

**VILLAGE OF BATH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

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# McCAIN & COMPANY

Chartered Accountants

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Fred H Mc Cain, CA  
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## AUDITORS' REPORT

**TO HIS HONOUR THE MAYOR  
AND MEMBERS OF THE COUNCIL  
VILLAGE OF BATH  
BATH, NB  
E7J 1C3**

We have examined the balance sheets of the general capital, general operating, utility capital and utility operating of the **VILLAGE OF BATH** as at December 31, 2008 and the related statements of capital assets, investment in capital assets, changes in capital financing, revenue and expenditure and equity for the year then ended. These financial statements are the responsibility of the mayor and council. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles adopted for New Brunswick municipalities.

  
CHARTERED ACCOUNTANTS

FLORENCEVILLE, NB

MARCH 11, 2009

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2008**

1.

	2008	2007
<b>ASSETS</b>		
<b>CAPITAL ASSETS (Page 2)</b>	\$ 959,594	\$ 761,183
<b>LIABILITIES</b>		
<b>BANK LOAN PAYABLE</b>	\$	\$ 10,000
<b>DEBENTURE PAYABLE (Note 2)</b>	205,000	
	205,000	10,000
<b>EQUITY</b>		
<b>INVESTMENT IN CAPITAL ASSETS (Page 3)</b>	754,594	751,183
	\$ 959,594	\$ 761,183

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

March 11, 2009

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL ASSETS  
AS AT DECEMBER 31, 2008**

2.

	<b>Building</b>	<b>Engineering Structures</b>	<b>Machinery &amp; Equipment</b>	<b>2008</b>	<b>2007</b>
<b>GENERAL GOVERNMENT</b>					
Bath Town Hall	\$ 90,867	\$	\$ 22,152	\$ 113,019	\$ 107,082
<b>TRANSPORTATION</b>					
Streets and sidewalks		694,167	2,083	696,250	503,750
Maintenance truck					
Tractor			34,017	34,017	34,043
Community van			28,650	28,650	28,650
		694,167	64,750	758,917	566,443
<b>RECREATION AND CULTURAL</b>					
Boardwalk		4,464		4,464	4,464
Swimming pool		48,150	19,995	68,145	68,145
Park and playgrounds			7,949	7,949	7,949
Christmas lights			7,100	7,100	7,100
		52,614	35,044	87,658	87,658
	\$ 90,867	\$ 746,781	\$ 121,946	\$ 959,594	\$ 761,183

**VILLAGE OF BATH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF INVESTMENT IN CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2008**

3.

	2008	2007
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 751,183	\$ 754,682
Asset additions	217,571	65,361
Asset disposals at cost	(19,160)	(58,860)
Bank loan		(10,000)
Debenture payable	(195,000)	
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 754,594</b>	<b>\$ 751,183</b>

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FINANCING  
YEAR ENDED DECEMBER 31, 2008**

4.

	2008	2007
<b>SOURCE</b>		
Transfer from General Operating Fund	\$ 14,571	\$ 55,361
Transfer from General Capital Reserve	8,000	
Bank loan		10,000
Debenture payable	195,000	
	\$ 217,571	\$ 65,361
<b>APPLICATION</b>		
Asset additions	\$ 217,571	\$ 65,361
	\$ 217,571	\$ 65,361

**VILLAGE OF BATH  
GENERAL CAPITAL RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2008**

5.

	2008	2007
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$ 13,000	\$ 8,000
	<u>\$ 13,000</u>	<u>\$ 8,000</u>
<b>EQUITY</b>		
Equity, beginning of the year	\$	\$
Transfers from General Operating Fund	13,000	8,000
Equity, end of the year	<u>\$ 13,000</u>	<u>\$ 8,000</u>



**VILLAGE OF BATH  
GENERAL OPERATING FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2008**

6.

