

VILLAGE OF BELLEDUNE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2017



VILLAGE OF BELLEDUNE
Consolidated Financial Statements
Year ended December 31, 2017

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 Chartered Professional Accountants of Canada. 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.

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.



Brenda Cormier
Clerk-Treasurer



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, 2017, and the consolidated statement of operations, change in net assets 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, 2017 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

April 16, 2018



Chartered Professional Accountants


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

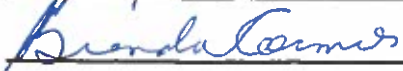
| | 2017 | 2017 | 2016 |
|--|----------------------------------|----------------------|----------------------|
| | (Unaudited) Budget Note 18 | Actual | Actual |
| REVENUE | | | |
| Warrant Assessment | \$ 4,481,052 | \$ 4,481,052 | \$ 4,405,269 |
| Unconditional Grants | 344,927 | 344,927 | 345,080 |
| Services Provided to Other Governments | 37,380 | 35,463 | 35,739 |
| Sales of Services | 106,800 | 92,404 | 89,787 |
| Other Revenue from Own Sources | 13,500 | 18,055 | 17,530 |
| Unconditional Transfers from Other Governments | - | - | 1,781 |
| Conditional Transfers from Other Governments | 8,600 | 3,040 | 15,627 |
| Water and Sewer Utility | | | |
| Sale of Services | 48,000 | 48,988 | 54,196 |
| Other Revenue from Own Sources | 45,688 | 45,688 | 45,696 |
| Other Transfers | - | 10,784 | - |
| Interest | - | 28,486 | 25,281 |
| Miscellaneous | - | 8,954 | 17,699 |
| | 5,085,947 | 5,117,841 | 5,053,685 |
| EXPENDITURES | | | |
| General Government - Page 21 | 1,118,838 | 997,977 | 891,217 |
| Protective Services - Page 22 | 1,126,647 | 1,100,428 | 1,014,980 |
| Transportation - Page 22 | 1,269,121 | 1,117,933 | 1,253,351 |
| Environmental Health - Page 23 | 227,114 | 229,385 | 219,486 |
| Environmental Development - Page 23 | 591,824 | 503,737 | 433,158 |
| Recreation and Cultural - Page 23 | 527,836 | 499,193 | 464,877 |
| Fiscal Services - Page 23 | 73,937 | 81,712 | 87,538 |
| Water and Sewer Utilities - Page 24 | 107,854 | 120,376 | 109,681 |
| | 5,043,171 | 4,650,741 | 4,474,288 |
| ANNUAL SURPLUS (Note 16) | \$ 42,776 | \$ 467,100 | \$ 579,397 |
| ACCUMULATED SURPLUS, Beginning of Year | | 13,620,679 | 13,041,282 |
| ACCUMULATED SURPLUS, End of Year | | \$ 14,087,779 | \$ 13,620,679 |

VILLAGE OF BELLEDUNE
Consolidated Statement of Financial Position

| As at December 31 | 2017 | 2016 |
|--|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash and Short Term Investments (Note 3) | \$ 2,790,761 | \$ 2,867,977 |
| Accounts Receivable | 30,305 | 18,642 |
| Due from Federal Government (Note 4) | 126,544 | 57,755 |
| | \$ 2,947,610 | \$ 2,944,374 |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | \$ 542,307 | \$ 124,080 |
| Deferred Revenue (Note 5) | 462,306 | 358,899 |
| Long Term Debt (Note 6) | 1,244,768 | 1,694,867 |
| | 2,249,381 | 2,177,846 |
| NET ASSETS | \$ 698,229 | \$ 766,528 |
| NON-FINANCIAL ASSETS | | |
| Tangible Capital Assets (Note 14) | 27,432,564 | 26,037,237 |
| Accumulated Amortization | (14,268,360) | (13,462,805) |
| | 13,164,204 | 12,574,432 |
| Property Held for Resale | 155,045 | 208,170 |
| Prepaid Insurance | 70,301 | 71,549 |
| | 13,389,550 | 12,854,151 |
| ACCUMULATED SURPLUS | \$ 14,087,779 | \$ 13,620,679 |

