

**VILLAGE OF BATH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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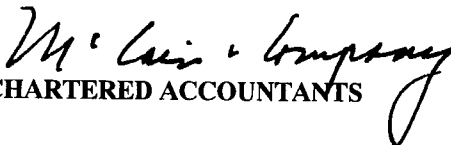
## AUDITORS' REPORT

**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, 2009 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, 2009 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-BRISTOL, NB**

**MARCH 10, 2010**

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

1.

	2009	2008
<b>ASSETS</b>		
CAPITAL ASSETS (Page 2)	\$ 959,594	\$ 959,594
<b>LIABILITIES</b>		
DEBENTURE PAYABLE (Note 2)	\$ 194,000	\$ 205,000
	194,000	205,000
<b>EQUITY</b>		
INVESTMENT IN CAPITAL ASSETS (Page 3)	765,594	754,594
	\$ 959,594	\$ 959,594

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

March 10, 2010

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL ASSETS  
AS AT DECEMBER 31, 2009**

2.

	<b>Building</b>	<b>Engineering Structures</b>	<b>Machinery &amp; Equipment</b>	<b>2009</b>	<b>2008</b>
<b>GENERAL GOVERNMENT</b>					
Bath Town Hall	\$ 90,867	\$	\$ 22,152	\$ 113,019	\$ 113,019
<b>TRANSPORTATION</b>					
Streets and sidewalks		694,167	2,083	696,250	696,250
Tractor			34,017	34,017	34,017
Community van			28,650	28,650	28,650
		694,167	64,750	758,917	758,917
<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	\$ 959,594

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF INVESTMENT IN CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2009**

3.

	2009	2008
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 754,594	\$ 751,183
Asset additions		217,571
Asset disposals at cost		(19,160)
Debenture payment	11,000	
Debenture payable		(195,000)
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 765,594</b>	<b>\$ 754,594</b>

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FINANCING  
YEAR ENDED DECEMBER 31, 2009**

4.

	2009	2008
<b>SOURCE</b>		
Transfer from General Operating Fund	\$	\$ 14,571
Transfer from General Capital Reserve		8,000
Debenture payable		195,000
	\$	\$ 217,571
<b>APPLICATION</b>		
Asset additions	\$	\$ 217,571
	\$	\$ 217,571

**VILLAGE OF BATH  
GENERAL CAPITAL RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

5.

	2009	2008
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$ 13,000	\$ 13,000
	\$ 13,000	\$ 13,000
<b>EQUITY</b>		
Equity, beginning of the year	\$ 13,000	\$ 13,000
Transfers from General Operating Fund		13,000
Equity, end of the year	\$ 13,000	\$ 13,000



**VILLAGE OF BATH  
GENERAL OPERATING FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

6.

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 34,217	\$ 24,162
Accounts receivable	19,573	34,983
Prepaid expenses	6,856	7,410
Due from utility operating fund (Note 5)	893	23,354
	\$ 61,539	\$ 89,909
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 39,105	\$ 63,904
Due to general operating reserve fund (Note 5)	10,000	13,000
Due to general capital reserve fund (Note 5)	13,000	13,000
	62,105	89,904
<b>SURPLUS (DEFICIT)</b>		
DEFICIT, beginning of the year	5	(4,199)
Surplus (deficit) for the year (Page 7)	(293)	(273)
Transfer of surplus second previous year	(278)	4,477
	(566)	5
<b>SURPLUS (DEFICIT), end of the year</b>	<b>\$ 61,539</b>	<b>\$ 89,909</b>

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

March 10, 2010

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009**

7.

	2009		2008
	Budget	Actual	Actual
<b>REVENUE</b>			
Warrant	\$ 300,319	\$ 300,319	\$ 298,082
Services to other governments (Page 8)	1,405	1,405	2,077
Sale of services (Page 8)	28,310	25,926	26,695
Other own sources (Page 8)	5,105	13,598	19,590
Unconditional transfer - Province	48,811	48,811	48,812
	383,950	390,059	395,256
<b>EXPENDITURES</b>			
General government (Page 9)	81,097	84,090	76,144
Protective services (Page 9)	97,191	95,981	94,131
Transportation services (Page 10)	59,414	59,492	60,574
Environmental health services (Page 10)	37,340	36,416	35,895
Environmental development services (Page 10)	26,694	21,803	23,106
Recreation and cultural services (Page 10)	61,510	67,962	56,045
Fiscal services (Page 10)	20,704	24,608	49,634
	383,950	390,352	395,529
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$	\$ (293)	\$ (273)

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2009**

8.

