

VILLAGE OF BATH
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

VILLAGE OF BATH**CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2018

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Independent Auditor's Report

**To His Worship the Mayor and Members of Council, of
Village of Bath**

Opinion

We have audited the consolidated financial statements of Village of Bath, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Woodstock, New Brunswick
July 25, 2019

Leahon McCarth + Associates

Chartered Professional Accountants

VILLAGE OF BATH

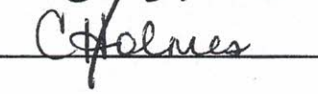
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

	2018	2017
Financial Assets		
Cash (Note 4)	\$ 21,481	\$ 52,351
Accounts receivable (Note 5)	45,232	31,486
Due from Federal government and its agencies (Note 3)	15,894	11,877
Investments (Note 7)	141,499	115,221
	<u>224,106</u>	<u>210,935</u>
Liabilities		
Accounts payable (Note 6)	72,090	72,502
Deferred revenue	96,350	67,698
Long-term debt (Note 8)	639,000	727,000
	<u>807,440</u>	<u>867,200</u>
Net debt	<u>(583,334)</u>	<u>(656,265)</u>
Non-financial Assets		
Tangible capital assets (Note 9)	4,218,138	4,384,447
Prepaid expenses	27,683	23,481
Inventory	6,044	2,894
	<u>4,251,865</u>	<u>4,410,822</u>
Accumulated Surplus	<u>\$ 3,668,531</u>	<u>\$ 3,754,557</u>

Approved on behalf of the Village of Bath

 , Mayor

 , Clerk

The accompanying notes are an integral part of the financial statements

VILLAGE OF BATH**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT****FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
Deficit	\$ (108,062)	\$ (86,025)	\$ (7,471)
Acquisition of tangible capital assets	-	(25,000)	(65,661)
Amortization of tangible capital assets	191,309	191,309	193,466
	-	166,309	127,805
Acquisition of prepaid asset	(27,683)	(27,684)	(23,481)
Use of prepaid asset	23,481	23,481	22,964
	(4,202)	(4,203)	(517)
Acquisition of inventory	(6,044)	(6,044)	(2,894)
Use of inventory	2,894	2,894	3,476
	(3,150)	(3,150)	582
(Decrease) increase in net financial assets	(115,414)	72,931	120,399
Net debt at beginning of year	(656,265)	(656,265)	(776,664)
Net debt at end of year	\$ (771,679)	\$ (583,334)	\$ (656,265)

The accompanying notes are an integral part of the financial statements

VILLAGE OF BATH

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Property tax warrant	\$ 317,713	\$ 317,714	\$ 325,319
Water and sewer user fees	200,924	199,718	203,646
Unconditional grant	89,941	92,049	108,505
Sale of services and other sources	53,825	64,017	59,716
Other government transfers	17,778	39,871	55,987
Services provided to other governments	36,329	35,687	36,021
Interest income	3,300	4,550	5,373
Other transfers	-	25,000	-
	719,810	778,606	794,567
Expenditures			
General government services	117,279	132,072	119,825
Protective services	144,507	143,873	137,655
Transportation services	171,608	176,089	170,995
Environmental health services	40,710	42,155	38,632
Environmental development services	42,245	66,213	52,619
Recreational and cultural services	63,631	56,535	60,823
Water and sewer	247,892	247,694	221,489
	827,872	864,631	802,038
Deficit	(108,062)	(86,025)	(7,471)
Accumulated surplus at beginning of year	3,754,557	3,754,557	3,762,028
Accumulated surplus at end of year	\$ 3,646,495	\$ 3,668,532	\$ 3,754,557

The accompanying notes are an integral part of the financial statements

VILLAGE OF BATH**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
Cash flows from		
Operating activities		
Deficit	\$ (86,025)	\$ (7,471)
Items not affecting cash		
Amortization of tangible capital assets	191,309	193,466
	105,284	185,995
Change in non-cash operating working capital		
Accounts receivable	(13,746)	10,767
Inventory	(3,150)	582
Prepaid expenses	(4,202)	(517)
Accounts payable	(413)	(171,155)
Deferred revenue	28,652	(9,457)
Due from Federal government and its agencies	(4,017)	61,490
	108,408	77,705
Capital activities		
Acquisition of tangible capital assets	(25,000)	(65,661)
Financing activities		
Repayment of long-term debt	(88,000)	(86,000)
Investing activities		
(Increase) decrease in Investments	(26,278)	120,924
Increase (decrease) in cash and cash equivalents	(30,870)	46,968
Cash and cash equivalents, beginning of year	52,351	5,383
Cash and cash equivalents, end of year	\$ 21,481	\$ 52,351
Represented by		
Cash	\$ 21,481	\$ 52,351

