

**VILLAGE OF BATH**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

VILLAGE OF BATH  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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Independent Auditor's Report

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**Independent Auditor's Report**

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

We have audited the accompanying consolidated financial statements of Village of Bath, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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 Organization'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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Village of Bath as at December 31, 2016, and the results of its operations and accumulated surplus, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Lenehan McCain & Associates*  
**Lenehan McCain & Associates  
Chartered Professional Accountants**

**Woodstock, New Brunswick  
June 5, 2017**

VILLAGE OF BATH  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>		
Cash (Note 4)	\$ -	\$ 38,541
Restricted cash	12,358	-
Accounts receivable (Note 5)	42,253	36,790
Due from Federal government and its agencies (Note 3)	73,367	137,316
Investments (Note 7)	236,145	83,722
	<b>364,123</b>	<b>296,369</b>
<b>Liabilities</b>		
Bank indebtedness	6,975	-
Accounts payable (Note 6)	243,657	301,941
Deferred revenue	77,155	-
Bank loan (Note 11)	-	425,000
Long-term debt (Note 8)	813,000	342,000
	<b>1,140,787</b>	<b>1,068,941</b>
<b>Net debt</b>	<b>(776,664)</b>	<b>(772,572)</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 9)	4,512,253	4,626,648
Prepaid expenses	22,964	22,772
Inventory	3,476	3,830
	<b>4,538,693</b>	<b>4,653,250</b>
<b>Accumulated Surplus</b>	<b>\$ 3,762,029</b>	<b>\$ 3,880,678</b>

VILLAGE OF BATH  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 Budget	2016 Actual	2015 Actual
<b>Deficit</b>	\$ (123,186)	\$ (118,648)	\$ (101,388)
Acquisition of tangible capital assets	-	(76,968)	(515,953)
Amortization of tangible capital assets	-	191,362	179,155
Proceeds on disposal of tangible capital assets	-	5,691	-
(Gain) loss on sale of tangible capital assets	-	(5,691)	-
	-	114,394	(336,798)
Acquisition of prepaid asset	(192)	(22,964)	(22,772)
Use of prepaid asset	-	22,772	20,753
	(192)	(192)	(2,019)
Acquisition of inventory	354	(3,476)	(3,830)
Use of inventory	-	3,830	3,155
	354	354	(675)
Decrease in net financial assets	(123,024)	(4,092)	(440,880)
Net debt at beginning of year	-	(772,572)	(331,692)
<b>Net debt at end of year</b>	\$ -	\$ (776,664)	\$ (772,572)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
Property tax warrant	\$ 322,790	\$ 322,790	\$ 321,494
Water and sewer user fees	200,717	193,118	195,466
Unconditional grant	105,375	105,375	115,331
Sale of services and other sources	16,685	49,127	38,573
Other government transfers	11,500	44,930	11,818
Other revenue	-	4,972	3,955
Interest income	2,376	6,562	3,590
Services provided to other governments	1,033	2,205	1,031
Gain on sale of tangible assets	-	5,691	-
Other transfers	-	-	3,312
	<u>660,476</u>	<u>734,770</u>	<u>694,570</u>
<b>Expenditures</b>			
General government services	116,504	119,368	127,951
Protective services	121,357	121,244	128,428
Transportation services	167,086	168,603	146,411
Environmental health services	38,502	37,162	37,349
Environmental development services	31,505	80,759	27,804
Recreational and cultural services	72,103	77,064	96,937
Water and sewer	236,605	249,218	231,078
	<u>783,662</u>	<u>853,418</u>	<u>795,958</u>
<b>Deficit</b>	<b>(123,186)</b>	<b>(118,648)</b>	<b>(101,388)</b>
<b>Accumulated surplus at beginning of year</b>	<b>-</b>	<b>3,880,676</b>	<b>3,982,064</b>
<b>Accumulated surplus at end of year</b>	<b>\$ (123,186)</b>	<b>\$ 3,762,028</b>	<b>\$ 3,880,676</b>