	2009		2008
	Budget	Actual	Actual
<b>SERVICES TO OTHER GOVERNMENTS</b>			
Province - lane marking	\$ 1,405	\$ 1,405	\$ 1,406
Other			671
	\$ 1,405	\$ 1,405	\$ 2,077
<b>SALE OF SERVICES</b>			
Recreation and culture - pool	\$ 8,250	\$ 8,135	\$ 7,579
- other	5,040	5,071	3,980
Environmental development	15,020	12,720	15,136
	\$ 28,310	\$ 25,926	\$ 26,695
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Construction - building permits	\$ 200	\$ 178	\$ 228
Building rentals	25		25
Interest on investments	600	15	1,117
Proceeds on disposal of asset			9,308
Other	4,280	13,405	8,912
	\$ 5,105	\$ 13,598	\$ 19,590

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2009**

9.

	2009		2008
	Budget	Actual	Actual
<b>GENERAL GOVERNMENT</b>			
Legislative			
Mayor	\$ 4,859	\$ 4,859	\$ 4,859
Councillors	8,457	8,459	8,454
Other	1,900	2,089	1,705
	15,216	15,407	15,018
Administrative			
Clerk	35,016	35,376	32,925
Office building	12,742	13,971	13,915
Solicitor		171	
Other	5,321	4,554	2,094
	53,079	54,072	48,934
Financial management			
External audit	2,300	3,517	2,294
Other government services			
Cost of assessment	4,352	4,352	4,320
Public liability insurance	6,150	6,742	5,578
	10,502	11,094	9,898
	\$ 81,097	\$ 84,090	\$ 76,144
<b>PROTECTIVE SERVICES</b>			
Police - R.C.M.P.	\$ 53,248	\$ 54,784	\$ 52,736
Fire - local service district	33,020	33,020	35,558
Animal control	4,423	3,723	3,723
Emergency measures	1,000		
Building inspections	5,500	4,454	2,114
	\$ 97,191	\$ 95,981	\$ 94,131

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2009**

10.

	2009 Budget	2009 Actual	2008 Actual
<b>TRANSPORTATION SERVICES</b>			
Roads and streets			
Summer maintenance	\$ 18,048	\$ 17,960	\$ 13,979
Culverts and drainage	1,551	364	781
Snow and ice removal	25,979	26,008	26,653
Street lighting	13,836	13,938	13,455
Other		1,222	5,706
	\$ 59,414	\$ 59,492	\$ 60,574
<b>ENVIRONMENTAL HEALTH</b>			
Garbage disposal	\$ 37,340	\$ 36,416	\$ 35,895
<b>ENVIRONMENTAL DEVELOPMENT</b>			
Beautification and land rehabilitation	\$ 26,694	\$ 21,803	\$ 23,106
<b>RECREATION AND CULTURAL SERVICE</b>			
Swimming pool	\$ 39,836	\$ 32,935	\$ 38,956
Other	21,674	35,027	17,089
	\$ 61,510	\$ 67,962	\$ 56,045
<b>FISCAL SERVICES</b>			
Principal payments	\$ 11,000	\$ 11,000	\$
Interest and service charges	9,954	10,458	1,089
Surplus of second previous year	(278)	(278)	7,974
Asset additions			14,571
Transfer to General Capital Reserve Fund		3,400	13,000
Transfer to General Operating Reserve Fund			13,000
Other	28	28	
	\$ 20,704	\$ 24,608	\$ 49,634

**VILLAGE OF BATH  
GENERAL OPERATING RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

11.

	2009	2008
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$ 10,000	\$ 13,000
	<u>\$ 10,000</u>	<u>\$ 13,000</u>
<b>EQUITY</b>		
Equity, beginning of the year	\$ 13,000	\$ 13,000
Transfers from General Operating Fund	5,000	13,000
Transfers to General Operating Fund	(8,000)	
	<u>\$ 10,000</u>	<u>\$ 13,000</u>
Equity, end of the year	<u>\$ 10,000</u>	<u>\$ 13,000</u>

**VILLAGE OF BATH  
UTILITY CAPITAL FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

12.

