

VILLAGE OF BELLEDUNE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2007

VILLAGE OF BELLEDUNE

INDEX

TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2007

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AUDITORS' REPORT

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

We have audited the General Funds, Water and Sewer Utility Funds and Reserve Funds balance sheets of the Village of Belledune as at December 31, 2007 and the statements of revenue and expenditures and of source and application of capital financing for the year then ended. These financial statements are the responsibility of the Village Council. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2007 and the results of its operations and the source and application of its capital financing for the year then ended in accordance with Canadian generally accepted accounting principles.

Bathurst, NB

March 27, 2008

Chartered Accountants

VILLAGE OF BELLEDUNEGeneral Capital FundBalance SheetAs at December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
<u>Current Asset</u>		
Cash	\$ -	\$ 43,792
<u>Capital Assets (Page 3)</u>	<u>10,291,343</u>	<u>9,832,902</u>
<u>Total Assets</u>	<u>\$10,291,343</u>	<u>\$ 9,876,694</u>
<u>Liabilities</u>		
<u>Long Term Debt (Note 2)</u>	\$ 4,082,000	\$ 4,073,000
<u>Investments in Capital Assets</u>		
Balance, End of Year (Page 5)	<u>6,209,343</u>	<u>5,803,694</u>
	<u>\$10,291,343</u>	<u>\$ 9,876,694</u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Capital AssetsAs at December 31, 2007

	<u>Land and Paving</u>	<u>Building</u>	<u>Engineering Structures</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government</u>					
Municipal Building	\$ 267,269	\$ 614,831	\$ -	\$ 233,369	\$ 1,115,469
<u>Protective Services</u>					
Fire Department	-	-	-	529,382	529,382
Fire Department - Jacquet River	8,509	233,549	-	269,904	511,962
<u>Transportation Services</u>					
Sidewalk	-	-	433,563	-	433,563
Tractor	-	-	-	43,052	43,052
Streets and Roads	-	-	4,238,590	-	4,238,590
Garbage and Waste Removal	-	-	-	417,851	417,851
Vehicle	-	-	-	180,580	180,580
<u>Industrial Park</u>	238,247	-	500,214	-	738,461
<u>Recreation and Cultural</u>					
Playground	-	-	-	244,398	244,398
Tennis Court	-	-	58,685	-	58,685
Recreational Building	63,582	684,788	-	69,294	817,664
Arena	-	961,686	-	-	961,686
	<u>\$ 577,607</u>	<u>\$ 2,494,854</u>	<u>\$ 5,231,052</u>	<u>\$ 1,987,830</u>	<u>\$ 10,291,343</u>

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Source and Application of Capital FinancingFor The Year Ended December 31, 2007

<u>Source</u>	<u>2007</u>	<u>2006</u>
<u>Unapplied at Beginning of Year</u>		
Due To General Operating Fund	\$ -	\$(11,430)
Cash	43,792	-
<u>Term Borrowing</u>		
Debentures	767,000	945,000
<u>Transfers From</u>		
General Operating Fund		
- Capital Expenditures	307,850	274,468
- Debt Repayment	<u>347,000</u>	<u>282,000</u>
	<u>\$ 1,465,642</u>	<u>\$ 1,490,038</u>
<u>Application</u>		
<u>Temporary Financing at End of Previous Year</u>		
Bank Loans	\$ -	\$ 450,000
<u>Debt Repayment</u>	347,000	282,000
<u>Debt Refinanced</u>	411,000	-
<u>Capital Expenditures</u>	707,642	714,246
<u>Unapplied at End of Year</u>		
Cash	<u>-</u>	<u>43,792</u>
	<u>\$ 1,465,642</u>	<u>\$ 1,490,038</u>

