

**TOWN OF BISHOP'S FALLS
AUDITORS' REPORT
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

CONTENTS

	<u>Page</u>
MANAGEMENT STATEMENT OF RESPONSIBILITY	1
INDEPENDENT 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

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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.

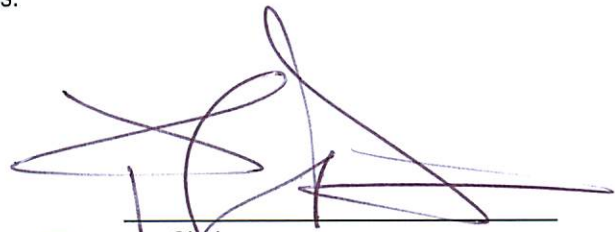
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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

Town Manager

LORI K. MERCER

CHARTERED ACCOUNTANT

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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, 2011 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

It is the responsibility of the management of the Town of Bishop's Falls to ensure the accompanying Consolidated Financial Statements have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. It is also management's responsibility to ensure appropriate systems of internal and administrative controls are maintained 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated 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 management, as well as evaluating the overall financial statement presentation.

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

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, 2011 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, 2012

LORI K. MERCER
Chartered Accountant

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 6)	\$ 663,776	\$ 395,567
Accounts receivable (Note 7)	332,532	465,781
Inventory for sale	<u>31,290</u>	<u>29,830</u>
	<u>1,027,598</u>	<u>891,178</u>
 LIABILITIES		
Accounts, payable and accrued (Note 8)	\$ 790,694	\$ 745,584
Long term debt	<u>4,101,376</u>	<u>4,256,436</u>
	<u>4,892,070</u>	<u>5,002,020</u>
 NET FINANCIAL ASSETS (NET DEBT)	 <u>(3,864,472)</u>	 <u>(4,110,842)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>4,153,370</u>	<u>3,179,976</u>
 ACCUMULATED SURPLUS (DEFICIT)	 <u>\$ 288,898</u>	 <u>\$ (930,866)</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, 2011**

	<u>BUDGET</u>	<u>2011</u>	<u>2010</u>
REVENUES			
Taxation	\$ 2,293,624	\$ 2,319,712	\$ 2,273,123
Sale of goods and services	116,171	(3,672)	15,812
Other revenue from own sources	1,327,940	138,867	133,694
Government transfers	<u>29,000</u>	<u>1,339,068</u>	<u>830,116</u>
Total revenue (Schedules 2)	\$ <u>3,766,735</u>	<u>3,793,975</u>	<u>3,252,745</u>
EXPENDITURES			
General Government	602,197	539,681	549,719
Protective services	120,143	90,560	104,232
Transportation services	908,794	831,987	819,214
Environmental health	379,188	325,371	359,731
Recreation, planning & development	-	89,406	56,758
Recreation and cultural services	246,621	169,856	157,570
Fiscal services	<u>(1,643,682)</u>	<u>527,350</u>	<u>359,542</u>
Total expenses (Schedules 3)	<u>613,261</u>	<u>2,574,211</u>	<u>2,406,766</u>
ANNUAL SURPLUS (DEFICIT)	3,153,474	1,219,764	845,979
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>(930,866)</u>	<u>(930,866)</u>	<u>(1,776,845)</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ <u>2,222,608</u>	\$ <u>288,898</u>	\$ <u>(930,866)</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, 2011**