	2009	2008
<b>ASSETS</b>		
CAPITAL ASSETS (Page 13)	\$ 5,078,351	\$ 5,042,268
	\$ 5,078,351	\$ 5,042,268
<b>LIABILITIES</b>		
BANK LOAN PAYABLE	\$	\$ 48,452
DEBENTURES PAYABLE (Note 2)	321,000	306,000
	321,000	354,452
<b>EQUITY</b>		
INVESTMENT IN CAPITAL ASSETS (Page 14)	4,757,351	4,687,816
	\$ 5,078,351	\$ 5,042,268

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

March 10, 2010

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 STATEMENT OF CAPITAL ASSETS  
 AS AT DECEMBER 31, 2009**

13.

	Land	Machinery & Equipment	2009	2008
<b>WATER SUPPLY</b>	\$ 10,445	\$ 1,176,420	\$ 1,186,865	\$ 1,150,782
<b>SEWER SYSTEM</b>	20,000	3,857,486	3,877,486	3,877,486
<b>MAINTENANCE VEHICLE</b>		14,000	14,000	14,000
	\$ 30,445	\$ 5,047,906	\$ 5,078,351	\$ 5,042,268



**VILLAGE OF BATH  
UTILITY CAPITAL FUND  
STATEMENT OF INVESTMENT IN CAPITAL ASSETS  
YEAR ENDED DECEMBER 31, 2009**

14.

	2009	2008
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 4,687,816	\$ 4,608,218
Debtenture repayments	29,000	8,000
Bank loan	(44,000)	(103,381)
Asset additions	36,083	151,049
Loan repayment	48,452	23,930
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 4,757,351</b>	<b>\$ 4,687,816</b>

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 STATEMENT OF CAPITAL FINANCING  
 YEAR ENDED DECEMBER 31, 2009**

15.

	2009	2008
<b>SOURCE</b>		
Transfer from Utility Operating Fund	\$ 21,083	\$ 21,168
Bank loan	44,000	103,381
Transfer from Utility Capital Fund		34,500
	<u>\$ 65,083</u>	<u>\$ 159,049</u>
<b>APPLICATION</b>		
Asset additions	\$ 36,083	\$ 151,049
Debenture repayments	29,000	8,000
	<u>\$ 65,083</u>	<u>\$ 159,049</u>

**VILLAGE OF BATH  
UTILITY CAPITAL RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

16.

	2009	2008
<b>ASSETS</b>		
DUE FROM UTILITY OPERATING FUND (Note 5)	\$ 17,000	\$ 12,000
	\$ 17,000	\$ 12,000
<b>EQUITY</b>		
Equity, beginning of the year	\$ 12,000	\$ 12,000
Transfers from Utility Operating Fund	5,000	12,000
Equity, end of the year	\$ 17,000	\$ 12,000

**VILLAGE OF BATH  
UTILITY OPERATING RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2009**

17.

	2009	2008
<b>ASSETS</b>		
DUE FROM UTILITY OPERATING FUND ( Note 5 )	\$ 5,000	\$
	\$ 5,000	\$
<b>EQUITY</b>		
Equity, beginning of the year	\$	\$
Transfers from Utility Operating Fund	5,000	
Equity, end of the year	\$ 5,000	\$

**VILLAGE OF BATH  
 UTILITY OPERATING FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2009**

18.

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 5,307	\$ 5,304
Accounts receivable	17,691	32,473
Prepaid expenses	9,388	8,581
	<u>\$ 32,386</u>	<u>\$ 46,358</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,438	\$ 10,302
Due to general operating fund (Note 5)	893	23,354
Due to utility capital reserve fund (Note 5)	17,000	12,000
Due to utility operating reserve fund (Note 5)	5,000	
	<u>32,331</u>	<u>45,656</u>
<b>SURPLUS</b>		
SURPLUS (DEFICIT), beginning of the year	702	278
Transfer of surplus, second previous year	(856)	578
Surplus (deficit) for the year (Page 19)	209	(154)
	<u>55</u>	<u>702</u>
SURPLUS end of the year (Note 3)	55	702
	<u>\$ 32,386</u>	<u>\$ 46,358</u>

