

CITY OF BATHURST
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

**CITY OF BATHURST
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

	PAGE
INDEPENDANT AUDITOR'S REPORT	1
CONSOLIDATED STATEMENT OF OPERATIONS	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT	4
CONSOLIDATED STATEMENT OF CASH FLOW	5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	



BATHURST / PÉNINSULE

COMPTABLES
PROFESSIONNELS AGRÉÉS
CHARTERED PROFESSIONAL
ACCOUNTANTS

BATHURST

1935, ave St. Peter Avenue
Suite 100
Bathurst, NB E2A 7J5

Tél. / Tel.: (506) 548-1984
Télex. / Fax: (506) 548-0904

epbath@epbathurst.ca
www.epr.ca

PÉNINSULE

43, boul. St-Pierre Ouest
Caraquet, NB E1W 1B6

Tél. / Tel.: (506) 727-2010
Télex. / Fax: (506) 727-2088

eprpeninsule@epbathurst.ca
www.epr.ca

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, 2015, 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, 2015, 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, 2016

**CITY OF BATHURST
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2015**

	Unaudited Budget (Note 19)	2015 Actual	2014 Actual
REVENUES			
Property tax warrant	\$ 18,067,543	\$ 18,067,546	\$ 17,774,233
Services provided to other governments	178,000	197,730	474,015
Sale of services, fines and other fees	1,704,020	1,507,855	1,808,922
Unconditional grants	2,843,307	2,843,304	2,455,500
Other government transfers	1,077,896	1,074,911	887,409
Water and sewer user fees	5,432,300	5,435,316	5,448,818
Interest	85,000	81,920	100,824
Gain on disposal of capital assets	-	20,000	35,003
	29,388,066	29,228,582	28,984,724
EXPENDITURES			
General government services	4,086,763	4,121,496	4,043,639
Protective services	6,682,629	6,369,950	6,111,200
Transportation services	6,173,516	6,123,904	6,138,817
Environmental health services	375,680	372,310	354,323
Environmental development services	805,481	777,131	788,702
Recreational and cultural services	3,991,579	3,932,099	3,853,608
Water and sewer	6,736,346	7,196,318	6,904,424
	28,851,994	28,893,208	28,194,713
Annual surplus (Note 16)	536,072	335,374	790,011
Accumulated surplus, beginning of year	-	61,798,026	61,008,015
Accumulated surplus, end of year	\$ -	\$ 62,133,400	\$ 61,798,026

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



**CITY OF BATHURST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015	2014
FINANCIAL ASSETS		
Receivables		
General	\$ 2,014,266	\$ 2,636,722
Federal government and its agencies (Note 4)	293,382	456,136
Loans receivable	989,181	1,129,923
	3,296,829	4,222,781
LIABILITIES		
Bank indebtedness (Note 3)	4,381,641	1,755,868
Account payable and accrued liabilities	1,505,269	2,156,406
Deferred revenue (Note 5)	1,275,471	1,399,810
Long-term debt (Note 6)	29,786,862	33,846,460
Accrued sick leave (Note 7)	334,821	345,790
Post employment benefits payable (Note 8)	2,789,933	2,711,885
	40,073,997	42,216,219
NET DEBT	(36,777,168)	(37,993,438)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	119,326,092	115,393,813
Accumulated amortization	21,653,787	16,675,934
	97,672,305	98,717,879
Inventory	692,028	517,071
Prepaid expenses	546,235	556,514
	98,910,568	99,791,464
ACCUMULATED SURPLUS	\$ 62,133,400	\$ 61,798,026

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, 2015**

	2015	2014
Annual surplus	\$ 335,374	\$ 790,011
Acquisition of tangible capital assets	(3,932,278)	(5,336,560)
Proceed on disposal of tangible capital assets	(20,000)	(35,003)
Amortization of tangible capital assets	4,977,852	4,267,518
Gain on sale of tangible assets	20,000	35,003
	1,380,948	(279,031)
Acquisition of inventories	(692,028)	(517,071)
Acquisition of prepaid assets	(546,235)	(556,515)
Consumption of inventories	517,071	497,415
Use of prepaid assets	556,514	511,317
	(164,678)	(64,854)
(Increase) / Decrease in Net Debt	1,216,270	(343,885)
Net Debt, beginning of the year	(37,993,438)	(37,649,553)
Net Debt, end of the year	\$ (36,777,168)	\$ (37,993,438)

