

**VILLAGE OF BELLEDUNE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2012**

**Please sign and return to**  
**ALLEN, PAQUET & ARSENEAU LLP**

**VILLAGE OF BELLEDUNE**

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**For the year ended December 31, 2012**

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VILLAGE OF BELLEDUNE  
Consolidated Financial Statements  
Year ended December 31, 2012

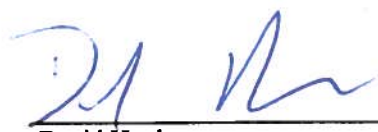
**Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Village of Belledune (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

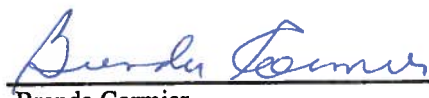
The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The mayor and council meet with management to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allen, Paquet & Arseneau, LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



David Hughes  
Chief Administrative Officer



Brenda Cormier  
Clerk-Treasurer



Partners / Associés  
 David L. Allen, C.A.  
 Yves Arseneau, C.A.  
 Tony Babin, C.A.  
 Alvin Bell, C.A.  
 Alain Pitre, C.G.A.

270, av. Douglas Ave, Suite 200  
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 Bathurst, N.B.  
 E2A 3Z4

2.

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor  
 and Members of Council of the Village of Belledune

*Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of the Village of Belledune, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

The Municipality is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as the Municipality determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Village of Belledune as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles as outlined in the Public Sector Accounting (PSA) Handbook.

Bathurst, NB

June 24, 2013



Chartered Accountants

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 C.P. / P.O. Box 482  
 Bathurst, NB E2A 3Z4

207, rue Roseberry Street  
 C.P. / P.O. Box 519  
 Campbellton, NB E3N 3G9

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**VILLAGE OF BELLEDUNE**  
**Consolidated Statement of Operations**  
**For the year ended December 31**

	2012	2012	2011
	(Unaudited) Budget Note 17	Actual	Actual
<b>REVENUE</b>			
Warrant Assessment	\$ 4,284,572	\$ 4,284,572	\$ 4,022,109
Unconditional Grants	41,211	41,211	42,052
Services Provided to Other Governments	27,810	31,754	30,443
Sales of Services	150,037	135,080	158,372
Other Revenue from Own Sources	2,500	9,284	2,942
Unconditional Transfers from Other Governments	8,000	7,562	8,487
Conditional Transfers from Other Governments	180,000	182,355	168,040
Conditional Transfers	4,000	-	-
Other Transfers	2,664	2,664	8,308
Water and Sewer Utility			
Sale of Services	45,000	45,806	46,020
Other Revenue from Own Source	48,692	48,692	-
Other Transfers	13,543	15,335	52,140
Gain from Disposal of Property Held for Resale	-	11,380	-
Gas Tax Fund	-	9,292	-
Interest	-	18,938	14,531
Miscellaneous	-	23,074	27,072
	<b>4,808,029</b>	<b>4,866,999</b>	<b>4,580,516</b>
<b>EXPENDITURES</b>			
Environmental Development	536,845	498,975	367,182
Environmental Health	198,104	200,202	202,441
Fiscal Services	158,877	154,498	371,538
General Government	815,071	763,292	754,076
Protective Services	869,037	845,847	808,851
Public Health and Welfare	2,000	-	-
Recreation and Cultural	502,205	499,958	455,853
Transportation	1,405,317	1,258,941	1,224,053
Water and Sewer Utilities	119,876	128,728	117,248
	<b>4,607,332</b>	<b>4,350,441</b>	<b>4,301,242</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 200,697</b>	<b>\$ 516,558</b>	<b>\$ 279,274</b>
<b>ACCUMULATED SURPLUS, Beginning of Year</b>		<b>10,498,354</b>	<b>10,219,080</b>
<b>ACCUMULATED SURPLUS, End of Year</b>		<b>\$ 11,014,912</b>	<b>\$ 10,498,354</b>

