

VILLAGE OF BELLEDUNE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2008

VILLAGE OF BELLEDUNE

INDEX

TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

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Allen, Paquet & Arseneau LLP

Chartered Accountants • Comptables agréés CA[®]

TELEPHONE: (506) 546-1460

FAX: (506) 546-9950

www.apa-ca.com

Tony Babin, CA, Partner/Associé
Roland Lovesey, CA CFP, Associate/Collègue

270, av. Douglas Ave, Suite 200
C.P. / P.O. Box 482
Bathurst, N.B.
E2A 3Z4

1.

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, 2008 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, 2008 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 12, 2009


Chartered Accountants

270, av. Douglas Ave
C.P. / P.O. Box 482
Bathurst, NB E2A 3Z4

356, rue Canada Street
St-Quentin, NB
E8A 1H7

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

VILLAGE OF BELLEDUNEGeneral Capital FundBalance SheetAs at December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
<u>Current Assets</u>		
Due From General Operating Fund	\$ 16,656	\$ -
<u>Capital Assets (Page 3)</u>	<u>11,454,927</u>	<u>10,291,343</u>
<u>Total Assets</u>	<u>\$11,471,583</u>	<u>\$10,291,343</u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Received in Advance - Gas Tax Refund	\$ 16,656	\$ -
<u>Long Term Debt (Note 2)</u>	<u>3,614,000</u>	<u>4,082,000</u>
<u>Total Liabilities</u>	3,630,656	4,082,000
<u>Investments in Capital Assets</u>		
Balance, End of Year (Page 5)	<u>7,840,927</u>	<u>6,209,343</u>
	<u>\$11,471,583</u>	<u>\$10,291,343</u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Capital AssetsAs at December 31, 2008

	Land and Paving	Building	Engineering Structures	Machinery and Equipment	Total
<u>General Government</u>					
Municipal Building	\$ 352,269	\$ 752,746	\$ -	\$ 235,407	\$ 1,340,422
<u>Protective Services</u>					
Fire Department	-	-	-	561,960	561,960
Fire Department - Jacquet River	8,509	238,346	-	269,904	516,759
<u>Transportation Services</u>					
Sidewalk	-	-	433,563	-	433,563
Tractor	-	-	-	43,052	43,052
Streets and Roads	-	-	5,021,979	-	5,021,979
Garbage and Waste Removal	-	-	-	400,722	400,722
Vehicle	-	-	-	180,580	180,580
<u>Industrial Park</u>	238,247	-	500,214	-	738,461
<u>Recreation and Cultural</u>					
Playground	-	-	-	257,502	257,502
Tennis Court	-	-	58,685	-	58,685
Recreational Building	63,582	747,360	-	88,393	899,335
Arena	-	1,001,907	-	-	1,001,907
	<u>\$ 662,607</u>	<u>\$ 2,740,359</u>	<u>\$ 6,014,441</u>	<u>\$ 2,037,520</u>	<u>\$ 11,454,927</u>

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Source and Application of Capital FinancingFor The Year Ended December 31, 2008

<u>Source</u>	<u>2008</u>	<u>2007</u>
<u>Unapplied at Beginning of Year</u>		
Cash	\$ -	\$ 43,792
<u>Term Borrowing</u>		
Debentures	-	767,000
<u>Transfers From</u>		
General Operating Fund		
- Capital Expenditures	462,256	307,850
- Debt Repayment	468,000	-
Gas Tax Refund	218,457	-
Regional Development Grant	<u>500,000</u>	<u>347,000</u>
	<u>\$ 1,648,713</u>	<u>\$ 1,465,642</u>
<u>Application</u>		
<u>Debt Repayment</u>	\$ 468,000	\$ 347,000
<u>Debt Refinanced</u>	-	411,000
<u>Capital Expenditures</u>	<u>1,180,713</u>	<u>707,642</u>
	<u>\$ 1,648,713</u>	<u>\$ 1,465,642</u>

