

VILLAGE OF BELLEDUNE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2018



Allen, Paquet & Arseneau LLP
CHARTERED PROFESSIONAL ACCOUNTANTS • COMPTABLES PROFESSIONNELS AGRÉÉS

VILLAGE OF BELLEDUNE

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For the year ended December 31, 2018

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2.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the Village of Belledune, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations, change in net assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Belledune as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Public Sector Accounting.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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Campbellton, NB

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Bathurst, NB



202 Pleasant Street
Miramichi, NB

356, rue Canada Street
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INDEPENDENT AUDITORS' REPORT (cont'd)

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bathurst, NB

April 15, 2019


Chartered Professional Accountants

VILLAGE OF BELLEDUNE
Consolidated Financial Statements
Year ended December 31, 2018

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

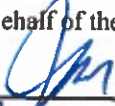
VILLAGE OF BELLEDUNE
Consolidated Statement of Operations
For the year ended December 31


	2018	2018	2017
	(Unaudited) Budget Note 19	Actual	Actual
REVENUE			
Warrant Assessment	\$ 4,476,955	\$ 4,476,955	\$ 4,481,052
Unconditional Grants	344,838	344,838	344,927
Services Provided to Other Governments	36,380	35,260	35,463
Sales of Services	121,500	121,024	92,404
Other Revenue from Own Sources	9,500	37,017	18,055
Unconditional Transfers from Other Governments	4,742	4,742	-
Conditional Transfers from Other Governments	4,500	683,032	3,040
Other Transfers	899	899	-
Water and Sewer Utility			
Sale of Services	48,000	45,581	48,988
Other Revenue from Own Sources	22,815	22,815	45,688
Other Transfers	-	-	10,784
Gas Tax Fund	-	328,734	-
Interest	-	24,150	28,486
Miscellaneous	-	6,661	8,954
	5,070,129	6,131,708	5,117,841
EXPENDITURES			
General Government - Page 23	1,124,021	1,030,764	997,977
Protective Services - Page 24	1,160,441	1,100,441	1,100,428
Transportation - Page 24	1,264,787	1,793,415	1,117,933
Environmental Health - Page 25	229,114	214,909	229,385
Environmental Development - Page 25	543,409	461,559	503,737
Recreation and Cultural - Page 25	628,703	615,534	499,193
Fiscal Services - Page 25	103,964	37,687	81,712
Water and Sewer Utilities - Page 26	108,159	97,786	120,376
	5,162,598	5,352,095	4,650,741
ANNUAL SURPLUS (Note 17)	\$ (92,469)	\$ 779,613	\$ 467,100
ACCUMULATED SURPLUS, Beginning of Year		14,087,779	13,620,679
ACCUMULATED SURPLUS, End of Year		\$ 14,867,392	\$ 14,087,779

VILLAGE OF BELLEDUNE
Consolidated Statement of Financial Position

As at December 31	2018	2017
FINANCIAL ASSETS		
Cash and Short Term Investments (Note 3)	\$ 2,471,458	\$ 2,790,761
Accounts Receivable	52,677	30,305
Due from Federal Government (Note 4)	105,799	126,544
	\$ 2,629,934	\$ 2,947,610
LIABILITIES		
Interim Financing (Note 9)	\$ 1,132,922	\$ -
Accounts Payable and Accrued Liabilities	879,949	542,307
Deferred Revenue (Note 5)	256,671	462,306
Long Term Debt (Note 6)	896,130	1,244,768
	3,165,672	2,249,381
NET ASSETS (DEBT)	\$(535,738)	\$ 698,229
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 15)	30,285,761	27,432,564
Accumulated Amortization	(15,098,410)	(14,268,360)
	15,187,351	13,164,204
Property Held for Resale	155,045	155,045
Prepaid Insurance	60,734	70,301
	15,403,130	13,389,550
ACCUMULATED SURPLUS	\$ 14,867,392	\$ 14,087,779