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



**CITY OF BATHURST
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2015**

	2015	2014
OPERATING ACTIVITIES		
Annual surplus	\$ 335,374	\$ 790,011
Gain on disposal of tangible capital assets	(20,000)	(35,003)
Amortization of tangible capital assets	4,977,852	4,812,411
Receivable - General	622,456	2,983,769
Receivable - Federal Government and its agencies	162,754	(152,030)
Loans receivable	140,742	171,326
Payables and accruals	(651,137)	(1,224,106)
Deferred revenues	(124,339)	(222,371)
Accrued sick leave	(10,969)	15,435
Post employment benefits payable	78,048	45,406
Change in inventory and prepaid expenses	(164,678)	(64,854)
	5,346,103	7,119,994
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,932,279)	(5,881,453)
Proceeds on sale of tangible capital assets	20,000	35,003
	(3,912,279)	(5,846,450)
FINANCING ACTIVITIES		
Increase in long-term debt	-	6,311,490
Repayment of long term debt	(4,059,597)	(5,816,000)
	(4,059,597)	495,490
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,625,773)	1,769,034
CASH AND CASH EQUIVALENTS, beginning of year	(1,755,868)	(3,524,902)
CASH AND CASH EQUIVALENTS, end of year	\$ (4,381,641)	\$ (1,755,868)
Cash and cash equivalents:		
Cash	\$ -	\$ -
Bank indebtedness	(4,381,641)	(1,755,868)
	\$ (4,381,641)	\$ (1,755,868)

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 December 15, 2014 and the Minister of Local Government on January 28, 2015.

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

	2015	2014
Cash - restricted	\$ 331,891	\$ 524,367
Cash - unrestricted	(4,713,532)	(2,280,235)
	\$ (4,381,641)	\$ (1,755,868)

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2015	2014
Canada Revenue Agency (HST refund)	\$ 293,382	\$ 456,136

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. DEFERRED REVENUE

	2015	2014
Miscellaneous - Hazard Material	\$ 30,466	\$ 12,052
Gift certificates	435	405
Local improvement - Long term	989,181	1,129,923
Local improvement - Prepaid	255,390	257,429
	\$ 1,275,472	\$ 1,399,809

6. LONG-TERM DEBT

	2015	2014
New Brunswick Municipal Financing Corporation		
Debtures:		
Serial of 3.750% to 4.375%, maturing in 2015.	\$ -	\$ 158,000
Serial of 4.15% to 4.45%, maturing in 2016.	509,000	996,000
Serial of 4.75% to 4.85%, maturing in 2017.	351,000	515,000
Serial of 3.30% to 4.85%, maturing in 2018.	153,000	200,000
Serial of 2.10% to 4.95%, maturing in 2018.	417,000	544,000
Serial of 1.00% to 4.50%, maturing in 2019.	641,000	1,479,000
Serial of 1.50% to 3.85%, maturing in 2020.	1,276,000	801,000
Serial of 1.35% to 3.45%, maturing in 2021.	2,007,000	2,341,000
Serial of 1.35% to 3.10%, maturing in 2022.	1,192,000	1,386,000
Serial of 1.23% to 3.70%, maturing in 2023.	1,247,000	1,460,000
Serial of 1.20% to 2.50%, maturing in 2029.	3,616,000	3,984,000
Serial of 3.750% to 4.375%, maturing in 2015.	-	118,000
Serial of 4.15% to 4.45%, maturing in 2016.	92,000	180,000
Serial of 4.75% to 4.85%, maturing in 2017.	178,000	261,000
Serial of 2.10% to 4.95%, maturing in 2018.	313,000	408,000
Serial of 1.00% to 4.50%, maturing in 2019.	6,140,000	6,488,000
Serial of 1.50% to 3.85%, maturing in 2020.	867,000	966,000
Serial of 1.35% to 3.45%, maturing in 2021.	2,086,000	2,319,000
Serial of 1.35% to 3.80%, maturing in 2022.	1,523,000	1,645,000
Serial of 1.25% to 4.40%, maturing in 2033.	4,172,000	4,371,000
Serial of 1.20% to 3.70%, maturing in 2034.	1,715,000	1,832,000
	28,495,000	32,452,000
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.	1,291,862	1,394,460
	\$ 29,786,862	\$ 33,846,460

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:

2016	\$ 3,728,000	
2017	\$ 3,080,000	
2018	\$ 2,832,000	
2019	\$ 7,499,000	(\$5,005,000 to be refinanced in 2019)
2020	\$ 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 \$26,181 on December 31, 2015 (2014 - \$115,088) 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 \$818,445 (2014 - \$768,245) 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, 2015 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.

