

**VILLAGE OF BATH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

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Chartered Accountants

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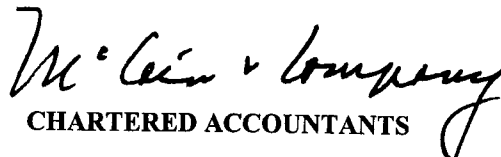
## AUDITORS' REPORT

**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, 2010 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, 2010 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

FEBRUARY 17, 2011

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2010**

1.

	2010	2009
<b>ASSETS</b>		
<b>CAPITAL ASSETS (Page 2)</b>	\$ 1,185,492	\$ 959,594
<b>LIABILITIES</b>		
<b>DEBENTURE PAYABLE (Note 2)</b>	\$ 339,000	\$ 194,000
	339,000	194,000
<b>EQUITY</b>		
<b>INVESTMENT IN CAPITAL ASSETS (Page 3)</b>	846,492	765,594
	\$ 1,185,492	\$ 959,594

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

February 17, 2011

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL ASSETS  
AS AT DECEMBER 31, 2010**

2.

	<b>Building</b>	<b>Engineering Structures</b>	<b>Machinery &amp; Equipment</b>	<b>2010</b>	<b>2009</b>
<b>GENERAL GOVERNMENT</b>					
Bath Town Hall	\$ 90,867	\$	\$ 22,152	\$ 113,019	\$ 113,019
<b>TRANSPORTATION</b>					
Streets and sidewalks		920,065	2,083	922,148	696,250
Tractor			34,017	34,017	34,017
Community van			28,650	28,650	28,650
		920,065	64,750	984,815	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	\$ 972,679	\$ 121,946	\$ 1,185,492	\$ 959,594

**VILLAGE OF BATH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF INVESTMENT IN CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2010**

3.

	2010	2009
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 765,594	\$ 754,594
Asset additions	225,898	
Asset disposals at cost		
Debenture payment	11,000	11,000
Debenture payable	(156,000)	
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 846,492</b>	<b>\$ 765,594</b>

**VILLAGE OF BATH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FINANCING  
YEAR ENDED DECEMBER 31, 2010**

4.

	2010	2009
<b>SOURCE</b>		
Transfer from General Operating Fund	\$ 69,898	\$
Debenture payable	156,000	
	\$ 225,898	\$
<b>APPLICATION</b>		
Asset additions	\$ 225,898	\$
	\$ 225,898	\$

**VILLAGE OF BATH  
GENERAL CAPITAL RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2010**

5.

	2010	2009
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$	\$ 13,000
INVESTMENT IN GIC	13,000	
	<u>\$ 13,000</u>	<u>\$ 13,000</u>
<b>EQUITY</b>		
Equity, beginning of the year	\$ 13,000	\$ 13,000
Equity, end of the year	<u>\$ 13,000</u>	<u>\$ 13,000</u>



**VILLAGE OF BATH  
GENERAL OPERATING FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2010**

6.

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 17,829	\$ 34,217
Accounts receivable	39,064	19,573
Prepaid expenses	6,932	6,856
Due from utility operating fund (Note 5)	18,594	893
	\$ 82,419	\$ 61,539
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 53,415	\$ 39,105
Due to general operating reserve fund (Note 5)	30,000	10,000
Due to general capital reserve fund (Note 5)		13,000
	83,415	62,105
<b>SURPLUS (DEFICIT)</b>		
DEFICIT, beginning of the year	(566)	5
Surplus (deficit) for the year (Page 7)	(703)	(293)
Transfer of surplus second previous year	273	(278)
	(996)	(566)
<b>SURPLUS (DEFICIT), end of the year</b>	<b>\$ 82,419</b>	<b>\$ 61,539</b>

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

February 17, 2011

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2010**

7.

	2010		2009
	Budget	Actual	Actual
<b>REVENUE</b>			
Warrant	\$ 303,757	\$ 303,757	\$ 300,319
Services to other governments (Page 8)	1,405	1,406	1,405
Sale of services (Page 8)	27,855	25,516	25,926
Other own sources (Page 8)	4,905	21,502	13,598
Unconditional transfer - Province	48,811	48,811	48,811
Conditinal Transfer - Gas Tax		39,789	
Conditional Transfer - Province		70,054	
Transfer from Operating Reserve		10,000	
	386,733	520,835	390,059
<b>EXPENDITURES</b>			
General government (Page 9)	84,549	84,902	84,090
Protective services (Page 9)	102,594	100,075	95,981
Transportation services (Page 10)	54,618	56,126	59,492
Environmental health services (Page 10)	36,684	34,792	36,416
Environmental development services (Page 10)	23,107	41,885	21,803
Recreation and cultural services (Page 10)	63,937	80,692	67,962
Fiscal services (Page 10)	21,244	123,066	24,608
	386,733	521,538	390,352
<b>DEFICIT FOR THE YEAR</b>	\$	\$ (703)	\$ (293)

**VILLAGE OF BATH**  
**GENERAL OPERATING FUND**  
**SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS**  
**YEAR ENDED DECEMBER 31, 2010**

8.

