

CITY OF BATHURST
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016

**CITY OF BATHURST
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YEAR ENDED DECEMBER 31, 2016**

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INDEPENDANT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council of the City of Bathurst,

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Public Sector accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Public Sector 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 entity'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 entity'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 unqualified audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Bathurst as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector accounting principles.

EPR - Bathurst / Péninsule

EPR - BATHURST / PÉNINSULE
CHARTERED PROFESSIONAL ACCOUNTANTS

Bathurst, New Brunswick
April 6, 2017

**CITY OF BATHURST
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016**

	Unaudited Budget (Note 20)	2016 Actual	2015 Actual
REVENUES			
Property tax warrant	\$ 18,275,980	\$ 18,275,976	\$ 18,067,546
Services provided to other governments	1,225,922	1,364,276	541,693
Sale of services, fines and other fees	1,529,234	1,615,609	1,507,855
Unconditional grants	3,307,710	3,307,714	2,843,304
Other government transfers	888,102	888,102	1,074,911
Water and sewer user fees	5,451,202	5,359,083	5,435,316
Interest	80,000	80,806	81,920
Gain on disposal of capital assets	-	23,173	20,000
	30,758,150	30,914,739	29,572,545
EXPENDITURES			
General government services	4,357,076	4,357,859	4,121,496
Protective services	7,760,616	7,399,751	6,713,913
Transportation services	6,399,161	6,228,120	6,123,904
Environmental health services	412,487	377,185	372,310
Environmental development services	873,832	812,043	777,131
Recreational and cultural services	4,210,646	4,142,989	3,932,099
Water and sewer	6,941,029	7,205,383	7,196,318
	30,954,847	30,523,330	29,237,171
Annual surplus (Note 17)	(196,697)	391,409	335,374
Accumulated surplus, beginning of year	-	62,133,400	61,798,026
Accumulated surplus, end of year	\$ -	\$ 62,524,809	\$ 62,133,400

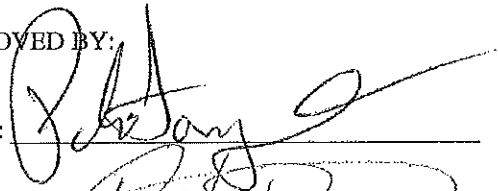

The accompanying notes are an integral part of these consolidated financial statements.



**CITY OF BATHURST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	2016	2015
FINANCIAL ASSETS		
Receivables		
General	\$ 2,209,411	\$ 1,877,163
Federal government and its agencies (Note 4)	467,597	293,382
Loans receivable	872,402	989,181
	3,549,410	3,159,726
LIABILITIES		
Bank indebtedness (Note 3)	5,397,269	4,378,026
Account payable and accrued liabilities	2,455,421	1,508,884
Deferred revenue (Note 5)	1,114,520	1,275,471
Long-term debt (Note 6)	28,675,006	29,786,862
Accrued sick leave (Note 7)	329,480	334,821
Post employment benefits payable (Note 8)	2,957,311	2,789,933
	40,929,007	40,073,997
NET DEBT	(37,379,597)	(36,914,271)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	125,141,106	119,326,092
Accumulated amortization	26,661,786	21,653,787
	98,479,320	97,672,305
Inventory	691,797	692,028
Prepaid expenses	733,289	683,338
	99,904,406	99,047,671
ACCUMULATED SURPLUS	\$ 62,524,809	\$ 62,133,400

Contingencies (Note 9)
Commitments (Note 10)

APPROVED BY:
Mayor: 
Treasurer: 

The accompanying notes are an integral part of these consolidated financial statements.



**CITY OF BATHURST
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Annual surplus	\$ 391,409	\$ 335,374
Acquisition of tangible capital assets	(5,815,014)	(3,932,278)
Proceed on disposal of tangible capital assets	42,425	20,000
Amortization of tangible capital assets	4,988,747	4,977,852
Gain on sale of tangible assets	(23,173)	(20,000)
	(415,606)	1,380,948
Acquisition of inventories	(691,797)	(692,028)
Acquisition of prepaid assets	(733,289)	(683,338)
Consumption of inventories	692,028	517,070
Use of prepaid assets	683,338	712,599
	(49,720)	(145,697)
(Increase) / Decrease in Net Debt	(465,326)	1,235,251
Net Debt, beginning of the year	(36,914,271)	(38,149,522)
Net Debt, end of the year	\$ (37,379,597)	\$ (36,914,271)

The accompanying notes are an integral part of these consolidated financial statements.