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Investment in Capital AssetsFor The Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Balance, Beginning of Year</u>	\$ <u>5,803,694</u>	\$ <u>5,247,226</u>
<u>Add:</u>		
Contribution From General Operating Fund		
- Capital Expenditures	307,850	274,468
- Debt Repayment	<u>347,000</u>	<u>282,000</u>
	<u>654,850</u>	<u>556,468</u>
<u>Less:</u>		
Sale of Capital Assets	<u>249,201</u>	<u>-</u>
<u>Balance, End of Year</u>	\$ <u><u>6,209,343</u></u>	\$ <u><u>5,803,694</u></u>

VILLAGE OF BELLEDUNEGeneral Operating FundBalance SheetAs at December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 585,935	\$ 384,600
Accounts Receivable	76,222	104,477
Due From Utility Operating Fund	<u>1,399</u>	<u>-</u>
	663,556	489,077
 <u>Deposit in Trust</u>	 <u>165,000</u>	 <u>165,000</u>
	<u>\$ 828,556</u>	<u>\$ 654,077</u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ 228,718	\$ 149,412
Deferred Revenue	-	34,506
Due to General Capital Reserve Fund	<u>380,000</u>	<u>260,000</u>
	608,718	443,918
 <u>Trust Liability, prepaid lawsuit settlement</u>	 <u>165,000</u>	 <u>165,000</u>
	<u>773,718</u>	<u>608,918</u>
<u>Surplus</u>		
Balance, Beginning of Year	45,159	12,171
<u>Add: Transfer of Second Prior Year's Surplus (Deficit)</u>	1,361	(13,532)
Surplus For The Year (Page 7)	<u>8,318</u>	<u>46,520</u>
Balance, End of Year	<u>54,838</u>	<u>45,159</u>
	<u>\$ 828,556</u>	<u>\$ 654,077</u>

Contingent Liabilities (Note 7)On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEGeneral Operating FundStatement of Revenue and ExpendituresFor The Year Ended December 31, 2007

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Actual</u>	<u>2006</u> <u>Actual</u>
<u>Revenue</u>			
Province of New Brunswick			
Warrant of Assessment	\$ 3,716,844	\$ 3,716,844	\$ 3,514,807
Unconditional Transfer	41,645	41,645	40,828
Other - Fire (to LSD)	16,000	16,000	16,000
- Ambulance (to LSD)	455,578	504,317	423,844
Other - Community Centre	11,200	11,607	9,569
Brunswick Smelting Garbage	26,937	26,337	26,337
Other Conditional Grants	6,000	45,056	35,744
Other Revenue	-	9,647	8,310
Sale of Services	40,700	40,957	41,676
Transfer From General Capital Reserve Fund	-	-	47,852
Surplus - Second Previous Year	-	-	13,532
Arena	50,000	44,365	45,228
Proceeds from disposal of capital assets	-	42,273	8,341
Interest	-	3,472	-
Adjustment - Payment in Lieu of Tax	-	-	17,089
	<u>4,364,904</u>	<u>4,502,520</u>	<u>4,249,157</u>
<u>Expenditures</u>			
General Government (Page 8)	615,245	556,588	616,777
Protective Services (Page 9)	1,187,521	1,125,038	1,065,061
Transportation (Page 9)	1,063,200	751,643	743,344
Environmental Health (Page 10)	154,000	151,585	143,073
Environmental Development (Page 10)	326,150	327,635	299,798
Recreation and Cultural (Page 10)	388,500	332,619	298,705
Fiscal Services (Page 10)	628,927	1,247,733	1,035,879
Deficit - Second Previous Year	1,361	1,361	-
	<u>4,364,904</u>	<u>4,494,202</u>	<u>4,202,637</u>
<u>Surplus For The Year - to Page 6</u>	<u>\$ -</u>	<u>\$ 8,318</u>	<u>\$ 46,520</u>

VILLAGE OF BELLEDUNEGeneral Operating FundSupplementary Schedule of Expenditure AccountsFor The Year Ended December 31, 2007

