

Town of Winterton
Financial Statements
December 31, 2013

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STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Winterton 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 Canadian 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.

Byron Smith, 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. The Auditor's opinion is based upon an examination conducted in accordance with Canadian generally accepted accounting standards, performing such tests and other procedures as they consider 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

Town Clerk



DR. D. SMITH, B. Comm., C.F.E., C.A.

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of:
Town of Winterton

Report on the Financial Statements

I have audited the accompanying financial statements of the Town of Winterton, which is comprised of the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets (Net Debt), the Consolidated Statement of Cash Flows, a summary of significant accounting policies and other explanatory information for the year ended, December 31, 2013.

Municipality's Responsibility for the Consolidated Financial Statements

It is the responsibility of the management of the Town of Winterton 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure's selected depend on the auditor's judgement, including the assessment of the 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 purposes 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.

Basis for Qualified Audit Opinion

The Town's consolidated entities, including the Municipal Park, Ambulance Services, Recreation Commission, Heritage Advisory and Fire Department derives revenue from various sources the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenue was limited to the amounts recorded in the records of the Municipal Park, Ambulance Services, Recreation Commission, Heritage Advisory and Fire Department, and I was not able to determine whether any adjustments might be necessary for revenue, surplus for the year and net assets.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Audit Opinion paragraph and adjustments, if any, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Winterton as at December 31, 2013 and the results of its operations and the changes in its cash flows for the year then ended in accordance with the standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

Other Matters

In compliance with the requirements of Section 91 of the Municipalities Act, 1999, my report on statutory requirements is included herewith.

Spaniard's Bay, NL
September 16, 2014

Byron Smith
CHARTERED ACCOUNTANT

Town of Winterton
Consolidated Statement of Financial Position

As at December 31,	2013	2012
FINANCIAL ASSETS		
Cash (Note 5)	\$ 86,251	\$ 105,756
Accounts receivable (Note 6)	36,799	26,785
Due from Province, Provincial share of long term debt	26,435	30,336
Due from Province, Municipal Operating Grant	<u>30,340</u>	<u>20,227</u>
	<u>\$ 179,825</u>	<u>\$ 183,104</u>
<hr/>		
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 73,201	\$ 70,669
Long term debt (Note 8)	<u>74,468</u>	<u>159,788</u>
	<u>147,669</u>	<u>230,457</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 32,156</u>	<u>\$ (47,353)</u>
<hr/>		
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 1)	<u>\$ 1,333,101</u>	<u>\$ 1,436,804</u>
ACCUMULATED SURPLUS	<u>\$ 1,365,257</u>	<u>\$ 1,389,451</u>

On Behalf of the Town:

_____ Mayor _____

_____ Town Treasurer

The accompanying notes are an integral part of these financial statements.

**Town of Winterton
Consolidated Statement of Operations**

For the Year Ended December 31,	PSAB Budget	Actual	
		2013	2012
Revenue			
Taxation			
Taxation Revenue (Schedule 2)	\$ 342,958	\$ 335,333	\$ 306,651
Sale of Goods and Services & Other Revenue (Schedule 2)	25,650	15,602	46,115
Grants and Transfers (Schedule 2)	51,508	63,704	88,940
Recreation, Cultural, Ambulance Services and other Services (Schedule 2)	<u>394,826</u>	<u>411,002</u>	<u>449,651</u>
Total Revenue	<u>814,942</u>	<u>825,641</u>	<u>891,357</u>
Expenditures			
General Government Services (Schedule 3)	167,593	152,418	142,184
Protective Services (Schedule 3)	25,751	49,862	50,646
Transportation Services (Schedule 3)	72,703	147,251	181,185
Environmental Health Services (Schedule 3)	92,424	81,358	85,831
Recreation, Cultural, Ambulance (Schedule 3)	444,993	412,953	493,570
Fiscal Services (Schedule 3)	<u>5,993</u>	<u>5,993</u>	<u>28,061</u>
Total Expenditures	<u>809,457</u>	<u>849,835</u>	<u>981,477</u>
Deficit for the year	\$ <u>5,485</u>	\$ <u>(24,194)</u>	\$ <u>(90,120)</u>
<hr/>			
Surplus, Beginning of the year		\$ 1,389,451	\$ 1,479,571
Deficit for the year		<u>(24,194)</u>	<u>(90,120)</u>
Surplus, End of the year		\$ <u>1,365,257</u>	\$ <u>1,389,451</u>

