

VILLAGE OF BELLEDUNE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016



VILLAGE OF BELLEDUNE

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For the year ended December 31, 2016

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VILLAGE OF BELLEDUNE
Consolidated Financial Statements
Year ended December 31, 2016

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, 2016, 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, 2016 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



Chartered Professional Accountants.

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

	2016	2016	2015
	(Unaudited) Budget Note 19	Actual	Actual
REVENUE			
Warrant Assessment	\$ 4,405,269	\$ 4,405,269	\$ 4,409,676
Unconditional Grants	345,080	345,080	343,441
Services Provided to Other Governments	37,380	35,739	37,142
Sales of Services	101,700	89,787	104,021
Other Revenue from Own Sources	15,500	17,530	18,866
Unconditional Transfers from Other Governments	1,781	1,781	7,066
Conditional Transfers from Other Governments	10,600	15,627	12,833
Other Transfers	-	-	718
Water and Sewer Utility			
Sale of Services	48,000	54,196	51,377
Other Revenue from Own Sources	45,696	45,696	45,762
Interest	-	25,281	22,956
Miscellaneous	-	17,699	24,925
	5,011,006	5,053,685	5,078,783
EXPENDITURES			
General Government - Page 22	920,812	891,217	886,626
Protective Services - Page 23	1,133,935	1,014,980	905,575
Transportation - Page 23	1,279,677	1,253,351	1,255,675
Environmental Health - Page 24	231,114	219,486	224,367
Environmental Development - Page 24	393,156	433,158	385,395
Recreation and Cultural - Page 24	430,140	464,877	441,514
Fiscal Services - Page 24	90,407	87,538	81,531
Water and Sewer Utilities - Page 25	107,385	109,681	99,923
	4,586,626	4,474,288	4,280,606
ANNUAL SURPLUS (Note 17)	\$ 424,380	\$ 579,397	\$ 798,177
ACCUMULATED SURPLUS, Beginning of Year		13,041,282	12,243,105
ACCUMULATED SURPLUS, End of Year		\$ 13,620,679	\$ 13,041,282

VILLAGE OF BELLEDUNE
Consolidated Statement of Financial Position

As at December 31	2016	2015
FINANCIAL ASSETS		
Cash and Short Term Investments (Note 3)	\$ 2,867,977	\$ 3,019,707
Accounts Receivable	18,642	26,075
Due from Federal Government (Note 4)	57,755	71,286
	\$ 2,944,374	\$ 3,117,068
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 124,080	\$ 129,379
Deferred Revenue (Note 5)	358,899	248,137
Long Term Debt (Note 6)	1,694,867	2,213,178
	2,177,846	2,590,694
NET ASSETS	\$ 766,528	\$ 526,374
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 15)	26,037,237	24,870,995
Accumulated Amortization	(13,462,805)	(12,634,503)
	12,574,432	12,236,492
Property Held for Resale	208,170	208,170
Prepaid Insurance	71,549	70,246
	12,854,151	12,514,908
ACCUMULATED SURPLUS	\$ 13,620,679	\$ 13,041,282

On Behalf of the Council

_____ Mayor

_____ Clerk-Treasurer

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

	2016	2015
Annual Surplus	\$ 579,397	\$ 798,177
Acquisition of Tangible Capital Assets	(1,166,242)	(727,853)
Proceeds on Disposal of Tangible Capital Assets	-	932
Amortization of Tangible Capital Assets	828,302	900,056
Loss on Disposal of Tangible Capital Assets	-	9,980
	241,457	981,292
Acquisition of Prepaid Insurance	(1,303)	(894)
INCREASE IN NET ASSETS	240,154	980,398
NET ASSETS (DEBT), Beginning of Year	526,374	(454,024)
NET ASSETS, End of Year	\$ 766,528	\$ 526,374

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

	2016	2015
OPERATING TRANSACTIONS		
Annual Surplus	\$ 579,397	\$ 798,177
Loss on Disposal of Tangible Capital Assets	-	9,980
Amortization of Tangible Capital Assets	828,302	900,056
Accounts Receivable	7,433	6,248
Due from Federal Government	13,531	6,016
Prepaid Insurance	(1,303)	(894)
Accounts Payable and Accrued Liabilities	(5,299)	23,844
Deferred Revenue	110,762	208,059
	1,532,823	1,951,486
CAPITAL TRANSACTIONS		
Acquisition of Tangible Capital Assets	(1,166,242)	(727,853)
Proceeds on Disposal of Tangible Capital Assets	-	932
	(1,166,242)	(726,921)
FINANCING TRANSACTIONS		
Long Term Debt	(518,311)	(537,311)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(151,730)	687,254
CASH AND CASH EQUIVALENTS, Beginning of Year	3,019,707	2,332,453
CASH AND CASH EQUIVALENTS, End of Year	\$ 2,867,977	\$ 3,019,707

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 23, 2015 and the Minister of Local Government on January 13, 2016.