**VILLAGE OF BELLEDUNE**  
**Consolidated Statement of Financial Position**

As at December 31	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and Short Term Investments (Note 3)	\$ 1,443,068	\$ 1,584,490
Accounts Receivable	223,751	28,082
Due from Federal Government (Note 4)	61,983	47,902
Due from Province of New Brunswick (Note 5)	9,292	-
Deposit in Trust (Note 3)	165,000	165,000
	<b>\$ 1,903,094</b>	<b>\$ 1,825,474</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 124,511	\$ 152,401
Deferred Revenue (Note 6)	56,665	77,000
Long Term Debt (Note 7)	3,015,000	3,411,000
Trust Liability, Prepaid Lawsuit Settlement	165,000	165,000
	<b>3,361,176</b>	<b>3,805,401</b>
<b>NET DEBT</b>	<b>\$( 1,458,082)</b>	<b>\$( 1,979,927)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 13)	22,428,759	21,624,927
Accumulated Amortization	( 10,304,962)	( 9,493,176)
	<b>12,123,797</b>	<b>12,131,751</b>
Property Held for Resale	291,372	299,632
Prepaid Insurance	57,825	46,898
	<b>12,472,994</b>	<b>12,478,281</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 11,014,912</b>	<b>\$ 10,498,354</b>

On Behalf of the Council

*Ronald Bourque* Mayor

*Suzanne Lacombe* Clerk-Treasurer

**VILLAGE OF BELLEDUNE****Consolidated Statement of Change in Net Debt  
For the year ended December 31**

	2012	2011
Annual Surplus	\$ 516,558	\$ 279,274
Acquisition of Tangible Capital Assets	( 812,376)	( 868,173)
Amortization of Tangible Capital Assets	811,814	799,518
Loss on Disposal of Tangible Capital Assets	8,516	-
	<u>524,512</u>	<u>210,619</u>
Acquisition of Property Held for Resale	2,035	( 61,385)
Proceeds on Disposal of Property Held for Resale	17,605	-
Gain of Disposal of Property Held for Resale	( 11,380)	-
Use (Acquisition) of Prepaid Insurance	( 10,927)	3,417
	<u>( 2,667)</u>	<u>( 57,968)</u>
<b>DECREASE IN NET DEBT</b>	<b>521,845</b>	<b>152,651</b>
<b>NET DEBT, Beginning of Year</b>	<b>( 1,979,927)</b>	<b>( 2,132,578)</b>
<b>NET DEBT, End of Year</b>	<b>\$( 1,458,082)</b>	<b>\$( 1,979,927)</b>

**VILLAGE OF BELLEDUNE**  
**Consolidated Statement of Cash Flow**  
**For the year ended December 31**

	2012	2011
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 516,558	\$ 279,274
Loss on Disposal of Tangible Capital Assets	8,516	-
Gain on Disposal of Property Held for Resale	( 11,380)	-
Amortization of Tangible Capital Assets	811,814	799,518
Accounts Receivable	( 195,669)	( 9,545)
Due from Federal Government	( 14,081)	30,135
Due from Province of New Brunswick	( 9,292)	-
Prepaid Insurance	( 10,927)	3,417
Accounts Payable and Accrued Liabilities	( 27,890)	( 4,785)
Deferred Revenue	( 20,335)	( 4,500)
	<b>1,047,314</b>	<b>1,093,514</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of Tangible Capital Assets	( 812,376)	( 868,173)
Acquisition of Property Held for Resale	2,035	( 61,385)
Proceeds of Disposal of Property Held for Resale	17,605	-
	<b>( 792,736)</b>	<b>( 929,558)</b>
<b>FINANCING TRANSACTIONS</b>		
Bank Loan	-	( 326,000)
Long Term Debt	( 396,000)	330,000
	<b>( 396,000)</b>	<b>4,000</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>( 141,422)</b>	<b>167,956</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>1,584,490</b>	<b>1,416,534</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 1,443,068</b>	<b>\$ 1,584,490</b>



**1. PURPOSE OF THE ORGANIZATION**

The Municipality was incorporated as a village by the Province of New Brunswick Municipalities Act on January 24, 1968. The Village of Belledune and the Village of Jacquet River were amalgamated effective January 1, 1994, 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 a sustainable, prosperous community, committed to preservation of its rural identity through the encouragement of growth in an environmentally and economically sound fashion; a progressive, open-minded community providing effective governance combined with responsible and efficient service delivery; a welcoming community in which a viable, goal oriented, productive environment is provided for all residents and extended partners; a vibrant, safe, positive community which provides needed municipal services for all its citizens; a community where business and industry can grow and prosper in an economically and ecologically sustainable manner."