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**CITY OF BATHURST
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Annual surplus	\$ 391,409	\$ 335,374
Gain on disposal of tangible capital assets	(23,173)	(20,000)
Amortization of tangible capital assets	4,988,747	4,977,853
Receivable - General	(332,250)	650,001
Receivable - Federal Government and its agencies	(174,215)	162,754
Loans receivable	116,780	140,742
Payables and accruals	946,537	(697,609)
Deferred revenues	(160,951)	(124,339)
Accrued sick leave	(5,340)	(10,969)
Post employment benefits payable	167,378	78,048
Change in inventory and prepaid expenses	(49,720)	(145,696)
	5,865,202	5,346,159
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,815,014)	(3,932,279)
Proceeds on sale of tangible capital assets	42,425	20,000
	(5,772,589)	(3,912,279)
FINANCING ACTIVITIES		
Increase in long-term debt	(2,723,000)	-
Repayment of long term debt	1,611,144	(4,059,598)
	(1,111,856)	(4,059,598)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,019,243)	(2,625,718)
CASH AND CASH EQUIVALENTS, beginning of year	(4,378,026)	(1,752,308)
CASH AND CASH EQUIVALENTS, end of year	\$ (5,397,269)	\$ (4,378,026)

Cash and cash equivalents consist of bank indebtedness.

The accompanying notes are an integral part of these consolidated financial statements.



CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PURPOSE OF THE ORGANIZATION

The Municipality was incorporated as a city by the Province of New Brunswick *Municipalities Act* on January 1, 1966 and was approved for status as a Municipality effective June 2, 1965 by an amendment of New Brunswick Regulation 85-6 under the *Municipalities Act*. As a municipality, the Municipality is exempt from income tax under section 149(1)(c) of the *Canadian Income Tax Act*. The Municipality has the following vision statement, "The Municipality, is to work in partnership, to serve their customers in an effective, efficient, professional and financially responsible manner. The Municipality will also facilitate orderly and responsible development while working with their customers to maintain and enhance the high quality of life in our community".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality 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 Canadian Institute of Chartered Accountants.

The focus of PSA financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flow 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 Municipality and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by the Council on January 18, 2016 and the Minister of Local Government on January 26, 2016.

Revenue Recognition

a) Unrestricted revenue are recorded on an accrual basis and are recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

b) Other revenue is recorded when it is earned.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues 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. Actual results may differ from those estimates.

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

The Municipality's financial instruments consist of cash, accounts receivable, due from the Federal Government, payables and accruals and long-term debt. Unless otherwise noted, it is the management's opinion that the Municipality 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 Municipality is subject to credit risk through accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Tangible capital assets

Effective January 1, 2011, the Municipality adopted the provisions of PSA 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. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Years</u>
Land improvements	8-30 years
Buildings	15-70 years
Vehicles	10-15 years
Machinery and equipment	7-25 years
Heavy equipment	15-25 years
Computer hardware, software and communication equipment	5-10 years
Furnitures and fixtures	15-25 years
Road surface	10-80 years
Lighting and traffic lights	15-60 years
Water and wastewater networks	40-60 years

Assets under construction are not amortized until the asset is available for productive use.

Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality'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 Municipality. 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 measures.

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water and wastewater systems

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.

Inventory of supplies

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first-out basis.

Post employment benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 8 and a long-term service award and pension plan as documented in Note 9.

3. CASH

	2016	2015
Cash - restricted	\$ 394,477	\$ 331,891
Cash - unrestricted	(5,791,746)	(4,709,917)
	\$ (5,397,269)	\$ (4,378,026)

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2016	2015
Canada Revenue Agency (HST refund)	\$ 467,597	\$ 293,382

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. DEFERRED REVENUE

	2016	2015
Miscellaneous - Hazard Material	\$ 17,664	\$ 30,465
Gift certificates	375	435
Local improvement - Long term	872,402	989,181
Local improvement - Prepaid	224,079	255,390
	\$ 1,114,520	\$ 1,275,471

