

TOWN OF BISHOP'S FALLS
AUDITORS' REPORT
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

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

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
TREASURER
TOWN MANAGER

28 Hardy Ave, P.O. Box 673
Grand Falls-Windsor, NL

A2A 2K2

Tel: (709)489-5555

Fax: (709)256-5556

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, 2012 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, 2012 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
July 31, 2013

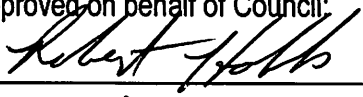

LORI K. MERCER
Chartered Accountant


**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash and temporary investments(Note 6)	\$ 559,813	\$ 663,776
Accounts receivable (Note 7)	705,065	332,532
Inventory for sale	<u>31,290</u>	<u>31,290</u>
	<u>1,296,168</u>	<u>1,027,598</u>
 LIABILITIES		
Accounts, payable and accrued (Note 8)	\$ 837,848	\$ 790,688
Long term debt	<u>3,564,550</u>	<u>4,101,376</u>
	<u>4,402,398</u>	<u>4,892,064</u>
 NET FINANCIAL ASSETS (NET DEBT)	 <u>(3,106,230)</u>	 <u>(3,864,466)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>5,441,944</u>	<u>4,153,370</u>
 ACCUMULATED SURPLUS (DEFICIT)	 <u>\$ 2,335,714</u>	 <u>\$ 288,904</u>

See accompanying notes

Approved on behalf of Council:

 , Mayor

 , Town Clerk

MANAGER
(TREASURER)

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>BUDGET</u>	<u>2012</u>	<u>2011</u>
REVENUES			
Taxation	\$ 2,341,302	\$ 2,563,807	\$ 2,319,712
Sale of goods and services	118,326	39,305	(3,672)
Other revenue from own sources	1,823,410	105,879	138,867
Government transfers	<u>31,296</u>	<u>1,717,635</u>	<u>1,339,068</u>
Total revenue (Schedules 2)	<u>\$ 4,314,334</u>	<u>4,426,626</u>	<u>3,793,975</u>
EXPENDITURES			
General Government	543,799	602,509	539,681
Protective services	120,890	119,937	90,560
Transportation services	917,701	673,452	831,987
Environmental health	415,383	455,190	325,371
Recreation, planning & development	-	20,566	89,406
Recreation and cultural services	266,109	197,398	169,856
Fiscal services	<u>420,169</u>	<u>310,764</u>	<u>527,350</u>
Total expenses (Schedules 3)	<u>2,684,051</u>	<u>2,379,816</u>	<u>2,574,211</u>
ANNUAL SURPLUS (DEFICIT)	1,630,283	2,046,810	1,219,764
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>288,904</u>	<u>288,904</u>	<u>(930,860)</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	<u>\$ 1,919,187</u>	<u>\$ 2,335,714</u>	<u>\$ 288,904</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, 2012

	<u>BUDGET</u>	<u>2012</u>	<u>2011</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>76,888</u>	\$ <u>2,046,810</u>	\$ <u>1,219,764</u>
Acquisition of tangible capital assets	-	(1,590,337)	(1,250,849)
Amortization of tangible capital assets	301,763	301,763	277,454
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	378,651	758,236	246,369
NET FINANCIAL ASSETS (NET DEBT),			
BEGINNING OF YEAR	<u>(3,864,466)</u>	<u>(3,864,466)</u>	<u>(4,110,835)</u>
NET FINANCIAL ASSETS (NET DEBT),			
END OF YEAR	\$ <u>(3,485,815)</u>	\$ <u>(3,106,230)</u>	\$ <u>(3,864,466)</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ <u>2,046,810</u>	\$ <u>1,219,764</u>
Changes in non-cash items		
Receivables	(372,533)	133,250
Inventory	-	(1,460)
Payables and accruals	47,160	45,110
Amortization	<u>301,763</u>	<u>277,454</u>
Cash applied to operating transactions	<u>2,023,200</u>	<u>1,674,118</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<u>(1,590,337)</u>	<u>(1,250,849)</u>
FINANCING TRANSACTIONS		
Repayment of long term debt	(536,826)	(2,605,496)
Increase in long term debt	<u>-</u>	<u>2,450,436</u>
Cash applied to financing transactions	<u>(536,826)</u>	<u>(155,060)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(103,963)	268,209
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>663,776</u>	<u>395,567</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>559,813</u>	\$ <u>663,776</u>
COMPRISED OF:		
Cash	\$ 400	\$ 400
Current account (overdraft)	341,978	282,703
Capital accounts	48,928	74,997
GIC's	<u>168,507</u>	<u>305,676</u>
	\$ <u>559,813</u>	\$ <u>663,776</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