On Behalf of the Council


 _____ Mayor


 _____ Clerk-Treasurer

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

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Annual Surplus | \$ 467,100 | \$ 579,397 |
| Acquisition of Tangible Capital Assets | (1,395,327) | (1,166,242) |
| Amortization of Tangible Capital Assets | 805,555 | 828,302 |
| | (122,672) | 241,457 |
| Transfer of Property Held for Resale | 53,125 | - |
| Use (Acquisition) of Prepaid Insurance | 1,248 | (1,303) |
| | 54,373 | (1,303) |
| INCREASE (DECREASE) IN NET ASSETS | (68,299) | 240,154 |
| NET ASSETS, Beginning of Year | 766,528 | 526,374 |
| NET ASSETS, End of Year | \$ 698,229 | \$ 766,528 |

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

| | 2017 | 2016 |
|---|---------------------|---------------------|
| OPERATING TRANSACTIONS | | |
| Annual Surplus | \$ 467,100 | \$ 579,397 |
| Amortization of Tangible Capital Assets | 805,555 | 828,302 |
| Accounts Receivable | (11,663) | 7,433 |
| Due from Federal Government | (68,789) | 13,531 |
| Prepaid Insurance | 1,248 | (1,303) |
| Accounts Payable and Accrued Liabilities | 418,227 | (5,299) |
| Deferred Revenue | 103,407 | 110,762 |
| | <u>1,715,085</u> | <u>1,532,823</u> |
| CAPITAL TRANSACTIONS | | |
| Acquisition of Tangible Capital Assets | (1,395,327) | (1,166,242) |
| Transfer of Property Held for Resale | 53,125 | - |
| | <u>(1,342,202)</u> | <u>(1,166,242)</u> |
| FINANCING TRANSACTIONS | | |
| Long Term Debt | (450,099) | (518,311) |
| | <u>(450,099)</u> | <u>(518,311)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (77,216) | (151,730) |
| CASH AND CASH EQUIVALENTS, Beginning of Year | 2,867,977 | 3,019,707 |
| CASH AND CASH EQUIVALENTS, End of Year | \$ 2,790,761 | \$ 2,867,977 |

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 Professional 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 28, 2016 and the Minister of Local Government on January 19, 2017.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 |

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible Capital Assets (continued)

| | <u>Years</u> |
|--|----------------|
| Linear Assets: | |
| All public works infrastructure including roads, sidewalks, street lights, traffic signals, storm sewers, water and sewer main | |
| Road Surfaces | 5 - 30 years |
| 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 |
| 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.

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Segmented Information (continued)

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, reservoirs and lagoons.

3. CASH

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Cash (Restricted - Gas Tax Fund) | \$ 324,814 | \$ 321,111 |
| Cash (Restricted - Reserves) (Note 17) | 2,010,058 | 2,174,820 |
| Cash (Unrestricted) | 455,889 | 372,046 |
| | \$ 2,790,761 | \$ 2,867,977 |

4. DUE FROM FEDERAL GOVERNMENT

| | 2017 | 2016 |
|------------------------------------|------------|-----------|
| Canada Revenue Agency (HST Refund) | \$ 126,544 | \$ 57,755 |

5. DEFERRED REVENUE

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Deferred Government Transfers - Gas Tax Fund (GTF) | \$ 436,202 | \$ 322,011 |
| Utility Funds | 26,104 | 36,888 |
| | \$ 462,306 | \$ 358,899 |

6. LONG TERM DEBT

| | 2017 | 2016 |
|--|------------|------------|
| Chaleur Sawmills Associates, non interest bearing, principal payable annually in the amount of \$103,967, maturing January 2, 2019 | \$ 207,932 | \$ 311,899 |
| Carried Forward | \$ 207,932 | \$ 311,899 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

6. LONG TERM DEBT (continued)

| | 2017 | 2016 |
|---|---------------------|---------------------|
| Carried Forward | \$ 207,932 | \$ 311,899 |
| Maintenance contractor (spurline), non interest bearing, principal payable annually in the approximate amount of \$5,000, maturing January 2, 2019 | 11,836 | 16,968 |
| 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. O.I.C. # AX-36. Repaid during the year | - | 86,000 |
| 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. O.I.C. # AX-37. Repaid during the year | - | 22,000 |
| 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 | 214,000 | 234,000 |
| 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 | 223,000 | 245,000 |
| 2014 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.15% to 2.35%, principal payable annually and interest semi annually, maturing in 2019. O.I.C. # BH-35 | 133,000 | 197,000 |
| 2015 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 0.95% to 1.80%, principal payable annually and interest semi annually, maturing in 2020. O.I.C. # BM-31 | 189,000 | 251,000 |
| 2016 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.20% to 2.00%, principal payable annually and interest semi annually, maturing in 2021. O.I.C. # BP-25 | 266,000 | 331,000 |
| | \$ 1,244,768 | \$ 1,694,867 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