	2010		2009	
	Budget	Actual	Actual	
<b>SERVICES TO OTHER GOVERNMENTS</b>				
Province - lane marking	\$ 1,405	\$ 1,406	\$ 1,405	
	\$ 1,405	\$ 1,406	\$ 1,405	
<b>SALE OF SERVICES</b>				
Recreation and culture - pool	\$ 8,150	\$ 8,684	\$ 8,135	
- other	4,685	5,080	5,071	
Environmental development	15,020	11,752	12,720	
	\$ 27,855	\$ 25,516	\$ 25,926	
<b>OTHER REVENUE FROM OWN SOURCES</b>				
Construction - building permits	\$ 200	\$ 591	\$ 178	
Building rentals		25		
Interest on investments	300		15	
Proceeds on disposal of asset				
Other	4,405	20,886	13,405	
	\$ 4,905	\$ 21,502	\$ 13,598	

**VILLAGE OF BATH**  
**GENERAL OPERATING FUND**  
**SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS**  
**YEAR ENDED DECEMBER 31, 2010**

9.

	2010		2009
	Budget	Actual	Actual
<b>GENERAL GOVERNMENT</b>			
Legislative			
Mayor	\$ 4,859	\$ 4,859	\$ 4,859
Councillors	8,457	8,454	8,459
Other	1,410	2,134	2,089
	14,726	15,447	15,407
Administrative			
Clerk	35,899	38,455	35,376
Office building	15,148	14,786	13,971
Solicitor			171
Other	4,957	2,401	4,554
	56,004	55,642	54,072
Financial management			
External audit	3,200	3,303	3,517
Other government services			
Cost of assessment	4,106	4,106	4,352
Public liability insurance	6,513	6,404	6,742
	10,619	10,510	11,094
	\$ 84,549	\$ 84,902	\$ 84,090
<b>PROTECTIVE SERVICES</b>			
Police - R.C.M.P.	\$ 56,832	\$ 56,832	\$ 54,784
Fire - local service district	35,839	35,839	33,020
Animal control	4,423	3,726	3,723
Building inspections	5,500	3,678	4,454
	\$ 102,594	\$ 100,075	\$ 95,981

**VILLAGE OF BATH  
GENERAL OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS  
YEAR ENDED DECEMBER 31, 2010**

10.

	2010		2009
	Budget	Actual	Actual
<b>TRANSPORTATION SERVICES</b>			
Roads and streets			
Summer maintenance	\$ 12,552	\$ 12,554	\$ 17,960
Culverts and drainage	517	207	364
Snow and ice removal	27,356	27,682	26,008
Street lighting	14,100	14,459	13,938
Other	93	1,224	1,222
	\$ 54,618	\$ 56,126	\$ 59,492
<b>ENVIRONMENTAL HEALTH</b>			
Garbage disposal	\$ 36,684	\$ 34,792	\$ 36,416
<b>ENVIRONMENTAL DEVELOPMENT</b>			
Beautification and land rehabilitation	\$ 23,107	\$ 41,885	\$ 21,803
<b>RECREATION AND CULTURAL SERVICE</b>			
Swimming pool	\$ 40,313	\$ 46,144	\$ 32,935
Other	23,624	34,548	35,027
	\$ 63,937	\$ 80,692	\$ 67,962
<b>FISCAL SERVICES</b>			
Principal payments	\$ 11,000	\$ 11,000	\$ 11,000
Interest and service charges	9,968	11,894	10,458
Surplus of second previous year	276	274	(278)
Asset additions		69,898	
Transfer to General Capital Reserve Fund			3,400
Transfer to General Operating Reserve Fund		30,000	
Other			28
	\$ 21,244	\$ 123,066	\$ 24,608

**VILLAGE OF BATH  
GENERAL OPERATING RESERVE FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2010**

11.

	2010	2009
<b>ASSETS</b>		
DUE FROM GENERAL OPERATING FUND (Note 5)	\$ 30,000	\$ 10,000
	<u>\$ 30,000</u>	<u>\$ 10,000</u>
<b>EQUITY</b>		
Equity, beginning of the year	\$ 10,000	\$ 13,000
Transfers from General Operating Fund	30,000	5,000
Transfers to General Operating Fund	(10,000)	(8,000)
Equity, end of the year	<u>\$ 30,000</u>	<u>\$ 10,000</u>

**VILLAGE OF BATH  
UTILITY CAPITAL FUND  
BALANCE SHEET  
AS AT DECEMBER 31, 2010**

12.

