

**Edmundston**  
**Consolidated Financial Statements**  
**December 31, 2021**

Independent Auditor's Report	2 - 5
Consolidated Financial Statements	
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Net Debt	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 31
Consolidated Schedules	32 - 38

## Independent Auditor's Report

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To His Honor the Mayor and Members of City Council of  
Edmundston

### Opinion

We have audited the consolidated financial statements hereafter "the financial statements" of Edmundston (hereafter "the Municipality"), which comprise the statement of consolidated financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, the statement of changes in net debt and the statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies, and the consolidated schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and the results of its operations and accumulated surplus, the change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – financial information prepared for tax purposes**

We draw attention to the fact that the municipality includes in its financial statements certain financial information that is not required by the Canadian public sector accounting standards. This information, prepared in accordance with the Province of New Brunswick's municipal financial reporting guide presented on pages 27 and 31, focuses on determining the surplus (deficit) for the year. Our opinion is not modified in respect of this matter.

**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 Canadian public sector accounting standards, 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.

**Auditor's 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 auditor's 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. 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 auditor's 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 auditor's 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;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*Raymond Cholet Grant Thornton LLP*  
Chartered Professional Accountants

Edmundston  
April 19, 2022

**Edmundston**  
**Consolidated Statement of Operations and Accumulated Surplus**  
Year ended December 31, 2021

	2021	2020
Budget (Unaudited) (Note 25) \$	Actual \$	Actual \$
<b>Revenues</b>		
Property tax warrant	23,914,218	23,720,297
Services provided to other governments (Page 32)	1,162,179	1,197,368
Sale of services, fines and other revenues (Page 32)	3,453,565	2,948,954
Unconditional grant	5,441,542	5,702,768
Other government transfers	62,872	1,431,763
Other revenues from own sources (Page 32)	722,082	1,571,918
Contractors and other organizations contributions	687,793	148,554
User fees - Water and sewer services	6,093,930	6,010,403
Sales electrical utility - Distribution	31,701,829	31,322,440
Sales electrical utility - Generation	2,620,321	3,200,223
Interest	178,238	193,570
	<u>75,350,776</u>	<u>77,448,258</u>
<b>Expenses</b> (Pages 33 - 38)		
General government services	4,855,890	3,937,800
Protective services	10,418,553	10,093,314
Transportation services	9,295,802	9,359,688
Environmental health services	833,884	900,293
Development services	1,687,052	1,447,357
Recreational and cultural services	8,769,906	7,696,081
Water and sewer collection and disposal	6,825,242	6,202,826
Electrical utility - Distribution	31,826,307	31,585,292
Electrical utility - Generation	2,200,618	2,918,532
Adjustment for payment in lieu of taxes		14,073
Loss on disposal of tangible capital assets		395,928
	<u>76,713,254</u>	<u>74,551,184</u>
<b>Annual surplus (deficit)</b> (Note 22)	<u>(1,362,478)</u>	2,897,074
Accumulated surplus, beginning of year		<u>114,447,039</u>
Accumulated surplus, end of year		<u>117,344,113</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

# Edmundston

## Consolidated Statement of Financial Position

As at December 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	21,822,504	14,109,272
Term deposits	218,779	178,479
Accounts receivables		
General	711,832	1,629,515
Water and sewer	1,083,215	1,186,318
Electrical utility	3,878,593	4,375,689
Federal government and its agencies (Note 5)	752,178	121,870
Province of New Brunswick (Note 6)	376,813	11,513
	<u>28,843,914</u>	<u>21,612,656</u>
<b>LIABILITIES</b>		
Bank loans (Note 16)	7,695,000	3,254,602
Trade payables and other operating liabilities (Note 7)	9,370,813	8,147,637
Holdbacks payable	505,523	106,913
Deferred revenues (Note 8)	1,996,675	906,308
Debentures (Note 9)	51,717,000	59,094,000
Long-term debt (Note 10)	80,000	40,000
Accrued sick leave (Note 11)	3,312,000	3,312,000
	<u>74,677,011</u>	<u>74,861,460</u>
<b>NET DEBT</b>	<u>(45,833,097)</u>	<u>(53,248,804)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 19)	341,048,393	333,080,187
Accumulated amortization (Note 19)	<u>(180,003,445)</u>	<u>(169,874,613)</u>
	<u>161,044,948</u>	<u>163,205,574</u>
Inventory of supplies	1,860,262	1,844,871
Prepaid expenses	148,534	216,852
Post employment benefits surplus (Note 12)	3,099,887	5,325,620
	<u>5,108,683</u>	<u>7,387,343</u>
	<u>166,153,631</u>	<u>170,592,917</u>
<b>ACCUMULATED SURPLUS</b>	<u>120,320,534</u>	<u>117,344,113</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