6. LONG TERM DEBT (continued)

Principal payments of long term debt are due as follows:

| | | |
|------|----|--------------|
| 2016 | \$ | 344,967 |
| 2017 | | 351,801 |
| 2018 | | 176,000 |
| 2019 | | 372,000 |
| | | <hr/> |
| | | \$ 1,244,768 |

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.

7. CONTINGENT LIABILITIES

The Village has guaranteed in part a loan of the Chaleur Regional Service Commission. The loan is guaranteed by five other municipalities.

8. COMMITMENT

The Village of Belledune is liable with respect to a legal action settled on November 18, 2013, against the Village for an amount of \$1,000,000. This settlement is payable over a six year period and by virtue of section 8 of the *Control of Municipalities Act*, authority was granted by the province to defer its recognition in the operating fund.

| | | |
|---|----|-----------|
| Lawsuit Settlement | \$ | 1,000,000 |
| Less: Paid in 2013 | (| 165,000) |
| Transfer of Property Held for Resale (2014) | (| 181,200) |
| Annual Payment (2014-2017) | (| 415,868) |
| Maintenance Contract Payment (2014-2017) | (| 18,164) |
| | | <hr/> |
| | | 219,768 |
| Deferred: | | |
| Annual Payment (2018 - 2019) (Note 6) | (| 207,932) |
| Maintenance Contract (2018 - 2019) (Note 6) | (| 11,836) |
| | | <hr/> |
| | | \$ - |

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.

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

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:

| | 2017 | 2016 |
|------------------------|-----------------|-----------------|
| 2017 Surplus (Deficit) | \$ - | \$ - |
| 2016 Surplus | 2,135 | 2,135 |
| 2015 Surplus | - | 957 |
| | <u>\$ 2,135</u> | <u>\$ 3,092</u> |

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.

13. RECONCILIATION OF ANNUAL SURPLUS BY FUND ACCOUNTING

| | 2017 | 2016 |
|--|--------------------|------------------|
| Net Assets (Page 4) | \$ 698,229 | \$ 766,528 |
| Add: | | |
| Long Term Debt | 1,244,768 | 1,694,867 |
| Prepaid Insurance | 70,301 | 71,549 |
| Short Term Assets | <u>2,013,298</u> | <u>2,532,944</u> |
| Less: | | |
| Prior Year Annual Surplus (Deficit): | | |
| General Operating Fund | 5,284 | 32,248 |
| Water and Sewer Utility Operating Fund | 2,135 | 957 |
| Reserve Fund (Note 17) | <u>2,010,058</u> | <u>2,492,320</u> |
| | <u>2,017,477</u> | <u>2,525,525</u> |
| Operating Surplus | <u>\$ (4,179)</u> | <u>\$ 7,419</u> |
| Current Year Annual Surplus: (Note 16) | | |
| General Operating Fund | \$ (4,179) | \$ 5,284 |
| Water and Sewer Utility Operating Fund | - | 2,135 |
| | <u>\$ (4,179)</u> | <u>\$ 7,419</u> |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