(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, 2016

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

	2016	2015
Cash (Restricted - Gas Tax Fund)	\$ 321,111	\$ 158,161
Cash (Restricted - Reserves) (Note 18)	2,174,820	2,257,275
Cash (Unrestricted)	372,046	604,271
	\$ 2,867,977	\$ 3,019,707

4. DUE FROM FEDERAL GOVERNMENT

	2016	2015
Canada Revenue Agency (HST Refund)	\$ 57,755	\$ 71,286

5. DEFERRED REVENUE

	2016	2015
Deferred Government Transfers - Gas Tax Fund (GTF)	\$ 322,011	\$ 211,249
Utility Funds	36,888	36,888
	\$ 358,899	\$ 248,137

6. LONG TERM DEBT

	2016	2015
Chaleur Sawmills Associates, non interest bearing, principal payable annually in the amount of \$103,967, maturing January 2, 2019	\$ 311,899	\$ 415,866
Carried Forward	\$ 311,899	\$ 415,866

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

6. LONG TERM DEBT (continued)

	2016	2015
Carried Forward	\$ 311,899	\$ 415,866
Maintenance contractor (spurline), non interest bearing, principal payable annually in the approximate amount of \$5,000, maturing January 2, 2019	16,968	21,312
2006 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.15% to 4.45%, principal payable annually and interest semi annually, matured and refinanced during the year. O.I.C. # AV-38	-	404,000
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-36	86,000	168,000
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	22,000	43,000
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	234,000	253,000
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	245,000	266,000
2012 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 1.35% to 1.95%, principal payable annually and interest semi annually, repaid during the year. O.I.C. # BH-35	-	70,000
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	197,000	260,000
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	251,000	312,000
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	331,000	-
	\$ 1,694,867	\$ 2,213,178

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

6. LONG TERM DEBT (continued)

Principal payments of long term debt are due as follows:

2016	\$	449,967
2017		344,967
2018		351,933
2019		176,000
2020		372,000
Subsequent years		-
		<hr/>
		\$ 1,694,867

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.

The Village of Belledune is contingently liable in an undetermined amount with respect to an active claim 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.

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 (2014-2016)	(311,901)
Maintenance Contract Payment (2014-2016)	(13,032)
		<hr/>
		328,867
Deferred:		
Annual Payment (2017 - 2019) (Note 6)	(311,899)
Maintenance Contract (2017 - 2019) (Note 6)	(16,968)
		<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, 2016

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:

	2016	2015
2016 Surplus	\$ 2,135	\$ -
2015 Surplus	957	957
2014 Deficit	-	(520)
	\$ 3,092	\$ 437

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

	2016	2015
Net Assets (Page 4)	\$ 766,528	\$ 526,374
Add:		
Long Term Debt	1,694,867	2,213,178
Prepaid Insurance	71,549	70,246
Short Term Assets	2,532,944	2,809,798
Less:		
Prior Year Annual Surplus (Deficit):		
General Operating Fund	32,248	26,838
Water and Sewer Utility Operating Fund	957	(520)
Reserve Fund (Note 18)	2,492,320	2,750,275
	2,525,525	2,776,593
Operating Surplus	\$ 7,419	\$ 33,205
Current Year Annual Surplus: (Note 17)		
General Operating Fund	\$ 5,284	\$ 32,248
Water and Sewer Utility Operating Fund	2,135	957
	\$ 7,419	\$ 33,205

14. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

15. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure			2016 Total	2015 Total
						Roads and Streets	Treatment Facilities	Water and Sewer		
COST										
Balance, Beginning of Year	\$ 489,092	\$ 1,131,477	\$ 3,736,726	\$ 457,852	\$ 1,767,211	\$ 16,209,053	\$ 560,000	\$ 519,584	\$ 24,870,995	\$ 24,197,697
Add: Net Additions during the Year	-	37,426	32,768	-	-	1,096,048	-	-	1,166,242	727,853
Less: Disposals during the Year	-	-	-	-	-	-	-	-	-	54,555
BALANCE, END OF YEAR	489,092	1,168,903	3,769,494	457,852	1,767,211	17,305,101	560,000	519,584	26,037,237	24,870,995
ACCUMULATED AMORTIZATION										
Balance, Beginning of Year	-	345,406	1,869,630	169,846	812,634	9,198,150	81,300	157,537	12,634,503	11,778,090
Add: Amortization during the Year	-	54,184	121,014	37,976	71,742	508,177	15,300	19,909	828,302	900,056
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	43,643
BALANCE, END OF YEAR	-	399,590	1,990,644	207,822	884,376	9,706,327	96,600	177,446	13,462,805	12,634,503
NET BOOK VALUE OF CAPITAL ASSETS										
	\$ 489,092	\$ 769,313	\$ 1,778,850	\$ 250,030	\$ 882,835	\$ 7,598,774	\$ 463,400	\$ 342,138	\$ 12,574,432	\$ 12,236,492
Consists of:										
General Capital Fund	\$ 489,092	\$ 769,313	\$ 1,778,850	\$ 250,030	\$ 882,835	\$ 7,598,774	\$ -	\$ -	\$ 11,768,894	\$ 11,395,745
Water and Sewer Utility Capital Fund	-	-	-	-	-	-	463,400	342,138	805,538	840,747
	\$ 489,092	\$ 769,313	\$ 1,778,850	\$ 250,030	\$ 882,835	\$ 7,598,774	\$ 463,400	\$ 342,138	\$ 12,574,432	\$ 12,236,492

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

16. SCHEDULE OF SEGMENT DISCLOSURE

	General Government	Protective Services	Transportation	Environmental Health	Environmental Development	Recreation and Cultural	Water and Sewer	2016	2015
REVENUES									
Warrant of Assessment	\$ 963,658	\$ 999,326	\$ 1,234,016	\$ 216,100	\$ 426,474	\$ 457,707	\$ 107,988	\$ 4,405,269	\$ 4,409,676
Unconditional Grant	345,080	-	-	-	-	-	-	345,080	343,441
Services Provided to Other Governments	-	22,380	13,359	-	-	-	-	35,739	37,142
Sales of Service	-	400	-	-	30,044	59,343	54,196	143,983	155,398
Other Revenue from Own Sources	17,530	-	-	-	-	-	45,696	63,226	64,628
Unconditional Transfers from Other Governments	-	1,781	-	-	-	-	-	1,781	7,066
Conditional Transfers from Other Governments	15,627	-	-	-	-	-	-	15,627	12,833
Other Transfers	-	-	-	-	-	-	-	-	718
Gain on Disposal of Tangible Capital Assets	-	-	-	-	-	-	-	-	-
Gas Tax Fund	-	-	-	-	-	-	-	-	-
Interest	24,281	-	-	-	-	-	1,000	25,281	22,956
Miscellaneous	17,699	-	-	-	-	-	-	17,699	24,925
	1,383,875	1,023,887	1,247,375	216,100	456,518	517,050	208,880	5,053,685	5,078,783
EXPENDITURES									
Salaries and Benefits	373,547	813,744	160,342	110,911	48,327	80,426	-	1,587,297	1,399,406
Legislative	58,784	-	-	-	-	-	-	58,784	57,158
Goods and Services	273,066	113,372	584,831	79,461	351,054	249,112	72,502	1,723,398	1,671,940
Amortization	28,994	57,693	508,177	29,114	33,775	135,340	35,209	828,302	900,056
Interest and Bank Charges	54,731	-	-	-	-	-	1,969	56,700	74,477
Bad Debt	1,359	-	-	-	-	-	-	1,359	-
Other	188,275	30,173	-	-	-	-	-	218,448	167,589
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	9,980
	978,756	1,014,982	1,253,350	219,486	433,156	464,878	109,680	4,474,288	4,280,606
SURPLUS (DEFICIT) FOR THE YEAR	\$ 405,119	\$ 8,905	\$(5,975)	\$(3,386)	\$ 23,362	\$ 52,172	\$ 99,200	\$ 579,397	\$ 798,177

