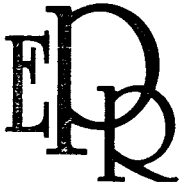


CITY OF BATHURST
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

**CITY OF BATHURST
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YEAR ENDED DECEMBER 31, 2010**

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BATHURST

COMPTABLES
GÉNÉRAUX ACCRÉDITÉS

CERTIFIED GENERAL
ACCOUNTANTS

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

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

eprbath@eprbathurst.ca
www.epr.ca

AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council:

We have audited the balance sheet of the general, utility and trust and reserve funds of the City of Bathurst as at December 31, 2010 and the related statements of revenue and expenditure, equity in capital assets and capital financing for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City of Bathurst's revenue fund, capital fund and reserve funds as at December 31, 2010 and the results of its operations and the source and application of its capital financing for the year then ended in accordance with accounting principles prescribed for New Brunswick municipalities by the Department of Local Government.

These financial statements, which have not been, and were not intended to be prepared in accordance with Canadian generally accepted accounting principles are solely for the information and use of the Bathurst City Council and the Department of Local Government in order to conform to the Control of Municipalities Act. These financial statements are not intended to be and should not be used by anyone than the specified users or for any other purpose.

EPR - Bathurst

**EPR - BATHURST
CERTIFIED GENERAL ACCOUNTANTS**

Bathurst, New Brunswick
April 4, 2011

**CITY OF BATHURST
BALANCE SHEET
GENERAL CAPITAL FUND
AS AT DECEMBER 31, 2010**

	2010	2009
ASSETS		
Land for resale	\$ 3,337	\$ 3,337
Due from General Operating Fund	361,517	-
Unamortized Debenture Discounts	104,241	107,867
Capital assets (Page 3)	93,463,800	90,745,818
	\$ 93,932,895	\$ 90,857,022
LIABILITIES AND EQUITY		
Bank Indebtedness	\$ 2,226,340	\$ 1,075,770
Holdback payable	40,725	31,426
Due to General Operating Fund	-	844,498
Long-term debt (Note 4)	13,723,000	14,267,000
	15,990,065	16,218,694
EQUITY		
Equity in Capital Assets (Page 4)	77,942,830	74,638,328
	\$ 93,932,895	\$ 90,857,022

APPROVED BY:

Mayor: Stephan Brunet

Treasurer: [Signature]

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



**CITY OF BATHURST
STATEMENT OF CAPITAL ASSETS
GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2010**

	Lands	Buildings	Engineering Structures	Machinery and Equipment	Total 2010	Total 2009
General Government						
Civic Offices	\$ 112,256	\$ 5,148,016	\$ 28,443	\$ 444,660	\$ 5,733,375	\$ 5,694,269
Protective Services						
Police	-	3,589,328	22,703	613,700	4,225,731	4,080,718
Fire	-	622,524	35,745	1,881,470	2,539,739	2,499,189
Transportation Services						
Streets and Sidewalks	244,598	2,395,006	31,529,162	3,077,913	37,246,679	35,714,390
Street Lighting	-	-	827,996	23,517	851,513	823,871
Parking	-	-	340,842	38,649	379,491	379,491
Surveys and Studies	-	-	235,521	-	235,521	235,521
Engineering	-	-	-	122,717	122,717	122,717
Environmental Health Services						
Garbage Collection and Disposal	1,314,377	143,299	-	379,934	1,837,610	1,837,610
Storm Sewers Separation	-	-	2,108,222	-	2,108,222	2,108,222
Environmental Development Services						
Housing	-	-	132,903	-	132,903	132,903
Surveys and Studies	-	-	1,002,768	9,677	1,012,445	1,012,445
Industrial Park (Note 1)	141,250	-	-	-	141,250	141,250
Recreational and Cultural Services						
Parks (Note 1)	1,539,052	42,707	5,090,026	228,961	6,900,746	6,811,237
Arena	3,520	-	-	-	3,520	3,520
Library	-	-	-	32,982	32,982	32,982
Civic Centre	589,230	20,177,326	-	2,095,958	22,862,514	22,825,969
Post Office	-	54,185	-	-	54,185	54,185
Others	1,143,966	39,058	5,859,633	-	7,042,657	6,235,329
	\$ 5,088,249	\$ 32,211,449	\$ 47,213,964	\$ 8,950,138	\$ 93,463,800	\$ 90,745,818

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



**CITY OF BATHURST
STATEMENT OF EQUITY IN CAPITAL ASSETS
GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2010**

	2010	2009
BALANCE, beginning of year	\$ 74,638,328	\$ 71,100,441
Add:		
Debenture Redemption	2,002,000	2,030,000
Cost Sharing Grant		
ACO A	22,098	96,212
Environmental Trust Fund	25,000	7,500
Regional Development Corporation	522,313	1,143,270
Various Donations	37,745	50,150
Cost of Projects Financed by Operating Fund	641,152	742,419
Cost of Projects Financed by Reserve Fund	54,194	-
	77,942,830	75,169,992
Deduct:		
Cost Recovery	-	116,217
Original Cost of Items Traded in or Sold	-	415,447
BALANCE, end of year	\$ 77,942,830	\$ 74,638,328