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, 2016

	2016	2015
<b>Cash flows from</b>		
<b>Operating activities</b>		
Deficit	\$ (118,648)	\$ (101,388)
Items not affecting cash		
Amortization of tangible capital assets	191,362	179,155
(Gain) loss on sale of tangible capital assets	(5,691)	-
	67,023	77,767
Change in non-cash operating working capital		
Accounts receivable	(5,463)	15,060
Inventory	354	(675)
Prepaid expenses	(192)	(2,019)
Accounts payable	(58,284)	229,645
Deferred revenue	77,155	-
Due from Federal government and its agencies	63,949	(125,789)
	144,542	193,989
<b>Capital activities</b>		
Acquisition of tangible capital assets	(76,968)	(515,953)
Proceeds on disposal of tangible capital assets	5,691	-
	(71,277)	(515,953)
<b>Financing activities</b>		
Proceeds of long-term debt	525,000	-
Repayment of long-term debt	(54,000)	(52,000)
Short-term loan proceeds	-	425,000
Repayment of short-term loan	(425,000)	-
	46,000	373,000
<b>Investing activities</b>		
(Increase) decrease in Investments	(152,423)	(42,712)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(33,158)</b>	<b>8,324</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>38,541</b>	<b>30,217</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,383</b>	<b>\$ 38,541</b>
<b>Represented by</b>		
Cash	\$ -	\$ 38,541
Cash	(6,975)	-
Restricted cash	12,358	-
	\$ 5,383	\$ 38,541

The accompanying notes are an integral part of the financial statements

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

**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**

The consolidated financial statements of the Village of Bath are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The Village has adopted PSAB as of January 1, 2011. The focus of PSAB financial statements is on the financial position of the Village and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Village.

Significant aspects of the accounting policies adopted by the Village are as follows:

**(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 11, 2016 and the Minister of Local Government on January 25, 2016 and January 17, 2016 respectively. The budget figures are not audited.



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VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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

**(d) Revenue recognition**

- (i) Revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Other revenue is recorded when it is earned.
- (ii) 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.

**(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 organization where the organization 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, bank loan, 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.

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VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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

**(i) Tangible capital assets**

Effective January 1, 2011, the Village adopted the provisions of PSAB section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. 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.

The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life of the asset 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

**(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, 2016

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

**(l) Segmented information**

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 the 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**

	2016	2015
HST receivable - General Operating	\$ 70,393	\$ 134,522
HST receivable - Water and sewer	2,974	2,794
	\$ 73,367	\$ 137,316

VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**4. Cash**

	2016	2015
Cash and bank deposits	\$ -	\$ 38,541

**5. Accounts receivable**

	2016	2015
Trade receivables - General Operating	\$ 15,002	\$ 1,421
Water and sewer receivables	46,215	40,869
Allowance for doubtful accounts	61,217 (18,964)	42,290 (5,500)
	\$ 42,253	\$ 36,790

**6. Accounts payable**

	2016	2015
Accounts payable - General Operating	\$ 213,845	\$ 286,678
Accounts payable - water and sewer	26,224	11,594
Accounts payable - payroll remittance	3,588	3,669
	\$ 243,657	\$ 301,941

**7. Investments**

		2016
Bank of Nova Scotia GIC's:		
Non-redeemable GIC maturing Feb.8/17, interest rate 0.98%	\$	3,786
Non-redeemable GIC maturing Feb.20/17, interest rate 0.98%		5,029
Non-redeemable GIC maturing May 22/17, interest rate 1.01%		2,013
Non-redeemable GIC maturing May 22/17, interest rate 1.01%		16,100
Non-redeemable GIC maturing Mar.8/17, interest rate 0.85%		13,203
Non-redeemable GIC maturing Mar.8/17, interest rate 0.85%		5,078
Non-redeemable GIC maturing June 14/17, interest rate 1.02%		2,046
Investment savings account		188,890
	\$	236,145

VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**8. Long-term debt**

	2016	2015
NB Municipal Finance Corporation Debenture #AZ-38 (General Capital) - interest at 3.85% to 5.55% per annum, calculated semi-annually, due December 2023	\$ 107,000	\$ 120,000
NB Municipal Finance Corporation Debenture #AY-25 (General Capital) - interest at 4.55% to 4.85% per annum, calculated semi-annually, due May 2018	2,000	3,000
NB Municipal Finance Corporation Debenture #BO-34 (General Capital) - interest at 1.45% to 3.75% per annum, calculated semi-annually, due June 2031	525,000	-
NB Municipal Finance Corporation Debenture #BG-29 (General Capital) - interest at 2.30% to 3.40% per annum, calculated semi-annually, due June 2022	19,000	20,000
NB Municipal Finance Corporation Debenture #BD-32 (Utility Capital) - interest at 1.70% to 3.25% per annum, calculated semi-annually, due June 2023	31,000	43,000
NB Municipal Finance Corporation Debenture #BD-33 (Utility Capital) - interest at 2.85% to 3.85% per annum, calculated semi-annually, due November 2020	8,000	10,000
NB Municipal Finance Corporation Debenture #BB-37 (Utility Capital) - interest at 3.85% to 4.50% per annum, calculated semi-annually, due November 2019	15,000	20,000
NB Municipal Finance Corporation Debenture #AY-26 (Utility Capital) - interest at 4.55% to 4.85% per annum, calculated semi-annually, due May 2018	8,000	12,000
NB Municipal Finance Corporation Debenture #AZ-39 (Utility Capital) - interest at 4.70% to 5.55% per annum, calculated semi-annually, due December 2023	53,000	64,000
NB Municipal Finance Corporation Debenture #BK-25 (General Capital) - interest at 1.35% to 3.45% per annum, calculated semi-annually, due May 2024	45,000	50,000
	<b>\$ 813,000</b>	<b>\$ 342,000</b>

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VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**8. Long-term debt, continued**

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

2017	\$	86,000
2018		88,000
2019		64,000
2020		62,000
2021 and thereafter		513,000
		<hr/>
	\$	813,000
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VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

9. Tangible Capital Assets

	Cost				Accumulated amortization		2016 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization on disposals end of year	
Land	\$ 69,182	\$ -	\$ -	\$ 69,182	\$ -	\$ -	\$ 69,182
Buildings	239,255	11,000	-	250,255	176,627	5,264	68,364
Automotive equipment	50,757	28,479	(20,852)	58,384	41,787	8,829	28,622
Roads and streets	1,997,405	23,031	-	2,020,436	706,735	89,316	1,224,385
Storm sewer pipes	834,980	8,591	-	843,571	83,068	13,477	747,026
Water & sewer pipes	2,514,490	8,634	-	2,523,124	1,009,370	44,624	1,469,130
Water & sewer facilities	1,547,114	-	-	1,547,114	611,715	29,855	905,544
Construction in progress	2,767	-	(2,767)	-	-	-	-
	\$ 7,255,950	\$ 79,735	\$ (23,619)	\$ 7,312,066	\$ 2,629,302	\$ 191,365	\$ 4,512,253

VILLAGE OF BATH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

	Cost				Accumulated amortization		2015 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization on disposals end of year	
Land	\$ 69,182	\$ -	\$ -	\$ 69,182	\$ -	\$ -	\$ 69,182
Buildings	239,255	-	-	239,255	171,913	4,714	176,627
Automotive equipment	50,757	-	-	50,757	33,721	8,066	41,787
Roads and streets	1,853,291	299,254	(155,140)	1,997,405	781,361	80,514	1,290,670
Storm sewer pipes	618,280	216,700	-	834,980	71,470	11,598	83,068
Water & sewer pipes	2,514,490	-	-	2,514,490	964,963	44,407	1,009,370
Water & sewer facilities	1,547,114	-	-	1,547,114	581,860	29,855	611,715
Construction in progress	2,767	-	-	2,767	-	-	2,767
	\$ 6,895,136	\$ 515,954	\$ (155,140)	\$ 7,255,950	\$ 2,605,288	\$ 179,154	\$ 2,629,302
							\$ 4,626,648



VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**10. Post employment benefits payable**

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.