**2. 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 Municipality has adopted PSA as of January 1, 2010.

The focus of PSA consolidated 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:

**(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

**(b) Budget**

The budget figures contained in these consolidated financial statements were approved by Council on December 19, 2011 and the Minister of Local Government on January 18, 2012.

**(c) Revenue Recognition**

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

**(d) 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 amount 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.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Financial Instruments**

The Municipality's financial instruments consist of cash, short-term investments, accounts receivable, deposits in trust, due from the Federal Government, due from own funds, bank loan, payables and accruals, funds held in trust and long-term debt. Unless otherwise noted, it is 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.

**(f) 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.

**(g) Tangible Capital Assets**

Effective January 1, 2010, 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>Years</u>
Land:	
All land owned by the Village, including land under buildings	N/A
Land Improvements:	
Includes major landscaping projects, sports fields, courts, trail culverts, paved trails, parking lots, play grounds and similar assets	15 - 25 years
Buildings:	
All buildings owned by the Village, with the exception of treatment plants, as single assets or broken into components: structural, interior, exterior, mechanical, electrical, specialty items, equipment and site work	25 - 70 years
Machinery and Equipment:	
Includes information technology assets, large signage, transit fare boxes, motorized fleet equipment, parking meters, leasehold improvements and similar assets	5 - 20 years
Linear Assets:	
All public works infrastructure including roads, sidewalks, street lights, traffic signals, storm sewers, water and sewer main	
Road Surfaces	5 - 30 year
Road Grade	10 - 40 years
Spur Line	5 - 65 years
Traffic Lights	10 - 30 years
Vehicles:	
All vehicles including cars, trucks, buses and similar assets	5 - 25 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible Capital Assets (continued)

Years

Water and Wastewater Facilities:

Includes water and wastewater treatment plants broken into components: process piping and equipment, electrical and instrumentation, structural, architectural, mechanical and site work

10 - 100 years

The Village has a capitalization threshold of \$5,000. Any item purchased under this threshold is recorded as an expense in the year the item is acquired. An exception is pooled assets, which include computers, street lights, parking meters and groups of assets of a similar nature that when purchased in bulk have a cost of \$25,000. Another exception relates to specific items such as land, vehicles, roads, water pipe segments, etc. that would be recorded with no threshold level.

All grants, donations from subdivision developers and other third party contributions are recorded as income in the year the expenditure for the capital asset is incurred. The full cost of the asset is capitalized during the year the asset is substantially complete and put into use.

(h) 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.

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.

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) **Segmented Information (continued)**

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, reservoirs and lagoons.

**3. CASH**

	2012	2011
Deposit in Trust (Restricted - Prepaid Lawsuit Settlement)	\$ 165,000	\$ 165,000
Cash (Unrestricted)	1,443,068	1,584,490
	<b>\$ 1,608,068</b>	<b>\$ 1,749,490</b>

**4. DUE FROM FEDERAL GOVERNMENT**

	2012	2011
Canada Revenue Agency (HST Refund)	\$ 61,983	\$ 47,902

**5. DUE FROM PROVINCE OF NEW BRUNSWICK**

	2012	2011
Gas Tax Fund (GTF)	\$ 9,292	\$ -

**6. DEFERRED REVENUE**

	2012	2011
Deposits	\$ -	\$ 5,000
Utility Funds	56,665	72,000
	<b>\$ 56,665</b>	<b>\$ 77,000</b>