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



**CITY OF BATHURST
STATEMENT OF CAPITAL FINANCING
GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2010**

	2010	2009
FUNDS PROVIDED BY		
Cost Sharing Grants		
ACOA	\$ 22,098	\$ 96,212
Environmental Trust Fund	25,000	7,500
Regional Development Corporation	522,313	1,143,270
Various Donations	37,745	50,150
Debenture Discount Expensed	18,486	21,319
Proceed from Debenture Issued	1,458,000	2,730,000
Transfer from General Operating Fund		
Cost of Projects	695,346	387,244
Debenture Redemption	2,105,000	2,030,000
Temporary Financing, End of Year		
Bank indebtedness	2,226,340	1,075,770
Holdback Payable	40,724	31,426
Due to General Operating Fund	-	844,498
	\$ 7,128,954	\$ 8,321,177

FUNDS APPLIED TO

Temporary Financing, End of Previous Year	\$ 1,075,770	\$ 1,833,655
Bank indebtedness	31,426	66,888
Holdback payable	844,498	442,926
Due to General Operating Fund		
	1,951,694	2,343,469
Discount on Debentures Issued	-	3,482
Purchase of Capital Assets	2,710,743	3,944,226
Debenture Redemption	2,105,000	2,030,000
Due from General Operating Fund	361,517	-
	\$ 7,128,954	\$ 8,321,177

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



**CITY OF BATHURST
BALANCE SHEET
GENERAL OPERATING FUND
AS AT DECEMBER 31, 2010**

	2010	2009
ASSETS		
Accounts Receivable	\$ 517,284	\$ 707,851
Other Receivable		
Receivable from Developer (Note 2)	75,287	97,287
Receivable from Bathurst Youth Centre (Note 3)	159,905	198,905
Receivables	886,659	390,226
Due from Other Funds		
General Capital Fund	-	844,498
Utility Capital Fund	720,748	4,506
Utility Operating Fund	955,785	938,303
Trust and Reserves Funds	-	6,713
Inventories	365,401	364,125
Prepaid Expenses	286,237	85,383
	\$ 3,967,306	\$ 3,637,797
LIABILITIES AND SURPLUS (DEFICIT)		
Bank indebtedness	\$ 918,706	\$ 1,633,356
Accounts Payable and Accrued Liabilities	1,633,018	1,327,906
Due to General Capital Fund	361,517	-
Due to Trust and Reserves Funds	18,795	-
Early Retirement Fund for the Canadian Union of Public Employees - Local 550	154,825	121,574
Accrued Interest on Long-term Debt	44,131	38,211
Liability for Vested Sick Leave and Retirement Benefits (Note 5)	760,621	720,915
Deferred Revenues	30,074	16,914
	3,921,687	3,858,876
SURPLUS (DEFICIT)		
Balance, beginning of year	(221,079)	(243,271)
Excess of revenues over expenditures	24,746	20,892
Surplus of Second Previous Year	241,952	1,300
	45,619	(221,079)
	\$ 3,967,306	\$ 3,637,797

APPROVED BY:

Mayor: Stephen Brunet

Treasurer: [Signature]

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



CITY OF BATHURST
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL OPERATING FUND
YEAR ENDED DECEMBER 31, 2010

	Budget	2010	2009
REVENUES			
Province of New Brunswick			
Warrant of Assessment	\$ 15,949,014	\$ 15,949,019	\$ 15,187,476
Unconditional Grant	2,606,235	2,606,232	2,606,232
Federal Payment in Lieu of Taxes	9,509	9,507	13,950
Sale of Services (Page 8)	1,147,900	1,140,224	1,006,426
Services to Other Governments -			
Province of New Brunswick	181,000	181,302	177,749
Other Revenues from Own Sources (Page 8)	418,100	542,701	488,762
	20,311,758	20,428,985	19,480,595
EXPENDITURES			
General Government Services (Page 9)	2,478,194	2,417,208	2,519,309
Protective Services (Page 10)	6,261,577	6,156,598	5,770,285
Transportation Services (Page 11)	4,520,764	4,013,353	4,281,410
Environmental Health Services (Page 12)	361,481	345,406	335,472
Environmental Development Services (Page 12)	595,365	595,194	589,260
Recreational and Cultural Services (Page 12)	2,719,712	2,785,537	2,725,242
Fiscal Services (Page 13)	2,956,411	3,672,689	3,064,348
Transfer Deficit of Second Previous Year	241,952	241,952	1,300
Cost of Assessment	176,302	176,302	173,077
	20,311,758	20,404,239	19,459,703
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 24,746	\$ 20,892