VILLAGE OF BELLEDUNEGeneral Capital FundStatement of Investment in Capital AssetsFor The Year Ended December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>Balance, Beginning of Year</u>	\$ <u>6,209,343</u>	\$ <u>5,803,694</u>
<u>Add:</u>		
Contribution From General Operating Fund		
- Capital Expenditures	462,256	307,850
- Debt Repayment	468,000	347,000
Gas Tax Refund	218,457	-
Regional Development Corporation Grant	<u>500,000</u>	<u>-</u>
	<u>1,648,713</u>	<u>654,850</u>
<u>Less:</u>		
Sale of Capital Assets	<u>17,129</u>	<u>249,201</u>
<u>Balance, End of Year</u>	\$ <u><u>7,840,927</u></u>	\$ <u><u>6,209,343</u></u>

VILLAGE OF BELLEDUNEGeneral Operating FundBalance SheetAs at December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 661,801	\$ 585,935
Accounts Receivable	115,471	76,222
Due From Utility Operating Fund	<u>-</u>	<u>1,399</u>
	777,272	663,556
<u>Deposit in Trust</u>	<u>165,000</u>	<u>165,000</u>
	<u>\$ 942,272</u>	<u>\$ 828,556</u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ 503,234	\$ 228,718
Due to General Capital Fund	16,656	-
Due to General Capital Reserve Fund	<u>235,000</u>	<u>380,000</u>
	754,890	608,718
<u>Trust Liability, prepaid lawsuit settlement</u>	<u>165,000</u>	<u>165,000</u>
	<u>919,890</u>	<u>773,718</u>
<u>Surplus</u>		
Balance, Beginning of Year	54,838	45,159
<u>Add: Transfer of Second Prior Year's Surplus (Deficit)</u>	(46,520)	1,361
Surplus For The Year (Page 7)	<u>14,064</u>	<u>8,318</u>
Balance, End of Year	<u>22,382</u>	<u>54,838</u>
	<u>\$ 942,272</u>	<u>\$ 828,556</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, 2008

	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
<u>Revenue</u>			
Province of New Brunswick			
Warrant of Assessment	\$ 3,774,552	\$ 3,774,552	\$ 3,716,844
Unconditional Transfer	46,109	46,109	41,645
Other - Fire (to LSD)	16,000	16,480	16,000
- Ambulance (to LSD)	-	7,898	504,317
Other - Community Centre	8,000	10,400	11,607
Brunswick Smelting Garbage	26,937	26,337	26,337
Other Conditional Grants	8,000	46,152	45,056
Other Revenue	-	14,763	9,647
Sale of Services	40,700	38,826	40,957
Surplus - Second Previous Year	46,520	46,520	-
Arena	40,000	43,901	44,365
Proceeds from Disposal of Capital Assets	-	1,850	42,273
Interest	2,000	15,088	3,472
	<u>4,008,818</u>	<u>4,088,876</u>	<u>4,502,520</u>
<u>Expenditures</u>			
General Government (Page 8)	644,802	607,790	556,588
Protective Services (Page 9)	695,326	662,117	1,125,038
Transportation (Page 9)	728,500	664,265	751,643
Environmental Health (Page 10)	160,000	160,061	151,585
Environmental Development (Page 10)	493,000	333,855	327,635
Recreation and Cultural (Page 10)	444,600	289,573	332,619
Fiscal Services (Page 10)	842,590	1,357,151	1,247,733
Deficit - Second Previous Year	-	-	1,361
	<u>4,008,818</u>	<u>4,074,812</u>	<u>4,494,202</u>
<u>Surplus For The Year - to Page 6</u>	<u>\$ -</u>	<u>\$ 14,064</u>	<u>\$ 8,318</u>

VILLAGE OF BELLEDUNEGeneral Operating FundSupplementary Schedule of Expenditure AccountsFor The Year Ended December 31, 2008