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**7. LONG TERM DEBT**

	2012	2011
2002 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 3.10% to 5.60%, O.I.C. # AN-30, repaid during the year	\$ -	\$ 336,000
2002 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 3.370% to 5.75%, O.I.C. # AM-27, repaid during the year	-	131,000
2004 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 2.75% to 5.50%, principal payable annually and interest semi annually, maturing July 8, 2014, renewable to the year 2019. O.I.C. # AQ-21	434,000	486,000
2005 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 2.85% to 4.35%, principal payable annually and interest semi annually, maturing in 2015, renewable to the year 2020. O.I.C. # AS-20	474,000	524,000
2006 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.15% to 4.45%, principal payable annually and interest semi annually, maturing in 2016, renewable to the year 2021. O.I.C. # AV-38	607,000	669,000
2007 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.45% to 4.85%, principal payable annually and interest semi annually, maturing in 2017, renewable to the year 2022. O.I.C. # AX-36	391,000	473,000
2007 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.45% to 4.85%, principal payable annually and interest semi annually, maturing in 2017, renewable to the year 2022. O.I.C. # AX-37	102,000	120,000
2011 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.65% to 4.25%, principal payable annually and interest semi annually, maturing in 2021, renewable to the year 2026. O.I.C. # BE-24	308,000	326,000
2011 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.35% to 3.45%, principal payable annually and interest semi annually, maturing in 2021, renewable to the year 2026. O.I.C. # BF-31	327,000	346,000
2012 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.65% to 2.10%, principal payable annually and interest semi annually, maturing in 2015, renewable to the year 2027. O.I.C. # BG-30	98,000	-
2012 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.35% to 1.95%, principal payable annually and interest semi annually, maturing in 2016, renewable to the year 2027. O.I.C. # BH-35	274,000	-
	<b>\$ 3,015,000</b>	<b>\$ 3,411,000</b>

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**7. LONG TERM DEBT (continued)**

Principal payments of long term debt are due as follows:

2013	\$	398,000
2014		735,000
2015		678,000
2016		617,000
2017		150,000
Subsequent years		437,000
		\$ 3,015,000

Approval of the Municipal Capital Borrowing Board has been obtained for the above long term debt. The Municipality is in compliance with the requirements of the Municipal Capital Borrowing Act.

**8. CONTINGENT LIABILITIES**

The Village has guaranteed in part a loan of the Nepisiguit Chaleur Solid Waste Commission. The loan is guaranteed by five other municipalities.

The Village of Belledune is contingently liable in an undetermined amount with respect to a legal action commenced against the Village. The probability of loss, if any, with respect to this matter can not be determined as of the date of the release of these consolidated financial statements.

**9. REPORTING TO THE PROVINCE OF NEW BRUNSWICK**

The Village complies with PSAB accounting standards. The Village is also required to comply with the Municipal Financial Reporting Manual prescribed by the Province of New Brunswick. Differences in accounting policies include the methodology for accounting for Tangible Capital Assets, and government transfers. PSAB also requires full consolidation of funds.

**10. WATER AND SEWER FUND SURPLUS/DEFICIT**

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

	2012	2011
2012 Surplus	\$ 3	\$ -
2011 Deficit	( 94)	( 94)
2010 Surplus	-	285
	\$( 91)	\$ 191

**11. 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.

**12. FUNDS HELD IN TRUST**

Funds administered by the Municipality for the benefit of external parties are not included in the consolidated financial statements.



**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**13. SCHEDULE OF TANGIBLE CAPITAL ASSETS**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure			2012 Total	2011 Total
						Roads and Streets	Treatment Facilities	Water and Sewer		
<b>COST</b>										
Balance, Beginning of Year	\$ 431,098	\$ 481,047	\$ 3,052,573	\$ 341,782	\$ 1,433,887	\$ 14,804,956	\$ 560,000	\$ 519,584	\$ 21,624,927	\$ 20,756,754
Add: Net Additions during the Year	-	16,143	427,215	25,164	343,854	-	-	-	812,376	868,173
Less: Disposals during the year	-	8,544	-	-	-	-	-	-	8,544	-
<b>BALANCE, END OF YEAR</b>	<b>431,098</b>	<b>488,646</b>	<b>3,479,788</b>	<b>366,946</b>	<b>1,777,741</b>	<b>14,804,956</b>	<b>560,000</b>	<b>519,584</b>	<b>22,428,759</b>	<b>21,624,927</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, Beginning of Year	-	207,013	1,405,773	116,161	804,802	6,861,425	22,909	75,093	9,493,176	8,693,658
Add: Amortization during the Year	-	22,882	103,176	19,642	51,788	579,117	22,909	12,300	811,814	799,518
disposals	-	28	-	-	-	-	-	-	28	-
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>229,867</b>	<b>1,508,949</b>	<b>135,803</b>	<b>856,590</b>	<b>7,440,542</b>	<b>45,818</b>	<b>87,393</b>	<b>10,304,962</b>	<b>9,493,176</b>
<b>NET BOOK VALUE OF CAPITAL</b>										
<b>ASSETS</b>	<b>\$ 431,098</b>	<b>\$ 258,779</b>	<b>\$ 1,970,839</b>	<b>\$ 231,143</b>	<b>\$ 921,151</b>	<b>\$ 7,364,414</b>	<b>\$ 514,182</b>	<b>\$ 432,191</b>	<b>\$ 12,123,797</b>	<b>\$ 12,131,751</b>
Consists of:										
General Capital Fund	\$ 431,098	\$ 258,779	\$ 1,970,839	\$ 231,143	\$ 921,151	\$ 7,364,414	\$ -	\$ -	\$ 11,177,424	\$ 11,150,169
Water and Sewer Utility Capital Fund	-	-	-	-	-	-	514,182	432,191	946,373	981,582
<b>Assets</b>	<b>\$ 431,098</b>	<b>\$ 258,779</b>	<b>\$ 1,970,839</b>	<b>\$ 231,143</b>	<b>\$ 921,151</b>	<b>\$ 7,364,414</b>	<b>\$ 514,182</b>	<b>\$ 432,191</b>	<b>\$ 12,123,797</b>	<b>\$ 12,131,751</b>