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



**CITY OF BATHURST
 SCHEDULE RELATED TO REVENUES
 GENERAL OPERATING FUND
 YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
SALE OF SERVICES			
Parking	\$ 157,000	\$ 151,975	\$ 97,418
Civic Centre	936,000	942,057	856,374
Recreational and Cultural Programs	52,500	42,752	50,234
Youghall Beach	-	600	-
Solid Waste Collection	2,400	2,840	2,400
	\$ 1,147,900	\$ 1,140,224	\$ 1,006,426
OTHER REVENUES FROM OWN SOURCES			
Licenses and Permits			
Miscellaneous	\$ 7,100	\$ 5,779	\$ 6,607
Building	109,700	123,080	123,535
	116,800	128,859	130,142
Provincial Fine Sharing	68,000	67,584	60,367
Rentals			
Alarm Systems and other	7,500	4,840	7,638
Other Rentals	219,000	218,799	247,071
Miscellaneous	6,800	122,619	43,544
	\$ 418,100	\$ 542,701	\$ 488,762

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



CITY OF BATHURST
SCHEDULE RELATED TO EXPENDITURES
GENERAL OPERATING FUND
YEAR ENDED DECEMBER 31, 2010

	Budget	2010	2009
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 63,222	\$ 61,116	\$ 52,674
Councilors	134,428	109,015	118,349
Other	48,288	48,288	46,796
	245,938	218,419	217,819
Administrative			
Manager	135,300	134,007	129,140
Clerk	235,604	224,249	219,199
Human Relations	404,159	393,881	396,059
Office Building	84,850	95,001	64,999
Solicitor	65,000	79,412	126,450
Economic Development	10,000	16,449	11,408
	934,913	942,999	947,255
Financial Management			
Administration	92,674	93,136	89,927
Inventory	128,490	136,138	142,825
Accounting	176,102	169,332	167,037
External Audit	20,000	18,359	17,221
Purchasing	126,586	126,422	122,793
Other	92,891	113,713	93,442
	636,743	657,100	633,245
Other General Government Services			
Civic Relations	8,500	9,552	5,012
Public Liability Insurance	160,000	135,521	149,159
Commercial Tax Rebate	144,000	160,621	226,904
Property Tax Rebate	103,000	69,323	89,360
Grants to Organization	30,600	28,600	27,415
Home Incentive Rebates	29,000	10,305	37,624
Miscellaneous	185,500	184,768	185,516
	660,600	598,690	720,990
	\$ 2,478,194	\$ 2,417,208	\$ 2,519,309

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



**CITY OF BATHURST
SCHEDULE RELATED TO EXPENDITURES
GENERAL OPERATING FUND
YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
PROTECTIVE SERVICES			
Police			
Administration	\$ 404,951	\$ 393,331	\$ 405,722
Investigations	285,276	294,596	352,538
Uniform Division	1,598,129	1,555,709	1,575,944
Detention and Custody of Prisoners	18,300	25,263	24,195
School Crossing Guards	14,484	16,220	14,372
Identification	101,146	100,025	94,759
Court Traffic	202,347	200,237	188,576
Crime Prevention	90,049	84,200	85,490
Communication and Central Records	444,185	416,494	395,597
Narcotic Control Act	175,436	196,322	131,392
Training	8,840	7,473	3,624
Automotive Equipment	225,378	228,133	220,500
	3,568,521	3,518,003	3,492,709
Fire			
Administration	145,644	148,775	137,761
Fire Fighting Force	1,006,990	979,208	911,092
Water Cost for Fire Protection	724,383	724,383	449,376
Station and Building	55,643	55,643	55,643
Fighting Equipment	76,500	78,158	75,698
Fire Sub-Station	489,000	489,000	489,000
Training	2,000	609	1,873
	2,500,160	2,475,776	2,120,443
Other			
Building Inspection	117,896	96,021	90,335
Animal and Pest Control	75,000	66,798	66,798
	192,896	162,819	157,133
	\$ 6,261,577	\$ 6,156,598	\$ 5,770,285

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



**CITY OF BATHURST
SCHEDULE RELATED TO EXPENDITURES
GENERAL OPERATING FUND
YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
TRANSPORTATION SERVICES			
Common Services			
Administration and Maintenance Management	\$ 683,808	\$ 651,074	\$ 618,868
General Equipment Maintenance	690,146	693,314	671,491
Public Building	479,405	506,865	537,896
Engineering	190,089	191,548	179,866
	2,043,448	2,042,801	2,008,121
Road Transport			
Roadway Surfaces	367,719	349,472	347,047
Sidewalks	14,628	10,926	12,236
Culverts and Drainage Ditches	50,418	40,945	44,500
Storm Sewers	423,503	396,992	410,199
Street Cleaning	54,751	56,614	47,097
Snow and Ice Removal	923,396	549,965	891,612
	1,834,415	1,404,914	1,752,691
Street Lighting	288,938	297,469	287,840
Traffic Services			
Street Signs	67,427	45,226	43,940
Traffic Signals and Signs	97,436	95,350	90,065
Railway Crossing Signals	33,000	15,230	15,839
	197,863	155,806	149,844
Off Street parking	156,100	112,363	82,914
	\$ 4,520,764	\$ 4,013,353	\$ 4,281,410