14. SCHEDULE OF TANGIBLE CAPITAL ASSETS

| | Land | Land Improvements | Buildings | Machinery and Equipment | Vehicles | Roads and Streets | Infrastructure | | | 2016 Total |
|---|----------------|-------------------|------------------|-------------------------|------------------|-------------------|----------------------|-----------------|-------------------|-------------------|
| | | | | | | | Treatment Facilities | Water and Sewer | 2017 Total | |
| COST | | | | | | | | | | |
| Balance, Beginning of Year | \$ 489,091 | \$ 1,168,903 | \$ 3,769,494 | \$ 457,852 | \$ 1,767,211 | \$ 17,305,102 | \$ 560,000 | \$ 519,584 | \$ 26,037,237 | \$ 24,870,995 |
| Add: Net Additions during the Year | 48,974 | 13,619 | 1,249,339 | - | - | 83,395 | - | - | 1,395,327 | 1,166,242 |
| BALANCE, END OF YEAR | 538,065 | 1,182,522 | 5,018,833 | 457,852 | 1,767,211 | 17,388,497 | 560,000 | 519,584 | 27,432,564 | 26,037,237 |
| ACCUMULATED AMORTIZATION | | | | | | | | | | |
| Balance, Beginning of Year | - | 399,590 | 1,990,644 | 207,822 | 884,376 | 9,706,327 | 96,600 | 177,446 | 13,462,805 | 12,634,503 |
| Add: Amortization during the Year | - | 56,682 | 122,325 | 37,976 | 71,742 | 481,621 | 21,409 | 13,800 | 805,555 | 828,302 |
| BALANCE, END OF YEAR | - | 456,272 | 2,112,969 | 245,798 | 956,118 | 10,187,948 | 118,009 | 191,246 | 14,268,360 | 13,462,805 |
| NET BOOK VALUE OF CAPITAL ASSETS | | | | | | | | | | |
| | \$ 538,065 | \$ 726,250 | \$ 2,905,864 | \$ 212,054 | \$ 811,093 | \$ 7,200,549 | \$ 441,991 | \$ 328,338 | \$ 13,164,204 | \$ 12,574,432 |
| Consists of: | | | | | | | | | | |
| General Capital Fund | \$ 538,065 | \$ 726,250 | \$ 2,905,864 | \$ 212,054 | \$ 811,093 | \$ 7,200,549 | \$ - | \$ - | \$ 12,393,875 | \$ 11,768,894 |
| Water and Sewer Utility Capital Fund | - | - | - | - | - | - | 441,991 | 328,338 | 770,329 | 805,538 |
| | \$ 538,065 | \$ 726,250 | \$ 2,905,864 | \$ 212,054 | \$ 811,093 | \$ 7,200,549 | \$ 441,991 | \$ 328,338 | \$ 13,164,204 | \$ 12,574,432 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

15. SCHEDULE OF SEGMENT DISCLOSURE

| | General Government | Protective Services | Transportation | Environmental Health | Environmental Development | Recreation and Cultural | Water and Sewer | 2017 | 2016 |
|--|--------------------|---------------------|--------------------|----------------------|---------------------------|-------------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | | | | | |
| Warrant of Assessment | \$ 1,040,295 | \$ 1,060,277 | \$ 1,077,144 | \$ 221,015 | \$ 485,358 | \$ 480,979 | \$ 115,984 | \$ 4,481,052 | \$ 4,405,269 |
| Unconditional Grant | 344,927 | - | - | - | - | - | - | 344,927 | 345,080 |
| Services Provided to Other Governments | - | 22,380 | 13,083 | - | - | - | - | 35,463 | 35,739 |
| Sales of Service | - | - | - | - | 29,356 | 63,048 | 48,988 | 141,392 | 143,983 |
| Other Revenue from Own Sources | 18,055 | - | - | - | - | - | 45,688 | 63,743 | 63,226 |
| Unconditional Transfers from Other Governments | - | - | - | - | - | - | - | - | 1,781 |
| Conditional Transfers from Other Governments | 3,040 | - | - | - | - | - | - | 3,040 | 15,627 |
| Other Transfers | - | - | - | - | - | - | 10,784 | 10,784 | - |
| Gain on Disposal of Tangible Capital Assets | - | - | - | - | - | - | - | - | - |
| Gas Tax Fund | - | - | - | - | - | - | - | - | - |
| Interest | 27,342 | - | - | - | - | - | 1,144 | 28,486 | 25,281 |
| Miscellaneous | 8,954 | - | - | - | - | - | - | 8,954 | 17,699 |
| | 1,442,613 | 1,082,657 | 1,090,227 | 221,015 | 514,714 | 544,027 | 222,588 | 5,117,841 | 5,053,685 |
| EXPENDITURES | | | | | | | | | |
| Salaries and Benefits | 460,134 | 877,536 | 167,708 | 114,003 | 51,719 | 79,170 | - | 1,750,270 | 1,587,297 |
| Legislative | 68,438 | - | - | - | - | - | - | 68,438 | 58,784 |
| Goods and Services | 257,842 | 150,611 | 468,604 | 86,268 | 418,242 | 282,187 | 84,212 | 1,747,966 | 1,723,398 |
| Amortization | 28,995 | 59,004 | 481,621 | 29,114 | 33,776 | 137,836 | 35,209 | 805,555 | 828,302 |
| Interest and Bank Charges | 32,855 | - | - | - | - | - | 955 | 33,810 | 56,700 |
| Bad Debt | - | - | - | - | - | - | - | - | 1,359 |
| Other | 231,425 | 13,277 | - | - | - | - | - | 244,702 | 218,448 |
| | 1,079,689 | 1,100,428 | 1,117,933 | 229,385 | 503,737 | 499,193 | 120,376 | 4,650,741 | 4,474,288 |
| SURPLUS (DEFICIT) FOR THE YEAR | \$ 362,924 | \$(17,771) | \$(27,706) | \$(8,370) | \$ 10,977 | \$ 44,834 | \$ 102,212 | \$ 467,100 | \$ 579,397 |