	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 24,162	\$ 30,304
Accounts receivable	34,983	42,269
Prepaid expenses	7,410	653
Due from utility operating fund (Note 5)	23,354	
	<u>\$ 89,909</u>	<u>\$ 73,226</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 63,904	\$ 46,254
Due to general operating reserve fund (Note 5)	13,000	
Due to utility operating fund (Note 5)		23,171
Due to general capital reserve fund (Note 5)	13,000	8,000
	<u>89,904</u>	<u>77,425</u>
<b>SURPLUS (DEFICIT)</b>		
DEFICIT, beginning of the year	(4,199)	(19,380)
Surplus (deficit) for the year (Page 7)	(273)	278
Transfer of surplus second previous year	4,477	14,903
<b>SURPLUS (DEFICIT), end of the year</b>	<u>5</u>	<u>(4,199)</u>
	<u>\$ 89,909</u>	<u>\$ 73,226</u>

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

March 11, 2009

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2008**

7.

	2008		2007
	Budget	Actual	Actual
<b>REVENUE</b>			
Warrant	\$ 298,083	\$ 298,082	\$ 294,286
Services to other governments (Page 8)	1,047	2,077	1,047
Sale of services (Page 8)	25,528	26,695	27,242
Other own sources (Page 8)	7,970	19,590	75,957
Unconditional transfer - Province	48,811	48,812	47,855
	381,439	395,256	446,387
<b>EXPENDITURES</b>			
General government (Page 9)	80,331	76,144	62,812
Protective services (Page 9)	99,217	94,131	103,316
Transportation services (Page 10)	56,240	60,574	52,329
Environmental health services (Page 10)	35,796	35,895	34,524
Environmental development services (Page 10)	31,228	23,106	28,793
Recreation and cultural services (Page 10)	59,935	56,045	85,104
Fiscal services (Page 10)	18,692	49,634	79,231
	381,439	395,529	446,109
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$	\$ (273)	\$ 278

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2008**

8.

	2008		2007
	Budget	Actual	Actual
<b>SERVICES TO OTHER GOVERNMENTS</b>			
Province - garbage	\$	\$	\$
- lane marking	1,047	1,406	1,047
Other		671	
	\$ 1,047	\$ 2,077	\$ 1,047
<b>SALE OF SERVICES</b>			
Recreation and culture - pool	\$ 8,400	\$ 7,579	\$ 13,726
- other	3,600	3,980	725
Environmental development	13,528	15,136	12,791
	\$ 25,528	\$ 26,695	\$ 27,242
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Construction - building permits	\$ 50	\$ 228	\$ 148
Building rentals		25	25
Interest on investments	240	1,117	1,252
Proceeds on disposal of asset	.	9,308	14,000
Other	7,680	8,912	60,532
	\$ 7,970	\$ 19,590	\$ 75,957

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2008**

9.

	2008		2007
	Budget	Actual	Actual
<b>GENERAL GOVERNMENT</b>			
Legislative			
Mayor	\$ 4,846	\$ 4,859	\$ 4,846
Councillors	8,430	8,454	8,431
Other	1,900	1,705	1,829
	15,176	15,018	15,106
Administrative			
Clerk	37,060	32,925	14,665
Office building	14,819	13,915	5,139
Solicitor			2,865
Other	806	2,094	13,245
	52,685	48,934	35,914
Financial management			
External audit	2,000	2,294	1,120
Other government services			
Cost of assessment	4,320	4,320	4,145
Public liability insurance	6,150	5,578	6,527
	10,470	9,898	10,672
	\$ 80,331	\$ 76,144	\$ 62,812
<b>PROTECTIVE SERVICES</b>			
Police - R.C.M.P.	\$ 52,736	\$ 52,736	\$ 59,200
Fire - local service district	35,558	35,558	34,283
Water cost			
Animal control	3,723	3,723	4,336
Emergency measures	1,000		2,250
Building inspections	6,200	2,114	3,247
	\$ 99,217	\$ 94,131	\$ 103,316

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2008**

10.