On Behalf of the Council


 _____ Mayor


 _____ Clerk-Treasurer

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

	2018	2017
Annual Surplus	\$ 779,613	\$ 467,100
Acquisition of Tangible Capital Assets	(2,853,197)	(1,395,327)
Amortization of Tangible Capital Assets	830,050	805,555
	(1,243,534)	(122,672)
Transfer of Property Held for Resale	-	53,125
Use of Prepaid Insurance	9,567	1,248
	9,567	54,373
DECREASE IN NET ASSETS	(1,233,967)	(68,299)
NET ASSETS, Beginning of Year	698,229	766,528
NET ASSETS (DEBT), End of Year	\$(535,738)	\$ 698,229

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

	2018	2017
OPERATING TRANSACTIONS		
Annual Surplus	\$ 779,613	\$ 467,100
Amortization of Tangible Capital Assets	830,050	805,555
Accounts Receivable	(22,372)	(11,663)
Due from Federal Government	20,745	(68,789)
Prepaid Insurance	9,567	1,248
Accounts Payable and Accrued Liabilities	337,642	418,227
Deferred Revenue	(205,635)	103,407
	1,749,610	1,715,085
CAPITAL TRANSACTIONS		
Acquisition of Tangible Capital Assets	(2,853,197)	(1,395,327)
Transfer of Property Held for Resale	-	53,125
	(2,853,197)	(1,342,202)
FINANCING TRANSACTIONS		
Interim Financing	1,132,922	-
Long Term Debt	(348,638)	(450,099)
	784,284	(450,099)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(319,303)	(77,216)
CASH AND CASH EQUIVALENTS, Beginning of Year	2,790,761	2,867,977
CASH AND CASH EQUIVALENTS, End of Year	\$ 2,471,458	\$ 2,790,761

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 18, 2017 and the Minister of Local Government on January 24, 2018.

(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, 2018

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

	2018	2017
Cash (Restricted - Gas Tax Fund)	\$ 313,841	\$ 324,814
Cash (Restricted - Reserves) (Note 18)	1,043,433	2,010,058
Cash (Unrestricted)	1,114,184	455,889
	\$ 2,471,458	\$ 2,790,761

4. DUE FROM FEDERAL GOVERNMENT

	2018	2017
Canada Revenue Agency (HST Refund)	\$ 105,799	\$ 126,544

5. DEFERRED REVENUE

	2018	2017
Deferred Government Transfers - Gas Tax Fund (GTF)	\$ 226,107	\$ 436,202
Other	4,460	-
Utility Funds	26,104	26,104
	\$ 256,671	\$ 462,306

6. LONG TERM DEBT

	2018	2017
Chaleur Sawmills Associates, non interest bearing, principal payable annually in the amount of \$103,967, maturing January 2, 2019	\$ 103,965	\$ 207,932
Carried Forward	\$ 103,965	\$ 207,932

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

6. LONG TERM DEBT (continued)

	2018	2017
Carried Forward	\$ 103,965	\$ 207,932
Maintenance contractor (spurline), non interest bearing, principal payable annually in the approximate amount of \$5,000, maturing January 2, 2019	3,165	11,836
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	193,000	214,000
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	201,000	223,000
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	67,000	133,000
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	127,000	189,000
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	201,000	266,000
	\$ 896,130	\$ 1,244,768
Principal payments of long term debt are due as follows:		
2019	\$ 348,130	
2020	176,000	
2021	372,000	
	\$ 896,130	

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.

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

7. CONTINGENT LIABILITIES

The Village has guaranteed in part a loan of the Chaleur Regional Service Commission. The loan is guaranteed by the Local Service Districts, the Chaleur Regional Service Commission and 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 (2014-2018)	(519,835)	
Maintenance Contract Payment (2014-2018)	(26,835)	
		107,130	
Deferred:			
Annual Payment (2019) (Note 6)	(103,965)	
Maintenance Contract (2019) (Note 6)	(3,165)	
	\$	-	

9. SHORT TERM BORROWINGS COMPLIANCE

Interim borrowing for capital

The Village of Belledune has arranged for a non-revolving operating facility bearing interest at the Bank's Prime Lending Rate. The facility is used to provide interim financing for capital expenditures.