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



**CITY OF BATHURST
 SCHEDULE RELATED TO EXPENDITURES
 GENERAL OPERATING FUND
 YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
ENVIRONMENTAL HEALTH SERVICES			
Garbage and Waste Collection	\$ 188,142	\$ 152,715	\$ 148,740
Dumps and Landfill	165,408	184,757	179,948
Garbage and Waste Collection - User Fees	7,931	7,934	6,784
	\$ 361,481	\$ 345,406	\$ 335,472
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning Advisory Committee	\$ 2,660	\$ 1,998	\$ 2,120
Administration	82,759	100,650	102,412
Entreprise Chaleur	33,861	33,861	33,861
Economic Development	294,524	280,552	278,674
Promotion of Tourism	173,561	171,185	165,470
Decorative Lights	8,000	6,948	6,723
	\$ 595,365	\$ 595,194	\$ 589,260
RECREATIONAL AND CULTURAL SERVICES			
Recreational			
Administration	\$ 157,311	\$ 144,653	\$ 148,065
Swimming Pool	205,000	205,000	280,000
Civic Centre	1,742,562	1,790,481	1,695,648
Pavilion Gym	15,350	16,822	16,501
Summer Programs	142,104	172,711	123,396
Winter Programs	28,019	23,243	23,581
Park Maintenance	358,358	372,956	374,847
	2,648,704	2,725,866	2,662,038
Cultural			
Library	71,008	59,671	63,204
	\$ 2,719,712	\$ 2,785,537	\$ 2,725,242

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



**CITY OF BATHURST
SCHEDULE RELATED TO EXPENDITURES
GENERAL OPERATING FUND
YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
FISCAL SERVICES			
Debt Charges			
Short-term Interest	\$ 75,000	\$ 23,597	\$ 20,348
Debenture Interest	619,218	618,432	610,552
Debenture Principal	2,105,000	2,105,000	1,943,000
Debenture Discounts	18,486	18,486	21,319
Bank Service Charges	32,000	33,669	33,275
Other Debt	20,526	36,256	1,164
Debt Cost Recovery	(169,470)	(169,468)	(169,468)
	2,700,760	2,665,972	2,460,190
Transfer to Other Funds for			
Local Improvement Assessment	65,000	64,992	64,992
Transfer to General Capital Fund	75,000	641,152	375,061
	140,000	706,144	440,053
Early Retirement Fund for the Canadian Union of Public Employees - Local 550			
Sick Leave and Retirement Benefits	17,014	33,250	27,107
Vacation carryover charges	98,637	155,586	136,998
	-	111,737	-
	115,651	300,573	164,105
	\$ 2,956,411	\$ 3,672,689	\$ 3,064,348

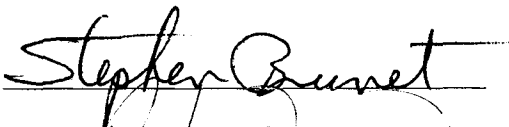
The accompanying notes are an integral part of these financial statements.



**CITY OF BATHURST
BALANCE SHEET
UTILITY CAPITAL FUND
AS AT DECEMBER 31, 2010**

	2010	2009
ASSETS		
Unamortized Debenture Discounts	\$ 99,717	\$ 101,711
CAPITAL ASSETS		
Land	189,572	189,572
Buildings	13,389,515	13,188,928
Engineering Structures	58,113,338	53,001,906
Machinery and Equipment	2,964,136	2,867,906
Studies	91,483	91,483
	74,748,044	69,339,795
	\$ 74,847,761	\$ 69,441,506
LIABILITIES AND EQUITY		
Bank indebtedness	\$ 165,009	\$ 411,442
Holdback Payable	575,300	200,074
Due to Other Fund		
General Operating Fund	720,748	4,506
Long-term debt (Note 4)	12,404,000	12,090,000
CMHC Loan (Note 5)	1,765,567	-
	15,630,624	12,706,022
EQUITY		
EQUITY IN CAPITAL ASSETS (Page 15)	59,217,137	56,735,484
	\$ 74,847,761	\$ 69,441,506

APPROVED BY:

Mayor: 

Treasurer: 

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



CITY OF BATHURST
STATEMENT OF EQUITY IN CAPITAL ASSETS
UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2010

	2010	2009
BALANCE, beginning of year	\$ 56,735,483	\$ 54,562,709
Add:		
Debenture Redemption	1,045,000	787,000
Cost Sharing Grants		
Gas Tax Rebate	988,054	1,053,415
Building Canada Fund	279,664	-
Cost of Projects Financed by Operating Fund	168,936	332,360
BALANCE, end of year	\$ 59,217,137	\$ 56,735,484