	2016	2015
Scotiabank non-revolving loan	\$ -	\$ 425,000
	\$ -	\$ 425,000

**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:

	2016	2015
2016	\$ (1,663)	\$ -
2015	-	504
	\$ (1,663)	\$ 504

**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 2016 and 2015, the Village has complied with these restrictions.

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VILLAGE OF BATH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**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.

**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, 2016

	General	Protective	Transportation	Environmental health and development	Recreation and cultural	Sewage collection and disposal	Public health services	Capital reserves	2016 Consolidated	2015 Consolidated
<b>Revenues</b>										
Warrant	\$ 74,741	\$ 90,464	\$ 57,973	\$ 28,701	\$ 19,026	\$ 51,885	\$ -	\$ -	\$ 322,790	\$ 321,494
Unconditional grant	24,399	29,532	18,926	9,369	6,211	16,938	-	-	105,375	115,331
Services to other governments	-	-	2,205	-	-	-	-	-	2,205	1,032
Other revenue from own sources	3,810	-	-	3,000	42,317	-	-	-	49,127	38,573
Water and sewer user fees	-	-	-	-	-	92,715	100,403	-	193,118	195,466
Other government transfers	750	-	31,621	12,559	-	-	-	-	44,930	11,818
Interest	104	-	-	-	-	5,691	-	507	6,562	3,590
Gain on sale of assets	-	-	-	-	-	-	-	-	5,691	-
Other	-	-	-	-	-	-	4,972	-	4,972	7,267
	\$ 103,804	\$ 119,996	\$ 110,725	\$ 53,629	\$ 67,554	\$ 167,229	\$ 111,326	\$ 507	\$ 734,770	\$ 694,571
<b>Expenses</b>										
Salaries and benefits	\$ 60,315	\$ -	\$ -	\$ 48,015	\$ 52,065	\$ 32,256	\$ 32,256	\$ -	\$ 224,907	\$ 216,249
Goods and services	6,066	121,244	41,387	17,884	7,529	10,018	15,437	-	219,565	218,044
Amortization	16,240	-	89,316	5,982	2,500	46,625	30,702	-	191,365	179,154
Interest	1,059	-	22,981	-	-	-	7,081	-	31,121	20,527
Other	35,688	-	14,919	46,040	14,970	36,256	38,587	-	186,460	161,985
	\$ 119,368	\$ 121,244	\$ 168,603	\$ 117,921	\$ 77,064	\$ 125,155	\$ 124,063	\$ -	\$ 853,418	\$ 795,959
<b>Surplus (deficit) for the year</b>	\$ (15,564)	\$ (1,248)	\$ (57,878)	\$ (64,292)	\$ (9,510)	\$ 42,074	\$ (12,737)	\$ 507	\$ (118,648)	\$ (101,388)