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Actual</u>	<u>2006</u> <u>Actual</u>
<u>General Government</u>			
Legislative			
Mayor	\$ 17,500	\$ 17,007	\$ 16,887
Councilors	<u>54,000</u>	<u>42,484</u>	<u>49,754</u>
	<u>71,500</u>	<u>59,491</u>	<u>66,641</u>
Administrative			
Administrator	83,000	80,749	69,429
Administrative Assistant	62,000	45,222	42,365
Municipal Works	57,000	56,508	55,358
Office Building	90,000	79,867	78,936
Solicitor	25,000	11,295	21,988
Public Liability Insurance	40,000	38,428	38,870
Other Administrative	<u>38,000</u>	<u>42,768</u>	<u>40,205</u>
	<u>395,000</u>	<u>354,837</u>	<u>347,151</u>
Financial Management			
External Audit	<u>8,500</u>	<u>12,411</u>	<u>8,274</u>
Other			
Cost of Assessment	68,245	68,245	65,603
Conventions and Delegations	4,000	4,405	1,389
Development Seminars	5,000	1,655	2,892
Grants and Sundry	40,000	33,688	107,011
Civic Relations - Promotions	17,000	16,442	12,080
Training and Development	<u>6,000</u>	<u>5,414</u>	<u>5,736</u>
	<u>140,245</u>	<u>129,849</u>	<u>194,711</u>
	<u>\$ 615,245</u>	<u>\$ 556,588</u>	<u>\$ 616,777</u>

VILLAGE OF BELLEDUNEGeneral Operating FundSupplementary Schedule of Expenditure AccountsFor The Year Ended December 31, 2007

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Actual</u>	<u>2006</u> <u>Actual</u>
<u>Protective Services</u>			
Police	\$ <u>473,850</u>	\$ <u>473,850</u>	\$ <u>458,400</u>
Ambulance	<u>455,578</u>	<u>455,875</u>	<u>417,138</u>
Fire Protection			
Administration	6,360	5,580	5,745
Personnel	30,000	26,079	27,947
Dispatcher	24,000	23,265	23,258
Water Cost	16,133	16,133	16,630
Training	14,600	10,406	9,126
Fire Station and Building	75,000	67,068	75,486
Equipment	25,000	29,368	25,031
Other	<u>60,000</u>	<u>11,264</u>	<u>150</u>
	<u>251,093</u>	<u>189,163</u>	<u>183,373</u>
Animal Control	<u>7,000</u>	<u>6,150</u>	<u>6,150</u>
	<u>\$ 1,187,521</u>	<u>\$ 1,125,038</u>	<u>\$ 1,065,061</u>
<u>Transportation</u>			
Roads and Streets			
Personnel	\$ 52,500	\$ 52,913	\$ 48,494
Engineering and Planning	35,000	98,015	70,341
Summer Maintenance	107,500	96,963	68,080
Culverts and Ditches	175,000	51,245	92,752
Snow Removal	184,500	179,534	182,081
Roads and Streets	396,000	171,840	179,932
Land Purchases/Leases	10,000	1,409	4,399
Street Cleaning	<u>7,500</u>	<u>6,566</u>	<u>6,005</u>
	<u>968,000</u>	<u>658,485</u>	<u>652,084</u>
Street Lighting	<u>82,000</u>	<u>84,674</u>	<u>81,188</u>
Traffic Services			
Signals	7,200	5,661	9,212
Street Signs	<u>6,000</u>	<u>2,823</u>	<u>860</u>
	<u>13,200</u>	<u>8,484</u>	<u>10,072</u>
	<u>\$ 1,063,200</u>	<u>\$ 751,643</u>	<u>\$ 743,344</u>