6. LONG-TERM DEBT

	2016	2015
New Brunswick Municipal Financing Corporation		
Debentures:		
Serial of 4.15% to 4.45%, maturing in 2016	\$ -	\$ 509,000
Serial of 4.75% to 4.85%, maturing in 2017	180,000	351,000
Serial of 3.30% to 4.85%, maturing in 2018	104,000	153,000
Serial of 2.10% to 4.95%, maturing in 2018	284,000	417,000
Serial of 1.00% to 4.50%, maturing in 2019	521,000	641,000
Serial of 1.50% to 3.85%, maturing in 2020	1,066,000	1,276,000
Serial of 1.35% to 3.45%, maturing in 2021	1,667,000	2,007,000
Serial of 1.35% to 3.10%, maturing in 2022	1,007,000	1,192,000
Serial of 1.23% to 3.70%, maturing in 2023	1,031,000	1,247,000
Serial of 1.20% to 2.50%, maturing in 2029	3,243,000	3,616,000
Serial of 1.45% to 2.90%, maturing in 2026	1,893,000	-
Serial of 4.15% to 4.45%, maturing in 2016	-	92,000
Serial of 4.75% to 4.85%, maturing in 2017	91,000	178,000
Serial of 2.10% to 4.95%, maturing in 2018	213,000	313,000
Serial of 1.00% to 4.50%, maturing in 2019	5,780,000	6,140,000
Serial of 1.50% to 3.85%, maturing in 2020	766,000	867,000
Serial of 1.35% to 3.45%, maturing in 2021	1,848,000	2,086,000
Serial of 1.35% to 3.80%, maturing in 2022	1,400,000	1,523,000
Serial of 1.25% to 4.40%, maturing in 2033	3,969,000	4,172,000
Serial of 1.20% to 3.70%, maturing in 2034	1,597,000	1,715,000
Serial of 1.45% to 2.90%, maturing in 2026	830,000	-
	27,490,000	28,495,000
Province of New Brunswick:		
Term Loan from CMHC, for a term of 15 years, repayable by annual installments of \$160,468 including interest at the rate of 4.15%, maturing in May 2025.	1,185,006	1,291,862
	\$ 28,675,006	\$ 29,786,862

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

Principal payments required during the next five years are as follows:

2017	\$ 3,728,000	
2018	\$ 3,080,000	
2019	\$ 2,832,000	
2020	\$ 7,499,000	(\$5,005,000 to be refinanced in 2019)
2021	\$ 2,133,000	(\$329,000 to be refinanced in 2020)

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

2009 Issue of \$2,730,000:

On November 6, 2019, \$384,000 is to be refinanced for a term not exceeding ten years.

2009 Issue of \$8,085,000:

On November 6, 2019, \$4,621,000 is to be refinanced for a term not exceeding ten years.

2010 Issue of \$1,359,000:

On November 19, 2020, \$329,000 is to be refinanced for a term not exceeding ten years.

2011 Issue of \$3,367,000:

On December 5, 2021, \$269,000 is to be refinanced for a term not exceeding five years.

2011 Issue of \$4,988,000:

On December 5, 2021, \$667,000 is to be refinanced for a term not exceeding ten years.

7. ACCRUED SICK LEAVE

The Municipality provides sick leave that accumulates at 12 hours per month for full-time non-administrative employees; and at 12 hours per month for full-time administrative employees. All employees can accumulate a maximum of 1,920 to 2,016 sick leave hours. An employee can take a leave with pay for an amount equal to the accumulated sick leave.

An actuarial valuation was performed on the 142 employees plan in accordance with PSA 3255. The actuarial method used the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's best estimates.

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. ACCRUED SICK LEAVE (CONTINUED)

The following summarizes the major assumptions in the valuation:

- annual salary increase is 1.20% to 2.75%;
- the discount rate used to determine the accrued benefit obligation is 3.20%;
- retirement age is 58; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenues as they come due.

The unfunded liability was paid in full on December 31, 2014.

8. POST EMPLOYMENT BENEFITS PAYABLE

a) Long term service pay

Management employees of the Municipality become eligible for this pay after five years of full-time consecutive service. Qualifying employees are entitled to one half week of regular pay for each five years of continuous employment. Unionized employees of the Municipality become eligible for this pay after 8 years of full-time consecutive service. Qualifying employees are entitled to \$280 of regular pay for each 8 years of continuous employment. The accrued benefit becomes payable in the year an employee ceases working for the Municipality, either by retirement or leaving in good standing. There was \$141,351 on December 31, 2016 (2015 - \$26,181) in long term service awards paid out during the year.

Defined contribution pension plan

The Municipality sponsors a defined contribution pension plan for substantially all of its employees. The pension plan for employees is a money purchases plan. Employees contribute from 8% to 9% of salary and the Municipality matches that contribution. On retirement, the combination of employees and employer contributions, plus earned interest, is used to provide the employee with a pension. Employees may make voluntary contributions to the Municipality Pension plan. These contributions are in excess of the initial 9% of regular salary and are not matched by the Municipality. The Canada Pension Plan is separate from the Municipality's pension plan. Employees and the Municipality shall contribute equal shares to the Canada Pension Plan as required by law. During the year, the Municipality contributed \$849,042 (2015 - \$818,445) to the pension plan.

9. CONTINGENCIES

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2016 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

The City has guaranteed debt of the Chaleur Regional Service Commission totalling \$1,519,000 at December 31, 2016.

The City has guaranteed debt of the Bathurst Aquatic Centre Commission at December 31, 2016.

**CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

10. COMMITMENTS

The City has entered into lease commitments for various vehicles and equipment requiring future lease payments for the next four years:

	General Fund	Utility Fund
2017	\$ 87,660	\$ 11,665
2018	72,697	10,465
2019	59,376	7,190
2020	28,279	7,190
	\$ 248,012	\$ 36,510

11. SHORT-TERM BORROWINGS COMPLIANCE

Interim borrowing for capital

The Municipality has arranged a revolving operating facility bearing interest at 1.99% for both funds. The facility is used to provide interim financing for capital expenditures.

The Municipality has ministerial authority for the short-term borrowings as follows:

General Capital:		
O.I.C. No. 11-0049	\$ 300,000	Guarantee
O.I.C. No. 15-0005	1,908,000	
O.I.C. No. 15-0072	200,000	
O.I.C. No. 16-0008	2,076,000	
O.I.C. No. 16-0049	1,034,000	
	5,518,000	
Utility Capital:		
O.I.C. No. 11-0049	70,000	
O.I.C. No. 15-0005	2,329,000	Interim financing
O.I.C. No. 16-0008	950,000	
O.I.C. No. 14-0062	2,700,000	Interim financing
O.I.C. No. 15-0053	579,000	Interim financing
O.I.C. No. 16-0078	4,678,000	Interim financing
	11,306,000	
	\$ 16,824,000	

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SHORT-TERM BORROWINGS COMPLIANCE (CONTINUED)

Operating borrowing

As prescribed in the *Municipalities Act*, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2016, the Municipality has complied with these restrictions.

Inter-fund borrowing

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 the requirements.

12. WATER AND SEWER FUND SURPLUS (DEFICIT)

The *Municipalities Act* requires that the Water and Sewer Fund surplus/deficit amounts be absorbed into one or more of three operating budgets commencing with the second next ensuing year; the balance of the surplus (deficit) at the end of the year consists of:

	2016	2015
2013 Deficit	\$ (68,008)	\$ (136,012)
2014 Surplus	-	1,582
2015 Deficit	(150,511)	(150,511)
2016 Deficit	(44,635)	-
	\$ (263,154)	\$ (284,941)

13. WATER COST TRANSFER

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the *Municipalities Act* based upon the applicable percentage of water system expenditures for the population.

14. DISASTER RELIEF

During 2015, severe rainfall caused damages to various facilities in the City. The City was forced to replace these structures at a cost of \$24,981, for which the City is applying for disaster relief.

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Infrastructure		Total 2016	Total 2015
						Treatment facilities	Water and sewer		
Cost:									
Balance, beginning of year	\$ 3,074,180	\$ 4,651,716	\$ 39,683,198	\$ 4,846,157	\$ 2,585,058	\$ 25,960,731	\$ -	\$ 38,525,052	\$ 119,326,092
Add:									
Additions	-	1,034,930	1,593,409	1,154,777	291,815	934,293	-	805,790	5,815,014
Balance, end of year	3,074,180	5,686,646	41,276,607	6,000,934	2,876,873	26,895,024	-	39,330,842	125,141,106
Accumulated Amortization:									
Balance, beginning of year	-	813,470	10,346,155	1,304,732	586,715	5,219,611	-	3,383,104	21,653,787
Add:									
Additions	-	224,762	2,247,558	430,860	150,562	1,245,503	-	689,502	4,988,747
Less:									
Disposals	-	-	-	17,769	-	-	-	1,483	19,252
Balance, end of year	-	1,038,232	12,593,713	1,717,823	737,277	6,465,114	-	4,071,123	26,623,282
Net book value of tangible capital assets	\$ 3,074,180	\$ 4,648,414	\$ 28,682,894	\$ 4,283,111	\$ 2,139,596	\$ 20,429,910	\$ -	\$ 35,259,719	\$ 98,517,824
Consists of:									
General Fund	\$ 3,074,180	\$ 4,648,414	\$ 28,682,894	\$ 4,247,573	\$ 2,139,596	\$ 20,429,910	\$ -	\$ -	\$ 63,222,567
Water and Sewer	-	-	-	-	-	-	-	35,256,753	35,141,948
	\$ 3,074,180	\$ 4,648,414	\$ 28,682,894	\$ 4,247,573	\$ 2,139,596	\$ 20,429,910	\$ -	\$ 35,256,753	\$ 98,479,310
									\$ 97,672,305