	2010	2009
<b>ASSETS</b>		
CAPITAL ASSETS (Page 13)	\$ 5,134,772	\$ 5,078,351
	\$ 5,134,772	\$ 5,078,351
<b>LIABILITIES</b>		
DEBENTURES PAYABLE (Note 2)	\$ 307,000	\$ 321,000
	307,000	321,000
<b>EQUITY</b>		
INVESTMENT IN CAPITAL ASSETS (Page 14)	4,827,772	4,757,351
	\$ 5,134,772	\$ 5,078,351

**APPROVED BY:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

February 18, 2011

**VILLAGE OF BATH  
 UTILITY CAPITAL FUND  
 STATEMENT OF CAPITAL ASSETS  
 AS AT DECEMBER 31, 2010**

13.

	Land	Machinery & Equipment	2010	2009
<b>WATER SUPPLY</b>	\$ 10,445	\$ 1,225,989	\$ 1,236,434	\$ 1,186,865
<b>SEWER SYSTEM</b>	20,000	3,857,486	3,877,486	3,877,486
<b>MAINTENANCE VEHICLE</b>		20,852	20,852	14,000
	\$ 30,445	\$ 5,104,327	\$ 5,134,772	\$ 5,078,351



**VILLAGE OF BATH**  
**UTILITY CAPITAL FUND**  
**STATEMENT OF INVESTMENT IN CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2010**

14.

	2010	2009
<b>INVESTMENT IN CAPITAL ASSETS, beginning of the year</b>	\$ 4,757,351	\$ 4,687,816
Debenture repayments	34,000	29,000
Debenture payable	(20,000)	
Bank Loan		(44,000)
Asset additions	70,420	36,083
Loan repayment		48,452
Asset disposals at cost	(13,999)	
<b>INVESTMENT IN CAPITAL ASSETS, end of the year</b>	<b>\$ 4,827,772</b>	<b>\$ 4,757,351</b>

**VILLAGE OF BATH  
UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FINANCING  
YEAR ENDED DECEMBER 31, 2010**

15.

	2010	2009
<b>SOURCE</b>		
Transfer from Utility Operating Fund	\$ 38,420	\$ 21,083
Bank loan		44,000
Transfer from Utility Capital Reserve Fund	12,000	
Debenture	20,000	
	<u>\$ 70,420</u>	<u>\$ 65,083</u>
<b>APPLICATION</b>		
Asset additions	\$ 70,420	\$ 36,083
Debenture repayments		29,000
	<u>\$ 70,420</u>	<u>\$ 65,083</u>

**VILLAGE OF BATH  
 UTILITY CAPITAL RESERVE FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2010**

16.

	2010	2009
<b>ASSETS</b>		
DUE FROM UTILITY OPERATING FUND (Note 5)	\$ 8,000	\$ 17,000
INVESTMENT IN GIC	5,000	
	<u>\$ 13,000</u>	<u>\$ 17,000</u>
<b>EQUITY</b>		
Equity, beginning of the year	\$ 17,000	\$ 12,000
Transfers (to) from Utility Operating Fund	(4,000)	5,000
Equity, end of the year	<u>\$ 13,000</u>	<u>\$ 17,000</u>

**VILLAGE OF BATH  
 UTILITY OPERATING RESERVE FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2010**

17.

	2010	2009
<b>ASSETS</b>		
INVESTMENT IN GIC	\$ 5,000	\$ 5,000
DUE FROM UTILITY OPERATING FUND ( Note 5 )	5,000	5,000
	<u>\$ 10,000</u>	<u>\$ 5,000</u>

**EQUITY**

Equity, beginning of the year	\$ 5,000	\$ 5,000
Transfers from Utility Operating Fund	5,000	5,000
Equity, end of the year	<u>\$ 10,000</u>	<u>\$ 5,000</u>

**VILLAGE OF BATH  
 UTILITY OPERATING FUND  
 BALANCE SHEET  
 AS AT DECEMBER 31, 2010**

18.