	2018	2017
Bank of Montreal	\$ 1,132,922	\$ -

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between funds are in compliance with the requirements.

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

10. 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.

11. 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:

	2018	2017
2018 Surplus	\$ 228	\$ -
2017 Surplus	-	-
2016 Surplus	-	2,135
	\$ 228	\$ 2,135

12. 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.

13. 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, 2018

14. RECONCILIATION OF ANNUAL SURPLUS BY FUND ACCOUNTING

	2018	2017
Net Assets (Debt) (Page 6)	\$(535,738)	\$ 698,229
Add:		
Long Term Debt	896,130	1,244,768
Prepaid Insurance	60,734	70,301
	<u>421,126</u>	<u>2,013,298</u>
Less:		
Prior Year Annual Surplus (Deficit):		
General Operating Fund	(4,179)	5,284
Water and Sewer Utility Operating Fund	-	2,135
Reserve Fund (Note 18)	1,721,933	2,010,058
Short Term Liabilities (Capital Fund):		
Interim Financing	(1,132,922)	-
Transfers	(157,349)	-
	<u>427,483</u>	<u>2,017,477</u>
Operating Surplus	\$(6,357)	\$(4,179)
Current Year Annual Surplus: (Note 17)		
General Operating Fund	\$(6,585)	\$(4,179)
Water and Sewer Utility Operating Fund	228	-
	<u>\$(6,357)</u>	<u>\$(4,179)</u>

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

15. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure			2017 Total	
						Roads and Streets	Treatment Facilities	Water and Sewer		
COST										
Balance, Beginning 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
Add: Net Additions during the Year	-	55,200	2,296,762	331,485	-	169,750	-	-	2,853,197	1,395,327
BALANCE, END OF YEAR	538,065	1,237,722	7,315,595	789,337	1,767,211	17,558,247	560,000	519,584	30,285,761	27,432,564
ACCUMULATED AMORTIZATION										
Balance, Beginning of Year	-	456,272	2,112,969	245,798	956,118	10,187,948	110,400	198,855	14,268,360	13,462,805
Add: Amortization during the Year	-	54,930	159,186	32,134	68,804	479,787	13,800	21,409	830,050	805,555
BALANCE, END OF YEAR	-	511,202	2,272,155	277,932	1,024,922	10,667,735	124,200	220,264	15,098,410	14,268,360
NET BOOK VALUE OF CAPITAL ASSETS	\$ 538,065	\$ 726,520	\$ 5,043,440	\$ 511,405	\$ 742,289	\$ 6,890,512	\$ 435,800	\$ 299,320	\$ 15,187,351	\$ 13,164,204
Consists of:										
General Capital Fund	\$ 538,065	\$ 726,520	\$ 5,043,440	\$ 511,405	\$ 742,289	\$ 6,890,512	\$ -	\$ -	\$ 14,452,231	\$ 12,393,875
Water and Sewer Utility Capital Fund	-	-	-	-	-	-	435,800	299,320	735,120	770,329
BALANCE, END OF YEAR	\$ 538,065	\$ 726,520	\$ 5,043,440	\$ 511,405	\$ 742,289	\$ 6,890,512	\$ 435,800	\$ 299,320	\$ 15,187,351	\$ 13,164,204