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Health	Environmental Development	Recreation & cultural	Water & sewer	2016 Consolidated	2015 Consolidated
REVENUES									
Property tax warrant	\$ 3,415,571	\$ 5,799,725	\$ 4,881,432	\$ 295,627	\$ 636,458	\$ 3,247,163	\$ -	\$ 18,275,976	\$ 18,067,546
Services provided to other governments	-	1,167,422	196,854	-	-	-	-	1,364,276	541,693
Sale of service, fines and other fees	-	231,812	-	2,440	410,839	970,518	-	1,615,609	1,507,854
Unconditional grant	618,180	1,049,673	883,474	53,504	115,190	587,693	-	3,307,714	2,843,304
Other government transfers	9,943	14,119	-	-	-	-	864,040	888,102	1,074,911
Water and sewer user fees	-	-	-	-	-	-	5,359,083	5,359,083	5,435,317
Interest	-	-	-	-	-	-	80,806	80,806	81,920
Gain on disposal of assets	20,598	-	-	-	-	-	2,575	23,173	20,000
	4,064,292	8,262,751	5,961,760	351,571	1,162,487	4,805,374	6,306,504	30,914,739	29,572,545
EXPENDITURES									
Salaries and benefits	1,915,916	6,267,845	2,380,344	157,847	402,357	1,766,531	1,899,040	14,789,880	13,716,837
Goods and services	623,649	814,178	2,007,728	219,338	230,235	1,378,395	2,639,401	7,912,924	7,423,893
Amortization	4,351	94,975	1,840,048	-	179,451	998,063	1,871,859	4,988,747	4,977,852
Interest	366,887	-	-	-	-	-	706,392	1,073,279	1,158,570
Other	1,447,056	222,753	-	-	-	-	88,691	1,758,500	1,616,056
	4,357,859	7,399,751	6,228,120	377,185	812,043	4,142,989	7,205,383	30,523,330	28,893,208
Surplus (deficit) for the year	\$ (293,567)	\$ 863,000	\$ (266,360)	\$ (25,614)	\$ 350,444	\$ 662,385	\$ (898,879)	\$ 391,409	\$ 679,337

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. RECONCILIATION OF ANNUAL SURPLUS

	General Fund Operating	Capital	Water & Sewer Fund Operating	Capital	General Reserve Fund Operating	Capital	Water & Sewer Reserve Fund Operating	Capital	Total
2016 annual surplus (deficit)	\$ 4,407,175	\$ (3,116,889)	\$ 99,973	\$ (1,007,819)	\$ 236	\$ 2,491	\$ 74	\$ 6,168	\$ 391,409
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's deficit	19,768	-	(66,422)	-	-	-	-	-	(46,654)
Grants revenues	(135,978)	-	-	-	-	9,158	-	-	(126,820)
Transfer between funds:									
From the general reserve operating fund to the general capital fund	-	-	-	-	-	-	-	-	-
From the general operating fund to the general capital reserve fund	(100,000)	-	-	-	100,000	-	-	-	-
From the water and sewer operating fund to the water and sewer capital reserve fund	-	-	(46,500)	-	-	-	-	46,500	-
Long-term debt principal repayment	(2,306,000)	2,306,000	(1,528,856)	1,528,856	-	-	-	-	-
Capital lease payments	(50,028)	-	(2,552)	-	-	-	-	-	(52,580)
Proceeds from disposal of tangible capital assets	19,867	-	22,558	-	-	-	-	-	42,425
Provision for sick leave accrual	(5,341)	-	-	-	-	-	-	-	(5,341)
Amortization expense	-	3,116,888	-	1,871,859	-	-	-	-	4,988,747
Capital assets purchased	(340,755)	-	-	-	-	-	-	(55,695)	(396,450)
Water cost	(1,479,739)	-	1,479,739	-	-	-	-	-	-
Gain on disposal of assets	(20,598)	-	(2,575)	-	-	-	-	-	(23,173)

Total adjustments to 2016 annual surplus (deficit)	(4,398,804)	5,422,888	(144,608)	3,400,715	100,000	9,158	-	(9,195)	4,380,154
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2016 annual fund surplus (deficit)s	8,371	\$ 2,305,999	\$ (44,635)	\$ 2,392,896	\$ 100,236	\$ 11,649	\$ 74	\$ (3,027)	\$ 4,771,563
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CITY OF BATHURST
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. STATEMENTS OF RESERVES

	General reserve fund		Water and sewer reserve fund		2016	2015
	Operating	Capital	Operating	Capital	Total	Total
ASSETS						
Cash	\$ 112,936	\$ 82,978	\$ 4,462	\$ 194,101	\$ 394,477	\$ 327,760
Due from Utility Operating fund	(354)	66,134	-	167,635	233,415	191,000
	\$ 112,582	\$ 149,112	\$ 4,462	\$ 361,736	\$ 627,892	\$ 518,760
Accumulated surplus	\$ 112,582	\$ 149,112	\$ 4,262	\$ 361,736	\$ 627,692	\$ 518,760
REVENUES						
Transfers from water and general operating funds	\$ 100,000	\$ 9,158	\$ -	\$ 46,500	\$ 155,658	\$ 46,500
Interest	236	2,491	74	6,168	8,969	8,270
Sale of land	-	-	-	-	-	5,000
	100,236	11,649	74	52,668	164,627	59,770
EXPENDITURES						
Transfer to capital fund	-	-	-	55,695	55,695	19,570
	-	-	-	55,695	55,695	19,570
Annual surplus (deficit)	\$ 100,236	\$ 11,649	\$ 74	\$ (3,027)	\$ 108,932	\$ 40,200

**CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

18. STATEMENTS OF RESERVES (CONTINUED)

Council resolutions regarding transfers to and from reserves:

Moved by Councillor L. Stever, seconded by Councillor K. Lanteigne that \$100,000 be transferred from the General operating fund to the General operating reserve fund.

Moved by Councillor R. Hondas, seconded by Councillor L. Stever that \$55,695 be transferred from the Utility capital reserve fund to the General Utility operating fund.

Moved by Councillor R. Hondas, seconded by Councillor B. Cormier that \$13,500 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor K. Chamberlain, seconded by Councillor P. Anderson that \$17,000 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor L. Stever, seconded by Councillor K. Lanteigne that \$10,000 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor K. Lanteigne, seconded by Councillor S. Daigle that \$6,000 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor B. Cormier, seconded by Councillor R. Hondas that \$2,000 be put in Parkland reserve on sale of land.

Moved by Councillor P. Anderson, seconded by Councillor K. Chamberlain that \$5,658 be put in Parkland reserve on sale of land.

Moved by Councillor K. Chamberlain, seconded by Councillor P. Anderson that \$1,500 be put in Parkland reserve on sale of land.

I hereby certify that the above are true and exact copies of resolutions adopted at various meetings of Council during the year.


Carol Lemire

Clerk,
City of Bathurst

02-05-2007
Date

Municipal Seal

CITY OF BATHURST
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. RECONCILIATION OF FUNDING DEFICIT UPON ADOPTION OF PSA

	Defined benefit pension liability	Vested Post employment benefit	Other liabilities not previously recorded
Liability at December 31, 2011 as calculated on adoption of PSA	\$ -	\$ 1,141,553	\$ -
Amount funded in prior years	\$ -	(1,141,553)	\$ -
	\$ -	\$ -	\$ -

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. OPERATING BUDGET TO PSA BUDGET

	Operating budget	Amortization	Controlled	Other	Transfers	Total
	General	ICA	Entities	(explain)		
	Water & sewer					
REVENUES						
Property tax warrant	\$ 18,275,980	\$ -	\$ -	\$ -	\$ -	\$ 18,275,980
Services provided to other governments	1,234,322	-	-	-	-	1,234,322
Sales of services, fines and other fees	1,520,834	-	-	-	-	1,520,834
Unconditional grant	3,307,710	-	-	-	-	3,307,710
Other government transfers	24,062	-	-	864,040	-	888,102
Water and sewer user fees	6,630,948	-	-	(1,179,746)	-	5,451,202
Interest	80,000	-	-	-	-	80,000
Surplus / deficit of second previous year	19,768	-	-	(21,350)	-	-
	24,382,676	-	-	(337,056)	-	30,758,150
EXPENDITURES						
General government services	3,988,838	4,351	-	-	-	3,993,189
Protective services	8,490,024	94,975	-	(824,383)	-	7,760,616
Transportation services	4,914,476	1,840,048	-	(355,363)	-	6,399,161
Environmental health services	412,487	-	-	-	-	412,487
Environmental development services	694,381	179,451	-	-	-	873,832
Recreational and cultural services	3,212,583	998,063	-	-	-	4,210,646
Fiscal services:						
Long-term debt repayments	2,306,000	-	-	(3,834,856)	-	-
Interest	363,887	700,438	-	-	-	1,064,325
Transfer from the water and sewer operating fund to the water and sewer capital reserve fund	-	46,500	-	-	(46,500)	-
Water and sewer	4,436,736	1,871,859	-	(68,004)	-	6,240,591
	24,382,676	4,988,747	-	(5,082,606)	(46,500)	30,954,847
Surplus (deficit)	\$ -	\$ -	\$ -	\$ 4,745,550	\$ 46,500	\$ (196,697)

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. REVENUE AND EXPENDITURES SUPPORT

	Budget (Unaudited)	2016 Actual	2015 Actual
REVENUES			
SERVICES PROVIDED TO OTHER GOVERNMENTS			
Park	\$ 1,057,922	\$ 1,167,422	\$ 373,963
Highway maintenance	168,000	196,854	167,730
	\$ 1,225,922	\$ 1,364,276	\$ 541,693