The accompanying notes are an integral part of these financial statements.

Town of Winterton
Consolidated Statement of Change in Net Financial Assets (Net Debt)

For the Year Ended December 31,	Actual	
	2013	2012
ANNUAL SURPLUS	\$ (24,194)	\$ (90,120)
Acquisition of tangible capital assets	(21,659)	(20,253)
Amortization of tangible capital assets	<u>125,362</u>	<u>150,615</u>
CHANGE IN NET FINANCIAL ASSETS	79,509	40,242
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>(47,353)</u>	<u>(87,595)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ <u>32,156</u>	\$ <u>(47,353)</u>

The accompanying notes are an integral part of these financial statements.

Town of Winterton
Statement of Cash Flows

For the Year Ended December 31,

2013

2012

CASH FLOWS FROM OPERATING ACTIVITIES

Cash provided From (Used For):

Operating activities		
Surplus (deficit) for the year	\$ (24,194)	\$ (90,120)
Amortization	<u>125,362</u>	<u>150,615</u>
	101,168	60,495
Changes in:		
Receivables	(10,014)	12,053
Due from Province	(6,212)	15,001
Payables and accruals	2,535	(24,909)
Deferred revenue - Gas Tax Grants	<u> </u>	<u>(2,528)</u>
Net cash provided by operating activities	<u>87,477</u>	<u>60,112</u>
Cash Flows from Financing Activities		
Repayment of long-term debt	<u>(85,323)</u>	<u>(96,572)</u>
Cash Flows from Investing Activities		
Capital asset purchases - net	<u>(21,659)</u>	<u>(20,253)</u>
Net cash provided (used)	(19,505)	(56,713)
Cash, beginning of year	<u>105,756</u>	<u>162,469</u>
Cash, end of year	\$ <u>86,251</u>	\$ <u>105,756</u>
Other items:		
Interest paid	\$ <u>5,338</u>	\$ <u>7,551</u>

The accompanying notes are an integral part
of these financial statements.

December 31, 2013

1. Status of the Town of Winterton

The incorporated Town of Winterton is a municipal government that was incorporated in 1964 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:

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.

Investments

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

Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

There are no landfill post closure costs accrued since Council feels any costs incurred would be the responsibility of the Provincial Government.

Non-Financial Assets

Non-financial assets are not 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.

December 31, 2013

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	N/A
Buildings	25 years
Machinery and Equipment	5 - 10 years
Recreation Facilities	10 - 25 years

Infrastructure Assets

Roads and Improvements	20 -30 years
Water and Sewer System	30 to 50 years

Revenue Recognition

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

Expenditure Recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Use of Estimates

The preparation of the Company's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

3. The manner in which the accounts have been kept and the safeguards against fraud

The Municipality's position in these respects was not considered satisfactory. Due to the limited number of staff there was a lack of segregation of duties over the custody and control of cash transactions. This is an inherent problem in municipalities of this size.

4. Sufficiency of Bonds

Fidelity bond coverage of \$ 50,000 is carried on employees of the municipality who are in a position of trust.