VILLAGE OF BELLEUDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

16. 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 | Utility Operating Reserve Fund | Total |
|---|----------------------|------------------------|--------------------------------------|--|------------------------------|------------------------------|--------------------------------|---------------------|
| 2017 ANNUAL SURPLUS (DEFICIT) PER PSAB | \$ (770,346) | \$ 1,223,874 | \$ (35,209) | \$ 21,043 | \$ 27,342 | \$ 343 | \$ 53 | \$ 467,100 |
| Adjustments to Annual Surplus (Deficit) for Funding Requirements | | | | | | | | |
| Second Previous Year's Surplus (Deficit) | - | 32,248 | - | 957 | - | - | - | 33,205 |
| Transfers Between Funds | - | - | - | - | - | - | - | - |
| Transfer Elimination | - | 510,000 | - | - | (510,000) | - | - | - |
| Capital Expenditures | 1,342,202 | (1,342,202) | - | - | - | - | - | - |
| Long Term Debt Principal Repayment | 319,000 | (319,000) | 22,000 | (22,000) | - | - | - | - |
| Amortization Expense | 770,346 | - | 35,209 | - | - | - | - | 805,555 |
| Deferred Legal Settlement (Note 8) | - | (109,099) | - | - | - | - | - | (109,099) |
| Total Adjustments to 2017 Annual Surplus (Deficit) | 2,431,548 | (1,228,053) | 57,209 | (21,043) | (510,000) | - | - | 729,661 |
| 2017 ANNUAL FUND SURPLUS (DEFICIT) | \$ 1,661,202 | \$ (4,179) | \$ 22,000 | \$ - | \$ (482,658) | \$ 343 | \$ 53 | \$ 1,196,761 |
| FOR FUNDING PURPOSES | | | | | | | | |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

17. STATEMENT OF RESERVES

| | General Capital Reserve Fund | Utility Capital Reserve Fund | Utility Operating Reserve Fund | Total 2017 | Total 2016 |
|--------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---------------|---------------|
| ASSETS | | | | | |
| Cash | \$ 1,974,853 | \$ 30,578 | \$ 4,627 | \$ 2,010,058 | \$ 2,174,820 |
| Transfer from (to) Operating Fund | | | | | 317,500 |
| ACCUMULATED SURPLUS | \$ 1,974,853 | \$ 30,578 | \$ 4,627 | \$ 2,010,058 | \$ 2,492,320 |
| REVENUE | | | | | |
| Interest | \$ 27,342 | \$ 343 | \$ 53 | \$ 27,738 | \$ 24,547 |
| Transfer from General Operating Fund | | | | | 317,500 |
| EXPENDITURES | | | | | |
| Transfer to General Operating Fund | 27,342 | 343 | 53 | 27,738 | 342,047 |
| | 510,000 | | | 510,000 | 600,000 |
| ANNUAL SURPLUS (DEFICIT) | \$(482,658) | \$ 343 | \$ 53 | \$(482,262) | \$(257,953) |

Council Motions regarding transfers to and from reserves:

2017/12/18-230 Nick Duivenvoorden moved that \$510,000 be transferred from General Capital Reserve Fund to the General Operating Fund, seconded by Lilliane Carmichael. MOTION CARRIED.