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

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
2016 ANNUAL SURPLUS (DEFICIT) PER PSAB	\$(793,093)	\$ 1,356,998	\$(35,209)	\$ 26,154	\$ 24,281	\$ 223	\$ 43	\$ 579,397
Adjustments to Annual Surplus (Deficit) for Funding Requirements								
Second Previous Year's Surplus (Deficit)	-	26,839	-	(519)	-	-	-	26,320
Transfers Between Funds								
Transfer Elimination	-	285,000	-	(2,500)	(285,000)	2,500	-	-
Capital Expenditures	1,166,242	(1,166,242)	-	-	-	-	-	-
Proceeds of Long Term Debt	(331,000)	331,000	-	-	-	-	-	-
Long Term Debt Principal Repayment	720,000	(720,000)	21,000	(21,000)	-	-	-	-
Amortization Expense	793,093	-	35,209	-	-	-	-	828,302
Deferred Legal Settlement (Note 8)	-	(108,311)	-	-	-	-	-	(108,311)
Total Adjustments to 2016 Annual Surplus (Deficit)	2,348,335	(1,351,714)	56,209	(24,019)	(285,000)	2,500	-	746,311
2016 ANNUAL FUND SURPLUS (DEFICIT) FOR FUNDING PURPOSES	\$ 1,555,242	\$ 5,284	\$ 21,000	\$ 2,135	\$(260,719)	\$ 2,723	\$ 43	\$ 1,325,708

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

18. STATEMENT OF RESERVES

	General Capital Reserve Fund	Utility Capital Reserve Fund	Utility Operating Reserve Fund	Total 2016	Total 2015
ASSETS					
Cash	\$ 2,142,511	\$ 27,735	\$ 4,574	\$ 2,174,820	\$ 2,257,275
Transfer from (to) Operating Fund	315,000	2,500	-	317,500	493,000
ACCUMULATED SURPLUS					
	\$ 2,457,511	\$ 30,235	\$ 4,574	\$ 2,492,320	\$ 2,750,275
REVENUE					
Interest	\$ 24,281	\$ 223	\$ 43	\$ 24,547	\$ 22,159
Transfer from General Operating Fund	315,000	2,500	-	317,500	493,000
	339,281	2,723	43	342,047	515,159
EXPENDITURES					
Transfer to General Operating Fund	600,000	-	-	600,000	-
ANNUAL SURPLUS (DEFICIT)					
	\$(260,719)	\$ 2,723	\$ 43	\$(257,953)	\$ 515,159

Council Motions regarding transfers to and from reserves:

M 2016/11/21-235 Nick Duivenvoorden moved that in the interim, \$600,000 be transferred from General Capital Reserve Fund to the General Operating Fund to address short term Cash Flow shortages, with year-end financial projections determining the results for Reserve Funds, prior to year-end, seconded by Tracy Culligan. 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 November 21, 2016.

M 2016/12/28/266 Paul Arseneault moved that \$315,000 of the \$600,000, transferred by Motion #M 2016/11/21-235, be transferred back from the 2016 General Operating Fund to the General Capital Reserve Fund, leaving a balance of \$285,000 as the transfer from the General Capital Reserve to the General Operating Fund for the year 2016, seconded by Sandenn Killoran. Motion carried.

M 2016/12/28/267 Lilliane Carmichael moved that \$2,500 be transferred from the 2016 Utility (Water & Sewer) Operating Fund to the Utility Capital Reserve Fund, seconded by Paul Arseneault. 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 28, 2016.