	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
<u>General Government</u>			
Legislative			
Mayor	\$ 17,500	\$ 18,469	\$ 17,007
Councilors	<u>54,000</u>	<u>44,563</u>	<u>42,484</u>
	<u>71,500</u>	<u>63,032</u>	<u>59,491</u>
Administrative			
Administrator	105,000	84,887	80,749
Administrative Assistant	62,500	59,644	43,812
Municipal Works	61,000	60,233	56,508
Office Building	90,000	89,617	79,867
Solicitor	20,000	12,306	11,295
Public Liability Insurance	40,000	42,906	38,428
Other Administrative	<u>40,000</u>	<u>41,935</u>	<u>44,178</u>
	<u>418,500</u>	<u>391,528</u>	<u>354,837</u>
Financial Management			
External Audit	<u>8,500</u>	<u>16,119</u>	<u>12,411</u>
Other			
Cost of Assessment	69,302	69,302	68,245
Conventions and Delegations	5,000	3,651	4,405
Development Seminars	10,000	13,223	1,655
Grants and Sundry	40,000	29,142	33,688
Civic Relations - Promotions	15,000	12,955	16,442
Training and Development	<u>7,000</u>	<u>8,838</u>	<u>5,414</u>
	<u>146,302</u>	<u>137,111</u>	<u>129,849</u>
	<u>\$ 644,802</u>	<u>\$ 607,790</u>	<u>\$ 556,588</u>

VILLAGE OF BELLEDUNEGeneral Operating FundSupplementary Schedule of Expenditure AccountsFor The Year Ended December 31, 2008

	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
<u>Protective Services</u>			
Police	\$ <u>488,065</u>	\$ <u>488,065</u>	\$ <u>473,850</u>
Ambulance	<u>-</u>	<u>322</u>	<u>455,875</u>
Fire Protection			
Administration	6,360	6,307	5,580
Personnel	30,000	25,757	26,079
Dispatcher	24,000	23,084	23,265
Water Cost	15,301	15,301	16,133
Training	14,600	15,228	10,406
Fire Station and Building	75,000	66,936	67,068
Equipment	25,000	8,883	29,368
Other	<u>10,000</u>	<u>6,084</u>	<u>11,264</u>
	<u>200,261</u>	<u>167,580</u>	<u>189,163</u>
Animal Control	<u>7,000</u>	<u>6,150</u>	<u>6,150</u>
	<u>\$ 695,326</u>	<u>\$ 662,117</u>	<u>\$ 1,125,038</u>
<u>Transportation</u>			
Roads and Streets			
Personnel	\$ 58,000	\$ 57,594	\$ 52,913
Engineering and Planning	35,000	84,843	98,015
Summer Maintenance	82,500	73,247	96,963
Culverts and Ditches	100,000	37,594	51,245
Snow Removal	184,500	189,922	179,534
Roads and Streets	155,000	97,957	171,840
Land Purchases/Leases	10,000	-	1,409
Street Cleaning	<u>7,500</u>	<u>10,659</u>	<u>6,566</u>
	<u>632,500</u>	<u>551,816</u>	<u>658,485</u>
Street Lighting	<u>85,000</u>	<u>83,423</u>	<u>84,674</u>
Traffic Services			
Signals	8,000	28,849	5,661
Street Signs	<u>3,000</u>	<u>177</u>	<u>2,823</u>
	<u>11,000</u>	<u>29,026</u>	<u>8,484</u>
	<u>\$ 728,500</u>	<u>\$ 664,265</u>	<u>\$ 751,643</u>