VILLAGE OF BATH  
SCHEDULE OF ANNUAL SURPLUS RECONCILIATION - PREVIOUS STANDARDS VS. PSAB  
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	Operating Reserve Fund	Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Total
<b>2016 annual surplus (deficit) per PSAB</b>	\$ 34,370	\$ (114,038)	\$ 32,149	\$ (71,636)	\$ -	\$ 109	\$ -	\$ 398	\$ (118,648)
<b>Adjustments to annual surplus (deficit) for funding requirements</b>									
Second previous year's surplus (deficit)	864	-	187	-	-	-	-	-	1,051
Transfers between funds									
Transfer elimination	21,036	-	-	-	(10,036)	(11,000)	-	-	-
Transfer elimination	-	-	(18,513)	-	-	-	-	18,513	-
Transfer elimination	-	-	49,938	-	-	-	-	(49,938)	-
Transfer elimination	(39,854)	39,854	(37,115)	37,115	-	-	-	-	(0)
Transfer elimination	(20,000)	20,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(34,000)	34,000	-	-	-	-	-
Long-term debt principal repayment	-	-	-	-	-	-	-	-	-
Assets capitalized but previously expensed	-	-	5,691	(5,691)	-	-	-	-	-
Proceeds from disposal of tangible capital assets	-	114,038	-	77,327	-	-	-	-	191,365
Amortization expense	-	-	-	-	-	-	-	-	-
Total adjustments to 2016 annual surplus (deficit)	(37,954)	173,892	(33,812)	142,751	(10,036)	(11,000)	-	(31,425)	192,416
<b>2016 annual fund surplus (deficit) per previous standards</b>	\$ (3,584)	\$ 59,854	\$ (1,663)	\$ 71,115	\$ (10,036)	\$ (10,891)	\$ -	\$ (31,027)	\$ 73,768

VILLAGE OF BATH  
STATEMENT OF RESERVES  
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Operating Reserve	General Capital Reserve	Utility Capital Reserve	2016 Total	2015 Total
<b><u>Assets</u></b>					
Due from (to) operating (net)	\$ -	\$ (11,000)	\$ 18,513	\$ 7,513	\$ 23,000
Investments	-	27,369	19,886	47,255	83,722
	<u>\$ -</u>	<u>\$ 16,369</u>	<u>\$ 38,399</u>	<u>\$ 54,768</u>	<u>\$ 106,722</u>
<b>Accumulated surplus (deficit)</b>	<u>\$ -</u>	<u>\$ 16,369</u>	<u>\$ 38,399</u>	<u>\$ 54,768</u>	<u>\$ 106,722</u>
<b><u>Revenue</u></b>					
Transfers from general and utility operating funds	\$ -	\$ -	\$ 18,513	\$ 18,513	\$ 23,000
Interest	-	109	398	507	712
	<u>-</u>	<u>109</u>	<u>18,911</u>	<u>19,020</u>	<u>23,712</u>
<b><u>Expenditures</u></b>	<u>10,036</u>	<u>11,000</u>	<u>49,938</u>	<u>70,974</u>	<u>-</u>
<b><u>Annual surplus (deficit)</u></b>	<u>\$ (10,036)</u>	<u>\$ (10,891)</u>	<u>\$ (31,027)</u>	<u>\$ (51,954)</u>	<u>\$ 23,712</u>

VILLAGE OF BATH  
RESOLUTIONS FOR TRANSFERS TO/FROM RESERVE  
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Council Resolutions regarding transfers to and from reserves:**

Moved by Councillor McNair, seconded by Councillor O'Neill that \$24,261 be transferred from the Utility Capital Reserve Fund to the Utility 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 June 6, 2016.

Moved by Councillor McNair, seconded by Councillor O'Neill that \$10,036 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 August 7, 2016.

Moved by Councillor McNair, seconded by Councillor McIntosh that \$11,000 be transferred from the General Capital Reserve Fund to the General Operating Fund. Motion carried.

Moved by Councillor O'Neill, seconded by Councillor McIntosh that \$18,513 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund. Motion carried.

Moved by Councillor O'Neill, seconded by Councillor McIntosh that \$25,677 be transferred from the Utility Capital Reserve Fund to the Utility 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 6, 2016.