NAME
Clerk-Treasurer
Village of Belledune

Date

Municipal Seal

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer Amortization	Transfers	Total
REVENUE				
Warrant Assessment	\$ 4,405,269	\$ -	\$ -	\$ 4,405,269
Unconditional Grants	345,080	-	-	345,080
Services Provided to Other Governments	37,380	-	-	37,380
Sales of Service	101,700	48,000	-	149,700
Other Revenue From Own Sources	15,500	45,696	-	61,196
Unconditional Transfers from				
Other Governments	1,781	-	-	1,781
Conditional Transfers from				
Other Governments	10,600	-	-	10,600
Surplus - Second Previous Year	26,838	-	(26,838)	-
	4,944,148	93,696	(26,838)	5,011,006
EXPENDITURES				
Deficit - Second Previous Year	-	520	(520)	-
Environmental Development	359,381	-	33,775	393,156
Environmental Health	202,000	-	29,114	231,114
Fiscal Services				
- Capital Expenditure	765,000	-	(765,000)	-
- Interest and Bank Fees	2,600	-	-	2,600
- Interest on Long Term Debt	55,000	2,075	-	57,075
- Principal Repayment of Long Term Debt	389,000	21,000	(410,000)	-
- Other	136,807	-	(104,000)	32,807
General Government	891,818	-	28,994	920,812
Protective Services	1,076,242	-	57,693	1,133,935
Recreation and Cultural	294,800	-	135,340	430,140
Transportation	771,500	-	508,177	1,279,677
Water and Sewer Utilities	-	70,101	35,209	105,310
	4,944,148	93,696	828,302	(1,279,520)
	4,944,148	93,696	828,302	(1,279,520)
SURPLUS (DEFICIT)	\$ -	\$ -	\$(828,302)	\$ 1,252,682
	-	-	-	\$ 424,380

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

20. REVENUE AND EXPENDITURES SUPPORT

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
REVENUE			
Warrant Assessment	\$ 4,405,269	\$ 4,405,269	\$ 4,409,676
Unconditional Grants	\$ 345,080	\$ 345,080	\$ 343,441
<u>Services Provided to Other Governments</u>			
Province of New Brunswick			
Protective Services	\$ 22,380	\$ 22,380	\$ 22,380
Traffic Services	15,000	13,359	14,762
	\$ 37,380	\$ 35,739	\$ 37,142
<u>Sales of Service</u>			
Fire Services	\$ 400	\$ 400	\$ 1,200
Environmental Development Services	30,300	30,044	31,453
Recreation and Cultural	71,000	59,343	71,368
	\$ 101,700	\$ 89,787	\$ 104,021
<u>Other Revenue from Own Sources</u>			
Licenses and Permits	\$ 5,000	\$ 9,577	\$ 7,575
Rentals	500	500	500
Return on Investment	10,000	7,453	10,791
	\$ 15,500	\$ 17,530	\$ 18,866
<u>Unconditional Transfers from Other Governments</u>			
Provincial Governments			
Municipal Fine Revenue Sharing	\$ 1,781	\$ 1,781	\$ 7,066
<u>Conditional Transfers from Other Governments</u>			
Federal Government	\$ 2,600	\$ 8,602	\$ 2,642
Provincial Government Agencies	8,000	7,025	10,191
	\$ 10,600	\$ 15,627	\$ 12,833

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
REVENUE (continued)			
<u>Other Transfers</u>			
Other	\$ -	\$ -	\$ 718
<u>Water and Sewer Utility</u>			
<u>Sale of Services</u>			
Sale of Water	\$ 45,000	\$ 51,196	\$ 48,377
Sale of Sewerage Services	3,000	3,000	3,000
	\$ 48,000	\$ 54,196	\$ 51,377
<u>Other Revenue from Own Sources</u>			
Water Supply (Fire)	\$ 37,619	\$ 37,619	\$ 37,677
Other	8,077	8,077	8,085
	\$ 45,696	\$ 45,696	\$ 45,762
<u>Other Transfers</u>			
From Own Funds	\$ -	\$ -	\$ -
Other			
Interest	\$ -	\$ 25,281	\$ 22,956
Miscellaneous	-	17,699	24,925
	\$ -	\$ 42,980	\$ 47,881

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
EXPENDITURES			
<u>General Government Services</u>			
<i>Legislative</i>			
Mayor	\$ 17,500	\$ 15,774	\$ 15,794
Councillors	45,200	43,010	41,364
Development Seminars	8,000	20,108	1,638
	70,700	78,892	58,796
<i>Administrative</i>			
Administrator	232,000	211,401	207,440
Administrative Assistant	78,000	75,618	75,298
Municipal Works	87,000	86,527	80,734
Office Building	103,000	97,690	102,720
Solicitor	45,000	43,125	32,070
Public Liability Insurance	63,000	60,987	58,267
Other Administrative	51,000	50,372	69,820
	659,000	625,720	626,349
<i>Financial Management</i>			
External Audit	19,000	18,617	18,617
Financial Consulting Fees	7,000	2,275	3,620
	26,000	20,892	22,237
<i>Common Services</i>			
Amortization	28,994	28,994	28,218
Cost of Assessment	75,008	75,008	74,950
Conventions and Delegations	4,732	5,853	317
Grants and Sundry	30,000	26,493	52,985
Civic Relations	13,000	14,664	11,328
Training and Development	5,000	4,964	4,132
Bad Debts	-	1,359	-
RSC Admin Costs	8,378	8,378	7,314
	165,112	165,713	179,244
	\$ 920,812	\$ 891,217	\$ 886,626