**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**14. SCHEDULE OF SEGMENT DISCLOSURE**

	General Government	Protective Services	Transportation	Environmental Health	Environmental Development	Recreation and Cultural	Water and Sewer	2012	2011
<b>REVENUES</b>									
Warrant of Assessment	\$ 903,894	\$ 833,040	\$ 1,239,880	\$ 197,171	\$ 491,420	\$ 492,388	\$ 126,779	\$ 4,284,572	\$ 4,022,109
Unconditional Grant	8,694	8,013	11,926	1,896	4,727	4,736	1,219	41,211	42,052
Services Provided to Other Governments	-	18,637	13,117	-	-	-	-	31,754	30,443
Sales of Service	-	1,200	-	26,337	22,566	84,977	45,806	180,886	204,392
Other Revenue from Own Source	9,284	-	-	-	-	-	48,692	57,976	2,942
Unconditional Transfers from Other Governments	-	7,562	-	-	-	-	-	7,562	8,487
Conditional Transfers from Other Governments	5,351	-	-	-	177,004	-	-	182,355	168,040
Other Transfers	2,664	-	-	-	-	-	15,335	17,999	60,448
Gain on Disposal of Property Held for Resale	11,380	-	-	-	-	-	-	11,380	-
Gas Tax Fund	-	-	-	-	-	9,292	-	9,292	-
Interest	17,646	-	-	-	-	-	1,292	18,938	14,531
Miscellaneous	23,074	-	-	-	-	-	-	23,074	27,072
	981,987	868,452	1,264,923	225,404	695,717	591,393	239,123	4,866,999	4,580,516
<b>EXPENDITURES</b>									
Salaries and Benefits	318,943	647,367	87,915	94,505	44,110	127,046	-	1,319,886	1,235,984
Legislative	47,274	-	-	-	-	-	-	47,274	56,699
Goods and Services	242,607	135,706	591,909	88,593	439,720	270,707	87,865	1,857,107	1,679,217
Amortization	19,508	43,526	579,117	17,104	15,145	102,205	35,209	811,814	799,518
Interest and Bank Charges	145,982	-	-	-	-	-	5,654	151,636	167,578
Bad Debt	594	-	-	-	-	-	-	594	-
Other	134,366	19,248	-	-	-	-	-	153,614	362,246
Loss on Disposal of Capital Assets	8,516	-	-	-	-	-	-	8,516	-
	917,790	845,847	1,258,941	200,202	498,975	499,958	128,728	4,350,441	4,301,242
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ 64,197	\$ 22,605	\$ 5,982	\$ 25,202	\$ 196,742	\$ 91,435	\$ 110,395	\$ 516,558	\$ 279,274

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**15. RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**