I hereby certify that the above is true and an exact copy of the motion adopted at a regular meeting of Council on December 18, 2017.

Brenda Cormier
NAME
Clerk-Treasurer
Village of Belledune

April 17, 2018
Date

Municipal Seal



VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

18. OPERATING BUDGET TO PSA BUDGET

| | Operating Budget General | Operating Budget Water & Sewer Amortization | Transfers | Total |
|--|--------------------------------|---|-------------------------|--------------|
| REVENUE | | | | |
| Warrant Assessment | \$ 4,481,052 | \$ - | \$ - | \$ 4,481,052 |
| Unconditional Grants | 344,927 | - | - | 344,927 |
| Services Provided to Other Governments | 37,380 | - | - | 37,380 |
| Sales of Service | 106,800 | 48,000 | - | 154,800 |
| Other Revenue From Own Sources | 13,500 | 45,688 | - | 59,188 |
| Unconditional Transfers from Conditional Transfers from | | | | |
| Other Governments | 8,600 | - | - | 8,600 |
| Surplus - Second Previous Year | 32,248 | 957 | (33,205) | - |
| | 5,024,507 | 94,645 | (33,205) | 5,085,947 |
| EXPENDITURES | | | | |
| Environmental Development | 558,048 | - | 33,776 | 591,824 |
| Environmental Health | 198,000 | - | 29,114 | 227,114 |
| Fiscal Services | | | | |
| - Capital Expenditure | 377,000 | - | (377,000) | - |
| - Interest and Bank Fees | 1,000 | - | - | 1,000 |
| - Interest on Long Term Debt | 33,580 | 1,067 | - | 34,647 |
| - Principal Repayment of Long Term Debt | 319,000 | 22,000 | (341,000) | - |
| - Other | 143,357 | - | (104,000) | 39,357 |
| General Government | 1,089,843 | - | 28,995 | 1,118,838 |
| Protective Services | 1,067,643 | - | 59,004 | 1,126,647 |
| Recreation and Cultural | 390,000 | - | 137,836 | 527,836 |
| Transfer to Internal Fund | 59,536 | - | (59,536) | - |
| Transportation | 787,500 | - | 481,621 | 1,269,121 |
| Water and Sewer Utilities | - | 71,578 | 35,209 | 106,787 |
| | 5,024,507 | 94,645 | 805,555 (881,536) | 5,043,171 |
| SURPLUS (DEFICIT) | \$ - | \$ - | \$(805,555) \$ 848,331 | \$ 42,776 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|---|-------------------------------|----------------|----------------|
| REVENUE | | | |
| Warrant Assessment | \$ 4,481,052 | \$ 4,481,052 | \$ 4,405,269 |
| Unconditional Grants | \$ 344,927 | \$ 344,927 | \$ 345,080 |
| Services Provided to Other Governments | | | |
| Province of New Brunswick | | | |
| Protective Services | \$ 22,380 | \$ 22,380 | \$ 22,380 |
| Traffic Services | 15,000 | 13,083 | 13,359 |
| | \$ 37,380 | \$ 35,463 | \$ 35,739 |
| Sales of Service | | | |
| Fire Services | \$ - | \$ - | \$ 400 |
| Environmental Development Services | 30,300 | 29,356 | 30,044 |
| Recreation and Cultural | 76,500 | 63,048 | 59,343 |
| | \$ 106,800 | \$ 92,404 | \$ 89,787 |
| Other Revenue from Own Sources | | | |
| Licenses and Permits | \$ 5,000 | \$ 10,293 | \$ 9,577 |
| Rentals | 500 | 500 | 500 |
| Return on Investment | 8,000 | 7,262 | 7,453 |
| | \$ 13,500 | \$ 18,055 | \$ 17,530 |
| Unconditional Transfers from Other Governments | | | |
| Provincial Governments | | | |
| Municipal Fine Revenue Sharing | \$ - | \$ - | \$ 1,781 |
| Conditional Transfers from Other Governments | | | |
| Federal Government | \$ 2,600 | \$ 3,040 | \$ 8,602 |
| Provincial Government Agencies | 6,000 | - | 7,025 |
| | \$ 8,600 | \$ 3,040 | \$ 15,627 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT (continued)