Town of Winterton
Notes to the Financial Statements

December 31, 2013

5. Cash and Temporary Investments	<u>2013</u>	<u>2012</u>
Cash and temporary investments are comprised of the following:		
Cash - Town	\$ 12,145	\$ 9,696
Cash - Consolidated Entities	<u>74,106</u>	<u>96,060</u>
	<u>\$ 86,251</u>	<u>\$ 105,756</u>
 6. Accounts Receivable	 <u>2013</u>	 <u>2012</u>
Taxes:		
Taxes receivable	\$ 52,394	\$ 39,532
HST Rebate	4,983	9,380
Other	<u>1,606</u>	<u>575</u>
	58,983	49,487
Allowance for doubtful accounts	<u>(22,184)</u>	<u>(22,702)</u>
	<u>\$ 36,799</u>	<u>\$ 26,785</u>
 7. Accounts Payable and Accrued Liabilities	 <u>2013</u>	 <u>2012</u>
Accounts payable	\$ 49,725	\$ 39,381
Prepaid camping fees	20,900	26,005
Prepaid sales/ deposits	<u>2,576</u>	<u>5,283</u>
	<u>\$ 73,201</u>	<u>\$ 70,669</u>
 8. Long Term Debt	 <u>2013</u>	 <u>2012</u>
Newfoundland Municipal Finance Corporation:		
8.375%, repayable in blended semi-annual installments of \$2,887, maturing 2019.	\$ 26,435	\$ 30,336
Bank Loans:		
Prime plus 2%, repayable in blended monthly installments of \$6,185, maturing 2014.	42,151	116,011
5.44%, repayable in blended monthly installments of \$1,035, maturing 2013.		1,142
2%, repayable in monthly installments of \$535 plus interest, maturing 2014.	<u>5,882</u>	<u>12,299</u>
Total long term debt	<u>\$ 74,468</u>	<u>\$ 159,788</u>
The annual repayments required over next 5 years on existing long-term debt are as follows:		
2014	\$ 52,233	
2015	\$ 4,400	
2016	\$ 4,600	
2017	\$ 4,800	
2018	\$ 5,000	

December 31, 2013

9. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current years presentation.

10. Financial Instruments

The Municipality, as part of its operations, carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

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 recommendations of PSAB.

The budget figures used in these financial statements have been approved by Council and the Minister.

12. Changes in Accounting Policies

In 2009 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 governments 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 governments 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 a Municipality should record the cost of remediation for contaminated sites. Management has represented that they are not aware of any such liabilities.

Finally, PSAB also requires that the government reporting entity include all the 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.

Town of Winterton
 Consolidated Schedule of Tangible Capital Assets
 For the Year Ended December 31, 2013

Schedule 1

	General Capital Assets							Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Recreation Facilities	Heritage Facilities	Roads, Streets and Bridges	Infrastructure Water and Sewer Incinerator			
Opening Costs	\$ 2,850	\$ 238,717	\$ 648,342	\$ 706,499	\$ 730,627	\$ 314,440	\$ 1,471,262	\$ 4,178,953	\$ 4,161,700	
Additions during the year			4,050	17,609					21,659	
Disposals and write downs									20,253	
Closing Costs	2,850	238,717	652,392	724,108	730,627	314,440	1,471,262	4,200,612	4,178,953	
Accumulated Amortization										
Opening accum'd amortization			541,636	383,272	181,204	157,658	1,153,447	66,215	2,594,534	
Amortization			25,875	28,260	29,225	12,578	29,424	125,362	150,615	
Disposals and write downs									3,000	
Closing accum'd amortization			567,511	421,532	210,429	180,236	1,182,871	66,215	2,742,149	
Net Book Value of Tangible Capital Assets	\$ 2,850	\$	\$ 84,881	\$ 302,576	\$ 520,198	\$ 134,204	\$ 298,391	\$ 1	\$ 1,333,101	\$ 1,436,804