	General Capital Fund	General Operating Fund	Water and Sewer Utility Capital Fund	Water and Sewer Utility Operating Fund	General Capital Reserve Fund	Utility Capital Reserve Fund	Total
<b>2012 ANNUAL SURPLUS (DEFICIT) PER PSAB</b>	\$ ( 776,607)	\$ 1,293,121	\$ ( 35,209)	\$ 17,571	\$ 17,646	\$ 36	\$ 516,558
<b>Adjustments to Annual Surplus (Deficit) for Funding Requirements</b>							
Second Previous Year's Surplus	-	( 3,443)	-	432	-	-	( 3,011)
Transfers Between Funds	-	( 105,000)	-	-	105,000	-	-
Transfer Elimination	423,601	( 423,601)	-	-	-	-	-
Transfer Elimination	750,000	( 750,000)	18,000	( 18,000)	-	-	-
Long Term Debt Principal Repayment	776,605	-	35,209	-	-	-	811,814
Amortization Expense							
Total Adjustments to 2012 Annual Surplus (Deficit)	1,950,206	( 1,282,044)	53,209	( 17,568)	105,000	-	808,803
<b>2012 ANNUAL FUND SURPLUS (DEFICIT) FOR FUNDING PURPOSES</b>	\$ 1,173,599	\$ 11,077	\$ 18,000	\$ 3	\$ 122,646	\$ 36	\$ 1,325,361

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**16. STATEMENT OF RESERVES**

	General Capital Reserve Fund	Utility Capital Reserve Fund	Total 2012	Total 2011
<b>ASSETS</b>				
Cash	\$ 1,484,220	\$ 2,864	\$ 1,487,084	\$ 1,299,402
Receivable from Operating Fund	105,000	-	105,000	170,000
<b>ACCUMULATED SURPLUS</b>	<b>\$ 1,589,220</b>	<b>\$ 2,864</b>	<b>\$ 1,592,084</b>	<b>\$ 1,469,402</b>
<b>REVENUE</b>				
Interest	\$ 17,646	\$ 36	\$ 17,682	\$ 13,969
Transfer from General Operating Fund	105,000	-	105,000	170,000
	122,646	36	122,682	183,969
<b>EXPENDITURES</b>				
Bank Charges	-	-	-	11
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 122,646</b>	<b>\$ 36</b>	<b>\$ 122,682</b>	<b>\$ 183,958</b>

Council Resolution regarding transfers to and from reserves:

Moved by Councillor Frenette, seconded by Councillor Culligan that \$105,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

I hereby certify that the above is true and an exact copy of the resolution adopted at a special meeting of Council on December 31, 2012.

  
NAME  
Clerk-Treasurer  
Village of Belledune

  
Date

Municipal Seal

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**17. OPERATING BUDGET TO PSA BUDGET**

	Operating Budget General	Operating Budget Water & Sewer	Amortization	Transfers	Total
<b>REVENUE</b>					
Warrant Assessment	\$ 4,284,572	\$ -	\$ -	\$ -	\$ 4,284,572
Unconditional Grants	41,211	-	-	-	41,211
Services Provided to Other Governments	27,810	-	-	-	27,810
Sales of Service	150,037	45,000	-	-	195,037
Other Revenue From Own Sources	2,500	48,692	-	-	51,192
Unconditional Transfers from					
Other Governments	8,000	-	-	-	8,000
Conditional Transfers from					
Other Governments	180,000	-	-	-	180,000
Province of New Brunswick					
Conditional Transfers Other	4,000	-	-	-	4,000
Other Transfers	2,664	13,543	-	-	16,207
Surplus - Second Previous Year	-	432	-	( 432)	-
	4,700,794	107,667	-	( 432)	4,808,029
<b>EXPENDITURES</b>					
Public Health	2,000	-	-	-	2,000
Deficit - Second Previous Year	3,443	-	-	( 3,443)	-
Environmental Development	521,700	-	15,145	-	536,845
Environmental Health	181,000	-	17,104	-	198,104
Fiscal Services					
- Capital Expenditure	608,500	5,000	-	( 613,500)	-
- Interest and Bank Fees	4,500	-	-	-	4,500
- Interest on Long Term Debt	148,377	5,667	-	-	154,044
- Interest on Short Term Debt	6,000	-	-	-	6,000
- Principal Repayment of Long Term Debt	378,000	18,000	-	( 396,000)	-
General Government	795,563	-	19,508	-	815,071
Protective Services	825,511	-	43,526	-	869,037
Recreation and Cultural	400,000	-	102,205	-	502,205
Transportation	826,200	-	579,117	-	1,405,317
Water and Sewer Utilities	-	79,000	35,209	-	114,209
	4,700,794	107,667	811,814	( 1,012,943)	4,607,332
<b>SURPLUS (DEFICIT)</b>	\$ -	\$ -	\$( 811,814)	\$ 1,012,511	\$ 200,697