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, 2012**

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, 2012**

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>2012</u>	<u>2011</u>
Cash	\$ 400	\$ 400
Capital	48,928	74,997
GIC's	168,507	305,676
Current account	<u>341,978</u>	<u>282,703</u>
	<u>\$ 559,813</u>	<u>\$ 663,776</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

7. RECEIVABLES

	<u>2012</u>	<u>2011</u>
Property tax	\$ 88,609	\$ 92,343
Poll tax	93,331	65,357
Water and sewer tax	250,827	49,415
Business tax	<u>24,503</u>	<u>24,903</u>
	457,270	232,018
Allowance for doubtful receivables	<u>(199,598)</u>	<u>(82,959)</u>
	257,672	149,059
Miscellaneous	154,828	108,267
HST rebate	<u>45,869</u>	<u>9,670</u>
	458,369	266,996
Economic development - net	-	57,328
Land rents	431	490
Capital	<u>246,265</u>	<u>7,718</u>
	<u>\$ 705,065</u>	<u>\$ 332,532</u>

ARREARS OF REVENUE

Taxes and rates receivable totalled \$457,270 at December 31, 2012. Of this amount \$126,656 has been outstanding for one year or longer, while the balance of \$330,614 represents arrears on account of taxes and rates levied in 2012. Current collections in 2012, on taxes, amounted to 85.91% of the amounts levied in 2012.

The amount for doubtful accounts amounted to \$199,598 at December 31, 2012 (2011 - \$82,959). 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.

The Town of Bishops Falls imposed a water and sewer tax on the hyrdoelectric facilities on Powerhouse Road in the amount of \$200,000. This amount is in dispute with the Department of Natural Resources. The town is currently working with Nalcor, the Crown Corporation mandated to manage this asset, to resolve the issue. Thus this receivebale skews the collection rate for 2012.

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

8. ACCOUNTS, PAYABLE AND ACCRUED

	<u>2012</u>	<u>2011</u>
Trade	\$ 87,470	\$ 165,572
Taxes paid in advance	16,242	18,433
Unearned revenue	130,935	382,572
Payroll deductions	20,001	4,087
Accrued interest	71,079	77,893
Accrued severance	<u>135,826</u>	<u>125,888</u>
	461,553	774,445
Capital payable	367,256	7,204
HST payable to province	<u>9,039</u>	<u>9,039</u>
	<u>\$ 837,848</u>	<u>\$ 790,688</u>

9. LONG-TERM DEBT

	<u>2012</u>	<u>2011</u>
Newfoundland Municipal Financing Corporation		
7.375% repayable in semi-annual installments of \$7,458 including interest, repaid during year	-	7,193
	Water supply	
6.375% repayable in semi-annual installments of \$30,077 including interest, maturing Feb 2014	84,770	137,009
	Paving	
6.375% repayable in semi-annual installments of \$2,640 including interest, maturing Feb 2014	7,441	12,027
	Paving	
7.25% repayable in semi-annual installments of \$1,373 including interest, maturing 2016	8,355	10,383
7.25% repayable in semi-annual installments of \$2,172 including interest, maturing 2016	13,220	16,430
6.75% repayable in semi-annual installments of \$2,400 including interest, maturing 2013	2,321	6,740
6.75% repayable in semi-annual installments of \$19,457 including interest, maturing 2013	18,822	54,641
6.75% repayable in semi-annual installments of \$9,599 including interest, maturing 2018	87,003	99,684
Ford Credit Corporation		
9.25% repayable in annual installments of \$29,513 including interest, maturing May, 2006	<u>41,129</u>	<u>49,878</u>
Subtotal	<u>\$ 263,061</u>	<u>\$ 393,985</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