For the council



Mayor



Treasurer

**Edmundston**  
**Consolidated Statement of Changes in Net Debt**  
Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	Budget (Unaudited)	Actual
	\$	\$
Annual surplus (deficit)	<u>(1,362,478)</u>	<u>2,976,421</u>
Assets under construction, beginning of year	1,883,626	1,082,968
Assets under construction, end of year	(2,275,473)	(1,883,626)
Acquisition of tangible capital assets	(9,901,731)	(8,735,515)
Proceeds on disposal of tangible capital assets	176,651	83,854
Amortization of tangible capital assets	10,970,380	11,088,080
Loss on disposal of tangible capital assets	140,957	395,928
	<u>1,068,649</u>	<u>4,108,468</u>
Acquisition of inventory of supplies	(1,860,262)	(1,844,871)
Consumption of inventory of supplies	1,844,871	1,788,138
Acquisition of prepaid expenses	(148,534)	(216,852)
Use of prepaid expenses	216,852	211,659
Post employment benefits surplus, end of year	(3,099,887)	(5,325,620)
Post employment benefits surplus, beginning of year	5,325,620	5,653,187
	<u>2,278,660</u>	<u>265,641</u>
Decrease (increase) in net debt	(293,829)	7,415,707
Net debt, beginning of year	<u>(53,248,804)</u>	<u>(53,248,804)</u>
Net debt, end of year	<u>(53,542,633)</u>	<u>(53,248,804)</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.



**Edmundston**  
**Consolidated Statement of Cash Flows**  
Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus	2,976,421	2,897,074
Non-cash items		
Amortization of tangible capital assets	10,970,380	11,088,080
Loss on disposal of tangible capital assets	140,957	395,928
Net change in working capital items (Note 3)	5,513,087	269,351
Cash flows from operating activities (a)	<u>19,600,845</u>	<u>14,650,433</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets and assets under capital leases	(9,127,362)	(7,459,394)
Proceeds from the disposal of tangible capital assets	176,651	83,854
Cash flows from capital activities	<u>(8,950,711)</u>	<u>(7,375,540)</u>
<b>INVESTING ACTIVITIES</b>		
Investments and cash flows from investing activities	<u>(40,300)</u>	<u>(57,571)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in bank loans	4,440,398	(1,938,149)
Debentures	9,473,000	9,638,000
Repayment of debentures	(16,850,000)	(13,653,000)
Long-term debt	40,000	40,000
Repayment of long-term debt		(309,810)
Repayment of obligations under capital leases		(42,170)
Cash flows from financing activities	<u>(2,896,602)</u>	<u>(6,265,129)</u>
<b>Increase in cash and cash equivalents</b>	<b>7,713,232</b>	<b>952,193</b>
Cash, beginning of year	<u>14,109,272</u>	<u>13,157,079</u>
Cash, end of year	<u>21,822,504</u>	<u>14,109,272</u>

(a) Interest received during the year amounts to \$156,945 (\$193,570 for the year ended December 31, 2020).  
Interest paid during the year amounts to \$1,571,527 (\$2,079,347 for the year ended December 31, 2020).

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Municipality, formally known as City of Edmundston, was incorporated as a city by the Province of New Brunswick *Municipalities Act* in 1905 and then merged with the city of Saint-Basile, the Village of Saint-Jacques and the Village of Verret under the article 2 on May 25, 1998 to become Edmundston. As a municipality, Edmundston is exempt from income tax under section 149(1)(c) of the *Canadian Income Tax Act*. The Municipality has the following vision statement: "An open, energetic, creative city".

### **2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with the Canadian public sector accounting standard in the *CPA Canada Public Sector Accounting Handbook*.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### **Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net debt and cash flows of the reporting entity. The city of Edmundston is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. It includes the management of a golf and recreational activities.

All interfund assets, liabilities, revenues and expenses have been eliminated.

The entities included in the consolidated financial statements are as follows :

Centre des Arts La Petite Église d'Edmundston Inc.

Gestion Edmundston Golf Management Inc.

Moitié-Moitié Centre Jean-Daigle Inc.

#### **Budget**

The budget figures contained in these financial statements were approved by the City Council on November 3, 2020 and the Minister of Local Government on November 17, 2020.

#### **Government transfers**

Government transfers are recognized in the consolidated financial statement as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

#### **Revenue recognition**

Unrestricted revenues are recorded on an accrual basis and are 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.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

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### **2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Deferred revenues**

Deferred revenues includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. In addition, all funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenues until used for the purpose specified.

#### **Use of estimates**

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions 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 reported period. These estimates are reviewed periodically, and as adjustment become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates. The main estimates include the provision for doubtful accounts with respect to accounts receivable, the useful lives of long lived assets, the provision for post employment benefits and the amount of certain accrued liabilities.