The accompanying notes are an integral part of the financial statements

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. Purpose of the organization

The Village of Bath was incorporated as a Municipality by the Province of New Brunswick Municipalities Act on November 9, 1966. As a municipality, the Village is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act. The Village provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and other general government operations.

2. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Reporting entity principles of financial reporting

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Village and which are owned or controlled by the Village.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Net debt

The Village's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Village is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

(c) Budget

The operating and utility budget figures contained in these financial statements were approved by Council on January 15, 2018 and the Minister of Local Government on January 18, 2018. The budget figures are not audited.

(d) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers (both operating and capital) received under the terms of contribution agreements with the provincial government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(e) Expense recognition

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

(f) Use of estimates

The preparation of consolidated 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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Estimates are specifically required in determining the provision for uncollectible accounts and the useful lives of tangible capital assets. Actual results could differ from those estimates.

(g) Financial instruments

Financial instruments are financial assets or liabilities of the municipality where the municipality has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Village's financial instruments consist of cash, short-term investments, accounts receivable, due from the Federal Government, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is council's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Village is subject to credit risk through accounts receivable. The Village minimizes credit risk through ongoing credit management.

(h) Cash

Cash and cash equivalents include cash on hand and demand deposits.

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Capital assets in excess of the capitalization threshold of \$5,000 are recorded as tangible capital assets while expenditures below the threshold amount are expensed in the year acquired.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years Straight line
Automotive equipment	5 years Straight line
Roads and streets	15-30 years Straight line
Storm sewer pipes	30 years Straight line
Water and sewer pipes	100 years Straight line

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Assets under construction are not amortized until the asset is available to be put into service.

(j) Reserves

Under the Municipalities Act of New Brunswick, Council may establish discretionary reserves. These reserves may be used as operating or capital reserves. Transfers to and from reserve funds are recorded as an adjustment to the accumulated surplus of that fund.

(k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(I) Fund accounting

The Village of Bath is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

- General government services
This department is responsible for the overall governance and financial administration of the Village. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.
- Protective services
This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective matters.
- Transportation services
This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.
- Environmental health services
This department is responsible for the provision of waste collection and disposal.
- Environmental development services
This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.
- Recreation and cultural services
This department is responsible for the maintenance and operation of recreational and cultural facilities, including parks and playgrounds.
- Water and wastewater
This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

3. Due from Federal Government and its agencies

	2018	2017
HST receivable - General Operating	\$ 12,194	\$ 9,746
HST receivable - Water and sewer	3,700	2,131
	<u>\$ 15,894</u>	<u>\$ 11,877</u>

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. Cash

	2018	2017
Cash and bank deposits	\$ 21,481	\$ 52,351

5. Accounts receivable

	2018	2017
Trade receivables - General Operating	\$ 16,192	\$ 4,000
Water and sewer receivables	47,560	48,006
Allowance for doubtful accounts	63,752 (18,520)	52,006 (20,520)
	\$ 45,232	\$ 31,486

6. Accounts payable

	2018	2017
Accounts payable - General Operating	\$ 53,458	\$ 57,510
Accounts payable - water and sewer	16,055	10,927
Accounts payable - payroll remittance	2,577	4,065
	\$ 72,090	\$ 72,502

7. Investments

The investments consist of non-redeemable guaranteed investment certificates with maturity dates between January 31, 2019 and February 27, 2019 and interest rates ranging from 2.15% to 2.21%.