**APPROVED BY:**

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Clerk

March 10, 2010

**VILLAGE OF BATH  
UTILITY OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009**

	2009 Budget	2009 Actual	2008 Actual
<b>REVENUE (Page 20)</b>			
Sale of Services			
Water supply	\$ 72,212	\$ 75,989	\$ 69,061
Sewer collection and disposal	114,784	114,048	112,719
Other revenue from own sources			
Water supply for fire protection transferred from General			
Interest on investments	1,020	1,600	1,380
Other	640	59,290	24,126
	188,656	250,927	207,286
<b>EXPENDITURES (Page 20)</b>			
Water supply	81,127	88,434	77,842
Sewer collection and disposal	64,508	54,228	55,069
Fiscal services	43,021	108,056	74,529
	188,656	250,718	207,440
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$	\$ 209	\$ (154)

**VILLAGE OF BATH  
UTILITY OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009**

20.

	2009		2008
	Budget	Actual	Actual
<b>REVENUE</b>			
Water supply			
Residential	\$ 33,600	\$ 32,129	\$ 31,328
Commercial	17,738	18,991	17,477
Institutional	20,874	24,869	20,256
	\$ 72,212	\$ 75,989	\$ 69,061
Sewer collection and disposal			
Residential	\$ 54,772	\$ 52,332	\$ 51,302
Commercial	31,402	33,576	32,392
Institutional	28,610	28,140	29,025
	\$ 114,784	\$ 114,048	\$ 112,719
<b>EXPENDITURE</b>			
Water supply			
Administration and general	\$ 56,912	69,239	58,967
Power and pumping	19,800	\$ 14,652	\$ 14,301
Environmental	3,272	3,400	2,906
Building general fund	1,143	1,143	1,668
	\$ 81,127	\$ 88,434	\$ 77,842
Sewer collection and disposal			
Administration	\$ 51,692	\$ 40,836	\$ 33,073
Sewer lift system	8,400	8,848	17,422
Environmental	3,272	3,400	2,906
Building general fund	1,144	1,144	1,668
Other			
	\$ 64,508	\$ 54,228	\$ 55,069
Fiscal services			
Interest payments - water	\$ 8,157	\$ 8,489	\$
- sewer	5,573	5,800	8,432
Principal payments - water	17,380	17,380	
- sewer	11,620	11,620	8,000
Loan payment		48,452	23,930
Asset additions		5,787	13,168
Other	1,147	1,384	7,668
Surplus second previous year	(856)	(856)	578
Adjustments and discounts			753
Transfer to utility capital reserve fund		5,000	12,000
Transfer to utility operating reserve fund		5,000	
	\$ 43,021	\$ 108,056	\$ 74,529

**VILLAGE OF BATH  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009**

**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**

	<u>2009</u>	<u>2008</u>
<b>General Capital Fund</b>		
a) 3.3% - 4.85% 10 year debenture (AY 25 ) due May, 2018.	\$ 9,000	\$ 10,000
b) 2.1% - 5.55%, 15 year debenture ( AZ 38 ) due December, 2023.	185,000	195,000
	<u>\$ 194,000</u>	<u>\$ 205,000</u>
<b>Utility Capital Fund</b>		
a) 1.0% - 4.50%, 9 year debenture (BB-37) due November, 2019.	\$ 44,000	\$
b) 2.1% - 5.55%, 15 year debenture (AZ 39 ) due November, 2023.	125,000	135,000
c) 3.30% - 4.85%, 10 year debenture (AY 26 ) due May, 2018.	67,000	78,000
d) 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.	85,000	93,000
	<u>\$ 321,000</u>	<u>\$ 306,000</u>
<b>Principal payments due during 2010 - 2014</b>		
2010	\$ 41,000	
2011	45,000	
2012	93,000	
2013	38,000	
2014	30,000	
	<u>\$ 247,000</u>	

The approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.



**VILLAGE OF BATH  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009**

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22.

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

The accumulated surplus (deficit) of this fund at December 31, 2009 consists of the following:

2008 surplus	\$	(154)
2009 deficit		209
		<hr/>
	\$	55
		<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, 2009 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.