**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 five years:

	General Fund	Utility Fund
2016	\$ 133,051	\$ 9,629
2017	87,390	1,180
2018	66,363	-
2019	47,649	-
2020	18,674	-
	\$ 353,127	\$ 10,809

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. 14-0007	1,893,000	
O.I.C. No. 15-0005	1,908,000	
O.I.C. No. 15-0072	200,000	

4,301,000

Utility Capital:

O.I.C. No. 14-0007	2,700,000	Interim financing
O.I.C. No. 14-0007	830,000	
O.I.C. No. 15-0005	750,000	
O.I.C. No. 15-0005	1,579,000	Interim financing
O.I.C. No. 15-0053	193,000	
O.I.C. No. 15-0053	386,000	Interim financing

6,438,000

\$ 10,739,000

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 2015, 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 four operating budgets commencing with the second next ensuing year; the balance of the surplus (deficit) at the end of the year consists of:

	2015	2014
2013 Deficit	\$ (136,012)	\$ (204,016)
2014 Surplus	1,582	1,582
2015 Deficit	(150,511)	-
	\$ (284,941)	\$ (202,434)

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.

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

14. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Roads and streets	Infrastructure		Total 2015	Total 2014
							Treatment facilities	Water and sewer		
Cost:										
Balance, beginning of year	\$ 3,074,180	\$ 4,188,648	\$ 39,620,313	\$ 4,162,634	\$ 2,240,470	\$ 25,554,297	\$ -	\$ 36,553,272	\$ 115,393,814	\$ 110,057,254
Add:										
Additions	-	463,068	62,885	683,523	344,588	406,434	-	1,971,780	3,932,278	5,336,560
Balance, end 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	115,393,814
Accumulated Amortization:										
Balance, beginning of year	-	595,412	8,107,760	854,040	436,921	3,995,031	-	2,686,771	16,675,935	12,408,417
Add:										
Additions	-	218,058	2,238,395	450,692	149,794	1,224,580	-	696,333	4,977,852	4,267,518
Balance, end of year	-	813,470	10,346,155	1,304,732	586,715	5,219,611	-	3,383,104	21,653,787	16,675,935
Net book value of tangible capital assets	\$ 3,074,180	\$ 3,838,246	\$ 29,337,043	\$ 3,541,425	\$ 1,998,343	\$ 20,741,120	\$ -	\$ 35,141,948	\$ 97,672,305	\$ 98,717,879
Consists of:										
General Fund	\$ 3,074,180	\$ 3,838,246	\$ 29,337,043	\$ 3,541,425	\$ 1,998,343	\$ 20,741,120	\$ -	\$ -	\$ 62,530,357	\$ 46,005,016
Water and Sewer	-	-	-	-	-	-	-	35,141,948	35,141,948	52,712,863
	\$ 3,074,180	\$ 3,838,246	\$ 29,337,043	\$ 3,541,425	\$ 1,998,343	\$ 20,741,120	\$ -	\$ 35,141,948	\$ 97,672,305	\$ 98,717,879

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Health	Environmental Development	Recreation & cultural	Water & sewer	2015 Consolidated	2014 Consolidated
REVENUES									
Property tax warrant	\$ 3,432,076	\$ 5,304,417	\$ 5,099,527	\$ 310,032	\$ 647,137	\$ 3,274,357	\$ -	\$ 18,067,546	\$ 17,774,233
Services provided to other governments	-	30,000	167,730	-	-	-	-	197,730	474,015
Sale of service, fines and other fees	-	279,351	-	1,760	325,682	901,061	-	1,507,854	1,808,922
Unconditional grant	540,105	834,761	802,518	48,790	101,841	515,289	-	2,843,304	2,455,500
Other government transfers	195,999	56,015	-	-	-	-	822,897	1,074,911	887,409
Water and sewer user fees	-	-	-	-	-	-	5,435,317	5,435,317	5,448,818
Interest	-	-	-	-	-	-	81,920	81,920	100,824
Gain on disposal of assets	-	-	-	-	-	-	20,000	20,000	35,003
	4,168,180	6,504,544	6,069,775	360,582	1,074,660	4,690,707	6,360,134	29,228,582	28,984,724
EXPENDITURES									
Salaries and benefits	1,830,612	5,414,172	2,362,538	158,237	402,388	1,577,858	1,971,032	13,716,837	14,309,233
Goods and services	492,579	659,939	1,904,758	214,073	198,308	1,370,759	2,583,476	7,423,892	7,034,816
Amortization	4,351	102,666	1,856,608	-	176,435	983,482	1,854,311	4,977,853	4,812,411
Interest	423,098	-	-	-	-	-	735,472	1,158,570	1,194,654
Other	1,370,856	193,173	-	-	-	-	52,027	1,616,056	1,587,255
	4,121,496	6,369,950	6,123,904	372,310	777,131	3,932,099	7,196,318	28,893,208	28,938,369
Surplus (deficit) for the year	\$ 46,684	\$ 134,594	\$ (54,129)	\$ (11,728)	\$ 297,529	\$ 758,608	\$ (836,184)	\$ 335,374	\$ 46,355