VILLAGE OF BELLEDUNE

**Notes to the Consolidated Financial Statements
For the year ended December 31, 2018**

16. SCHEDULE OF SEGMENT DISCLOSURE

	General Government	Protective Services	Transportation	Environmental Health	Environmental Development	Recreation and Cultural	Water and Sewer	2018	2017
REVENUES									
Warrant of Assessment	\$ 818,241	\$ 1,244,349	\$ 1,325,128	\$ 243,013	\$ 521,918	\$ 324,306	\$ -	\$ 4,476,955	\$ 4,481,052
Unconditional Grant	344,838	-	-	-	-	-	-	344,838	344,927
Services Provided to Other Governments	-	22,380	12,880	-	-	-	-	35,260	35,463
Sales of Service	-	-	-	-	31,179	89,845	45,581	166,605	141,392
Other Revenue from Own Sources	37,017	-	-	-	-	-	22,815	59,832	63,743
Unconditional Transfers from Other Governments	-	4,742	-	-	-	-	-	4,742	-
Conditional Transfers from Other Governments	3,176	-	621,537	-	58,319	-	-	683,032	3,040
Other Transfers	899	-	-	-	-	-	-	899	10,784
Gain on Disposal of Tangible Capital Assets	-	-	-	-	-	328,734	-	-	-
Gas Tax Fund	22,717	-	-	-	-	-	1,433	328,734	-
Interest	-	-	-	-	-	-	-	24,150	28,486
Miscellaneous	6,661	-	-	-	-	-	-	6,661	8,954
	1,233,549	1,271,471	1,959,545	243,013	611,416	742,885	69,829	6,131,708	5,117,841
EXPENDITURES									
Salaries and Benefits	379,112	909,844	155,974	105,303	60,200	86,356	-	1,696,789	1,750,270
Legislative	70,163	-	-	-	-	-	-	70,163	68,438
Goods and Services	270,042	114,859	1,157,654	80,492	367,583	396,975	62,577	2,450,182	1,747,966
Amortization	63,895	56,066	479,787	29,114	33,776	132,203	35,209	830,050	805,555
Interest and Bank Charges	37,687	-	-	-	-	-	-	37,687	33,810
Bad Debt	240	-	-	-	-	-	-	240	-
Other	247,312	19,672	-	-	-	-	-	266,984	244,702
	1,068,451	1,100,441	1,793,415	214,909	461,559	615,534	97,786	5,352,095	4,650,741
SURPLUS (DEFICIT) FOR THE YEAR	\$ 165,098	\$ 171,030	\$ 166,130	\$ 28,104	\$ 149,857	\$ 127,351	\$ (27,957)	\$ 779,613	\$ 467,100

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

17. 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
2018 ANNUAL SURPLUS (DEFICIT) PER PSAB	\$ (794,841)	\$ 1,579,695	\$ (35,209)	\$ 6,593	\$ 22,717	\$ 572	\$ 86	\$ 779,613
Adjustments to Annual Surplus (Deficit) for Funding Requirements								
Second Previous Year's Surplus	-	-	-	-	-	-	-	-
Transfers Between Funds	-	5,284	-	2,135	-	-	-	7,419
Transfer Elimination	-	320,000	-	-	-	-	-	-
Capital Expenditures	(157,349)	157,349	-	(8,500)	(320,000)	8,500	-	-
Interim Financing	(2,853,197)	(2,853,197)	-	-	-	-	-	-
Long Term Debt Principal Repayment	(1,132,922)	1,132,922	-	-	-	-	-	-
Amortization Expense	236,000	(236,000)	-	-	-	-	-	-
Deferred Legal Settlement (Note 8)	794,841	-	35,209	-	-	-	-	830,050
	-	(112,638)	-	-	-	-	-	(112,638)
Total Adjustments to 2018 Annual Surplus (Deficit)	2,593,767	(1,586,280)	35,209	(6,365)	(320,000)	8,500	-	724,831
2018 ANNUAL FUND SURPLUS (DEFICIT)	\$ 1,798,926	\$(6,585)	\$ -	\$ 228	\$(297,283)	\$ 9,072	\$ 86	\$ 1,504,444
FOR FUNDING PURPOSES								