Town of Winterton
Consolidated Schedule of Revenues

For the Year Ended December 31,	Financial Plan	Schedule 2	
		Actual 2013	2012
Taxation			
Property tax	\$ 151,173	\$ 147,705	\$ 109,199
Poll tax	11,250	10,507	13,207
Business and utility tax	40,111	47,507	55,349
Water and sewer tax	115,724	108,683	111,398
Tax agreements	23,500	13,500	13,000
Licences, permits and fees	<u>1,200</u>	<u>7,431</u>	<u>4,498</u>
	<u>342,958</u>	<u>335,333</u>	<u>306,651</u>
Recreation sales of goods and services			
Incinerator and garbage fees			11,709
Other income	<u>25,650</u>	<u>15,602</u>	<u>34,406</u>
	<u>25,650</u>	<u>15,602</u>	<u>46,115</u>
Grants and transfers			
Government of Newfoundland and Labrador			
Municipal operating grant	30,341	60,681	60,681
Province - debt charges	21,167	1,873	2,160
Gas tax revenue	28,941		2,528
Other grants	<u>500,000</u>	<u>1,150</u>	<u>23,571</u>
	<u>580,449</u>	<u>63,704</u>	<u>88,940</u>
Other transfers			
Reserves	<u>22,606</u>		
Other revenue			
Ambulance Services - subsidies and fees		201,250	198,769
Fire Department	5,000	13,816	12,788
Heritage Advisory - various grants and revenue		14,209	55,531
Recreation Commission		23,576	34,569
Park - operating grants and fees	<u>165,000</u>	<u>158,151</u>	<u>147,994</u>
Subtotal other revenue	<u>170,000</u>	<u>411,002</u>	<u>449,651</u>
Total Revenue	\$ <u>1,141,663</u>	\$ <u>825,641</u>	\$ <u>891,357</u>

Town of Winterton
Consolidated Schedule of Expenses

For the Year Ended December 31,	Financial Plan	Actual	
		2013	Schedule 3 2012
General Government Services			
Salaries and benefits	\$ 101,343	\$ 60,185	\$ 38,728
Office	4,000	6,031	6,689
Other general expenses	39,500	67,995	78,964
Legislative	7,750	3,675	3,419
Property assessment services	<u>15,000</u>	<u>14,532</u>	<u>14,384</u>
	<u>167,593</u>	<u>152,418</u>	<u>142,184</u>
Protective Services			
Fire protection	6,500	12,804	13,271
Emergency Preparedness and response	195,000		
Fire Department expense		14,753	16,610
Amortization		2,251	1,000
Insurance	<u>17,000</u>	<u>20,054</u>	<u>19,765</u>
	<u>218,500</u>	<u>49,862</u>	<u>50,646</u>
Transportation Services			
Road maintenance	10,500	85,891	92,044
Snow clearing	6,000	2,481	4,737
Street lighting	20,000	22,676	20,415
Amortization		<u>36,203</u>	<u>63,989</u>
	<u>36,500</u>	<u>147,251</u>	<u>181,185</u>
Fiscal Services			
Fiscal services - other	16,454	655	20,510
Capital expenditures	28,941		
Debt charges - interest on long term debt	118,069	5,338	7,551
Transfer to reserves and deficit reduction	<u>22,606</u>		
	<u>186,070</u>	<u>5,993</u>	<u>28,061</u>
Environmental Health Services			
Garbage and waste collection and disposal	48,000	35,686	48,996
Water and sewer operations	15,000	16,248	7,410
Amortization		<u>29,424</u>	<u>29,425</u>
	<u>63,000</u>	<u>81,358</u>	<u>85,831</u>
Recreation, Cultural and Other Services			
Recreation Commission	40,000	17,275	39,566
Ambulance operations		205,233	203,880
Parks and playgrounds	125,000	113,749	127,703
Heritage Advisory Board	305,000	19,211	65,936
Amortization		<u>57,485</u>	<u>56,485</u>
	<u>470,000</u>	<u>412,953</u>	<u>493,570</u>
Total Expenses	\$ 1,141,663	\$ 849,835	\$ 981,477