	2008		2007
	Budget	Actual	Actual
<b>TRANSPORTATION SERVICES</b>			
Roads and streets			
Summer maintenance	\$ 13,802	\$ 13,979	\$ 8,097
Culverts and drainage Maintenance	1,551	781	228
Snow and ice removal	25,840	26,653	21,517
Street lighting	14,520	13,455	13,234
Other	527	5,706	9,253
	<u>\$ 56,240</u>	<u>\$ 60,574</u>	<u>\$ 52,329</u>
<b>ENVIRONMENTAL HEALTH</b>			
Garbage disposal	\$ 35,796	\$ 35,895	\$ 34,524
<b>ENVIRONMENTAL DEVELOPMENT</b>			
Beautification and land rehabilitation	\$ 31,228	\$ 23,106	\$ 28,793
<b>RECREATION AND CULTURAL SERVICE</b>			
Swimming pool	\$ 39,020	\$ 38,956	\$ 40,074
Other	20,915	17,089	45,030
	<u>\$ 59,935</u>	<u>\$ 56,045</u>	<u>\$ 85,104</u>
<b>FISCAL SERVICES</b>			
Principal payments	\$	\$	\$
Interest and service charges	9,315	1,089	967
Surplus of second previous year	4,477	7,974	14,903
Asset additions	4,900	14,571	55,361
Transfer to General Capital Reserve Fund		13,000	8,000
Transfer to General Operating Reserve Fund		13,000	
	<u>\$ 18,692</u>	<u>\$ 49,634</u>	<u>\$ 79,231</u>

**VILLAGE OF BATH  
GENERAL OPERATING RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2008**

11.

	2008	2007
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$ 13,000	\$
	\$ 13,000	\$
<b>EQUITY</b>		
Equity, beginning of the year	\$	\$
Transfers from General Operating Fund	13,000	
Equity, end of the year	\$ 13,000	\$

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2008**

	2008	2007
<b>ASSETS</b>		
CAPITAL ASSETS (Page 13)	\$ 5,042,268	\$ 4,891,218
	<u>\$ 5,042,268</u>	<u>\$ 4,891,218</u>
<b>LIABILITIES</b>		
BANK LOAN PAYABLE	\$ 48,452	\$ 182,000
DEBENTURES PAYABLE (Note 2)	306,000	101,000
	<u>354,452</u>	<u>283,000</u>
<b>EQUITY</b>		
INVESTMENT IN CAPITAL ASSETS (Page 14)	4,687,816	4,608,218
	<u>\$ 5,042,268</u>	<u>\$ 4,891,218</u>

**APPROVED BY:**

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Clerk

June 6, 2008

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 STATEMENT OF CAPITAL ASSETS  
 AS AT DECEMBER 31, 2008**

13.

	Land	Machinery & Equipment	2008	2007
<b>WATER SUPPLY</b>	\$ 10,445	\$ 1,140,337	\$ 1,150,782	\$ 1,011,719
<b>SEWER SYSTEM</b>	20,000	3,857,486	3,877,486	3,865,499
<b>MAINTENANCE VEHICLE</b>		14,000	14,000	14,000
	\$ 30,445	\$ 5,011,823	\$ 5,042,268	\$ 4,891,218



**VILLAGE OF BATH  
UTILITY CAPITAL FUND  
STATEMENT OF INVESTMENT IN CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2008**

14.

	<b>2008</b>	<b>2007</b>
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 4,608,218	\$ 4,557,382
Debenture repayments	8,000	15,000
Bank loan	(103,381)	(182,000)
Asset additions	151,049	217,836
Loan repayment	23,930	
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 4,687,816</b>	<b>\$ 4,608,218</b>

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 STATEMENT OF CAPITAL FINANCING  
 YEAR ENDED DECEMBER 31, 2008**

15.

	2008	2007
<b>SOURCE</b>		
Transfer from Utility Operating Fund	\$ 21,168	\$ 58,327
Bank loan	103,381	182,000
Transfer from Utility Capital Fund	34,500	
	<b>\$ 159,049</b>	<b>\$ 240,327</b>
<b>APPLICATION</b>		
Asset additions	\$ 151,049	\$ 225,327
Debenture repayments	8,000	15,000
	<b>\$ 159,049</b>	<b>\$ 240,327</b>

**VILLAGE OF BATH  
UTILITY CAPITAL RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2008**

16.

	2008	2007
<b>ASSETS</b>		
DUE FROM UTILITY OPERATING FUND (Note 5)	\$ 12,000	\$ 34,500
	\$ 12,000	\$ 34,500
<b>EQUITY</b>		
Equity, beginning of the year	\$	\$
Transfers from Utility Operating Fund	12,000	34,500
Equity, end of the year	\$ 12,000	\$ 34,500

**VILLAGE OF BATH  
 UTILITY OPERATING FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2008**

17.