9. LONG TERM DEBT (CONTINUED)

	<u>2012</u>	<u>2011</u>
Balance forward	\$ <u>263,061</u>	\$ <u>393,985</u>
Canadian Imperial Bank of Commerce		
NMFC refinancing, repayable in annual instalments of \$65,414.59 including interest at 5.4%, maturing 2020	416,036	456,784
5.42% repayable in annual installments of \$53,158 including interest, maturing 2022	431,976	460,192
NMFC refinancing for street reconstruction, repayable in annual instalments of \$143,634, including interest at 4.92% maturing 2013	139,758	272,963
Capital Works for sewer loan, repayable in annual instalments of \$6,484, including interest at 7.35%, repaid during year	-	6,034
Bank of Montreal		
Temporary loan, water and sewer	164,654	164,654
Arena loan, repayable in 10 annual instalments of \$3,300, plus interest at 4.65%, maturing 2021	29,700	33,000
loan repayable in annual instalments of \$9,505 plus interest at 3.27%, maturing 2021	85,548	95,054
loan repayable in annual instalments of \$184,892 plus interest at 3.27%, maturing 2023	<u>2,033,817</u>	<u>2,218,710</u>
	3,564,550	4,101,376
Current maturities	<u>(529,632)</u>	<u>(545,481)</u>
	<u>\$ 3,034,918</u>	<u>\$ 3,555,895</u>

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

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>2012</u>	<u>2011</u>
2013	\$ 529,632	\$ 545,481
2014	346,691	529,504
2015	322,159	346,691
2016	326,212	322,159
2017	318,322	326,233

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>2012</u>	<u>2011</u>
Income	\$ <u>76,888</u>	\$ <u>91,684</u>
Expenditure		
Salaries	43,482	46,309
Purchased services	61,763	57,669
Supplies	<u>33,879</u>	<u>40,813</u>
	<u>139,124</u>	<u>144,791</u>
Deficit, end of year	\$ <u>(62,236)</u>	\$ <u>(53,107)</u>

11. 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.

**TOWN OF BISHOP'S FALLS
NOTES TO THE AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012**

12.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.

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 1.

	Opening Balance	Additions	Disposals & Write downs	2012 Closing Balance	2011 Totals
COST					
Land	\$ 104,952	\$ -	\$ -	\$ 104,952	\$ 104,952
Buildings & leaseholds	145,335	7,430	-	152,765	145,335
Recreation	2,327,114	18,667	-	2,345,781	2,327,114
Equipment	1,800,279	235,876	-	2,036,155	1,800,279
Roads and bridges	3,511,655	458,149	-	3,969,804	3,511,655
Water and sewer	<u>7,036,963</u>	<u>870,215</u>	<u>-</u>	<u>7,907,178</u>	<u>7,036,963</u>
	<u>\$14,926,298</u>	<u>\$ 1,590,337</u>	<u>\$ -</u>	<u>\$16,516,635</u>	<u>\$14,926,298</u>
ACCUMULATED AMORTIZATION					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and leaseholds	90,831	3,578	-	94,409	90,831
Recreation	1,920,669	30,080	-	1,950,749	1,920,669
Equipment	1,537,789	65,995	-	1,603,784	1,537,789
Roads and bridges	2,429,778	84,690	-	2,514,468	2,429,778
Water and sewer	<u>4,793,861</u>	<u>117,420</u>	<u>-</u>	<u>4,911,281</u>	<u>4,793,861</u>
	<u>\$10,772,928</u>	<u>301,763</u>	<u>\$ -</u>	<u>\$11,074,691</u>	<u>\$10,772,928</u>
NET BOOK VALUE				<u>\$ 5,441,944</u>	<u>\$ 4,153,370</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 2.