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



**CITY OF BATHURST
STATEMENT OF CAPITAL FINANCING
UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2010**

	2010	2009
FUNDS PROVIDED BY		
Debenture Discount Expensed	\$ 15,845	\$ 6,910
Proceeds from Debenture Issued	1,359,000	8,085,000
Cost Sharing Grants		
Building Canada Fund	279,664	-
Gas Tax Rebate	988,054	1,053,415
Transfer from Utility Operating Fund		
Cost of Projects	168,936	332,360
Debenture Redemption	1,045,000	787,000
Proceeds of CMHC loan	1,765,567	-
Temporary financing, end of year		
Bank Indebtedness	165,009	411,442
Holdback Payable	575,300	200,074
Due to General Operating Fund	720,748	4,506
	\$ 7,083,123	\$ 10,880,707

FUNDS APPLIED TO		
Temporary Financing, end of previous year		
Bank Indebtedness	\$ 411,442	\$ 7,432,206
Holdback Payable	200,074	171,652
Due to General Operating Fund	4,506	555,386
	616,022	8,159,244
Purchase of Capital Assets	5,408,249	1,863,260
Discount on Debenture Issued	13,852	71,203
Debenture Redemption	1,045,000	787,000
	\$ 7,083,123	\$ 10,880,707

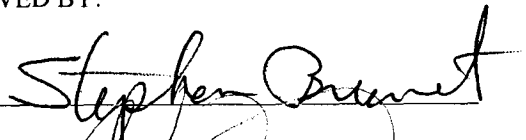
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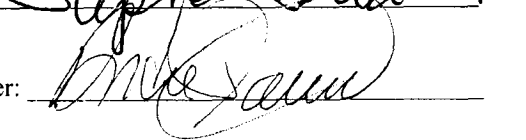


**CITY OF BATHURST
BALANCE SHEET
UTILITY OPERATING FUND
AS AT DECEMBER 31, 2010**

	2010	2009
ASSETS		
Cash	\$ 78,643	\$ 22,324
Accounts receivable	1,081,397	1,130,260
Local Improvement Receivables (including interest)	1,932,221	2,108,991
Long-term deferred charges	213,333	231,433
	\$ 3,305,594	\$ 3,493,008
LIABILITIES AND SURPLUS		
Accounts payable and accrued liabilities	\$ 31,000	\$ 20,462
Accrued interest on long-term debt	65,528	61,278
Liability for Vested Sick Leave and Retirement Benefits (Note 6)	79,631	79,631
Early Retirement Fund for the Canadian Union of Public Employees - Local 550	50,499	96,205
Deferred Revenue Local Improvement	2,102,418	2,278,963
Due to Other Funds		
General Operating Fund	955,785	938,303
	3,284,861	3,474,842
SURPLUS		
Balance, beginning of year	18,166	58,211
Excess of revenues over expenditures	2,567	99,955
Surplus of Second Previous Year	-	(140,000)
	20,733	18,166
	\$ 3,305,594	\$ 3,493,008

APPROVED BY:

Mayor: 

Treasurer: 

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



**CITY OF BATHURST
 STATEMENTS OF REVENUES AND EXPENDITURES
 UTILITY OPERATING FUND
 YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
REVENUES			
Water and Sewer User Charges	\$ 4,515,800	\$ 4,546,835	\$ 4,580,750
Connection and Service Collection	17,000	41,206	16,475
Water Supply for Fire Protection	724,383	724,383	449,376
Combined Storm Sewers	355,363	355,356	355,356
Local Improvement Frontage Fees	231,500	225,089	249,656
Interest Income and Sundry	74,000	53,609	63,986
Transfer Surplus of Second Previous Year	217,190	217,190	140,000
	6,135,236	6,163,668	5,855,599
EXPENDITURES			
Environmental Health Services (Page 19)	4,145,679	4,056,261	4,194,777
Fiscal Services (Page 20)	1,989,557	2,104,840	1,560,867
	6,135,236	6,161,101	5,755,644
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 2,567	\$ 99,955

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



**CITY OF BATHURST
 SCHEDULE RELATED TO EXPENDITURES
 UTILITY OPERATING FUND
 YEAR ENDED DECEMBER 31, 2010**

	Budget	2010	2009
ENVIRONMENTAL HEALTH SERVICES			
Water Supply			
Administration and General	\$ 353,194	\$ 349,707	\$ 349,227
Purification Maintenance and Treatment	488,210	549,955	572,936
Source of Supply	24,279	24,279	25,294
Transmission and Distribution	820,165	764,871	869,748
Power and Pumping	617,860	578,793	589,729
Billing and Collecting	91,976	98,643	96,305
Electronic Data Processing	157,500	157,500	157,500
	2,553,184	2,523,748	2,660,739
Sewage Collection and Disposal			
Administration	99,300	99,300	99,300
Equipment Maintenance	137,222	164,580	133,404
Sewage Collection Systems	190,125	141,562	151,352
Sewage Lift Stations	441,520	335,944	413,695
Wastewater Treatment Plant	660,772	727,571	677,137
Sludge Disposal	63,556	63,556	59,150
	1,592,495	1,532,513	1,534,038
	\$ 4,145,679	\$ 4,056,261	\$ 4,194,777