SALES OF SERVICES, FINES AND OTHER FEES

Parking Commission	\$ 104,900	\$ 92,725	\$ 101,122
Civic Center	861,300	823,579	828,843
Recreational and Cultural Programs	96,536	64,843	59,213
Youghall Beach	-	5,118	-
Daly Point	1,500	5,023	1,913
Solid Waste Collection	1,760	2,440	1,760
Licenses and Permits	6,500	8,895	6,893
Building Inspection	124,100	125,342	166,336
Alarm systems	4,800	4,850	5,000
Other rentals	226,000	222,980	231,446
Miscellaneous	7,600	71,955	11,093
Debt recovery	94,238	187,859	94,236
	\$ 1,529,234	\$ 1,615,609	\$ 1,507,855

OTHER GOVERNEMENT TRANSFERS

Federal PILT	\$ 9,943	\$ 9,943	\$ 195,999
Fine Sharing	14,119	14,119	56,015
Gas Tax	864,040	864,040	822,897
	\$ 888,102	\$ 888,102	\$ 1,074,911

WATER AND SEWER USER FEES

User charges	\$ 5,225,500	\$ 5,128,409	\$ 5,213,388
Connection and service charges	40,702	45,884	37,533
Local improvement frontage fees	185,000	184,790	184,395
	\$ 5,451,202	\$ 5,359,083	\$ 5,435,316

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2016 Actual	2015 Actual
EXPENDITURES			
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 67,089	\$ 64,123	\$ 69,915
Councilors	138,987	131,764	135,798
Other	88,300	88,300	88,300
Amortization	4,351	4,351	4,351
	298,727	288,538	298,364
Administrative			
Manager	419,775	300,568	149,589
Clerk	238,875	277,530	265,914
Human Relations	607,346	615,490	603,011
Office Building	83,500	83,500	83,500
Solicitor	50,000	39,842	47,406
Economic Development	158,702	65,133	145,334
	1,558,198	1,382,063	1,294,754
Financial Management			
Administration	101,035	100,910	94,114
Inventory	150,043	146,563	111,646
Accounting	192,649	214,497	189,843
External Audit	17,500	18,139	18,100
Purchasing	145,779	145,019	141,941
Other	262,185	278,151	211,100
	869,191	903,279	766,744
Other General Government Services			
Civic Relations	15,000	9,878	15,087
Public Liability Insurance	154,000	142,234	152,028
Commercial Tax Rebate	152,000	81,037	81,862
Property Tax Rebate	74,000	29,727	54,871
Grants to Organization	30,000	27,658	29,216
Home Incentive Rebates	9,000	13,325	8,890
Miscellaneous	320,000	413,769	355,351
Disaster expense	-	24,981	-
Cost of assessment	199,749	199,749	197,471
	953,749	942,358	894,776

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2016 Actual	2015 Actual
Fiscal Services - Debt Charges			
Short-term Interest	28,000	27,205	22,227
Debenture Interest	363,887	366,887	423,098
Debenture Discounts	19,610	19,610	21,283
Bank Service Charges	36,000	47,598	39,704
Other Debt	10,714	15,144	34,179
Bad debts	9,000	24,468	30,036
	467,211	500,912	570,527
Transfer to Other Funds for			
Local Improvement Assessment	65,000	64,992	64,992
Sick Leave and Retirement Benefits			
	145,000	275,717	231,339
	\$ 4,357,076	\$ 4,357,859	\$ 4,121,496

PROTECTIVE SERVICES

Police			
Administration	\$ 651,047	\$ 641,215	\$ 505,682
Investigations	467,177	389,373	434,920
Uniform Division	1,951,000	1,985,481	1,821,946
Detention and Custody of Prisoners	42,600	39,822	34,998
School Crossing Guards	11,000	10,691	9,370
Identification	121,761	138,534	116,594
Court Traffic	239,305	122,319	149,050
Crime Prevention	103,973	58,922	95,609
Communication and Central Records	1,096,000	986,578	591,192
Narcotic Control Act	204,656	206,771	200,269
Training	36,500	8,307	21,370
Automotive Equipment	233,873	196,472	180,152
Amortization	65,792	65,792	69,722
	5,224,684	4,850,277	4,230,874
Fire			
Administration	275,067	266,407	258,016
Fire Fighting Force	1,374,045	1,309,291	1,276,600
Station and Building	92,666	92,666	94,996
Fighting Equipment	100,000	139,191	136,819
Fire Sub-Station	489,000	489,000	489,000
Training	1,850	982	1,491
Amortization	29,184	29,184	32,944
	2,361,812	2,326,721	2,289,866

**CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

21. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2016 Actual	2015 Actual
Other			
Building Inspection	92,620	140,945	116,876
Animal and Pest Control	81,500	81,808	76,297
	174,120	222,753	193,173
	\$ 7,760,616	\$ 7,399,751	\$ 6,713,913