VILLAGE OF BELLEDUNE

General Operating Fund

Supplementary Schedule of Expenditure Accounts

For The Year Ended December 31, 2008

	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
<u>Environmental Health</u>			
Garbage Waste Collection	\$ 125,000	\$ 127,778	\$ 118,551
Dump Maintenance	<u>35,000</u>	<u>32,283</u>	<u>33,034</u>
	<u>\$ 160,000</u>	<u>\$ 160,061</u>	<u>\$ 151,585</u>
<u>Environmental Development</u>			
Planning Commissions	\$ 76,000	\$ 75,989	\$ 73,249
Industrial Parks and Commission	10,000	10,668	9,422
Promotion, Tourism	75,000	65,857	67,038
Public Receptions	4,500	3,083	4,059
Research and Planning	75,000	50,408	69,905
Land Rehabilitation	-	5,583	(5,652)
Community Improvements	52,500	38,464	58,523
Economic Development	145,000	28,927	-
Conservation	<u>55,000</u>	<u>54,876</u>	<u>51,091</u>
	<u>\$ 493,000</u>	<u>\$ 333,855</u>	<u>\$ 327,635</u>
<u>Recreation and Cultural</u>			
Community Centre and Hall	\$ 120,000	\$ 46,644	\$ 57,049
Skating Rinks and Arenas	180,000	139,797	137,300
Parks and Playgrounds	53,500	37,018	42,889
Library	6,100	5,708	5,757
Other Recreation	-	-	17,877
Bus Service	10,000	13,787	12,818
Festivals and Fairs	43,000	40,773	42,920
Wharf	<u>32,000</u>	<u>5,846</u>	<u>16,009</u>
	<u>\$ 444,600</u>	<u>\$ 289,573</u>	<u>\$ 332,619</u>
<u>Fiscal Services</u>			
Debt Repayment	\$ 468,000	\$ 468,000	\$ 347,000
Interest on Long Term Debt	196,676	190,217	198,067
Cost of Debenture	10,000	-	5,833
Bank Charges	2,000	1,678	580
Interest on Short Term Debt	50,000	-	4,279
Payment in Lieu of Tax	-	-	4,124
Transfer to General, Reserve Fund	115,914	235,000	380,000
Capital Expenditures			
- General Capital Fund	<u>-</u>	<u>462,256</u>	<u>307,850</u>
	<u>\$ 842,590</u>	<u>\$ 1,357,151</u>	<u>\$ 1,247,733</u>

VILLAGE OF BELLEDUNEWater and Sewer Utility Capital FundBalance SheetAs at December 31, 2008

	<u>2008</u>	<u>2007</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>169,000</u>	\$ <u>184,000</u>
<u>Investment in Capital Assets</u>		
Balance, Beginning of Year	378,807	365,807
<u>Add:</u> Debt Repayment From		
Water and Sewer Utility Operating Fund	<u>15,000</u>	<u>13,000</u>
Balance, End of Year	<u>393,807</u>	<u>378,807</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, 2008

	<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, 2008

<u>Source</u>	<u>2008</u>	<u>2007</u>
<u>Transfers From</u>		
Water and Sewer Utility Operating Fund - Debt Repayment	\$ 15,000	\$ 13,000
Term Borrowing Debentures	<u>169,000</u>	<u>184,000</u>
	<u>\$ 184,000</u>	<u>\$ 197,000</u>
 <u>Application</u>		
<u>Debt Repayment</u>	<u>\$ 184,000</u>	<u>\$ 197,000</u>

VILLAGE OF BELLEDUNEWater and Sewer Utility Operating FundBalance SheetAs at December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
<u>Current Asset</u>		
Cash	\$ <u>1,334</u>	\$ <u>2,680</u>
<u>Total Asset</u>	\$ <u><u>1,334</u></u>	\$ <u><u>2,680</u></u>
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 826	\$ 896
Due to General Operating Fund	<u>-</u>	<u>1,399</u>
	<u>826</u>	<u>2,295</u>
<u>Surplus</u>		
Balance, Beginning of Year	385	313
<u>Add:</u> Surplus For The Year (Page 15)	319	189
<u>Less:</u> Transfer of Second Prior Year's Surplus	<u>(196)</u>	<u>(117)</u>
Balance, End of Year	<u>508</u>	<u>385</u>
	\$ <u><u>1,334</u></u>	\$ <u><u>2,680</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, 2008

	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
<u>Revenue</u>			
Sale of Water	\$ 8,239	\$ 8,239	\$ 8,687
Water Supply For Fire Protection	15,301	15,301	16,133
Interest Income	-	119	-
Surplus, Second Previous Year	<u>196</u>	<u>196</u>	<u>117</u>
	<u>23,736</u>	<u>23,855</u>	<u>24,937</u>
<u>Expenditures</u>			
Administration and General	196	-	-
Debt Repayment	15,000	15,000	13,000
Interest on Long Term Debt	8,540	8,469	10,248
Bank Charges	-	67	101
Cost of Debenture	<u>-</u>	<u>-</u>	<u>1,399</u>
	<u>23,736</u>	<u>23,536</u>	<u>24,748</u>
<u>Surplus For The Year - to Page 14</u>	<u>\$ -</u>	<u>\$ 319</u>	<u>\$ 189</u>

