	79,300	31,223	-	-	-	110,523
Transportation Services	729,117	102,568	-	-	-	831,685
Environmental health services	249,449	118,782	-	-	-	368,231
Recreational and cultural services	220,814	29,740	-	-	-	250,554
Fiscal services						
Other	352,456	-	(148,000)	-	-	204,456
Debt charges	<u>797,626</u>	<u>-</u>	<u>-</u>	<u>(506,184)</u>	<u>-</u>	<u>291,442</u>
Total Expenses	<u>\$ 3,024,470</u>	<u>\$ 292,862</u>	<u>\$ (148,000)</u>	<u>\$ (506,184)</u>	<u>\$ -</u>	<u>\$ 2,663,148</u>
 Surplus (Deficit)	 <u>\$ -</u>	 <u>\$ (292,862)</u>	 <u>\$ 376,518</u>	 <u>\$ 506,184</u>	 <u>\$ -</u>	 <u>\$ 589,840</u>