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VILLAGE OF BATH  
 SCHEDULE OF OPERATING BUDGET TO PSA BUDGET  
 SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Other (Please explain)	Transfers	Total
<b>Revenue</b>							
Property tax warrant	\$ 322,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,790
Services to other governments	1,033	-	-	-	-	-	1,033
Sales of services, fines and other fees	17,885	1,020	-	-	-	-	18,905
Unconditional grant	105,375	-	-	-	-	-	105,375
Other government transfers	10,300	-	-	-	-	-	10,300
Other revenue from own sources	-	199,697	-	-	-	-	199,697
Water and sewer user fees	-	2,376	-	-	-	-	2,376
Interest	-	-	-	-	-	-	-
Surplus of second previous year	864	187	-	-	-	(1,051)	-
	458,247	203,280	-	-	-	(1,051)	660,476
<b>Expenditures</b>							
General government services	98,915	-	16,239	-	-	1,350	116,504
Protective services	121,357	-	-	-	-	-	121,357
Transportation services	55,598	-	89,315	-	-	22,173	167,086
Environmental health services	38,502	-	-	-	-	-	38,502
Public health and welfare services	-	-	-	-	-	-	-
Environmental development services	25,524	-	5,981	-	-	-	31,505
Recreation and cultural services	69,603	-	2,500	-	-	-	72,103
Fiscal services:							
- Long-term debt repayments	20,000	34,000	-	-	-	(54,000)	-
- Interest and bank charges	23,523	5,662	-	-	-	(29,185)	-
- Transfer from the General Operating Fund to the General Capital Fund	5,225	-	-	-	-	(5,225)	-
- Transfer from Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	10,000	-	-	-	(10,000)	-
Water and Sewer	-	153,618	77,325	-	-	5,662	236,605
Deficit of second previous year	-	-	-	-	-	-	-
	458,247	203,280	191,360	-	-	(69,225)	783,662
<b>Surplus (deficit)</b>	\$ -	\$ -	\$ (191,360)	\$ -	\$ -	\$ 68,174	\$ (123,186)

Other government transfer: N/A

VILLAGE OF BATH  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016 Budget (Unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>Revenue</b>			
<i>Transfers from other governments</i>			
Gas Tax Fund	\$ -	\$ 31,621	\$ -
Environmental development	11,500	13,309	11,818
Transportation	1,033	2,205	1,032
	<u>\$ 12,533</u>	<u>\$ 47,135</u>	<u>\$ 12,850</u>
 <i>Other own source</i>			
Permits and fines	\$ 400	\$ 1,635	\$ 9,350
Recreation	13,285	44,492	26,223
Other	3,000	7,972	6,955
	<u>\$ 16,685</u>	<u>\$ 54,099</u>	<u>\$ 42,528</u>
 <i>Water and sewer user fees</i>			
Water user charges	\$ 102,722	\$ 100,403	\$ 101,434
Sewer user charges	97,995	92,715	94,032
	<u>\$ 200,717</u>	<u>\$ 193,118</u>	<u>\$ 195,466</u>



VILLAGE OF BATH  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016 Budget (Unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<b>Expenditures</b>			
<i>General government services</i>			
Legislative			
Mayor	\$ 4,858	\$ 4,859	\$ 4,839
Councillors	11,662	11,639	11,461
Other	1,460	1,748	2,607
	<u>\$ 17,980</u>	<u>\$ 18,246</u>	<u>\$ 18,907</u>
Administrative			
Clerk	\$ 44,725	\$ 45,940	\$ 45,109
Office building	17,225	17,867	18,685
	<u>\$ 61,950</u>	<u>\$ 63,807</u>	<u>\$ 63,794</u>
Financial management			
External audit	\$ 2,530	\$ 3,600	\$ 2,689
Other			
Civic relations	\$ 2,195	\$ 2,137	\$ 14,063
Cost of assessment	4,349	4,349	4,331
Other	2,463	2,468	1,862
Liability insurance	7,448	7,463	7,329
Interest	1,350	1,059	1,164
Amortization	16,239	16,239	13,812
	<u>\$ 34,044</u>	<u>\$ 33,715</u>	<u>\$ 42,561</u>
	<u>\$ 116,504</u>	<u>\$ 119,368</u>	<u>\$ 127,951</u>
<i>Protective services</i>			
Police			
R.C.M.P.	\$ 80,391	\$ 80,391	\$ 84,130
Fire services			
Forces	\$ 33,489	\$ 33,489	\$ 36,827
Other			
Animal and pest control	\$ 3,840	\$ 4,050	\$ 4,034
Building inspections	3,637	3,314	3,437
	<u>\$ 7,477</u>	<u>\$ 7,364</u>	<u>\$ 7,471</u>
	<u>\$ 121,357</u>	<u>\$ 121,244</u>	<u>\$ 128,428</u>