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 3,460	\$ 5,307
Accounts receivable	40,894	17,691
Prepaid expenses	9,508	9,388
Inventory	5,431	
	<u>\$ 59,293</u>	<u>\$ 32,386</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank loan	\$ 15,000	\$
Accounts payable	11,814	9,438
Due to general operating fund (Note5)	18,594	893
Due to utility capital reserve fund (Note 5)	8,000	17,000
Due to utility operating reserve fund (Note 5)	5,000	5,000
	<u>58,408</u>	<u>32,331</u>
<b>SURPLUS</b>		
SURPLUS (DEFICIT), beginning of the year	55	702
Transfer of surplus, second previous year	154	(856)
Surplus (deficit) for the year (Page 19)	676	209
	<u>885</u>	<u>55</u>
SURPLUS end of the year (Note 3)	885	55
	<u>\$ 59,293</u>	<u>\$ 32,386</u>

**APPROVED BY:**

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Clerk

February 18, 2011

**VILLAGE OF BATH  
 UTILITY OPERATING FUND  
 STATEMENT OF REVENUE AND EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2010**

	Budget	2010 Actual	2009 Actual
<b>REVENUE (Page 20)</b>			
Sale of Services			
Water supply	\$ 86,240	\$ 92,931	\$ 75,989
Sewer collection and disposal	105,150	111,706	114,048
Other revenue from own sources			
Interest on investments	1,500	2,821	1,600
Other	900	42,220	59,290
	193,790	249,678	250,927
<b>EXPENDITURES (Page 20)</b>			
Water supply	81,663	86,117	88,434
Sewer collection and disposal	63,193	61,930	54,228
Fiscal services	48,934	100,955	108,056
	193,790	249,002	250,718
<b>SURPLUS FOR THE YEAR</b>	<b>\$</b>	<b>\$ 676</b>	<b>\$ 209</b>

**VILLAGE OF BATH  
UTILITY OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2010**

20.

	2010		2009
	Budget	Actual	Actual
<b>REVENUE</b>			
Water supply			
Residential	\$ 38,980	\$ 38,371	\$ 32,129
Commercial	17,850	22,166	18,991
Institutional	29,410	32,394	24,869
	\$ 86,240	\$ 92,931	\$ 75,989
Sewer collection and disposal			
Residential	\$ 53,220	\$ 52,610	\$ 52,332
Commercial	22,520	26,702	33,576
Institutional	29,410	32,394	28,140
	\$ 105,150	\$ 111,706	\$ 114,048
<b>EXPENDITURE</b>			
Water supply			
Administration and general	\$ 59,872	69,409	69,239
Power and pumping	16,020	\$ 10,937	\$ 14,652
Environmental	3,278	3,278	3,400
Building general fund	2,493	2,493	1,143
	\$ 81,663	\$ 86,117	\$ 88,434
Sewer collection and disposal			
Administration	\$ 48,423	\$ 48,101	\$ 40,836
Sewer lift system	9,000	8,058	8,848
Environmental	3,278	3,278	3,400
Building general fund	2,493	2,493	1,144
Other			
	\$ 63,194	\$ 61,930	\$ 54,228
Fiscal services			
Interest payments - water	\$ 9,218	\$ 9,518	\$ 8,489
- sewer	5,562	5,863	5,800
Principal payments - water	21,355	21,355	17,380
- sewer	12,645	12,645	11,620
Loan payment			48,452
Asset additions		38,420	5,787
Other			1,384
Deficit (Surplus) second previous year	154	154	(856)
Adjustments and discounts			
Transfer to utility capital reserve fund		8,000	5,000
Transfer to utility operating reserve fund		5,000	5,000
	\$ 48,934	\$ 100,955	\$ 108,056

**VILLAGE OF BATH  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010**

21.

**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**

	2010	2009
<b>General Capital Fund</b>		
a) 3.3% - 4.85% 10 year debenture (AY 25 ) due May, 2018.	\$ 8,000	\$ 9,000
b) 2.1% - 5.55%, 15 year debenture ( AZ 38 ) due December, 2023.	175,000	185,000
c) 1.5% - 2.25%, 4 year debenture (BD32) due November, 2014.	156,000	
	<u>\$ 339,000</u>	<u>\$ 194,000</u>

<b>Utility Capital Fund</b>		
a) 1.5% - 3.85%, 10 year debenture (BD 33) due November 2020.	\$ 20,000	\$
a) 1.0% - 4.50%, 9 year debenture (BB 37) due November, 2019.	40,000	44,000
b) 2.1% - 5.55%, 15 year debenture (AZ 39 ) due November, 2023.	115,000	125,000
c) 3.30% - 4.85%, 10 year debenture (AY 26 ) due May, 2018.	56,000	67,000
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.	76,000	85,000
	<u>\$ 307,000</u>	<u>\$ 321,000</u>

**Principal payments due during 2011 - 2015**

2011	\$ 86,000
2012	146,000
2013	79,000
2014	72,000
2015	34,000
	<u>\$ 417,000</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, 2010**

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22.

**3. UTILITY OPERATING FUND SURPLUS**

The accumulated surplus of this fund at December 31, 2010 consists of the following:

2009 surplus	\$	209
2010 surplus		676
		<hr/>
	\$	885
		<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, 2010 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.