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. RECONCILIATION OF ANNUAL SURPLUS

	General Fund		Water & Sewer Fund		General Reserve Fund		Water & Sewer Reserve Fund		Total
	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	
2015 annual surplus (deficit)	\$ 4,271,399	\$ (3,113,111)	\$ 195,230	\$ (1,031,414)	\$ 287	\$ 7,298	\$ 72	\$ 5,613	\$ 335,374
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's deficit	(321,041)	-	(68,004)	-	-	-	-	-	(389,045)
Grants revenues	(30,000)	-	-	-	-	-	-	-	(30,000)
Transfer between funds:									
From the general reserve operating fund to the general capital fund	-	19,570	-	-	(19,570)	-	-	-	-
From the water and sewer operating fund to the water and sewer capital reserve fund	-	-	(46,500)	-	-	-	-	46,500	-
Long-term debt principal repayment	(2,455,000)	2,455,000	(1,604,598)	1,604,598	-	-	-	-	(30,132)
Capital lease payments	(23,754)	-	(6,378)	-	-	-	-	-	(10,969)
Provision for sick leave accrual	(10,969)	-	-	-	-	-	-	-	4,977,852
Amortization expense	-	3,123,541	-	1,854,311	-	-	-	-	(31,121)
Capital assets purchased	(31,121)	-	-	-	-	-	-	-	20,000
Proceeds on disposition	-	-	20,000	-	-	-	-	-	-
Water cost	(1,379,739)	-	1,379,739	-	-	-	-	-	-
Gain on disposal of assets	-	-	(20,000)	-	-	-	-	-	(20,000)
Total adjustments to 2015 annual surplus (deficit)	(4,251,624)	5,598,111	(345,741)	3,458,909	(19,570)	-	-	46,500	4,486,585

2015 annual fund surplus (deficit)	\$ 19,775	\$ 2,485,000	\$ (150,511)	\$ 2,427,495	\$ (19,283)	\$ 7,298	\$ 72	\$ 52,113	\$ 4,821,959
------------------------------------	-----------	--------------	--------------	--------------	-------------	----------	-------	-----------	--------------

CITY OF BATHURST
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. STATEMENTS OF RESERVES

	General reserve fund		Water and sewer reserve fund		2015 Total	2014 Total
	Operating	Capital	Operating	Capital		
ASSETS						
Cash	\$ 16,485	\$ 132,454	\$ 4,189	\$ 178,763	\$ 331,891	\$ 524,358
Due from Utility Operating fund	-	5,000	-	186,000	191,000	(45,805)
	\$ 16,485	\$ 137,454	\$ 4,189	\$ 364,763	\$ 522,891	\$ 478,553
Accumulated surplus	\$ 16,485	\$ 137,454	\$ 4,189	\$ 364,763	\$ 522,891	\$ 478,553
REVENUES						
Transfers from water and general operating funds	\$ -	\$ -	\$ -	\$ 46,500	\$ 46,500	\$ 110,768
Interest	287	2,298	72	5,613	8,270	8,109
Sale of land	-	5,000	-	-	5,000	-
	287	7,298	72	52,113	59,770	118,877
EXPENDITURES						
Transfer to capital fund	19,570	-	-	-	19,570	-
Park improvements	-	-	-	-	-	26,000
Demolition expenses	-	-	-	-	-	4,137
Settlement of court case	-	-	-	-	-	50,000
	19,570	-	-	-	19,570	80,137
Annual surplus (deficit)	\$ (19,283)	\$ 7,298	\$ 72	\$ 52,113	\$ 40,200	\$ 38,740

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

17. STATEMENTS OF RESERVES (CONTINUED)

Council resolutions regarding transfers to and from reserves:

Moved by Councillor S. Roy, seconded by Councillor S. Lagace that \$5,090 be transferred from the General operating reserve fund to the General Capital fund.