#### **Cash and cash equivalents**

The Municipality's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

#### **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net debt for the year.

#### **Inventory of supplies**

Inventory of supplies consist mainly of parts and materials for roads, water and sewer systems and electrical utility system maintenance and is valued at the lower of cost or replacement cost. Cost is determined using the weighted average cost method.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Municipality receives contributions of capital assets, their cost is equal to their fair value at the contribution date.

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>Periods</u>
Land improvements	5-25 years
Buildings	20-60 years
Vehicles	7-25 years
Machinery and equipment	3-15 years
Water and wastewater facilities	20-60 years
Electrical facilities	20-60 years
Roads, sidewalks, storm sewers, water and sewer main	15-50 years

#### Asset under construction

All assets under construction are not amortized until the asset is substantially complete and put into use.

#### Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt and also recorded as revenue.

#### Write-down

When conditions indicate that a tangible capital asset no longer contributes to the Municipality's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net carrying amount, the cost of the tangible capital asset is reduced to reflect the decline in value. Any write-down of tangible capital assets is accounted for as expenses in the statement of operations and any write-downs are not subsequently reversed.

#### Post employment benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in note 11 and a long-term service award and pension plan as documented in note 12.

#### Segment disclosures

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:

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

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### **2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### 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 regulations 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

The department is responsible for the provision of waste collections and disposal.

#### Development services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

#### Recreational and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including swimming pools, arenas, parks and playgrounds and other recreational and cultural facilities.

#### Water and Wastewater systems

This department is responsible for the provisions of water and sewer services including the maintenance and operation of the underground networks, treatment plants, tanks and lagoons.

#### Electric systems

This department is responsible for the supply of electricity, including the maintenance of power lines and electrical installations.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 3 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The net change in working capital items is detailed as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Accounts receivable	522,274	(780,366)
Trade payables and other operating liabilities	1,223,176	483,247
Holdbacks payable	398,610	(73,934)
Deferred revenues	1,090,367	587,763
Accrued sick leave		(213,000)
Inventory of supplies	(15,391)	(56,733)
Prepaid expenses	68,318	(5,193)
Post employment benefits surplus and non payable	2,225,733	327,567
	<u>5,513,087</u>	<u>269,351</u>

### 4 - CASH

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash - restricted	9,256,713	6,226,913
Cash - unrestricted	12,565,791	7,882,359
	<u>21,822,504</u>	<u>14,109,272</u>

### 5 - RECEIVABLES FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Canada Revenue Agency (HST refund)	683,728	85,892
Canadian Heritage	68,450	35,978
	<u>752,178</u>	<u>121,870</u>

### 6 - RECEIVABLES FROM PROVINCE OF NEW BRUNSWICK

	<u>2021</u>	<u>2020</u>
	\$	\$
Transportation and Infrastructure Department	352,679	
Regional Development Corporation	24,134	11,513
	<u>376,813</u>	<u>11,513</u>

**Edmundston**  
**Notes to Consolidated Financial Statements**  
As at December 31, 2021

**7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES**

	<u>2021</u>	<u>2020</u>
	\$	\$
Accounts payable and accrued liabilities	7,285,623	6,429,998
Salaries payable	1,123,509	799,085
Accrued interest	122,644	174,660
Government remittances	90,563	97,401
Clients deposits	550,797	505,798
Contractors' deposits	197,677	140,695
	<u>9,370,813</u>	<u>8,147,637</u>

**8 - DEFERRED REVENUES**

	<u>2021</u>	<u>2020</u>
	\$	\$
Deferred grants	1,701,049	798,666
Other deferred revenues	295,626	107,642
	<u>1,996,675</u>	<u>906,308</u>

**9 - DEBENTURES**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>GENERAL CAPITAL FUND</b>		
<b><u>New Brunswick Municipal Financing Corporation</u></b>		
BE3 1.65% - 4.25%, due in 2021, OIC #08-0043, #09-0032, #09-0133, #10-0022, #10-0066, #10-0071 and #11-00001		4,873,000
BG4 1.65% - 3.8%, due in 2027, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110 and #12-0005	2,352,000	2,877,000
BH7 1.35% - 3.8%, due in 2032, OIC #11-0004, #11-0051 and #11-0110	152,000	189,000
BI3 1.35% - 4%, due in 2033, OIC #11-0051, #11-0072, #12-0024 and #12-0044	1,306,000	1,656,000
BK1 1.15% - 4.15%, due in 2034, OIC #11-0004, #11-0110, #12-0024, #12-0083, #13-0027, #13-0047, #13-0054 and #13-0060	1,219,000	1,504,000
BM3 0.95% - 2.80%, due in 2025, OIC #05-0015, #13-0027, #14-0001 and #14-0026	1,101,000	1,361,000
BO5 1.45% - 2.9%, due in 2026, OIC #15-0023	374,000	457,000
BP4 1.2% - 2.95%, due in 2026, OIC #16-0009	522,000	699,000
BQ4 1.2% - 2.7%, due in 2027, OIC #15-0023, #16-0009	1,170,000	1,356,000
BU5 2.55% - 3.7%, due in 2038, OIC #15-0083, #16-0009, #17-0010, #17-0085	4,732,000	5,106,000
BW7 1.95% - 2.45% due in 2029, OIC #18-0016	1,513,000	1,722,000
BY7 0.5% - 2.3%, due in 2035, OIC #09-0032, #17-0010, #18-0016, #19-0018 and #20-0022	4,023,000	4,504,000
BZ5 0.3% - 2.3%, due in 2031, OIC #09-0032 and #10-0071	4,104,000	
	<u>22,568,000</u>	<u>26,304,000</u>