	<u>2012</u>	<u>2011</u>
REVENUE FROM TAXATION		
- Property tax	\$ 1,333,897	\$ 1,292,545
- Poll tax	76,895	83,834
- Water and sewer tax	885,875	685,306
- Grants in lieu of taxes	157,816	145,958
- Business tax	<u>109,324</u>	<u>112,069</u>
	<u>\$ 2,563,807</u>	<u>\$ 2,319,712</u>
 SALE OF GOODS AND SERVICES		
- Sale of land and building sites	\$ 39,305	\$ (6,142)
- Sale of fixed assets	<u>-</u>	<u>2,470</u>
	<u>\$ 39,305</u>	<u>\$ (3,672)</u>
 OTHER REVENUES FROM OWN SERVICES		
- Licences and permits	\$ 2,795	\$ 2,505
- Tax certificates	3,300	2,850
- Rentals	27,601	25,842
- Interest collected on overdue accounts	21,215	17,524
- Other general	<u>50,968</u>	<u>90,146</u>
	<u>\$ 105,879</u>	<u>\$ 138,867</u>
 GOVERNMENT TRANSFERS		
- Municipal operating grant	\$ 177,611	\$ 177,611
- Province portion of debt charges	142,894	206,596
- Capital grants	1,395,220	825,433
- Grants - other	<u>1,910</u>	<u>129,428</u>
	<u>\$ 1,717,635</u>	<u>\$ 1,339,068</u>
 TOTAL REVENUES	 <u>\$ 4,426,626</u>	 <u>\$ 3,793,975</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 3.

	<u>2012</u>	<u>2011</u>
GENERAL GOVERNMENT		
Council		
- remuneration for councillors	\$ <u>45,912</u>	\$ <u>47,654</u>
General Administration		
- wages and benefits	314,068	263,093
- travel	4,490	6,401
- supplies	47,819	39,842
- purchased services	28,224	32,310
- professional services	37,663	22,725
- insurance	69,198	68,401
- elections	-	-
- Professional development	<u>-</u>	<u>6,388</u>
	<u>501,462</u>	<u>439,160</u>
Property Assessment Services		
- purchased services	<u>46,922</u>	<u>46,690</u>
General Maintenance		
- amortization of building & equipment	<u>8,213</u>	<u>6,177</u>
TOTAL GENERAL GOVERNMENT	\$ <u>602,509</u>	\$ <u>539,681</u>

PROTECTIVE SERVICES

Fire Protection		
- Fire protection -supplies & purchased services	\$ 78,651	\$ 53,705
- Amortization of building, vehicles & equipment	35,112	30,983
- Animal control	<u>6,174</u>	<u>5,872</u>
	<u>\$ 119,937</u>	<u>\$ 90,560</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 3.

Schedule 2 (Continued)	<u>2012</u>	<u>2011</u>
TRANSPORTATION SERVICES		
Vehicle and Fleet Operation and Maintenance		
- wages, benefits & supplies	\$ 102,430	\$ 223,604
- Amortization of building, equipment, roads, etc	<u>110,938</u>	<u>94,711</u>
	<u>213,368</u>	<u>318,315</u>
Road Maintenance		
- wages and benefits	252,368	222,966
- purchased services	29,556	61,709
- supplies	<u>61,708</u>	<u>51,538</u>
	<u>343,632</u>	<u>336,213</u>
Snow Removal		
- supplies	15,353	29,247
- wages and benefits	<u>19,083</u>	<u>67,968</u>
	<u>34,436</u>	<u>97,215</u>
Street Lighting		
- purchased services	<u>82,016</u>	<u>80,244</u>
TOTAL TRANSPORTATION SERVICES	\$ <u>673,452</u>	\$ <u>831,987</u>
 ENVIRONMENTAL HEALTH		
Water and Sewer		
- wages and benefits	\$ 11,133	\$ 9,585
- supplies and travel	16,128	12,192
- purchased services	137,624	119,185
- Amortization	<u>117,420</u>	<u>115,983</u>
	<u>282,305</u>	<u>256,945</u>
Garbage and Waste Collection and Disposal		
- wages and benefits	17,982	12,955
- supplies	<u>154,903</u>	<u>55,471</u>
	<u>172,885</u>	<u>68,426</u>
TOTAL ENVIRONMENTAL HEALTH	\$ <u>455,190</u>	\$ <u>325,371</u>