Moved by Councillor S. Roy, seconded by Councillor S. Lagace that \$14,480 be transferred from the General operating reserve fund to the General Capital fund.

Moved by Councillor H. Comeau seconded by Councillor A.-M. Gammon that \$10,000 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor H. Comeau seconded by Councillor A.-M. Gammon that \$17,000 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor H. Comeau seconded by Councillor A.-M. Gammon that \$13,500 be transferred from the Utility operating fund to the Utility capital reserve fund.

Moved by Councillor A.-M. Gammon seconded by Councillor H. Comeau that \$5,000 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.

Susan Doucet
Clerk,
City of Bathurst

Date

Municipal Seal

CITY OF BATHURST
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. 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

19. OPERATING BUDGET TO PSA BUDGET

	Operating budget General	Water & sewer	Amortization TCA	Controlled Entities	Other (explain)	Transfers	Total
REVENUES							
Property tax warrant	\$ 18,067,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,067,543
Services provided to other governments	178,000	-	-	-	-	-	178,000
Sales of services, fines and other fees	1,704,020	-	-	-	-	-	1,704,020
Unconditional grant	2,843,307	-	-	-	-	-	2,843,307
Other government transfers	254,999	-	-	-	822,897	-	1,077,896
Water and sewer user fees	-	6,512,046	-	-	(1,079,746)	-	5,432,300
Interest	-	85,000	-	-	-	-	85,000
	23,047,869	6,597,046	-	-	(256,849)	-	29,388,066
EXPENDITURES							
General government services	4,194,151	-	4,351	-	(321,041)	(199,974)	3,677,487
Protective services	7,304,346	-	102,666	-	(724,383)	-	6,682,629
Transportation services	4,672,272	-	1,856,607	-	(355,363)	-	6,173,516
Environmental health services	375,680	-	-	-	-	-	375,680
Environmental development services	629,046	-	176,435	-	-	-	805,481
Recreational and cultural services	3,008,098	-	983,481	-	-	-	3,991,579
Fiscal services:							
Long-term debt repayments	2,455,000	1,600,508	-	-	(4,055,508)	-	-
Interest	409,276	731,185	-	-	-	-	1,140,461
Transfer from the water and sewer operating fund to the water and sewer capital reserve fund	-	46,500	-	-	-	(46,500)	-
Water and sewer	-	4,218,853	1,854,312	-	(68,004)	-	6,005,161
	23,047,869	6,597,046	4,977,852	-	(5,524,299)	(246,474)	28,851,994
Surplus (deficit)	\$ -	\$ -	\$ (4,977,852)	\$ -	\$ 5,267,450	\$ 246,474	\$ 536,072

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. REVENUE AND EXPENDITURES SUPPORT

	Budget (Unaudited)	2015 Actual	2014 Actual
REVENUES			
SERVICES PROVIDED TO OTHER GOVERNMENTS			
Park	\$ -	\$ 30,000	\$ 296,369
Highway maintenance	178,000	167,730	177,646
	\$ 178,000	\$ 197,730	\$ 474,015
SALES OF SERVICES, FINES AND OTHER FEES			
Parking Commission	\$ 168,400	\$ 101,122	\$ 153,582
Civic Center	967,350	828,843	990,928
Recreational and Cultural Programs	60,500	59,213	60,521
Daly Point	1,500	1,913	1,496
Solid Waste Collection	2,500	1,760	2,000
Licenses and Permits	11,000	6,893	10,524
Building Inspection	96,000	166,336	86,384
Alarm systems	4,800	5,000	4,800
Other rentals	226,000	231,446	218,865
Miscellaneous	6,500	11,093	23,995
Debt recovery	159,470	94,236	255,827
	\$ 1,704,020	\$ 1,507,855	\$ 1,808,922
OTHER GOVERNEMENT TRANSFERS			
Federal PILT	\$ 195,999	\$ 195,999	\$ 8,897
Fine Sharing	59,000	56,015	55,615
Gas Tax	822,897	822,897	822,897
	\$ 1,077,896	\$ 1,074,911	\$ 887,409
WATER AND SEWER USER FEES			
User charges	\$ 5,204,300	\$ 5,213,388	\$ 5,222,925
Connection and service charges	33,000	37,533	36,747
Local improvement frontage fees	195,000	184,395	189,146
	\$ 5,432,300	\$ 5,435,316	\$ 5,448,818