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

18. STATEMENT OF RESERVES

	General Capital Reserve Fund	Utility Capital Reserve Fund	Utility Operating Reserve Fund	Total 2018	Total 2017
ASSETS					
Cash					
Transfer from General Operating Fund	\$ 1,007,569	\$ 31,150	\$ 4,714	\$ 1,043,433	\$ 2,010,058
	670,000	8,500		678,500	
ACCUMULATED SURPLUS					
REVENUE					
Interest					
Transfer from General Operating Fund	\$ 22,717	\$ 572	\$ 86	\$ 23,375	\$ 27,738
	670,000	8,500		678,500	
EXPENDITURES					
Transfer to General Operating Fund	692,717	9,072	86	701,875	27,738
	990,000			990,000	510,000
ANNUAL SURPLUS (DEFICIT)					
	\$(297,283)	\$ 9,072	\$ 86	\$(288,125)	\$(482,262)

Council Motions regarding transfers to and from reserves:

2018/02/20-18 Nick Duivenvoorden moved that the Treasurer be authorized to transfer from the General Capital Reserve, on an as need basis, for payment of invoices associated with the New Facility Renovation project (former school), up to the amount of \$990,000, 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 February 20, 2018.

2018/20/20-173 Lilliane Carmichael moved that \$670,000 be transferred from General Operating Fund to the General Capital Reserve Fund, seconded by Tracy Culligan. **MOTION CARRIED.**

I hereby certify that the above is true and an exact copy of the motion adopted at a special meeting of Council on December 20, 2018.

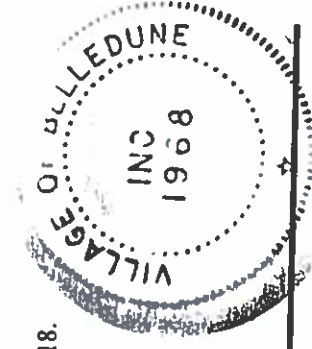
2018/12/20-174 Sandenn Killoran moved that \$8,500 be transferred from Utility Operating Fund to the Utility Capital Reserve Fund, seconded by Lilliane Carmichael. **MOTION CARRIED.**

I hereby certify that the above is true and an exact copy of the motion adopted at a special meeting of Council on December 20, 2018.

Sandra Larmer
NAME
Clerk-Treasurer
Village of Belledune

April 16, 2019
Date

Municipal Seal



VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

19. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer	Amortization	Transfers	Total
REVENUE					
Warrant Assessment	\$ 4,476,955	\$ -	\$ -	\$ -	\$ 4,476,955
Unconditional Grants	344,838	-	-	-	344,838
Services Provided to Other Governments	36,380	-	-	-	36,380
Sales of Service	121,500	48,000	-	-	169,500
Other Revenue From Own Sources	9,500	22,815	-	-	32,315
Unconditional Transfers from					
Other Governments	4,742	-	-	-	4,742
Conditional Transfers from					
Other Governments	4,500	-	-	-	4,500
Other Transfers	899	-	-	-	899
Surplus - Second Previous Year	5,284	2,135	-	(7,419)	-
	5,004,598	72,950	-	(7,419)	5,070,129
EXPENDITURES					
Environmental Development	509,633	-	33,776	-	543,409
Environmental Health	200,000	-	29,114	-	229,114
Fiscal Services					
- Capital Expenditure	405,000	-	-	(405,000)	-
- Interest and Bank Fees	38,500	-	-	-	38,500
- Interest on Long Term Debt	25,464	-	-	-	25,464
- Interest on Short Term Debt	40,000	-	-	-	40,000
- Principal Repayment of Long Term Debt	236,000	-	-	(236,000)	-
- Other	104,000	-	-	(104,000)	-
General Government	1,060,126	-	63,895	-	1,124,021
Protective Services	1,104,375	-	56,066	-	1,160,441
Recreation and Cultural	496,500	-	132,203	-	628,703
Transportation	785,000	-	479,787	-	1,264,787
Water and Sewer Utilities	-	72,950	35,209	-	108,159
	5,004,598	72,950	830,050	(745,000)	5,162,598
SURPLUS (DEFICIT)	\$ -	\$ -	\$(830,050)	\$ 737,581	\$(92,469)