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|---------------------------------------|-------------------------------|----------------|----------------|
| REVENUE (continued) | | | |
| <u>Other Transfers</u> | | | |
| <u>Water and Sewer Utility</u> | | | |
| <u>Sale of Services</u> | | | |
| Sale of Water | \$ 45,000 | \$ 45,988 | \$ 51,196 |
| Sale of Sewerage Services | 3,000 | 3,000 | 3,000 |
| | \$ 48,000 | \$ 48,988 | \$ 54,196 |
| <u>Other Revenue from Own Sources</u> | | | |
| Water Supply (Fire) | \$ 37,614 | \$ 37,614 | \$ 37,619 |
| Other | 8,074 | 8,074 | 8,077 |
| | \$ 45,688 | \$ 45,688 | \$ 45,696 |
| <u>Other Transfers</u> | | | |
| From Own Funds | \$ - | \$ 10,784 | \$ - |
| Other | | | |
| Interest | \$ - | \$ 28,486 | \$ 25,281 |
| Miscellaneous | - | 8,954 | 17,699 |
| | \$ - | \$ 37,440 | \$ 42,980 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT (continued)

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|------------------------------------|-------------------------------|----------------|----------------|
| EXPENDITURES | | | |
| General Government Services | | | |
| <i>Legislative</i> | | | |
| Mayor | \$ 19,500 | \$ 20,015 | \$ 15,774 |
| Councillors | 51,200 | 48,423 | 43,010 |
| Development Seminars | 11,500 | 9,654 | 20,108 |
| | 82,200 | 78,092 | 78,892 |
| <i>Administrative</i> | | | |
| Administrator | 352,000 | 291,273 | 211,401 |
| Administrative Assistant | 80,000 | 83,204 | 75,618 |
| Municipal Works | 91,000 | 85,657 | 86,527 |
| Office Building | 115,000 | 95,333 | 97,690 |
| Solicitor | 45,000 | 28,371 | 43,125 |
| Public Liability Insurance | 63,000 | 58,183 | 60,987 |
| Other Administrative | 55,000 | 54,577 | 50,372 |
| | 801,000 | 696,598 | 625,720 |
| <i>Financial Management</i> | | | |
| External Audit | 19,000 | 18,771 | 18,617 |
| Financial Consulting Fees | 6,000 | 2,607 | 2,275 |
| | 25,000 | 21,378 | 20,892 |
| <i>Common Services</i> | | | |
| Amortization | 28,995 | 28,995 | 28,994 |
| Cost of Assessment | 74,971 | 74,971 | 75,008 |
| Conventions and Delegations | 6,000 | 1,413 | 5,853 |
| Grants and Sundry | 60,000 | 60,795 | 26,493 |
| Civic Relations | 15,000 | 8,074 | 14,664 |
| Training and Development | 5,000 | 6,989 | 4,964 |
| Bad Debts | - | - | 1,359 |
| RSC Admin Costs | 20,672 | 20,672 | 8,378 |
| | 210,638 | 201,909 | 165,713 |
| | \$ 1,118,838 | \$ 997,977 | \$ 891,217 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT (continued)