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2015 Actual	2014 Actual
EXPENDITURES			
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 69,529	\$ 69,915	\$ 68,680
Councilors	140,859	135,798	125,748
Other	88,300	88,300	88,300
Amortization	4,351	4,351	10,267
	303,039	298,364	292,995
Administrative			
Manager	151,748	149,589	148,036
Clerk	245,456	265,914	250,185
Human Relations	606,643	603,011	573,240
Office Building	83,500	83,500	83,500
Solicitor	54,000	47,406	163,934
Economic Development	148,101	145,334	110,012
	1,289,448	1,294,754	1,328,907
Financial Management			
Administration	94,435	94,114	90,471
Inventory	148,222	111,646	133,508
Accounting	189,890	189,843	184,308
External Audit	17,500	18,100	23,013
Purchasing	141,040	141,941	137,692
Other	201,581	211,100	200,618
	792,668	766,744	769,610
Other General Government Services			
Civic Relations	8,000	15,087	7,050
Public Liability Insurance	150,000	152,028	110,206
Commercial Tax Rebate	100,000	81,862	118,558
Property Tax Rebate	92,000	54,871	83,537
Grants to Organization	30,000	29,216	27,947
Home Incentive Rebates	1,400	8,890	1,372
Miscellaneous	350,000	355,351	312,865
Cost of assessment	197,471	197,471	194,265
	928,871	894,776	855,800

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2015 Actual	2014 Actual
Fiscal Services - Debt Charges			
Short-term Interest	16,000	22,227	22,471
Debenture Interest	409,276	423,098	464,712
Debenture Discounts	21,283	21,283	18,934
Bank Service Charges	34,000	39,704	37,377
Other Debt	12,178	34,179	9,434
Bad debts	9,000	30,036	18,527
	501,737	570,527	571,455
Transfer to Other Funds for Local Improvement Assessment	65,000	64,992	64,992
Sick Leave and Retirement Benefits	206,000	231,339	159,880
	\$ 4,086,763	\$ 4,121,496	\$ 4,043,639

PROTECTIVE SERVICES

Police

Administration	\$ 527,894	\$ 505,682	\$ 517,851
Investigations	363,155	434,920	341,799
Uniform Division	1,903,240	1,821,946	1,733,930
Detention and Custody of Prisoners	24,800	34,998	22,838
School Crossing Guards	11,000	9,370	12,197
Identification	112,637	116,594	106,012
Court Traffic	246,475	149,050	147,484
Crime Prevention	101,689	95,609	91,877
Communication and Central Records	424,484	247,229	298,102
Narcotic Control Act	213,054	200,269	203,109
Training	33,200	21,370	36,556
Automotive Equipment	225,000	180,152	219,445
Amortization	69,722	69,722	63,350
	4,256,350	3,886,911	3,794,550

Fire

Administration	262,563	258,016	254,033
Fire Fighting Force	1,276,406	1,276,600	1,184,217
Station and Building	94,996	94,996	89,777
Fighting Equipment	100,000	136,819	100,901
Fire Sub-Station	489,000	489,000	489,000
Training	1,750	1,491	1,443
Amortization	32,944	32,944	29,305
	2,257,659	2,289,866	2,148,676

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2015 Actual	2014 Actual
Other			
Building Inspection	92,620	116,876	91,337
Animal and Pest Control	76,000	76,297	76,637
	168,620	193,173	167,974
	\$ 6,682,629	\$ 6,369,950	\$ 6,111,200