TRANSPORTATION SERVICES

Common Services			
Administration and Maintenance Management	\$ 710,551	\$ 661,198	\$ 655,517
General Equipment Maintenance	913,062	882,077	798,659
Public Building	503,011	558,617	517,307
Engineering	267,501	227,754	223,131
Amortization	591,231	591,231	630,627
	2,985,356	2,920,877	2,825,241

Road Transport			
Roadway Surfaces	354,730	460,407	368,879
Sidewalks	6,490	21,484	6,315
Culverts and Drainage Ditches	63,155	60,319	96,598
Storm Sewers	75,570	86,558	58,167
Street Cleaning	69,693	53,708	48,404
Snow and Ice Removal	1,045,755	850,712	959,521
Amortization	1,216,400	1,216,400	1,193,609
	2,831,793	2,749,588	2,731,493

Street Lighting			
Street lighting	308,230	311,996	294,369
Amortization	11,611	11,611	10,614
	319,841	323,607	304,983

Traffic Services			
Street Signs	32,826	18,076	25,023
Traffic Signals and Signs	96,438	91,953	104,064
Railway Crossing Signals	20,000	26,668	26,668
Amortization	20,807	20,807	21,757
	170,071	157,504	177,512

**CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

21. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2016 Actual	2015 Actual
Off Street Parking	92,100	76,544	84,675
	\$ 6,399,161	\$ 6,228,120	\$ 6,123,904
ENVIRONMENTAL HEALTH SERVICES			
Garbage and Waste Collection	\$ 240,312	\$ 167,549	\$ 165,466
Dumps and Landfill	159,200	202,704	200,184
Garbage and Waste Collection - User Fees	12,975	6,932	6,660
	\$ 412,487	\$ 377,185	\$ 372,310
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning Advisory Committee	\$ 20,460	\$ 1,760	\$ 1,961
Administration	130,194	115,711	112,798
Chaleur Regional Service Commission	31,650	31,634	27,372
Economic Development (rentals)	325,605	302,769	260,134
Promotion of Tourism	185,172	173,160	191,308
Decorative Lights	1,300	7,558	7,123
Amortization	179,451	179,451	176,435
	\$ 873,832	\$ 812,043	\$ 777,131
RECREATIONAL AND CULTURAL SERVICES			
Recreational			
Administration	\$ 159,134	\$ 161,476	\$ 154,526
Swimming Pool	255,000	255,000	255,000
Civic Centre	1,963,403	1,880,769	1,885,478
Pavilion Gym	71,300	53,150	47,978
Summer Programs	222,864	195,430	115,570
Winter Programs	19,167	18,982	15,941
Park Maintenance	415,766	469,345	385,118
Daley Point	56,200	56,738	39,959
Amortization	998,063	998,063	983,482
	4,160,897	4,088,953	3,883,052
Cultural			
Library	49,749	54,036	49,047
	\$ 4,210,646	\$ 4,142,989	\$ 3,932,099

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2016 Actual	2015 Actual
ENVIRONMENTAL HEALTH SERVICES			
Water Supply			
Administration and General	\$ 353,535	\$ 353,478	\$ 352,596
Purification Maintenance and Treatment	278,173	300,613	322,081
Source of Supply	39,995	39,995	40,571
Transmission and Distribution	792,088	781,120	720,419
Power and Pumping	816,374	946,067	944,770
Billing and Collecting	135,512	121,434	134,000
Electronic Data Processing	157,500	157,500	157,500
Amortization	1,018,601	1,018,601	1,022,201
	3,591,778	3,718,808	3,694,138
Sewage Collection and Disposal			
Administration	99,300	99,300	99,300
Equipment Maintenance	198,107	171,035	182,530
Sewage Collection Systems	234,150	258,197	269,935
Sewage Lift Stations	448,960	502,243	550,434
Wastewater Treatment Plant	642,424	720,487	697,911
Sludge Disposal	72,000	90,369	88,397
Amortization	853,258	853,258	832,111
	2,548,199	2,694,889	2,720,618
FISCAL SERVICES			
Water System Debt Charges			
Short-term Interest	16,500	11,958	9,438
Debenture Interest	477,352	485,710	514,026
Other	17,000	8,046	(9,346)
Sick Leave and Retirement Benefits	8,000	13,836	13,462
	518,852	519,550	527,580
Sewage Collection Debt Charges			
Short-term Interest	16,500	11,958	9,438
Debenture Interest	223,086	220,682	221,446
Other	34,614	25,660	9,636
Sick Leave and Retirement Benefits	8,000	13,836	13,462
	282,200	272,136	253,982
	\$ 6,941,029	\$ 7,205,383	\$ 7,196,318