VILLAGE OF BELLEDUNE

General Operating Fund

Supplementary Schedule of Expenditure Accounts

For The Year Ended December 31, 2007

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Actual</u>	<u>2006</u> <u>Actual</u>
<u>Environmental Health</u>			
Garbage Waste Collection	\$ 122,000	\$ 117,273	\$ 109,335
Dump Maintenance	<u>32,000</u>	<u>34,312</u>	<u>33,738</u>
	<u>\$ 154,000</u>	<u>\$ 151,585</u>	<u>\$ 143,073</u>
<u>Environmental Development</u>			
Planning Commissions	\$ 74,650	\$ 73,249	\$ 79,595
Industrial Parks and Commission	10,000	9,422	9,689
Promotion, Tourism	80,000	67,038	83,776
Public Receptions	4,500	4,059	3,839
Research and Planning	20,000	69,905	35,908
Land Rehabilitation	20,000	(5,652)	-
Community Improvements	62,000	58,523	36,465
Conservation	<u>55,000</u>	<u>51,091</u>	<u>50,526</u>
	<u>\$ 326,150</u>	<u>\$ 327,635</u>	<u>\$ 299,798</u>
<u>Recreation and Cultural</u>			
Community Centre and Hall	\$ 60,000	\$ 57,049	\$ 49,360
Skating Rinks and Arenas	150,000	137,300	140,642
Parks and Playgrounds	59,000	42,889	37,353
Library	5,500	5,757	5,253
Other Recreation	-	17,877	6,480
Bus Service	10,000	12,818	8,468
Festivals and Fairs	35,000	42,920	38,451
Wharf	<u>69,000</u>	<u>16,009</u>	<u>12,698</u>
	<u>\$ 388,500</u>	<u>\$ 332,619</u>	<u>\$ 298,705</u>
<u>Fiscal Services</u>			
Debt Repayment	\$ 347,000	\$ 347,000	\$ 282,000
Interest on Long Term Debt	202,002	198,067	174,555
Cost of Debenture	2,000	5,833	5,218
Bank Charges	1,000	580	323
Interest on Short Term Debt	12,799	4,279	28,883
Payment in Lieu of Tax	4,126	4,124	-
Transfer to General, Reserve Fund	-	380,000	260,000
Capital Expenditures			
- General Capital Fund	<u>60,000</u>	<u>307,850</u>	<u>284,900</u>
	<u>\$ 628,927</u>	<u>\$ 1,247,733</u>	<u>\$ 1,035,879</u>

VILLAGE OF BELLEDUNEWater and Sewer Utility Capital FundBalance SheetAs at December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
<u>Capital Assets (Page 12)</u>	\$ <u>562,807</u>	\$ <u>562,807</u>
<u>Liabilities</u>		
<u>Long Term Debt (Note 3)</u>	\$ <u>184,000</u>	\$ <u>197,000</u>
<u>Investment in Capital Assets</u>		
Balance, Beginning of Year	365,807	352,807
<u>Add:</u> Debt Repayment From		
Water and Sewer Utility Operating Fund	<u>13,000</u>	<u>13,000</u>
Balance, End of Year	<u>378,807</u>	<u>365,807</u>
	\$ <u>562,807</u>	\$ <u>562,807</u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNE

Water and Sewer Utility Capital Fund

Statement of Capital Assets

For The Year Ended December 31, 2007

	<u>Engineering Structures</u>
Sewer Project	\$ <u>562,807</u>

VILLAGE OF BELLEDUNEWater and Sewer Utility Capital FundStatement of Source and Application of Capital FinancingFor The Year Ended December 31, 2007

<u>Source</u>	<u>2007</u>	<u>2006</u>
<u>Transfers From</u>		
Water and Sewer Utility Operating Fund - Debt Repayment	\$ 13,000	\$ 13,000
Term Borrowing Debentures	<u>184,000</u>	<u>-</u>
	<u>\$ 197,000</u>	<u>\$ 13,000</u>
 <u>Application</u>		
<u>Debt Repayment</u>	<u>\$ 197,000</u>	<u>\$ 13,000</u>