TRANSPORTATION SERVICES

Common Services			
Administration and Maintenance Management	\$ 661,729	\$ 655,517	\$ 668,277
General Equipment Maintenance	903,518	798,659	930,061
Public Building	477,968	517,307	488,266
Engineering	255,828	223,131	250,447
Amortization	630,627	630,627	560,505
	2,929,670	2,825,241	2,897,556
Road Transport			
Roadway Surfaces	340,646	368,879	316,370
Sidewalks	5,935	6,315	5,446
Culverts and Drainage Ditches	33,860	96,598	31,644
Storm Sewers	76,732	58,167	81,840
Street Cleaning	69,970	48,404	40,425
Snow and Ice Removal	938,285	959,521	1,066,746
Amortization	1,193,609	1,193,609	1,126,857
	2,659,037	2,731,493	2,669,328
Street Lighting			
Street lighting	306,200	294,369	295,940
Amortization	10,614	10,614	10,614
	316,814	304,983	306,554
Traffic Services			
Street Signs	34,770	25,023	33,879
Traffic Signals and Signs	92,438	104,064	88,475
Railway Crossing Signals	20,000	26,668	20,501
Amortization	21,757	21,757	22,746
	168,965	177,512	165,601

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

20. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2015 Actual	2014 Actual
Off Street Parking	99,030	84,675	99,778
	\$ 6,173,516	\$ 6,123,904	\$ 6,138,817
ENVIRONMENTAL HEALTH SERVICES			
Garbage and Waste Collection	\$ 210,157	\$ 165,466	\$ 157,561
Dumps and Landfill	159,200	200,184	190,620
Garbage and Waste Collection - User Fees	6,323	6,660	6,142
	\$ 375,680	\$ 372,310	\$ 354,323
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning Advisory Committee	\$ 20,460	\$ 1,961	\$ 1,440
Administration	120,105	112,798	114,021
Chaleur Regional Service Commission	27,400	27,372	18,940
Economic Development (rentals)	257,413	260,134	286,928
Promotion of Tourism	202,368	191,308	196,952
Decorative Lights	1,300	7,123	6,912
Jeux d'Acadie	-	-	854
Amortization	176,435	176,435	162,655
	\$ 805,481	\$ 777,131	\$ 788,702
RECREATIONAL AND CULTURAL SERVICES			
Recreational			
Administration	\$ 153,573	\$ 154,526	\$ 159,121
Swimming Pool	255,000	255,000	255,000
Civic Centre	1,928,306	1,885,478	1,886,379
Pavilion Gym	69,300	47,978	14,028
Summer Programs	145,888	115,570	136,529
Winter Programs	18,225	15,941	18,198
Park Maintenance	344,007	385,118	345,037
Amortization	983,482	983,482	954,715
	3,897,781	3,843,093	3,769,007
Cultural			
Library	93,798	89,006	84,601
	\$ 3,991,579	\$ 3,932,099	\$ 3,853,608

CITY OF BATHURST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. REVENUE AND EXPENDITURES SUPPORT (CONTINUED)

	Budget (Unaudited)	2015 Actual	2014 Actual
ENVIRONMENTAL HEALTH SERVICES			
Water Supply			
Administration and General	\$ 353,161	\$ 352,596	\$ 351,841
Purification Maintenance and Treatment	231,823	322,081	562,861
Source of Supply	40,571	40,571	24,849
Transmission and Distribution	659,400	720,419	752,812
Power and Pumping	832,726	944,770	628,037
Billing and Collecting	126,152	134,000	109,859
Electronic Data Processing	157,500	157,500	157,500
Amortization	1,022,201	1,022,201	1,031,619
	3,423,534	3,694,138	3,619,378
Sewage Collection and Disposal			
Administration	99,300	99,300	99,300
Equipment Maintenance	207,929	182,530	162,245
Sewage Collection Systems	172,397	269,935	202,470
Sewage Lift Stations	472,025	550,434	440,291
Wastewater Treatment Plant	633,064	697,911	676,905
Sludge Disposal	65,000	88,397	59,130
Amortization	832,111	832,111	839,780
	2,481,826	2,720,618	2,480,121
FISCAL SERVICES			
Water System Debt Charges			
Short-term Interest	10,000	9,438	10,102
Debenture Interest	505,569	514,026	493,962
Other	19,000	(9,346)	10,032
Sick Leave and Retirement Benefits	11,500	13,462	8,025
	546,069	527,580	522,121
Sewage Collection Debt Charges			
Short-term Interest	10,000	9,438	10,102
Debenture Interest	225,616	221,446	235,980
Other	37,801	9,636	28,697
Sick Leave and Retirement Benefits	11,500	13,462	8,025
	284,917	253,982	282,804
	\$ 6,736,346	\$ 7,196,318	\$ 6,904,424