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>REVENUE</b>			
Warrant Assessment	\$ 4,284,572	\$ 4,284,572	\$ 4,022,109
Unconditional Grants	\$ 41,211	\$ 41,211	\$ 42,052
<u>Services Provided to Other Governments</u>			
Province of New Brunswick			
Protective Services	\$ 16,810	\$ 18,637	\$ 16,810
Traffic Services	11,000	13,117	13,633
	\$ 27,810	\$ 31,754	\$ 30,443
<u>Sales of Service</u>			
Fire Services	\$ 1,200	\$ 1,200	\$ 1,153
Environmental Health Services	26,937	26,337	26,337
Environmental Development Services	17,400	22,566	17,401
Recreation and Cultural	104,500	84,977	113,481
	\$ 150,037	\$ 135,080	\$ 158,372
<u>Other Revenue from Own Sources</u>			
Buildings	\$ 500	\$ 500	\$ 500
Return on Investment	2,000	8,784	2,442
	\$ 2,500	\$ 9,284	\$ 2,942
<u>Unconditional Transfers from Other Governments</u>			
Provincial Governments			
Municipal Fine Revenue Sharing	\$ 8,000	\$ 7,562	\$ 8,487
<u>Conditional Transfers from Other Governments</u>			
Federal Government	\$ 7,500	\$ 1,800	\$ 1,900
Provincial Government:			
Environmental Development	170,500	177,004	159,400
Provincial Government	2,000	3,551	6,740
Agencies			
	\$ 180,000	\$ 182,355	\$ 168,040
<u>Conditional Transfers</u>			
Other	\$ 4,000	\$ -	\$ -

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>REVENUE (continued)</b>			
<u>Other Transfers</u>			
Other	\$ 2,664	\$ 2,664	\$ 8,308
<u>Water and Sewer Utility</u>			
<u>Sale of Services</u>			
Sale of Water	\$ 39,000	\$ 39,806	\$ 40,020
Sale of Sewerage Services	6,000	6,000	6,000
	\$ 45,000	\$ 45,806	\$ 46,020
<u>Other Revenue from Own Sources</u>			
Water Supply (Fire)	\$ 40,409	\$ 40,409	\$ -
Other	8,283	8,283	-
	\$ 48,692	\$ 48,692	\$ -
<u>Other Transfers</u>			
From Own Funds	\$ 13,543	\$ 15,335	\$ 52,140
<u>Other</u>			
Gain on Disposal of Property Held for Resale	\$ -	\$ 11,380	\$ -
Gas Tax Fund	-	9,292	-
Interest	-	18,938	14,531
Miscellaneous	-	23,074	27,072
	\$ -	\$ 62,684	\$ 41,603

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>EXPENDITURES</b>			
<b>General Government Services</b>			
<i>Legislative</i>			
Mayor	\$ 11,500	\$ 9,773	\$ 15,191
Councillors	45,200	37,501	41,507
Development Seminars	11,000	5,175	5,817
	67,700	52,449	62,515
<i>Administrative</i>			
Administrator	180,500	182,110	139,657
Administrative Assistant	73,000	65,153	61,899
Municipal Works	73,000	71,680	69,598
Office Building	103,000	105,089	101,643
Solicitor	20,000	18,021	36,998
Public Liability Insurance	47,000	34,023	39,636
Other Administrative	54,562	44,465	35,120
	551,062	520,541	484,551
<i>Financial Management</i>			
External Audit	18,000	38,941	20,463
Financial Consulting Fees	7,000	2,068	31,307
	25,000	41,009	51,770
<i>Common Services</i>			
Amortization	19,508	19,508	19,630
Cost of Assessment	72,801	72,801	71,525
Conventions and Delegations	6,000	2,341	2,801
Grants and Sundry	41,000	33,188	29,517
Civic Relations	22,000	13,582	25,811
Training and Development	10,000	7,279	5,956
Bad Debts	-	594	-
	171,309	149,293	155,240
	\$ 815,071	\$ 763,292	\$ 754,076