VILLAGE OF BATH  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016 Budget</u> <u>(Unaudited)</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<i>Transportation services</i>			
Road transport			
Summer maintenance	\$ 8,090	\$ 6,956	\$ 9,291
Culverts & drainage ditches	259	-	-
Snow & ice removal	29,444	30,384	29,751
Street lighting	15,594	14,919	14,498
Traffic lane marking	2,211	3,447	2,212
Interest on debentures	22,173	22,981	10,025
Other	-	600	120
Amortization	89,315	89,316	80,514
	<u>\$ 167,086</u>	<u>\$ 168,603</u>	<u>\$ 146,411</u>
 <i>Environmental health services</i>			
Garbage and waste collection	<u>\$ 38,502</u>	<u>\$ 37,162</u>	<u>\$ 37,349</u>
 <i>Environmental development</i>			
Beautification & land rehabilitation	\$ 25,524	\$ 74,777	\$ 21,823
Amortization	5,981	5,982	5,981
	<u>\$ 31,505</u>	<u>\$ 80,759</u>	<u>\$ 27,804</u>
 <i>Recreation and cultural service</i>			
Swimming pool	\$ 57,354	\$ 50,428	\$ 69,472
Parks & playgrounds	11,161	24,136	23,488
Interest	-	-	1,317
Other	1,088	-	160
Amortization	2,500	2,500	2,500
	<u>\$ 72,103</u>	<u>\$ 77,064</u>	<u>\$ 96,937</u>

VILLAGE OF BATH  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016 Budget (Unaudited)</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<i>Water and sewer</i>			
Water supply			
Administration and operation	\$ 84,297	\$ 86,281	\$ 78,320
Amortization	30,702	30,702	30,321
	<u>\$ 114,999</u>	<u>\$ 116,983</u>	<u>\$ 108,641</u>
<i>Sewer collection and disposal</i>			
Administration and system operation	\$ 69,321	\$ 78,529	\$ 68,391
Amortization	46,623	46,625	46,026
	<u>\$ 115,944</u>	<u>\$ 125,154</u>	<u>\$ 114,417</u>
<i>Other</i>			
Interest on debentures	\$ 5,662	\$ 7,081	\$ 8,021
	<u>\$ 236,605</u>	<u>\$ 249,218</u>	<u>\$ 231,079</u>

**Municipality of Bath**  
**December 31, 2016**  
**Proof of Fund Balances**

Net financial assets (liabilities)	\$ (776,664)
Adjustments:	
Long-term debt	813,000
Interim Borrowing (for capital)	-
Accrued sick leave: non-vesting/unfunded portion	-
Other unfunded liability	-
Inventory	3,476
Prepaid expenses	22,964
<b>Current net assets</b>	<u>62,776</u>

**Composition of current net assets**

Prior year surplus (deficit) as of Dec. 31, 2015 - General Fund (FUND)	393
Prior year surpluses (deficits) as of Dec. 31, 2015 - Utility Fund (FUND)	504
2016 Reserve Funds (FUND)	54,768
2016 Controlled Entities Equity (PSAB)	-
Current assets in Capital Funds (FUND)	12,358
Current Liabilities in Capital Funds (FUND)	-
Due to/from in Capital Funds (FUND)	-
<b>2016 Operating Funds Surplus (Deficit)</b>	<u>\$ 5,247</u>

**Current year surplus (deficit)**

2016 General Fund Operating surplus (deficit)	(3,584)
2016 Utility Fund Operating surplus (deficit)	(1,663)
<b>Surplus (deficit) reported in reconciling schedule</b>	<u>\$ (5,247)</u>

**Variance (should be zero)**

\$ 0