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. Long-term debt

	2018	2017
NB Municipal Finance Corporation Debenture #AZ-38 (General Capital) - interest at 4.95% to 5.55% per annum, calculated semi-annually, due December 2023	\$ 80,000	\$ 94,000
NB Municipal Finance Corporation Debenture #AY-25 (General Capital) - interest at 4.85% per annum, calculated semi-annually, due May 2018	-	1,000
NB Municipal Finance Corporation Debenture #BO-34 (General Capital) - interest at 1.50% to 3.50% per annum, calculated semi-annually, due June 2031	465,000	495,000
NB Municipal Finance Corporation Debenture #BG-29 (General Capital) - interest at 2.30% to 3.40% per annum, calculated semi-annually, due June 2022	17,000	18,000
NB Municipal Finance Corporation Debenture #BI-31 (Utility Capital) - interest at 2.20% to 3.25% per annum, calculated semi-annually, due June 2023	5,000	18,000
NB Municipal Finance Corporation Debenture #BD-33 (Utility Capital) - interest at 3.40% to 3.85% per annum, calculated semi-annually, due November 2020	4,000	6,000
NB Municipal Finance Corporation Debenture #BB-37 (Utility Capital) - interest at 4.30% to 4.50% per annum, calculated semi-annually, due November 2019	5,000	10,000
NB Municipal Finance Corporation Debenture #AY-26 (Utility Capital) - interest at 4.85% per annum, calculated semi-annually, due May 2018	-	4,000
NB Municipal Finance Corporation Debenture #AZ-39 (Utility Capital) - interest at 4.95% to 5.55% per annum, calculated semi-annually, due December 2023	28,000	41,000
NB Municipal Finance Corporation Debenture #BK-25 (General Capital) - interest at 1.35% to 3.45% per annum, calculated semi-annually, due May 2024	35,000	40,000
	<u>\$ 639,000</u>	<u>\$ 727,000</u>

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2019	\$	64,000
2020		62,000
2021		63,000
2022		75,000
2023 and thereafter		375,000
		<hr/>
	\$	639,000
		<hr/>

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

9. Tangible Capital Assets

	Cost			Accumulated amortization		2018 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization end of year	
Land	\$ 69,182	\$ 25,000	\$ 94,182	\$ -	\$ -	\$ 94,182
Buildings	259,090	-	259,090	187,116	4,638	67,336
Automotive equipment	58,384	-	58,384	38,449	5,696	14,239
Roads and streets	2,020,436	-	2,020,436	885,944	89,893	1,044,599
Storm sewer pipes	843,571	-	843,571	110,092	13,547	719,932
Water & sewer pipes	2,579,949	-	2,579,949	1,100,254	47,680	1,432,015
Water & sewer facilities	1,547,114	-	1,547,114	671,424	29,855	845,835
	\$ 7,377,726	\$ 25,000	\$ 7,402,726	\$ 2,993,279	\$ 191,309	\$ 4,218,138

	Cost			Accumulated amortization		2017 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization end of year	
Land	\$ 69,182	\$ -	\$ 69,182	\$ -	\$ -	\$ 69,182
Buildings	250,255	8,835	259,090	181,891	5,225	71,974
Automotive equipment	58,384	-	58,384	29,762	8,687	19,935
Roads and streets	2,020,436	-	2,020,436	796,051	89,893	1,134,492
Storm sewer pipes	843,571	-	843,571	96,545	13,547	733,479
Water & sewer pipes	2,523,124	56,825	2,579,949	1,053,994	46,260	1,479,695
Water & sewer facilities	1,547,114	-	1,547,114	641,570	29,854	875,690
	\$ 7,312,066	\$ 65,660	\$ 7,377,726	\$ 2,799,813	\$ 193,466	\$ 4,384,447

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

10. Employment Retirement Plan

The organization does not offer any defined contribution plan for its employees.

11. Bank loan

Bank loans consist of short term borrowings as approved by the Municipal Capital Borrowing Board. The Village has a credit facilities agreement with Bank of Nova Scotia whereby either the general or utility fund can borrow up to \$15,000, secured by Council resolutions.

12. Utility Fund surplus/deficit

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing; the balance of the surplus/deficit at the end of the year consists of:

	2018	2017
2018 deficit	\$ (1,102)	\$ -
2017 surplus	601	601
	<u>\$ (501)</u>	<u>\$ 601</u>

13. Accrued sick leave

The organization does not have a written policy for accrued sick leave entitlements.

14. Operating borrowing compliance

As prescribed in the Municipalities Act, borrowing to finance General Revenue Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2018 and 2017, the Village has complied with these restrictions.