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>EXPENDITURES (continued)</b>			
<b>Protective Services</b>			
<i>Police</i>	\$ 570,000	\$ 570,000	\$ 542,500
<i>Fire Protection</i>			
Administration	8,000	7,200	8,287
Amortization	43,526	43,526	44,755
Personnel	50,000	42,888	45,658
Fire Alarm Systems	26,600	27,279	25,250
Water Cost	40,409	40,409	39,936
Training	21,502	14,010	12,498
Fire Station and Building	65,000	67,910	56,138
Equipment	25,000	13,376	23,363
Other	12,000	12,762	4,009
	292,037	269,360	259,894
<i>Animal Control</i>	7,000	6,487	6,457
	\$ 869,037	\$ 845,847	\$ 808,851
<b>Transportation Services</b>			
<i>Roads and Streets</i>			
Amortization	\$ 579,117	\$ 579,117	\$ 570,198
Personnel	90,000	87,915	82,177
Engineering and Planning	35,000	48,575	24,710
Summer Maintenance	83,000	67,261	70,070
Culverts and Ditches	193,000	123,267	41,376
Snow Removal	217,000	216,857	246,211
Roads and Streets	99,000	37,291	81,205
Street Cleaning	8,200	9,652	5,200
	1,304,317	1,169,935	1,121,147
<i>Street Lighting</i>	90,000	85,581	96,255
<i>Traffic Services</i>			
Signals	7,000	3,328	3,149
Street Signs	4,000	97	3,502
	11,000	3,425	6,651
	\$ 1,405,317	\$ 1,258,941	\$ 1,224,053



**VILLAGE OF BELLEDUNE**  
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**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>EXPENDITURES (continued)</b>			
<u>Environmental Health Services</u>			
Amortization	\$ 17,104	\$ 17,104	\$ 16,736
Solid Waste Collection Personnel	93,000	93,650	93,955
Solid Waste Collection Disposal	88,000	89,448	91,750
	<b>\$ 198,104</b>	<b>\$ 200,202</b>	<b>\$ 202,441</b>
<u>Public Health and Welfare Services</u>			
Well Water Testing Program	2,000	-	-
<u>Environmental Development Services</u>			
Amortization	\$ 15,145	\$ 15,145	\$ 14,235
Planning Commissions	76,000	75,411	76,516
Industrial Parks and Commission	40,000	20,706	9,843
Promotion, Tourism	140,500	104,813	92,392
Public Receptions	4,000	1,577	4,839
Research and Planning	36,000	41,053	990
Community Improvements	10,000	1,387	1,876
Economic Development	140,200	161,347	106,354
Conservation	75,000	77,536	60,137
	<b>\$ 536,845</b>	<b>\$ 498,975</b>	<b>\$ 367,182</b>
<u>Recreation and Cultural Services</u>			
Amortization	\$ 102,205	\$ 102,205	\$ 98,755
Community Centre and Hall	80,000	83,155	61,837
Skating Rinks and Arenas	220,500	210,760	204,791
Parks and Playgrounds	41,000	46,653	40,030
Library	15,500	12,396	8,624
Bus Service	-	159	915
Festivals and Fairs	37,000	38,300	36,441
Wharf	6,000	6,330	4,460
	<b>\$ 502,205</b>	<b>\$ 499,958</b>	<b>\$ 455,853</b>
<u>Fiscal Services</u>			
Bank Charges	\$ 4,500	\$ 3,012	\$ 10,002
Interest on Long Term Debt	148,377	142,970	146,627
Interest on Short Term Debt	6,000	-	4,555
Other	-	-	210,354
Loss on Disposal of Capital Asset	-	8,516	-
	<b>\$ 158,877</b>	<b>\$ 154,498</b>	<b>\$ 371,538</b>

**VILLAGE OF BELLEDUNE**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2012**

**18. REVENUE AND EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2012 Budget	2012 Actual	2011 Actual
<b>EXPENDITURES (continued)</b>			
<u>Water and Sewer Utilities</u>			
Administration	\$ 8,500	\$ 10,759	\$ 11,931
Amortization	35,209	35,209	35,209
Fiscal Services:			
Bank Charges	-	75	34
Interest on Long Term Debt	5,667	5,580	6,359
Other	57,500	59,320	44,705
Treatment	13,000	17,785	19,010
	<b>\$ 119,876</b>	<b>\$ 128,728</b>	<b>\$ 117,248</b>