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
REVENUE			
Warrant Assessment	\$ 4,476,955	\$ 4,476,955	\$ 4,481,052
Unconditional Grants	\$ 344,838	\$ 344,838	\$ 344,927
<u>Services Provided to Other Governments</u>			
Province of New Brunswick			
Protective Services	\$ 22,380	\$ 22,380	\$ 22,380
Traffic Services	14,000	12,880	13,083
	\$ 36,380	\$ 35,260	\$ 35,463
<u>Sales of Service</u>			
Environmental Development			
Services	\$ 30,500	\$ 31,179	\$ 29,356
Recreation and Cultural	91,000	89,845	63,048
	\$ 121,500	\$ 121,024	\$ 92,404
<u>Other Revenue from Own Sources</u>			
Licenses and Permits	\$ 2,000	\$ 22,718	\$ 10,293
Rentals	500	500	500
Return on Investment	7,000	13,799	7,262
	\$ 9,500	\$ 37,017	\$ 18,055
<u>Unconditional Transfers from Other Governments</u>			
Provincial Governments			
Municipal Fine Revenue Sharing	\$ 4,742	\$ 4,742	\$ -
<u>Conditional Transfers from Other Governments</u>			
Federal Government	\$ 3,000	\$ 3,176	\$ 3,040
Provincial Government:			
Environmental Development	1,500	58,319	-
Provincial Government:			
Transportation	-	621,537	-
	\$ 4,500	\$ 683,032	\$ 3,040

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
REVENUE (continued)			
<u>Other Transfers</u>			
Other	\$ 899	\$ 899	\$ -
<u>Water and Sewer Utility</u>			
<u>Sale of Services</u>			
Sale of Water	\$ 45,000	\$ 42,581	\$ 45,988
Sale of Sewerage Services	3,000	3,000	3,000
	\$ 48,000	\$ 45,581	\$ 48,988
<u>Other Revenue from Own Sources</u>			
Water Supply (Fire)	\$ 22,815	\$ 22,815	\$ 37,614
Other	-	-	8,074
	\$ 22,815	\$ 22,815	\$ 45,688
<u>Other Transfers</u>			
From Own Funds	\$ -	\$ -	\$ 10,784
<u>Other</u>			
Gas Tax Fund	\$ -	\$ 328,734	\$ -
Interest	-	24,150	28,486
Miscellaneous	-	6,661	8,954
	\$ -	\$ 359,545	\$ 37,440

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
EXPENDITURES			
<u>General Government Services</u>			
<i>Legislative</i>			
Mayor	\$ 20,500	\$ 18,532	\$ 20,015
Councillors	51,200	51,631	48,423
Development Seminars	10,000	10,548	9,654
	<u>81,700</u>	<u>80,711</u>	<u>78,092</u>
<i>Administrative</i>			
Administrator	227,000	208,374	291,273
Administrative Assistant	84,000	79,936	83,204
Municipal Works	90,500	90,801	85,657
Office Building	180,000	134,624	95,333
Solicitor	35,000	13,564	28,371
Public Liability Insurance	57,000	51,349	58,183
Other Administrative	53,000	53,298	54,577
	<u>726,500</u>	<u>631,946</u>	<u>696,598</u>
<i>Financial Management</i>			
External Audit	15,700	14,600	18,771
Financial Consulting Fees	3,000	2,607	2,607
	<u>18,700</u>	<u>17,207</u>	<u>21,378</u>
<i>Common Services</i>			
Amortization	63,895	63,895	28,995
Cost of Assessment	74,893	74,893	74,971
Conventions and Delegations	4,000	2,785	1,413
Grants and Sundry	80,000	98,276	60,795
Civic Relations	27,000	14,313	8,074
Training and Development	7,000	6,165	6,989
Bad Debts	-	240	-
RSC Admin Costs	40,333	40,333	20,672
	<u>297,121</u>	<u>300,900</u>	<u>201,909</u>
	<u>\$ 1,124,021</u>	<u>\$ 1,030,764</u>	<u>\$ 997,977</u>