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|---------------------------------|-------------------------------|----------------|----------------|
| EXPENDITURES (continued) | | | |
| <u>Protective Services</u> | | | |
| <i>Police</i> | \$ 776,529 | \$ 776,529 | \$ 743,625 |
| <i>Fire Protection</i> | | | |
| Administration | 34,000 | 24,748 | 4,291 |
| Amortization | 59,004 | 59,004 | 57,693 |
| Personnel | 58,000 | 66,533 | 45,358 |
| Fire Alarm Systems | 10,000 | 9,727 | 20,470 |
| Water Cost | 37,614 | 37,614 | 37,619 |
| Training | 12,000 | 7,158 | 3,063 |
| Fire Station and Building | 65,500 | 71,830 | 71,523 |
| Equipment | 40,000 | 34,010 | 1,167 |
| Other | 24,000 | 5,467 | 21,693 |
| | 340,118 | 316,091 | 262,877 |
| <i>Animal Control</i> | 10,000 | 7,808 | 8,478 |
| | \$ 1,126,647 | \$ 1,100,428 | \$ 1,014,980 |
| <u>Transportation Services</u> | | | |
| <i>Roads and Streets</i> | | | |
| Amortization | \$ 481,621 | \$ 481,621 | \$ 508,177 |
| Personnel | 171,000 | 167,708 | 160,342 |
| Engineering and Planning | 35,000 | 26,564 | 26,154 |
| Summer Maintenance | 128,000 | 100,000 | 147,391 |
| Culverts and Ditches | 50,000 | 1,397 | 20,412 |
| Snow Removal | 198,000 | 194,851 | 225,429 |
| Roads and Streets | 88,000 | 40,430 | 62,482 |
| Street Cleaning | 7,500 | 5,920 | 6,492 |
| | 1,159,121 | 1,018,491 | 1,156,879 |
| <i>Street Lighting</i> | 97,000 | 93,100 | 89,363 |
| <i>Traffic Services</i> | | | |
| Signals | 8,000 | 6,300 | 7,040 |
| Street Signs | 5,000 | 42 | 69 |
| | 13,000 | 6,342 | 7,109 |
| | \$ 1,269,121 | \$ 1,117,933 | \$ 1,253,351 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT (continued)

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|---|-------------------------------|-------------------|-------------------|
| EXPENDITURES (continued) | | | |
| <u>Environmental Health Services</u> | | | |
| Amortization | \$ 29,114 | \$ 29,114 | \$ 29,114 |
| Solid Waste Collection Personnel | 114,000 | 114,003 | 110,911 |
| Solid Waste Collection Disposal | 84,000 | 86,268 | 79,461 |
| | \$ 227,114 | \$ 229,385 | \$ 219,486 |
| <u>Environmental Development Services</u> | | | |
| Amortization | \$ 33,776 | \$ 33,776 | \$ 33,775 |
| Planning Commissions | 125,548 | 125,548 | 113,381 |
| Industrial Parks and Commission | 15,000 | 9,207 | 10,026 |
| Promotion, Tourism | 94,500 | 87,787 | 83,347 |
| Public Receptions | 2,000 | 2,027 | 1,920 |
| Research and Planning | 42,000 | 30,392 | 7,190 |
| Community Improvements | 42,000 | 75,247 | 56,028 |
| Economic Development | 117,000 | 19,423 | 16,396 |
| Conservation | 120,000 | 120,330 | 111,095 |
| | \$ 591,824 | \$ 503,737 | \$ 433,158 |
| <u>Recreation and Cultural Services</u> | | | |
| Amortization | \$ 137,836 | \$ 137,836 | \$ 135,340 |
| Community Centre and Hall | 99,500 | 66,769 | 60,190 |
| Skating Rinks and Arenas | 139,000 | 163,589 | 138,433 |
| Parks and Playgrounds | 65,000 | 55,565 | 63,797 |
| Library | 12,000 | 9,668 | 11,041 |
| Bus Service | - | 4,797 | - |
| Festivals and Fairs | 65,000 | 54,728 | 46,963 |
| Wharf | 9,500 | 6,241 | 9,113 |
| | \$ 527,836 | \$ 499,193 | \$ 464,877 |
| <u>Fiscal Services</u> | | | |
| Bank Charges | \$ 1,000 | \$ 192 | \$ 2,608 |
| Interest on Long Term Debt | 33,580 | 32,663 | 52,123 |
| Other | 39,357 | 48,857 | 32,807 |
| | \$ 73,937 | \$ 81,712 | \$ 87,538 |

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

19. REVENUE AND EXPENDITURES SUPPORT (continued)

| | (Unaudited) 2017 Budget | 2017 Actual | 2016 Actual |
|----------------------------------|-------------------------------|-------------------|-------------------|
| EXPENDITURES (continued) | | | |
| <u>Water and Sewer Utilities</u> | | | |
| Administration | \$ 9,600 | \$ 13,128 | \$ 10,082 |
| Amortization | 35,209 | 35,209 | 35,209 |
| Fiscal Services: | | | |
| Bank Charges | - | - | - |
| Interest on Long Term Debt | 1,067 | 955 | 1,969 |
| Other | 46,575 | 64,696 | 55,283 |
| Treatment | 15,403 | 6,388 | 7,138 |
| | \$ 107,854 | \$ 120,376 | \$ 109,681 |