VILLAGE OF BELLEDUNEWater and Sewer Utility Operating FundBalance SheetAs at December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
<u>Current Asset</u>		
Cash	\$ <u>2,680</u>	\$ <u>2,781</u>
<u>Total Asset</u>	\$ <u><u>2,680</u></u>	\$ <u><u>2,781</u></u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 896	\$ 2,468
Due to General Operating Fund	<u>1,399</u>	<u>-</u>
	<u>2,295</u>	<u>2,468</u>
<u>Surplus</u>		
Balance, Beginning of Year	313	211
<u>Add:</u> Surplus For The Year (Page 15)	189	196
<u>Less:</u> Transfer of Second Prior Year's Surplus	<u>(117)</u>	<u>(94)</u>
Balance, End of Year	<u>385</u>	<u>313</u>
	\$ <u><u>2,680</u></u>	\$ <u><u>2,781</u></u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEWater and Sewer Utility Operating FundStatement of Revenue and ExpendituresFor The Year Ended December 31, 2007

	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Actual</u>	<u>2006</u> <u>Actual</u>
<u>Revenue</u>			
Sale of Water	\$ 8,687	\$ 8,687	\$ 8,954
Water Supply For Fire Protection	16,133	16,133	16,630
Surplus, Second Previous Year	<u>117</u>	<u>117</u>	<u>94</u>
	24,937	<u>24,937</u>	<u>25,678</u>
<u>Expenditures</u>			
Debt Repayment	13,000	13,000	13,000
Interest on Long Term Debt	11,820	10,248	12,424
Bank Charges	117	101	58
Cost of debenture	<u>-</u>	<u>1,399</u>	<u>-</u>
	24,937	<u>24,748</u>	<u>25,482</u>
<u>Surplus For The Year - to Page 14</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 196</u>

VILLAGE OF BELLEDUNEReserve FundsBalance SheetAs at December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
<u>General Capital</u>		
Cash and Short Term Investment	\$ 739,131	\$ 475,081
Due From General Operating Fund	<u>380,000</u>	<u>260,000</u>
	<u>1,119,131</u>	<u>735,081</u>
<u>Utility Capital</u>		
Cash	<u>2,788</u>	<u>2,781</u>
<u>Total Assets</u>	<u>\$1,121,919</u>	<u>\$ 737,862</u>
<u>Equity</u>		
<u>General Capital (Page 17)</u>	\$1,119,131	\$ 735,081
<u>Utility Capital (Page 17)</u>	<u>2,788</u>	<u>2,781</u>
	<u>\$1,121,919</u>	<u>\$ 737,862</u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEReserve FundsStatements of EquityFor The Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
<u>General Capital</u>		
Balance, Beginning of Year	\$ 735,081	\$ 521,495
<u>Add:</u> Interest Earned	4,050	1,438
Transfer From General Operating Fund	<u>380,000</u>	<u>260,000</u>
	1,119,131	782,933
<u>Less:</u> Transfer to General Operating Fund	<u>-</u>	<u>47,852</u>
Balance, End of Year - to Page 16	<u>\$1,119,131</u>	<u>\$ 735,081</u>
 <u>Utility Capital</u>		
Balance, Beginning of Year	\$ 2,781	\$ 2,775
<u>Add:</u> Interest Earned	<u>7</u>	<u>6</u>
Balance, End of Year - to Page 16	<u>\$ 2,788</u>	<u>\$ 2,781</u>

VILLAGE OF BELLEDUNENotes To The Financial StatementsFor The Year Ended December 31, 20071. Significant Accounting Policies

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for New Brunswick municipalities by the Department of Environment and Local Government Services.

a. Revenue Recognition

Major sources of revenue are recorded on an accrual basis.

b. Expenditures Recognition

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

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

c. Capital Assets

Capital assets and projects in progress are recorded at cost. The Municipality does not record depreciation on its capital assets. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets.

d. Use of Estimates

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

2. General Capital Fund - Long Term Debt

	<u>2007</u>	<u>2006</u>
1997 - Paid during the year	\$ <u>-</u>	\$ <u>446,000</u>
Amount Carried Forward	<u>-</u>	<u>446,000</u>