**TOWN OF BISHOP'S FALLS
CONSOLIDATED SHCEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 3.

Schedule 2 (Continued)	<u>2012</u>	<u>2011</u>
PUBLIC RELATIONS		
Community Improvement & Development		
- Grants and subsidies	\$ 14,095	\$ 84,450
- Purchased services	<u>6,471</u>	<u>4,956</u>
TOTAL PLANNING AND DEVELOPMENT	<u>\$ 20,566</u>	<u>\$ 89,406</u>
 RECREATION AND CULTURAL SERVICES		
Programs	\$ 7,451	\$ 8,524
Amortization	30,080	29,600
Administration salaries	93,889	73,260
Stadium (note 7)	62,236	53,107
Parks and playgrounds	<u>3,742</u>	<u>5,365</u>
TOTAL RECREATION AND CULTURAL SERVICES	<u>\$ 197,398</u>	<u>\$ 169,856</u>
 FISCAL SERVICES		
Interest charges from all Sources	<u>\$ 90,508</u>	<u>\$ 377,238</u>
Transfer to Own Reserves and Other Funds		
- provision for uncollectible taxes	201,497	131,815
- other losses or allowances	-	-
- capital expenditures out of revenue	-	-
- bank service charges	<u>18,759</u>	<u>18,297</u>
	<u>220,256</u>	<u>150,112</u>
TOTAL FISCAL SERVICES	<u>\$ 310,764</u>	<u>\$ 527,350</u>
 TOTAL EXPENDITURES	<u>\$ 2,379,816</u>	<u>\$ 2,574,211</u>

**TOWN OF BISHOP'S FALLS
RECONCILIATION OF FINANCIAL PLAN TO THE BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2012**

Schedule 4.

REVENUE	FINANCIAL PLAN	AMORTIZATION TCA	CAPITAL ITEMS	LONG TERM ACCRUALS	CONSOLIDATED ENTITIES	PSAB BUDGET
Taxation	\$ 2,341,302	\$ -	\$ -	\$ -	\$ -	\$ 2,341,302
Sales of goods and services	118,326	-	-	-	-	118,326
Grants and transfers	576,652	-	1,246,758	-	-	1,823,410
Other revenue	<u>31,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,296</u>
Total revenue	<u>3,067,576</u>	<u>-</u>	<u>1,246,758</u>	<u>-</u>	<u>-</u>	<u>4,314,334</u>
EXPENSES						
General government	\$ 535,586	\$ 8,213	\$ -	\$ -	\$ -	\$ 543,799
Protective Services	85,778	35,112	-	-	-	120,890
Transportation Services	806,763	110,938	-	-	-	917,701
Environmental health services	297,963	117,420	-	-	-	415,383
Recreational and cultural services	236,029	30,080	-	-	-	266,109
Fiscal services						
Other	399,167	-	(148,462)	-	-	250,705
Debt charges	<u>706,290</u>	<u>-</u>	<u>-</u>	<u>(536,826)</u>	<u>-</u>	<u>169,464</u>
Total Expenses	<u>\$ 3,067,576</u>	<u>\$ 301,763</u>	<u>\$ (148,462)</u>	<u>\$ (536,826)</u>	<u>\$ -</u>	<u>\$ 2,684,051</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (301,763)</u>	<u>\$ 1,395,220</u>	<u>\$ 536,826</u>	<u>\$ -</u>	<u>\$ 1,630,283</u>

Lori K. Mercer, Chartered Accountant