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
EXPENDITURES (continued)			
<u>Protective Services</u>			
<i>Police</i>	\$ 743,623	\$ 743,625	\$ 556,493
<i>Fire Protection</i>			
Administration	77,000	4,291	46,594
Amortization	57,693	57,693	56,940
Personnel	58,000	45,358	41,219
Fire Alarm Systems	21,500	20,470	27,966
Water Cost	37,619	37,619	37,554
Training	12,000	3,063	9,946
Fire Station and Building	55,000	71,523	80,034
Equipment	40,000	1,167	33,903
Other	24,500	21,693	8,591
	383,312	262,877	342,747
<i>Animal Control</i>	7,000	8,478	6,335
	\$ 1,133,935	\$ 1,014,980	\$ 905,575
<u>Transportation Services</u>			
<i>Roads and Streets</i>			
Amortization	\$ 508,177	\$ 508,177	\$ 590,624
Personnel	160,000	160,342	132,655
Engineering and Planning	15,000	26,154	5,310
Summer Maintenance	143,000	147,391	89,053
Culverts and Ditches	50,000	20,412	67,569
Snow Removal	208,000	225,429	212,183
Roads and Streets	88,000	62,482	48,278
Street Cleaning	7,500	6,492	4,606
	1,179,677	1,156,879	1,150,278
<i>Street Lighting</i>	90,000	89,363	91,031
<i>Traffic Services</i>			
Signals	8,000	7,040	7,011
Street Signs	2,000	69	7,355
	10,000	7,109	14,366
	\$ 1,279,677	\$ 1,253,351	\$ 1,255,675

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
EXPENDITURES (continued)			
<u>Environmental Health Services</u>			
Amortization	\$ 29,114	\$ 29,114	\$ 29,114
Solid Waste Collection Personnel	110,000	110,911	109,774
Solid Waste Collection Disposal	92,000	79,461	85,479
	\$ 231,114	\$ 219,486	\$ 224,367
<u>Environmental Development Services</u>			
Amortization	\$ 33,775	\$ 33,775	\$ 33,776
Planning Commissions	113,381	113,381	109,905
Industrial Parks and Commission	15,000	10,026	10,207
Promotion, Tourism	90,000	83,347	81,298
Public Receptions	2,000	1,920	2,971
Research and Planning	2,000	7,190	6,495
Community Improvements	10,000	56,028	13,135
Economic Development	17,000	16,396	21,336
Conservation	110,000	111,095	106,272
	\$ 393,156	\$ 433,158	\$ 385,395
<u>Recreation and Cultural Services</u>			
Amortization	\$ 135,340	\$ 135,340	\$ 126,175
Community Centre and Hall	65,000	60,190	67,541
Skating Rinks and Arenas	130,000	138,433	133,693
Parks and Playgrounds	45,000	63,797	49,610
Library	9,000	11,041	11,601
Bus Service	-	-	-
Festivals and Fairs	40,000	46,963	38,250
Wharf	5,800	9,113	14,644
	\$ 430,140	\$ 464,877	\$ 441,514
<u>Fiscal Services</u>			
Bank Charges	\$ 2,600	\$ 2,608	\$ 1,939
Interest on Long Term Debt	55,000	52,123	69,612
Other	32,807	32,807	-
Loss on Disposal of Tangible Capital Assets	-	-	9,980
	\$ 90,407	\$ 87,538	\$ 81,531

VILLAGE OF BELLEDUNE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2016

19. REVENUE AND EXPENDITURES SUPPORT (continued)

	(Unaudited) 2016 Budget	2016 Actual	2015 Actual
EXPENDITURES (continued)			
<u>Water and Sewer Utilities</u>			
Administration	\$ 9,600	\$ 10,082	\$ 9,328
Amortization	35,209	35,209	35,209
Fiscal Services:			
Bank Charges	-	-	-
Interest on Long Term Debt	2,075	1,969	2,925
Other	46,575	55,283	45,794
Treatment	13,926	7,138	6,667
	\$ 107,385	\$ 109,681	\$ 99,923