VILLAGE OF BELLEDUNEReserve FundsBalance SheetAs at December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
<u>General Capital</u>		
Cash and Short Term Investment	\$ 1,140,761	\$ 739,131
Due From General Operating Fund	<u>235,000</u>	<u>380,000</u>
	<u>1,375,761</u>	<u>1,119,131</u>
<u>Utility Capital</u>		
Cash	<u>2,851</u>	<u>2,788</u>
<u>Total Assets</u>	<u>\$1,378,612</u>	<u>\$1,121,919</u>
<u>Equity</u>		
<u>General Capital (Page 17)</u>	\$1,375,761	\$1,119,131
<u>Utility Capital (Page 17)</u>	<u>2,851</u>	<u>2,788</u>
	<u>\$1,378,612</u>	<u>\$1,121,919</u>

On Behalf of the Council

_____ Mayor

_____ Clerk

VILLAGE OF BELLEDUNEReserve FundsStatements of EquityFor The Year Ended December 31, 2008

	<u>2008</u>	<u>2007</u>
<u>General Capital</u>		
Balance, Beginning of Year	\$1,119,131	\$ 735,081
<u>Add: Interest Earned</u>	21,630	4,050
Transfer From General Operating Fund	<u>235,000</u>	<u>380,000</u>
Balance, End of Year - to Page 16	<u>\$1,375,761</u>	<u>\$1,119,131</u>
 <u>Utility Capital</u>		
Balance, Beginning of Year	\$ 2,788	\$ 2,781
<u>Add: Interest Earned</u>	<u>63</u>	<u>7</u>
Balance, End of Year - to Page 16	<u>\$ 2,851</u>	<u>\$ 2,788</u>

VILLAGE OF BELLEDUNE

Notes To The Financial Statements

For The Year Ended December 31, 2008

1. 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.

VILLAGE OF BELLEDUNE

Notes To The Financial Statements

For The Year Ended December 31, 2008

<u>2. General Capital Fund - Long Term Debt</u>	<u>2008</u>	<u>2007</u>
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	627,000	670,000
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
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	62,000	91,000
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	504,000	555,000
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	219,000	245,000
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	663,000	707,000
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	841,000	894,000
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>698,000</u>	<u>767,000</u>
	<u>\$ 3,614,000</u>	<u>\$ 4,082,000</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, 20082. General Capital Fund - Long Term Debt (Cont'd)

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

2009	\$ 328,000
2010	342,000
2011	325,000
2012	713,000
2013	<u>242,000</u>
	<u>\$ 1,950,000</u>

3. Water and Sewer Utility Capital Fund - Long Term Debt 2008 2007Debentures - N.B. Municipal Finance

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

\$ <u>169,000</u>	\$ <u>184,000</u>
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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:

2009	\$ 16,000
2010	16,000
2011	17,000
2012	18,000
2013	<u>19,000</u>
	<u>\$ 86,000</u>

VILLAGE OF BELLEDUNENotes To The Financial StatementsFor The Year Ended December 31, 20084. Inter-Fund Accounts

In accordance with regulations of the Department of 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:

2008 Surplus	\$	319	\$	-
2007 Surplus		189		189
2006 Surplus		<u>-</u>		<u>196</u>
	\$	<u>508</u>	\$	<u>385</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 a legal action commenced against the Village. The probability of loss, if any, with respect to this matter can not be determined as of the date of the release of these financial statements.

VILLAGE OF BELLEDUNE

Notes To The Financial Statements

For The Year Ended December 31, 2008

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.

9. Comparative Figures

Certain of the prior year comparative figures have been restated to conform with the presentation adopted for the current year.