	<u>BUDGET</u>	<u>2011</u>	<u>2010</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>91,684</u>	\$ <u>1,219,764</u>	\$ <u>845,979</u>
Acquisition of tangible capital assets	-	(1,250,849)	(337,021)
Amortization of tangible capital assets	277,455	277,455	292,861
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	369,139	246,370	801,819
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>(4,110,842)</u>	<u>(4,110,842)</u>	<u>(4,912,661)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u><u>\$(3,741,703)</u></u>	<u><u>\$(3,864,472)</u></u>	<u><u>\$(4,110,842)</u></u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ <u>1,219,764</u>	\$ <u>845,979</u>
Changes in non-cash items		
Receivables	133,250	(33,770)
Inventory	(1,460)	(29,830)
Payables and accruals	45,109	173,194
Amortization	<u>277,455</u>	<u>292,861</u>
Cash applied to operating transactions	<u>1,674,118</u>	<u>1,248,434</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(1,250,849)</u>	<u>(337,021)</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	(2,605,496)	(506,184)
Increase in long term debt	<u>2,450,436</u>	<u>110,860</u>
Cash applied to financing transactions	<u>(155,060)</u>	<u>(395,324)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	268,209	516,089
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>395,567</u>	<u>(120,522)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>663,776</u></u>	\$ <u><u>395,567</u></u>
 COMPRISED OF:		
Cash	\$ 400	\$ 410
Current account (overdraft)	282,703	250,789
Capital accounts	74,997	144,368
GIC's	<u>305,676</u>	<u>-</u>
	\$ <u><u>663,776</u></u>	\$ <u><u>395,567</u></u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

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, 2011**

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, 2011**

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.

(k) GOVERNMENT TRANSFERS

Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred as long as a) the transfer is authorized b) eligibility criteria have been met by the recipient and c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as a receivable.

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>2011</u>	<u>2010</u>
Cash	\$ 400	\$ 410
Capital	74,997	144,368
GIC's	305,676	-
Current account	<u>282,703</u>	<u>250,789</u>
	<u>\$ 663,776</u>	<u>\$ 395,567</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

7. RECEIVABLES

	<u>2011</u>	<u>2010</u>
Property tax	\$ 92,343	\$ 72,899
Poll tax	65,357	69,523
Water and sewer tax	49,415	40,206
Business tax	<u>24,903</u>	<u>15,975</u>
	232,018	198,603
Allowance for doubtful receivables	<u>(82,959)</u>	<u>(50,866)</u>
	149,059	147,737
Miscellaneous	108,267	46,429
HST rebate	<u>9,670</u>	<u>20,823</u>
	266,996	214,989
Economic development - net	57,328	57,328
Land rents	490	718
Capital	<u>7,718</u>	<u>192,746</u>
	<u>\$ 332,532</u>	<u>\$ 465,781</u>

ARREARS OF REVENUE

Taxes and rates receivable totalled \$232,018 at December 31, 2011. Of this amount \$101,432 has been outstanding for one year or longer, while the balance of \$130,586 represents arrears on account of taxes and rates levied in 2011. Current collections in 2011, on taxes, amounted to 92.79% of the amounts levied in 2011.

The amount for doubtful accounts amounted to \$82,959 at December 31, 2011 (2010 - \$50,866). 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>2011</u>	<u>2010</u>
Trade	\$ 169,665	\$ 121,765
Taxes paid in advance	18,433	16,744
Unearned revenue	382,572	114,263
Accrued interest	77,893	85,528
Accrued severance	<u>125,888</u>	<u>172,864</u>
	774,451	511,164
Capital payable	7,204	225,381
HST payable to province	<u>9,039</u>	<u>9,039</u>
	<u>\$ 790,694</u>	<u>\$ 745,584</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

9. LONG-TERM DEBT

	<u>2011</u>	<u>2010</u>
Newfoundland Municipal Financing Corporation		
7.75% repayable in semi-annual installments of \$6,619 including interest, repaid during year	-	12,506
Water Supply		
7.375% repayable in semi-annual installments of \$7,458 including interest, maturing 2012	7,193	20,820
Water supply		
6.375% repayable in semi-annual installments of \$30,077 including interest, maturing Feb 2014	137,009	186,070
Paving		
7.25% repayable in semi-annual instalments of \$2,172 repaid during year	-	8,004
6.375% repayable in semi-annual installments of \$2,640 including interest, maturing Feb 2014	12,027	16,334
Paving		
9.75% repayable in semi-annual installments of \$18,211 including interest, repaid during year	-	17,364
9.75% repayable in semi-annual installments of \$1,842 including interest, repaid during year	-	1,757
7.25% repayable in semi-annual installments of \$1,373 including interest, maturing 2016	10,383	12,273
7.25% repayable in semi-annual installments of \$14,658 including interest, repaid during year	-	14,145
7.25% repayable in semi-annual installments of \$2,172 including interest, maturing 2016	16,430	19,420
6.75% repayable in semi-annual installments of \$2,400 including interest, maturing 2013	6,740	10,874
6.75% repayable in semi-annual installments of \$19,457 including interest, maturing 2013	54,641	88,160
6.75% repayable in semi-annual installments of \$9,599 including interest, maturing 2018	99,684	111,550
Ford Credit Corporation		
9.25% repayable in annual installments of \$29,513 including interest, maturing May, 2006	<u>49,878</u>	<u>-</u>
Subtotal	\$ <u>393,985</u>	\$ <u>519,277</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