VILLAGE OF BELLEDUNE

Notes To The Financial Statements

For The Year Ended December 31, 2007

<u>2. General Capital Fund - Long Term Debt (Cont'd)</u>	<u>2007</u>	<u>2006</u>
Amount Brought Forward	\$ -	\$ 446,000
2004 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 3.5% to 5.50%, principal payable annually and interest semi annually, maturing July 8, 2014. O.I.C. # AQ-21	670,000	711,000
1998 - New Brunswick Municipal Finance Corporation, debentures, 5.625%, principal payable annually and interest semi annually, maturing August 25, 2008. O.I.C. # AE-30	153,000	166,000
2000 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 6.00% to 6.125%, principal payable annually and interest semi annually, maturing in 2010. O.I.C. # AJ-36	91,000	118,000
2002 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.40% to 5.60%, principal payable annually and interest semi annually, maturing in 2012, renewable to the year 2017. O.I.C. # AN-30	555,000	668,000
2002 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.875% to 5.75%, principal payable annually and interest semi annually, maturing in 2012, renewable to the year 2017. O.I.C. # AM-27	245,000	270,000
2005 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 2.85% to 4.35%, principal payable annually and interest semi annually, maturing in 2015, renewable to the year 2020. O.I.C. # AS-20	707,000	749,000
2006 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.15% to 4.45%, principal payable annually and interest semi annually, maturing in 2016, renewable to the year 2021. O.I.C. # AV-38	894,000	945,000
2007 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.45% to 4.85%, principal payable annually and interest semi annually, maturing in 2017, renewable to the year 2022. O.I.C. # AX-36	<u>767,000</u>	<u>-</u>
	<u>\$ 4,082,000</u>	<u>\$ 4,073,000</u>

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

VILLAGE OF BELLEDUNENotes To The Financial StatementsFor The Year Ended December 31, 20072. General Capital Fund - Long Term Debt (Cont'd)

Principal payments are due as follows for the next five years:

2008	\$ 468,000
2009	328,000
2010	342,000
2011	325,000
2012	<u>713,000</u>
	<u>\$ 2,176,000</u>

3. Water and Sewer Utility Capital Fund - Long Term Debt20072006Debentures - N.B. Municipal Finance

1997 - Paid during the year

\$ -

\$ 197,000

2007 - New Brunswick Municipal Finance Corporation, debentures, variable interest rate from 4.45% to 4.85%, principal payable annually and interest semi annually, maturing in 2017, renewable to the year 2022. O.I.C. # AX-37

184,000-\$ 184,000\$ 197,000

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

Principal payments are due as follows for the next five years:

2008	\$ 15,000
2009	16,000
2010	16,000
2011	17,000
2012	<u>18,000</u>
	<u>\$ 82,000</u>

VILLAGE OF BELLEDUNENotes To The Financial StatementsFor The Year Ended December 31, 20074. Inter-Fund Accounts

In accordance with regulations of the Department of Environment and Local Government Services, the Village has adopted the policy of clearing all inter-fund account balances at least annually. The Village is in compliance with this requirement for the current year.

5. Water and Sewer Utility Fund Surplus

The Municipalities Act requires Utility Fund Surplus amounts to be absorbed into one or more of three operating budgets commencing with the second following year, the balance of the Surplus at the end of the year consists of:

2007 Surplus	\$	189	\$	-
2006 Surplus		196		196
2005 Surplus		<u>-</u>		<u>117</u>
	\$	<u>385</u>	\$	<u>313</u>

6. Short Term Borrowing - General Capital Fund

The Municipality has no outstanding authority for short term borrowing.

7. Contingent Liabilities

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

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

VILLAGE OF BELLEDUNE

Notes To The Financial Statements

For The Year Ended December 31, 2007

8. Financial Instruments

a. Credit Risk

The Municipality is exposed to normal credit risk on the accounts receivable.

b. Fair Values

The carrying amount of current assets and current liabilities approximates their fair value to the short term maturities of these items.

The Municipality's long term debt is carried at an amount which approximates the fair value as the outstanding interest rates are close to or at market rates.