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



CITY OF BATHURST
SCHEDULE RELATED TO EXPENDITURES
UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2010

	Budget	2010	2009
FISCAL SERVICES			
Water System Debt Charges			
Short-term Interest	\$ 47,500	\$ 319	\$ 38,228
Debenture Interest	399,224	119,558	160,354
Debenture Principal	811,535	377,630	378,310
Other	14,000	36,769	24,547
Sick Leave and Retirement Benefits	7,254	13,774	13,024
Transfer to Utility Capital Reserve Fund	17,000	17,000	-
Transfer o Utility Capital Fund	10,000	84,886	173,210
Transfer Deficit of Previous Year	108,595	108,595	-
	1,415,108	758,531	787,673
Sewage Collection Debt Charges			
Short-term Interest	47,500	319	38,885
Debenture Interest	114,850	389,416	104,363
Debenture Principal	233,465	667,370	408,690
Other	21,845	50,698	31,457
Sick Leave and Retirement Benefits	8,694	16,361	14,649
Transfer to Utility Capital Reserve Fund	29,500	29,500	16,000
Transfer to Utility Capital Fund	10,000	84,050	159,150
Transfer Deficit of Previous Year	108,595	108,595	-
	574,449	1,346,309	773,194
	\$ 1,989,557	\$ 2,104,840	\$ 1,560,867

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



**CITY OF BATHURST
TRUST AND RESERVE FUNDS BALANCE SHEET
AS AT DECEMBER 31, 2010**

	2010	2009
ASSETS		
General Operating Reserve Fund		
Cash	\$ 38,335	\$ 43,348
Due to General Operating Fund	-	(58)
	38,335	43,290
Utility Operating Reserve Fund		
Cash	4,031	33,918
Due from General Operating Fund	-	3,134
	4,031	37,052
General Capital Reserve Fund		
Cash	101,996	126,633
Due to General Operating Fund	25,508	(26,011)
	127,504	100,622
Utility Capital Reserve Fund		
Cash	110,959	63,626
Due from General Operating Fund	(6,713)	16,224
	104,246	79,850
	\$ 274,116	\$ 260,814
RESERVES		
General Operating Reserve Fund	\$ 38,019	\$ 43,024
Utility Operating Reserve Fund	3,832	3,742
General Capital Reserve Fund	119,364	148,614
Utility Capital Reserve Fund	112,901	65,434
	\$ 274,116	\$ 260,814

APPROVED BY:

Mayor: Stephen Brunet

Treasurer: [Signature]

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



**CITY OF BATHURST
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2010**

	General Operating Reserve Fund	Utility Operating Reserve Fund	General Capital Reserve Fund	Utility Capital Reserve Fund	Total 2010	Total 2009
Balance, beginning of year	\$ 43,024	\$ 3,742	\$ 148,614	\$ 65,434	\$ 260,814	\$ 266,185
Revenues						
Interest	566	90	2,047	967	3,670	3,289
Monies in Lieu of Parkland	-	-	-	-	-	11,764
Transfers from Utility Operating Fund	-	-	-	46,500	46,500	16,000
Sale of Land	-	-	106,325	-	106,325	79,863
	566	90	108,372	47,467	156,495	110,916
Expenditures						
Purchase of land and equipment	5,571	-	102,622	-	108,193	77,795
Legal matter	-	-	-	-	-	30,000
Paving at KC Irving Civic Centre	-	-	35,000	-	35,000	8,492
	5,571	-	137,622	-	143,193	116,287
Balance, end of year	\$ 38,019	\$ 3,832	\$ 119,364	\$ 112,901	\$ 274,116	\$ 260,814

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



CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared to conform in all material respects to the Canadian accounting principles prescribed for New Brunswick municipalities by the Department of Local Government, except that the individual budget figures presented include revisions made by management to the original budget figures, as approved by the Province.

b) Inventory Valuation

Inventories are valued on an average cost basis.

c) Capital Assets

Capital assets are recorded at cost, with the exception of the Industrial Park and some parkland. The Industrial Park, consisting of land inventory held for development, was transferred to the City for \$1 from *The Chaleur Regional Development Commission*. The parkland was donated from a private corporation. These assets are recorded at fair market value as prescribed by the Municipal Financial Reporting Manual.

The City does not record depreciation on its capital assets. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to equity in capital assets.

d) Liability for Sick Leave and Retirement Benefits

The City records the liability for sick leaves once they have vested with the employees, which typically is at age 55. The liability for retirement benefits are recorded in the accounts as they are earned.