9. LONG TERM DEBT (CONTINUED)

	<u>2011</u>	<u>2010</u>
Balance forward	\$ <u>393,985</u>	\$ <u>519,277</u>
Canadian Imperial Bank of Commerce		
NMFC refinancing, repayable in annual instalments of \$122,529 including interest at 5.82%, refinanced during year	-	963,479
NMFC refinancing, repayable in annual instalments of \$65,414.59 including interest at 5.4%, maturing 2020	456,784	495,444
5.42% repayable in annual instalments of \$53,158 including interest, maturing 2022	460,192	486,958
NMFC refinancing for street reconstruction, repayable in annual instalments of \$143,634, including interest at 4.92% maturing 2013	272,963	399,021
Capital Works for sewer loan, repayable in annual instalments of \$6,484, including interest at 7.35%, maturing May, 2012	6,034	11,661
Bank of Montreal		
Temporary loan, water and sewer	164,654	77,860
Arena loan, repayable in 10 annual instalments of \$3,300, plus interest at 4.65%, maturing 2021	33,000	33,000
loan repayable in annual instalments of \$9,505 plus interest at 3.27%, maturing 2021	95,054	-
loan repayable in annual instalments of \$184,892 plus interest at 3.27%, maturing 2023	2,218,710	-
NLCU loan		
loan repayable in annual instalments of \$169,956 including interest at 5.5%, refinanced during year	<u>-</u>	<u>1,269,736</u>
	4,101,376	4,256,436
Current maturities	<u>(545,481)</u>	<u>(612,956)</u>
	<u>\$ 3,555,895</u>	<u>\$ 3,643,480</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

9. LONG TERM DEBT (CONTINUED)

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

	<u>2011</u>	<u>2010</u>
2011	\$ 545,481	\$ 612,956
2012	529,504	575,975
2013	346,691	563,692
2014	322,159	384,517
2015	326,233	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>2011</u>	<u>2010</u>
Income	\$ <u>91,684</u>	\$ <u>56,994</u>
Expenditure		
Salaries	46,309	44,128
Purchased services	57,669	51,872
Supplies	<u>40,813</u>	<u>15,734</u>
	<u>144,791</u>	<u>111,734</u>
Deficit, end of year	\$ <u><u>(53,107)</u></u>	\$ <u><u>(54,740)</u></u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

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 Town has adopted the Public Sector Accounting Boards recommendations for recording tangible capital assets and the new financial statement presentation. The tangible asset section, PS 3150, establishes standards on how to account and report tangible capital assets in government financial statements. The financial statement presentation section, PS 1200, establishes general reporting principles and standards for the disclosure of information based on the underlying financial statement concepts and the objectives of the government financial statements.

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, 2011**

Schedule 1.

	Opening Balance	Additions	Disposals & Write downs	2011 Closing Balance	2010 Totals
COST					
Land	\$ 104,952	\$ -	\$ -	\$ 104,952	\$ 104,952
Buildings & leaseholds	145,335	-	-	145,335	145,335
Recreation	2,307,890	19,224	-	2,327,114	2,307,890
Equipment	1,700,799	99,480	-	1,800,279	1,700,799
Roads and bridges	3,064,159	447,496	-	3,511,655	3,064,159
Water and sewer	<u>6,352,314</u>	<u>684,649</u>	<u>-</u>	<u>7,036,963</u>	<u>6,352,314</u>
	<u>\$13,675,449</u>	<u>\$ 1,250,849</u>	<u>\$ -</u>	<u>\$14,926,298</u>	<u>\$13,675,449</u>
ACCUMULATED AMORTIZATION					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and leaseholds	87,253	3,578	-	90,831	87,253
Recreation	1,891,069	29,600	-	1,920,669	1,891,069
Equipment	1,474,666	63,123	-	1,537,789	1,474,666
Roads and bridges	2,364,608	65,171	-	2,429,779	2,364,608
Water and sewer	<u>4,677,877</u>	<u>115,983</u>	<u>-</u>	<u>4,793,860</u>	<u>4,677,877</u>
	<u>\$10,495,473</u>	<u>277,455</u>	<u>\$ -</u>	<u>\$10,772,928</u>	<u>\$10,495,473</u>
NET BOOK VALUE				<u>\$ 4,153,370</u>	<u>\$ 3,179,976</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Schedule 2.