15. Short-term borrowings compliance

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between funds are in compliance with these requirements.

16. Water cost transfer

There is no water cost transfer utilized in the Village of Bath.

DECEMBER 31, 2018**17. Financial instruments**

a) Interest rate risk

The Village's exposure to interest rate fluctuations is with respect to the use of the operating line of credit. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The Village does not use derivative financial instruments to alter the effects of this risk.

b) Credit risk

The financial instruments that potentially subject the Village to a significant concentration of credit risk consist primarily of cash and accounts receivable.

The Village maintains cash balances with Canadian chartered banks which is insured by the Canada Deposit Insurance Corporation up to CDN \$100,000. From time to time, these balances may exceed the federally insured limits and expose the Village to credit risk from concentration of cash. The Village limits this risk by transacting with reputable financial institutions.

The Village is subject to risk on non-payment of accounts receivable. The Village believes there is minimal risk associated with these amounts due to the diversity of its customers and there are no significant concentrations of accounts receivable with any group of customers that are related to each other. The Village minimizes exposure due to credit risk by establishing a process for credit reviews for each of its new customers, continuous monitoring of credit risk and collectibility of its existing customer base and considering the impact of current economic conditions on the liquidity of its customers and their ability to meet these financial obligations. The Village records a provision for any doubtful accounts.

VILLAGE OF BATH
SCHEDULE OF SEGMENT DISCLOSURE
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Protective	Transportation	Environmental development	Recreation and cultural	Sewage collection and disposal	Public health services	Capital reserves	2018 Consolidated	2017 Consolidated
Revenues										
Warrant	\$ 68,400	\$ 97,291	\$ 55,016	\$ 28,441	\$ 41,157	\$ 27,409	\$ -	\$ -	\$ 317,714	\$ 325,319
Unconditional grant	19,817	28,187	15,940	8,240	11,924	7,941	-	-	92,049	108,505
Services to other governments	-	-	1,845	-	33,842	-	-	-	35,687	36,021
Other revenue from own sources	15,285	890	-	3,000	44,842	-	-	-	64,017	59,716
Water and sewer user fees	-	-	-	-	-	96,673	103,045	-	199,718	203,646
Other government transfers	16,532	2,037	1,152	11,015	8,561	574	2,306	1,269	39,871	55,987
Interest	975	-	-	-	-	-	-	-	4,550	5,373
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	25,000	-	-	-	-	-	-	-	25,000	-
	\$ 146,009	\$ 128,405	\$ 73,953	\$ 50,696	\$ 140,326	\$ 132,597	\$ 105,351	\$ 1,269	\$ 778,606	\$ 794,567
Expenses										
Salaries and benefits	\$ 64,740	\$ -	\$ -	\$ 42,685	\$ 35,858	\$ 34,197	\$ 34,198	\$ -	\$ 211,678	\$ 205,196
Goods and services	23,712	143,873	52,431	20,224	5,280	8,281	22,663	-	276,464	235,281
Amortization	15,685	-	89,892	1	2,500	49,137	34,094	-	191,309	193,466
Interest	2,594	-	18,414	-	-	-	4,630	-	25,638	28,265
Other	25,341	-	15,352	45,458	12,897	33,395	27,099	-	159,542	139,830
	\$ 132,072	\$ 143,873	\$ 176,089	\$ 108,368	\$ 56,535	\$ 125,010	\$ 122,684	\$ -	\$ 864,631	\$ 802,038
Surplus (deficit) for the year	\$ 13,937	\$ (15,468)	\$ (102,136)	\$ (57,672)	\$ 83,791	\$ 7,587	\$ (17,333)	\$ 1,269	\$ (86,025)	\$ (7,471)