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
EXPENDITURES (continued)			
<u>Protective Services</u>			
<i>Police</i>	\$ 826,873	\$ 803,105	\$ 776,529
<i>Fire Protection</i>			
Administration	29,000	24,252	24,748
Amortization	56,066	56,066	59,004
Personnel	68,000	71,649	66,533
Fire Alarm Systems	10,687	10,838	9,727
Water Cost	22,815	22,815	37,614
Training	12,000	7,367	7,158
Fire Station and Building	69,000	66,232	71,830
Equipment	40,000	18,445	34,010
Other	18,000	10,415	5,467
	325,568	288,079	316,091
<i>Animal Control</i>	8,000	9,257	7,808
	\$ 1,160,441	\$ 1,100,441	\$ 1,100,428
<u>Transportation Services</u>			
<i>Roads and Streets</i>			
Amortization	\$ 479,787	\$ 479,787	\$ 481,621
Personnel	177,000	155,974	167,708
Engineering and Planning	35,000	122,668	26,564
Summer Maintenance	130,000	79,628	100,000
Culverts and Ditches	35,000	7,870	1,397
Snow Removal	200,000	192,335	194,851
Roads and Streets	88,000	645,965	40,430
Street Cleaning	8,000	5,950	5,920
	1,152,787	1,690,177	1,018,491
<i>Street Lighting</i>	99,000	93,402	93,100
<i>Traffic Services</i>			
Signals	8,000	5,952	6,300
Street Signs	5,000	3,884	42
	13,000	9,836	6,342
	\$ 1,264,787	\$ 1,793,415	\$ 1,117,933

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
EXPENDITURES (continued)			
<u>Environmental Health Services</u>			
Amortization	\$ 29,114	\$ 29,114	\$ 29,114
Solid Waste Collection Personnel	116,000	105,303	114,003
Solid Waste Collection Disposal	84,000	80,492	86,268
	\$ 229,114	\$ 214,909	\$ 229,385
<u>Environmental Development Services</u>			
Amortization	\$ 33,776	\$ 33,776	\$ 33,776
Planning Commissions	123,708	123,708	125,548
Industrial Parks and Commission	6,500	1,534	9,207
Promotion, Tourism	108,425	97,755	87,787
Public Receptions	2,000	-	2,027
Research and Planning	27,000	561	30,392
Community Improvements	80,000	43,909	75,247
Economic Development	8,000	12,974	19,423
Conservation	154,000	147,342	120,330
	\$ 543,409	\$ 461,559	\$ 503,737
<u>Recreation and Cultural Services</u>			
Amortization	\$ 132,203	\$ 132,203	\$ 137,836
Administration	103,000	72,001	-
Community Centre and Hall	75,500	81,176	66,769
Skating Rinks and Arenas	144,000	161,497	163,589
Parks and Playgrounds	48,000	62,199	55,565
Library	12,000	9,673	9,668
Bus Service	-	-	4,797
Festivals and Fairs	105,000	88,126	54,728
Wharf	9,000	8,659	6,241
	\$ 628,703	\$ 615,534	\$ 499,193
<u>Fiscal Services</u>			
Bank Charges	\$ 38,500	\$ 150	\$ 192
Interest on Long Term Debt	25,464	24,779	32,663
Interest on Short Term Debt	40,000	12,758	-
Other	-	-	48,857
	\$ 103,964	\$ 37,687	\$ 81,712

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

20. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2018 Budget	2018 Actual	2017 Actual
EXPENDITURES (continued)			
<u>Water and Sewer Utilities</u>			
Administration	\$ 10,250	\$ 11,584	\$ 13,128
Amortization	35,209	35,209	35,209
Fiscal Services:			
Bank Charges	-	-	-
Interest on Long Term Debt	-	-	955
Other	51,975	45,900	64,696
Treatment	10,725	5,093	6,388
	\$ 108,159	\$ 97,786	\$ 120,376