	<u>2011</u>	<u>2010</u>
REVENUE FROM TAXATION		
- Property tax	\$ 1,292,545	\$ 1,244,690
- Poll tax	83,834	101,427
- Water and sewer tax	685,306	671,720
- Grants in lieu of taxes	145,958	145,530
- Business tax	<u>112,069</u>	<u>109,756</u>
	<u>\$ 2,319,712</u>	<u>\$ 2,273,123</u>
 SALE OF GOODS AND SERVICES		
- Sale of land and building sites	\$ (6,142)	\$ 15,812
- Sale of fixed assets	<u>2,470</u>	<u>-</u>
	<u>\$ (3,672)</u>	<u>\$ 15,812</u>
 OTHER REVENUES FROM OWN SERVICES		
- Licences and permits	\$ 2,505	\$ 2,335
- Tax certificates	2,850	1,950
- Rentals	25,842	27,000
- Interest collected on overdue accounts	17,524	20,235
- Other general	<u>90,146</u>	<u>82,174</u>
	<u>\$ 138,867</u>	<u>\$ 133,694</u>
 GOVERNMENT TRANSFERS		
- Municipal operating grant	\$ 177,611	\$ 148,010
- Province portion of debt charges	206,596	249,601
- Capital grants	825,433	376,518
- Grants - other	<u>129,428</u>	<u>55,987</u>
	<u>\$ 1,339,068</u>	<u>\$ 830,116</u>
 TOTAL REVENUES	 <u>\$ 3,793,975</u>	 <u>\$ 3,252,745</u>

Lori K. Mercer, Chartered Accountant

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Schedule 3.

	<u>2011</u>	<u>2010</u>
GENERAL GOVERNMENT		
Council		
- remuneration for councillors	\$ <u>47,654</u>	\$ <u>44,037</u>
General Administration		
- wages and benefits	263,093	255,941
- travel	6,401	8,296
- supplies	39,842	67,832
- purchased services	32,310	47,445
- professional services	22,725	11,221
- insurance	68,401	57,853
- Professional development	<u>6,388</u>	<u>-</u>
	<u>439,160</u>	<u>448,588</u>
Property Assessment Services		
- purchased services	<u>46,690</u>	<u>46,545</u>
General Maintenance		
- amortization of building & equipment	<u>6,177</u>	<u>10,549</u>
TOTAL GENERAL GOVERNMENT	\$ <u>539,681</u>	\$ <u>549,719</u>