VILLAGE OF BATH
SCHEDULE OF ANNUAL SURPLUS RECONCILIATION - PREVIOUS STANDARDS VS. PSAB
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	Operating Reserve Fund	General Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Total
2018 annual surplus (deficit) per PSAB	\$ 41,454	\$ (83,078)	\$ 37,561	\$ (83,231)	\$ 131	\$ 395	\$ 118	\$ 625	\$ (86,025)
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	(3,584)	-	(1,663)	-	-	-	-	-	(5,247)
Transfers between funds									
Transfer from general operating fund to general capital reserve fund	(10)	-	-	-	10	-	-	-	-
Transfer from general operating reserve fund to general operating fund	10,000	-	-	-	(10,000)	-	-	-	-
Transfer from utility operating fund to utility capital reserve fund	-	-	(10,000)	-	-	-	-	10,000	-
Transfer from utility capital reserve fund to utility operating fund	-	-	10,000	-	-	-	-	(10,000)	-
Long-term debt principal repayment	(51,000)	51,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(37,000)	37,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	-	-	-	-	-	-	-	-	-
Amortization expense	-	108,078	-	83,231	-	-	-	-	191,309
Total adjustments to 2018 annual surplus (deficit)	(44,594)	159,078	(38,663)	120,231	(10,000)	10	-	-	186,062
2018 annual fund surplus (deficit)	\$ (3,140)	\$ 76,000	\$ (1,102)	\$ 37,000	\$ (9,869)	\$ 405	\$ 118	\$ 625	\$ 100,037

VILLAGE OF BATH
STATEMENT OF RESERVES
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Capital Reserve	2018 Total	2017 Total
Assets						
Due from (to) operating (net)	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 64,358
Investments	10,131	29,364	10,118	33,775	83,388	37,751
	<u>\$ 10,131</u>	<u>\$ 29,364</u>	<u>\$ 10,118</u>	<u>\$ 43,775</u>	<u>\$ 93,388</u>	<u>\$ 102,109</u>
Accumulated surplus (deficit)	<u>\$ 10,131</u>	<u>\$ 29,364</u>	<u>\$ 10,118</u>	<u>\$ 43,775</u>	<u>\$ 93,388</u>	<u>\$ 102,109</u>
Revenue						
Transfers from general and utility operating funds	\$ -	\$ 10	\$ -	\$ 10,000	\$ 10,010	\$ 64,358
Interest	131	395	118	625	1,269	448
	<u>131</u>	<u>405</u>	<u>118</u>	<u>10,625</u>	<u>11,279</u>	<u>64,806</u>
Expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>20,000</u>	<u>17,464</u>
Annual surplus (deficit)	<u>\$ (9,869)</u>	<u>\$ 405</u>	<u>\$ 118</u>	<u>\$ 625</u>	<u>\$ (8,721)</u>	<u>\$ 47,341</u>

Name of investment	Principal Amount	Interest Rate	Date of Maturity
Non-redeemable GIC	\$10,130.97	2.15%	February 2, 2019
Non-redeemable GIC	\$ 2,278.18	2.15%	January 31, 2019
Non-redeemable GIC	\$12,529.59	2.15%	February 4, 2019
Non-redeemable GIC	\$ 5,172.40	2.20%	February 25, 2019
Non-redeemable GIC	\$ 2,070.43	2.21%	February 27, 2019
Non-redeemable GIC	\$ 5,211.55	2.15%	January 31, 2019
Non-redeemable GIC	\$ 2,101.57	2.15%	February 4, 2019
Non-redeemable GIC	\$10,117.58	2.20%	February 25, 2019
Non-redeemable GIC	\$12,237.59	2.20%	February 25, 2019
Non-redeemable GIC	\$18,886.06	2.15%	February 4, 2019
Non-redeemable GIC	\$ 2,651.51	2.21%	February 27, 2019

VILLAGE OF BATH
RESOLUTIONS FOR TRANSFERS TO/FROM RESERVE
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor McIntosh, seconded by Councillor O'Neill for \$10,000 be transferred from the Utility Capital Reserve Fund to the Utility Operating Fund. Motion carried.

Moved by Councillor O'Neill, seconded by Councillor McNair for \$10,000 be transferred from the General Operating Reserve Fund to the General Operating Fund. Motion carried.

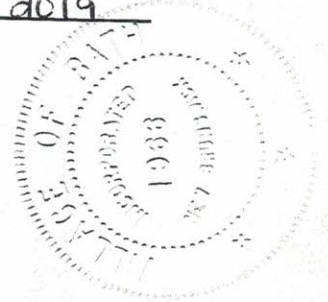
I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on December 12, 2018.

Moved by Councillor McIntosh, seconded by Councillor McNair for \$10,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a special meeting of Council on December 19, 2018.