	Financial Plan	Amortization - Town	Interest Expense	Transfers	Long Term Accruals	Actual Amounts Consolidated Entities	(PSAB) Budget
REVENUE							
Taxation	\$ 342,958					\$	342,958
Sales of goods and services	25,650						25,650
Grants and transfers	580,449		\$	(528,941)			51,508
Transfers from reserves	22,606			(22,606)			
Other revenue	170,000					\$	224,826
Total revenue	1,141,663			(551,547)		224,826	814,942
EXPENSES							
General government services	167,593						167,593
Protective services	218,500	\$ 2,251		(195,000)			25,751
Transportation services	36,500	36,203					72,703
Fiscal services	186,070			(180,077)			5,993
Environmental health services	63,000	29,424					92,424
Recreation, cultural and other services	470,000	57,485		(305,000)		222,508	444,983
Total expenses	1,141,663	125,363		(680,077)		222,508	809,457
Surplus(Deficit)		\$ (125,363)	\$	128,530	\$	2,318	\$ 5,485

September 16, 2014

To the Mayor and Councillors of:
Town of Winterton

In compliance with the requirements of section 91 of the Municipalities Act, my report as follows on the audit of the accounts of the Council for the year ended December 31, 2013.

Expenditures in relation to budget:

Actual expenditures of \$ 849,835 were in excess of the limits of the adopted budget by \$40,378. Section 81 of the Act provides that except with the approval of the Minister, the Council's expenditures shall not exceed the estimated amount of expenditures set out in an approved budget.

Arrears on revenue:

Taxes and rates receivable totaled \$52,394 at December 31, 2013. Of this amount, \$ 23,672 has been outstanding for one year or longer, while the balance of \$ 28,722 represents arrears on account of taxes and rates levied in 2013.

There was an allowance for doubtful accounts of \$22,184 at December 31, 2013. In my opinion this allowance is considered adequate to cover any potential uncollectible accounts.

The manner in which the accounts have been kept and the adequacy of safeguards against fraud:

The position in this respect was not considered satisfactory, since there are some control weaknesses which are inherent with the municipalities of this size.

Sufficiency of bonds:

Fidelity bond coverage of is carried on employees of the Council who are in a position of trust. In my opinion, the coverage provided is sufficient.

BYRON D. SMITH
CHARTERED ACCOUNTANT
Spaniard's Bay, Newfoundland

**Auditor's Report
On Compliance with Federal Gas Tax Funding Agreement**

To: Mayor and Councillors,
Town of Winterton, NL

I have audited the Annual Expenditure Report - Gas Tax Funding Agreement for the Town of Winterton and the Town's compliance as at December 31, 2013 with the criteria established for eligible expenditures as outlined in the Agreement signed May 23, 2007. Compliance with the criteria established by the agreement is the responsibility of the management of the Town. My responsibility is to express an opinion on this overall compliance based on my audit.

I conducted my audit in accordance with the Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the Town complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting the compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, as at December 31, 2013, the amounts disclosed in the Annual Expenditure Report by the Town of Winterton is not materially misstated and is in compliance, in all material respects, with the criteria established for eligible expenditures as set out under the terms and conditions of the Gas Tax Funding Agreement.

Spaniard's Bay, NL
September 16, 2014


CHARTERED ACCOUNTANT

Town of Winterton
Annual Expenditures Report

For the Year Ended December 31, 2013

	<u>2013</u>	<u>Cumulative</u>
Balance unspent as at December 31, 2012	\$ 2,528	
Spent on eligible projects	2,528	\$ 88,335
Received from Newfoundland and Labrador in 2013	<u> </u>	<u>88,335</u>
Balance available as at December 31, 2013	\$ <u>NIL</u>	\$ <u>NIL</u>

The projects approved for this program are specifically for road improvement.

Certification

This is to certify that for the year ended December 31, 2013 the Town of Winterton has complied with the terms and conditions of the Gas Tax Funding Agreement.

_____ Mayor