	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 5,304	\$ 90,231
Accounts receivable	32,473	35,226
Prepaid expenses	8,581	939
Due from general operating fund (Note 5)		23,171
	<u>\$ 46,358</u>	<u>\$ 149,567</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 10,302	\$ 114,789
Due to general operating fund (Note 5)	23,354	
Due to utility capital reserve fund (Note 5)	12,000	34,500
	<u>45,656</u>	<u>149,289</u>
<b>SURPLUS</b>		
SURPLUS (DEFICIT), beginning of the year	278	(9,093)
Transfer of surplus, second previous year	578	8,515
Surplus (deficit) for the year (Page 18)	(154)	856
	<u>702</u>	<u>278</u>
SURPLUS end of the year (Note 3)	<u>\$ 46,358</u>	<u>\$ 149,567</u>

**APPROVED BY:**

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Clerk

June 6, 2008

**VILLAGE OF BATH  
 UTILITY OPERATING FUND  
 STATEMENT OF REVENUE AND EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2008**

18.

	2008		2007
	Budget	Actual	Actual
<b>REVENUE (Page 19)</b>			
Sale of Services			
Water supply	\$ 68,733	\$ 69,061	\$ 84,204
Sewer collection and disposal	110,911	112,719	115,478
Other revenue from own sources			
Water supply for fire protection transferred from General			
Interest on investments	85	1,380	1,410
Other	150	24,126	60,736
	179,879	207,286	261,828
<b>EXPENDITURES (Page 19)</b>			
Water supply	64,623	77,842	80,183
Sewer collection and disposal	74,004	55,069	71,864
Fiscal services	41,252	74,529	108,925
	179,879	207,440	260,972
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$	\$ (154)	\$ 856



**VILLAGE OF BATH  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES**

- a) The Village uses fund accounting to report its financial transactions. Revenue and expenditures are recorded on the accrual basis.
- b) Capital assets are recorded at cost with no provision for amortization. Funds received through capital assistance programs are recorded as additions to investments in capital assets.
- c) Principal repayments on long-term debt are recorded as an expenditure when paid.

**2. DEBENTURES PAYABLE - N.B. MUNICIPAL FINANCE CORPORATION**

	2008	2007
<b>General Capital Fund</b>		
a) 3.3% - 4.85% 10 year debenture (AY 25 ) due May 2018.	\$ 10,000	\$
a) 2.1% - 5.55%, 15 year debenture ( AZ 38 ) due December 2023.	195,000	
	\$ 205,000	\$
<b>Utility Capital Fund</b>		
a) 2.1% - 5.55%, 15 year debenture (AZ 39 ) due November 2023.	\$ 135,000	\$
b) 3.30% - 4.85%, 10 year debenture (AY 26 ) due May 2018.	78,000	
c) 3.31% - 5.66%, 10 year debenture ( AN 27 ) due December 2012, \$57,000 may be refinanced in December 2012 for a period not exceeding 5 years.	93,000	101,000
	\$ 306,000	\$ 101,000
<b>Principal payments due during 2009 - 2013</b>		
2009		\$ 40,000
2010		41,000
2011		42,000
2012		44,000
2013		34,000
		\$ 201,000

The approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt. The above schedule assumes refinancing options to be exercised at maturity.

**VILLAGE OF BATH  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2008**

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21.

**3. UTILITY OPERATING FUND SURPLUS (DEFICIT)**

The accumulated surplus (deficit) of this fund at December 31, 2008 consists of the following:

2007 surplus	\$	856
2008 deficit		(154)
		<hr/>
	\$	702
		<hr/> <hr/>

**4. WATER COST**

The village's water cost transfer is within the maximum allowable by regulation based on the applicable percentage of water system expenditures for the population.

**5. INTER-FUND ACCOUNTS**

All amounts owing to or from other funds at December 31, 2008 represent current year transactions and are in compliance with the policy established by the Department of Municipalities, Culture and Housing.

**6. SHORT-TERM BORROWING**

Borrowing to finance the General Fund and Utility Fund current operations is within the limits prescribed by the Municipalities Act.