Christa Holmes
Christa Holmes
Clerk,
Village of Bath

Aug 12, 2019
Date



VILLAGE OF BATH
SCHEDULE OF OPERATING BUDGET TO PSA BUDGET
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Revenue	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Other (Please explain)	Transfers	Total
Property tax warrant	\$ 317,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,713
Services to other governments	36,329	-	-	-	-	-	36,329
Sales of services, fines and other fees	12,425	1,305	-	-	-	-	13,730
Unconditional grant	89,941	-	-	-	-	-	89,941
Unconditional transfers from other government	6,651	-	-	-	-	-	6,651
Conditional transfers from other governments	10,327	-	-	-	-	800	11,127
Other revenue from own sources	42,200	-	-	-	-	(800)	41,400
Other transfers	10,000	-	-	-	-	(10,000)	-
Water and sewer user fees	-	199,619	-	-	-	-	199,619
Interest	900	2,400	-	-	-	-	3,300
Surplus of second previous year	-	-	-	-	-	-	-
	526,486	203,324	-	-	-	(10,000)	719,810
Expenditures							
General government services	98,660	-	15,685	-	-	2,934	117,279
Protective services	144,507	-	-	-	-	-	144,507
Transportation services	63,230	-	89,892	-	-	18,486	171,608
Environmental health services	40,710	-	-	-	-	-	40,710
Public health and welfare services	-	-	-	-	-	-	-
Environmental development services	42,244	-	1	-	-	-	42,245
Recreation and cultural services	61,131	-	2,500	-	-	-	63,631
Fiscal services:							
- Long-term debt repayments	51,000	37,000	-	-	-	(88,000)	-
- Interest and bank charges	21,420	3,171	-	-	-	(24,591)	-
- Transfer from the General Operating Fund to the General Capital Fund	-	-	-	-	-	-	-
- Transfer from Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	-	-	-	-	-	-
Water and Sewer	-	161,490	83,231	-	-	3,171	247,892
Deficit of second previous year	3,584	1,663	-	-	-	(5,247)	-
	526,486	203,324	191,309	-	-	(93,247)	827,872
Surplus (deficit)	\$ -	\$ -	\$ (191,309)	\$ -	\$ -	\$ 83,247	\$ (108,062)

Other government transfer: N/A

VILLAGE OF BATH
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018 Budget (Unaudited)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Revenue			
<i>Transfers from other governments</i>			
Gas Tax Fund	\$ -	\$ 10,580	\$ 47,360
Recreation & Cultural	33,842	33,842	33,534
Environmental development	12,852	22,640	8,627
Transportation	2,487	1,845	2,487
Other	6,651	6,650	-
	<u>\$ 55,832</u>	<u>\$ 75,557</u>	<u>\$ 92,008</u>
<i>Other own source</i>			
Permits and fines	\$ 38,400	\$ 14,650	\$ 1,150
Recreation	12,425	46,367	55,566
Other	3,000	3,000	3,000
	<u>\$ 53,825</u>	<u>\$ 64,017</u>	<u>\$ 59,716</u>
<i>Water and sewer user fees</i>			
Water user charges	\$ 103,378	\$ 103,045	\$ 106,400
Sewer user charges	97,546	96,673	97,246
	<u>\$ 200,924</u>	<u>\$ 199,718</u>	<u>\$ 203,646</u>

VILLAGE OF BATH
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018 Budget (Unaudited)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Expenditures			
<i>General government services</i>			
Legislative			
Mayor	\$ 4,844	\$ 4,845	\$ 4,845
Councillors	11,608	11,627	11,627
Other	1,560	1,277	1,689
	<u>\$ 18,012</u>	<u>\$ 17,749</u>	<u>\$ 18,161</u>
Administrative			
Clerk	\$ 47,961	\$ 49,524	\$ 46,461
Office building	13,237	11,635	18,265
	<u>\$ 61,198</u>	<u>\$ 61,159</u>	<u>\$ 64,726</u>
Financial management			
External audit	\$ 2,900	\$ 3,425	\$ 3,737
Other			
Civic relations	\$ 2,136	\$ 1,520	\$ 1,886
Cost of assessment	4,222	4,222	4,323
Other	2,229	17,755	1,327
Liability insurance	7,963	7,963	7,838
Interest	2,934	2,594	1,554
Amortization	15,685	15,685	16,273
	<u>\$ 35,169</u>	<u>\$ 49,739</u>	<u>\$ 33,201</u>
	<u>\$ 117,279</u>	<u>\$ 132,072</u>	<u>\$ 119,825</u>
<i>Protective services</i>			
Police			
R.C.M.P.	\$ 80,823	\$ 80,823	\$ 84,056
Fire services			
Fire fighting forces	\$ 53,713	\$ 53,713	\$ 43,938
Other			
Animal and pest control	\$ 4,067	\$ 4,067	\$ 4,067
Building inspections	5,904	5,270	5,594
	<u>\$ 9,971</u>	<u>\$ 9,337</u>	<u>\$ 9,661</u>
	<u>\$ 144,507</u>	<u>\$ 143,873</u>	<u>\$ 137,655</u>