PROTECTIVE SERVICES

Fire Protection		
- Fire protection -supplies & purchased services	\$ 53,705	\$ 73,009
- Amortization of building, vehicles & equipment	30,983	31,223
- Animal control	<u>5,872</u>	<u>-</u>
	<u>\$ 90,560</u>	<u>\$ 104,232</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
Schedule 2 (Continued)		
TRANSPORTATION SERVICES		
Vehicle and Fleet Operation and Maintenance		
- wages, benefits & supplies	\$ 223,604	\$ 224,835
- Amortization of building, equipment, roads, etc	<u>94,711</u>	<u>102,568</u>
	<u>318,315</u>	<u>327,403</u>
Road Maintenance		
- wages and benefits	222,966	249,453
- purchased services	61,709	25,983
- supplies	<u>51,538</u>	<u>41,428</u>
	<u>336,213</u>	<u>316,864</u>
Snow Removal		
- supplies	29,247	16,100
- wages and benefits	<u>67,968</u>	<u>80,873</u>
	<u>97,215</u>	<u>96,973</u>
Street Lighting		
- purchased services	<u>80,244</u>	<u>77,974</u>
TOTAL TRANSPORTATION SERVICES	<u>\$ 831,987</u>	<u>\$ 819,214</u>
 ENVIRONMENTAL HEALTH		
Water and Sewer		
- wages and benefits	\$ 9,585	\$ 19,636
- supplies and travel	12,192	5,025
- purchased services	119,185	142,355
- Amortization	<u>115,983</u>	<u>118,782</u>
	<u>256,945</u>	<u>285,798</u>
Garbage and Waste Collection and Disposal		
- wages and benefits	12,955	26,973
- supplies	<u>55,471</u>	<u>46,960</u>
	<u>68,426</u>	<u>73,933</u>
TOTAL ENVIRONMENTAL HEALTH	<u>\$ 325,371</u>	<u>\$ 359,731</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SHCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
Schedule 2 (Continued)		
PUBLIC RELATIONS		
Community Improvement & Development		
- Grants and subsidies	\$ 84,450	\$ 50,054
- Purchased services	<u>4,956</u>	<u>6,704</u>
TOTAL PLANNING AND DEVELOPMENT	<u>\$ 89,406</u>	<u>\$ 56,758</u>
 RECREATION AND CULTURAL SERVICES		
Programs	\$ 8,524	\$ 7,186
Amortization	29,600	29,740
Administration salaries	73,260	55,662
Stadium (note 7)	53,107	54,740
Parks and playgrounds	<u>5,365</u>	<u>10,242</u>
TOTAL RECREATION AND CULTURAL SERVICES	<u>\$ 169,856</u>	<u>\$ 157,570</u>
 FISCAL SERVICES		
Interest charges from all Sources	<u>\$ 377,238</u>	<u>\$ 259,789</u>
Transfer to Own Reserves and Other Funds		
- provision for uncollectible taxes	131,815	83,876
- other losses or allowances	-	-
- capital expenditures out of revenue	-	-
- bank service charges	<u>18,297</u>	<u>15,877</u>
	<u>150,112</u>	<u>99,753</u>
TOTAL FISCAL SERVICES	<u>\$ 527,350</u>	<u>\$ 359,542</u>
 TOTAL EXPENDITURES	<u>\$ 2,574,211</u>	<u>\$ 2,406,766</u>

**TOWN OF BISHOP'S FALLS
RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011**

Schedule 4.

REVENUE	FINANCIAL PLAN	AMORTIZATION TCA	CAPITAL ITEMS	LONG TERM ACCRUALS	CONSOLIDATED ENTITIES	PSAB BUDGET
Taxation	\$ 2,293,624	\$ -	\$ -	\$ -	\$ -	\$ 2,293,624
Sales of goods and services	116,171	-	-	-	-	116,171
Grants and transfers	650,969	-	676,971	-	-	1,327,940
Other revenue	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,000</u>
Total revenue	<u>3,089,764</u>	<u>-</u>	<u>676,971</u>	<u>-</u>	<u>-</u>	<u>3,766,735</u>
EXPENSES						
General government	\$ 596,020	\$ 6,177	\$ -	\$ -	\$ -	\$ 602,197
Protective Services	89,160	30,983	-	-	-	120,143
Transportation Services	814,083	94,711	-	-	-	908,794
Environmental health services	263,204	115,984	-	-	-	379,188
Recreational and cultural services	217,021	29,600	-	-	-	246,621
Fiscal services						
Other	341,381	-	(148,462)	-	-	192,919
Debt charges	<u>768,895</u>	<u>-</u>	<u>-</u>	<u>(2,605,496)</u>	<u>-</u>	<u>(1,836,601)</u>
Total Expenses	<u>\$ 3,089,764</u>	<u>\$ 277,455</u>	<u>\$ (148,462)</u>	<u>\$ (2,605,496)</u>	<u>\$ -</u>	<u>\$ 613,261</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (277,455)</u>	<u>\$ 825,433</u>	<u>\$ 2,605,496</u>	<u>\$ -</u>	<u>\$ 3,153,474</u>

Lori K. Mercer, Chartered Accountant