Money has not been set aside to pay for these benefits.

e) Revenue Recognition

Major sources of revenues are recorded on an accrual basis. Certain other sources of revenue, including interest on past due accounts, are recorded when billed. Deferred revenues relating to local improvement billings are recognized on a straight-line basis over 10 to 20 years.

f) Expenditure Recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods or services relating to the current year are included in accounts payable and accrued liabilities at the balance sheet date.

Principal payments on long-term debt are recorded as an expense when paid. Interest on long-term debt is recorded on the accrual basis.

g) Cash and cash equivalents

The policy of the association is to disclose bank balances under cash and cash equivalents, including bank overdrafts and temporary investments with a maturity of three months or less from the date of acquisition. Also, bank borrowings are considered as financing activities.

**CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS**

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

i) Classification of financial instruments

All financial instruments reported on the Statement of Financial Position are classified as follows:

Classification:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Investments	Held-to-maturity
Accounts payable	Other liabilities
Long-term debt	Other liabilities

Held-for-trading

These financial assets are measured at fair value at the Statement of Financial Position date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

Held-to-maturity

These securities are carried at amortized cost using the effective interest method. Interest method income and amortization of premiums and discounts on debt securities are recorded in Net interest income.

Other liabilities

These financial liabilities are recorded at amortized cost using the effective interest method.

2. RECEIVABLE FROM DEVELOPER

	2010	2009
Non-interest bearing demand loan, repayable in monthly payments of \$2,000	\$ 75,287	\$ 97,287

3. RECEIVABLE FROM BATHURST YOUTH CENTRE

	2010	2009
Non-interest bearing promissory note with variable payments, maturing in June 2019	\$ 159,905	\$ 198,905

**CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS**

4. LONG-TERM DEBT

GENERAL CAPITAL FUND

	2010	2009
Municipal Capital Borrowing Board		
Serial of 6.000% to 6.125%, maturing in 2010.	\$ -	\$ 105,000
Serial of 2.45% to 5.50%, maturing in 2011.	161,000	313,000
Serial of 3.10% to 5.60%, maturing in 2012.	434,000	634,000
Serial of 2.750% to 5.125%, maturing in 2013.	346,000	451,000
Serial of 2.75% to 4.80%, maturing in 2024.	2,280,000	2,470,000
Serial of 3.750% to 4.375%, maturing in 2015.	730,000	864,000
Serial of 4.15% to 4.45%, maturing in 2016.	2,933,000	3,398,000
Serial of 4.75% to 4.85%, maturing in 2017.	1,119,000	1,259,000
Serial of 3.30% to 4.85%, maturing in 2018.	528,000	615,000
Serial of 2.10% to 4.95%, maturing in 2018.	1,246,000	1,428,000
Serial of 1.00% to 4.50%, maturing in 2019.	2,488,000	2,730,000
Serial of 1.50% to 3.85%, maturing in 2020.	1,458,000	-
	\$ 13,723,000	\$ 14,267,000

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

2004 Issue of \$3,480,000:

On December 16, 2014, \$1,460,000 is to be refinanced for a term not exceeding ten years.

2009 Issue of \$2,730,000:

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

Long-term debt principal repayments to be made during the next five years are the following:

2011	\$ 2,236,000
2012	\$ 1,970,000
2013	\$ 1,790,000
2014	\$ 1,574,000
2015	\$ 1,492,000

**CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS**

4. LONG-TERM DEBT (CONTINUED)

UTILITY CAPITAL FUND	2010	2009
Municipal Capital Borrowing Board		
Serial of 6.000% to 6.125%, maturing in 2010.	\$ -	\$ 77,000
Serial of 2.45% to 5.50%, maturing in 2011.	92,000	179,000
Serial of 3.10% to 5.60%, maturing in 2012.	253,000	369,000
Serial of 2.750% to 5.125%, maturing in 2013.	249,000	325,000
Serial of 2.75% to 4.80%, maturing in 2014.	318,000	389,000
Serial of 3.750% to 4.375%, maturing in 2015.	542,000	637,000
Serial of 4.15% to 4.45%, maturing in 2016.	497,000	568,000
Serial of 4.75% to 4.85%, maturing in 2017.	558,000	625,000
Serial of 2.10% to 4.95%, maturing in 2018.	756,000	836,000
Serial of 1.00% to 4.50%, maturing in 2019.	7,780,000	8,085,000
Serial of 1.50% to 3.85%, maturing in 2020.	1,359,000	-
	\$ 12,404,000	\$ 12,090,000

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

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.