VILLAGE OF BATH
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018 Budget (Unaudited)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
<i>Transportation services</i>			
Road transport			
Summer maintenance	\$ 8,417	\$ 12,340	\$ 7,207
Snow & ice removal	35,511	36,996	34,157
Street lighting	15,612	15,353	15,309
Traffic lane marking	3,690	3,094	3,690
Interest on debentures	18,486	18,414	20,740
Amortization	89,892	89,892	89,892
	<u>\$ 171,608</u>	<u>\$ 176,089</u>	<u>\$ 170,995</u>
<i>Environmental health services</i>			
Garbage and waste collection	<u>\$ 40,710</u>	<u>\$ 42,155</u>	<u>\$ 38,632</u>
<i>Environmental development</i>			
Beautification & land rehabilitation	\$ 42,244	\$ 66,212	\$ 49,628
Amortization	1	1	2,991
	<u>\$ 42,245</u>	<u>\$ 66,213</u>	<u>\$ 52,619</u>
<i>Recreation and cultural service</i>			
Swimming pool	\$ 56,562	\$ 42,958	\$ 46,509
Parks & playgrounds	2,500	10,428	10,764
Other	2,069	649	1,050
Amortization	2,500	2,500	2,500
	<u>\$ 63,631</u>	<u>\$ 56,535</u>	<u>\$ 60,823</u>

VILLAGE OF BATH
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018 Budget (Unaudited)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
<i>Water and sewer</i>			
Water supply			
Administration and operation	\$ 88,197	\$ 83,960	\$ 70,764
Amortization	34,210	34,094	33,110
	<u>\$ 122,407</u>	<u>\$ 118,054</u>	<u>\$ 103,874</u>
<i>Sewer collection and disposal</i>			
Administration and system operation	\$ 73,293	\$ 75,873	\$ 62,944
Amortization	49,021	49,137	48,700
	<u>\$ 122,314</u>	<u>\$ 125,010</u>	<u>\$ 111,644</u>
<i>Other</i>			
Interest on debentures	\$ 3,171	\$ 4,630	\$ 5,971
	<u>\$ 247,892</u>	<u>\$ 247,694</u>	<u>\$ 221,489</u>

VILLAGE OF BATH
PROOF OF FUND BALANCES
December 31, 2018

Net financial assets (liabilities)	\$ (583,334)
Adjustments:	
Long-term debt	639,000
Interim Borrowing (for capital)	-
Accrued sick leave: non-vesting/unfunded portion	-
Other unfunded liability	-
Inventory	6,044
Prepaid expenses	27,683
Current net assets	<u>89,393</u>

Composition of current net assets

Prior year surplus (deficit) as of Dec. 31, 2017 - General Fund (FUND)	(353)
Prior year surpluses (deficits) as of Dec. 31, 2017 - Utility Fund (FUND)	601
2018 Reserve Funds (FUND)	93,388
2018 Controlled Entities Equity (PSAB)	-
Current assets in Capital Funds (FUND)	-
Current Liabilities in Capital Funds (FUND)	-
Due to/from in Capital Funds (FUND)	-
2018 Operating Funds Surplus (Deficit)	<u>\$ 4,243</u>

Current year surplus (deficit)

2018 General Fund Operating surplus (deficit)	(3,140)
2018 Utility Fund Operating surplus (deficit)	(1,102)
Surplus (deficit) reported in reconciling schedule	<u>\$ (4,242)</u>

Variance (should be zero; balance due to rounding)	<u>\$ 1</u>
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