Long-term debt principal repayments to be made during the next five years are the following:

2011	\$ 1,098,000
2012	\$ 1,047,000
2013	\$ 950,000
2014	\$ 888,000
2015	\$ 831,000

**CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS**

5. CMHC LOAN

UTILITY CAPITAL FUND

2010 2009

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

\$ 1,765,567 \$ -

Long-term debt principal repayments to be made during the next five years are the following:

2011	\$	87,197
2012	\$	90,815
2013	\$	94,584
2014	\$	98,510
2015	\$	102,598

6. LIABILITY FOR VESTED AND UNVESTED SICK LEAVE

The recorded liability for vested sick leave is \$529,393 (2009 - \$489,607).

The unrecorded liability for sick leave, which has not vested at December 31, 2010 is \$1,553,993 (2009 - \$1,521,704).

During the year, benefits in the amount of \$115,800 were paid to employees over the age of 55 that were retiring.

Based on benefits earned to December 31, 2010, the following sick leave benefits will vest in each of the next five years:

2011	\$	99,858
2012	\$	88,455
2013	\$	41,693
2014	\$	10,475
2015	\$	-

\$ 240,481

7. UTILITY OPERATING FUND SURPLUS (DEFICIT)

The Municipalities Act requires that the Utility Operating Fund surplus/deficit amounts be absorbed into one or more of three operating budgets commencing with the second following year. The balance of the surplus at the end of the year consists of:

2010 2009

	\$	-	\$	(81,789)
2008 Deficit				
2009 Surplus		18,166		99,955
2010 Surplus		2,567		-

\$ 20,733 \$ 18,166

CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS

8. WATER COST TRANSFER

The Municipality's Water Cost transfer is within the maximum allowable by Regulation based on the applicable percentage of water system expenditures for the population.

9. SHORT-TERM BORROWINGS

a) Capital Funds

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

General Capital:			
	O.I.C. No. 09-007	\$ 300,000	
	O.I.C. No. 09-0117	725,000	
	O.I.C. No. 010-0008	1,750,000	
	O.I.C. No. 010-0032	432,000	
	O.I.C. No. 010-0074	160,000	
		3,367,000	
<hr/>			
Utility Capital:			
	O.I.C. No. 09-0109	3,509,000	Interim financing
	O.I.C. No. 010-0015	2,750,000	
	O.I.C. No. 010-0032	262,000	
	O.I.C. No. 010-0045	3,952,000	Interim financing
		10,473,000	
		\$ 13,840,000	

b) Operating Funds

The short-term borrowings, less the net amounts due to/from other funds are within the limit of 4% of the General Fund operating budget limit provided for in the Municipalities Act.

The short-term borrowings, less the net amounts due to/from other funds are within the limit of 50% of the Utility Fund operating budget limit provided for in the Municipalities Act.

The short-term borrowings less the net amount due to/from other funds, are less than the outstanding borrowing authority of \$13,840,000 for the Capital Funds.

The amounts due to/from other funds are considered in the above limits since one bank account is used for all disbursements. The other bank accounts are only used to clear the interfund accounts. The interfund balances at year-end are repaid as soon as the final amounts are determined.

10. INTERFUND

All interfund balances from last year were repaid during the current year. The current interfund balances represent current year activities.



CITY OF BATHURST
NOTES TO FINANCIAL STATEMENTS

11. CONTINGENCIES

During the year, some residents instituted proceedings against the City. The City has contested this claim. Neither the outcome nor the amount of potential settlement can be foreseen at this time. No provision has been made in the financial statements.

The City has guaranteed debt of the Nepisiguit Chaleur Solid Waste Commission totalling \$364,480 at December 31, 2010.

The City has guaranteed debt of the Bathurst Aquatic Centre Commission totalling \$26,404 at December 31, 2010.

The City has guaranteed debt of the Bathurst Aquatic Centre Commission totalling \$3,353 at December 31, 2010.

The City has guaranteed debt of the Bathurst Aquatic Centre Commission totalling \$13,284 at December 31, 2010.

The City has guaranteed debt of the Bathurst Aquatic Centre Commission totalling \$2,300 at December 31, 2010.

The City has guaranteed debt of the Bathurst Hospitality Days totalling \$15,000 at December 31, 2010.

12. FINANCIAL INSTRUMENTS

a) Credit Risk

The City is exposed to normal credit risk on the accounts receivable from its customers. In order to reduce this risk, the City has adopted credit policies, which include the analysis of the financial position of its customers and the regular review of their credit limits. There is a low credit risk concentration due to the City's large customer base.

b) Interest rate risk

The receivable loans bears fixed interest rates for most of the loans. Consequently, the receivable loans risk exposure is minimal.

c) Fair value

The fair value of cash, accounts receivable, the bank indebtedness, accounts payable and accrued liabilities is approximately equal to their carrying value due to their short-term maturity date.

The fair value of investments and long-term debt items is determined using the present value of future cash flows under current financing agreements, based on market interest rates for loans with similar conditions and maturities.

13. 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
2011	\$ 175,051	\$ 28,724
2012	122,678	20,587
2013	69,597	5,816
2014	10,331	-
2015	3,188	-
	<hr/>	<hr/>
	\$ 380,845	\$ 55,127