**Edmundston**  
**Notes to Consolidated Financial Statements**  
As at December 31, 2021

**9 - DEBENTURES (Continued)**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>WATER AND SEWER CAPITAL FUND</b>		
<b><u>New Brunswick Municipal Financing Corporation</u></b>		
BE4 1.65% - 4.25%, due in 2021, OIC #09-0032, #09-0133, #10-0022 and #10-0071		289,000
BI4 1.35% - 3.25%, due in 2023, OIC #11-0051 and #11-0086	<b>110,000</b>	163,000
BK2 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #13-0027	<b>429,000</b>	564,000
BL7 1.2% - 2.15%, due in 2019, OIC #02-0029 and #03-0089		
BM4 0.95% - 2.8%, due in 2025, OIC #13-0027 and #14-0026	<b>112,000</b>	138,000
BP6 1.2% - 2.95%, due in 2026, OIC #05-0034, #13-0027, #14-0026 and #15-0023	<b>459,000</b>	638,000
BQ5 1.2% - 1.85%, due in 2022, OIC #14-0026	<b>12,000</b>	24,000
BU6 2.55% - 3.4%, due in 2028, OIC #14-0026, #16-0009	<b>371,000</b>	443,000
BV5 2.05% - 2.3%, due in 2024, OIC #07-0022	<b>99,000</b>	130,000
BW8 1.95% - 2.45% due in 2029, OIC #16-0009, #17-0059 and #18-0016	<b>522,000</b>	599,000
BY08 0.5% - 1.8%, due in 2030, OIC #18-0016 and #19-0018	<b>281,000</b>	325,000
	<b><u>2,395,000</u></b>	<b><u>3,313,000</u></b>



**Edmundston**  
**Notes to Consolidated Financial Statements**  
As at December 31, 2021

**9 - DEBENTURES (Continued)**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>ELECTRICAL UTILITY CAPITAL FUND</b>		
<b><u>New Brunswick Municipal Financing Corporation</u></b>		
BE5 1.85% - 4.25%, due in 2021, OIC #09-0032, #09-0076, #09-0137 and #10-0022		5,775,000
BG6 1.65% - 3.8%, due in 2027, OIC #09-0076	<b>747,000</b>	803,000
BH9 1.35% - 3.8%, due in 2032, OIC #10-0022, #11-0051 and #12-0006	<b>1,424,000</b>	1,583,000
BI5 1.35% - 3.25%, due in 2023, OIC #11-0001 and #12-0024	<b>14,000</b>	20,000
BK3 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #12-0040	<b>659,000</b>	866,000
BM5 0.95% - 3.25%, due in 2030, OIC #05-0004, #12-0040 and #13-0027	<b>1,616,000</b>	1,820,000
BP6 1.2% - 3.55%, due in 2031, OIC #05-0004, #05-0034 and # 16-0070	<b>10,958,000</b>	11,932,000
BQ6 1.2% - 3.3%, due in 2032, OIC #13-0027	<b>821,000</b>	927,000
BT5 2.1% - 3%, due in 2023, OIC #14-0026	<b>126,000</b>	186,000
BV6 2.05% - 2.85%, due in 2029, OIC #14-0026, #15-0023, #17-0010 and #18-0016	<b>673,000</b>	756,000
BY9 0.5% - 1.8%, due in 2030, DC #09-0076	<b>4,347,000</b>	4,809,000
BZ6 0.3% - 2.3%, due in 2031, OIC #09-0076 and #09-0137	<b>5,369,000</b>	
	<b><u>26,754,000</u></b>	<b><u>29,477,000</u></b>
	<b><u>51,717,000</u></b>	<b><u>59,094,000</u></b>

Approval of the Municipal Capital Borrowing Board has been obtained for the debentures.

The estimated instalments on debentures for the next five years are as follows:

	<u>General Capital Fund</u>	<u>Water and Sewer Capital Fund</u>	<u>Electrical Utility Capital Fund</u>	<u>Total</u>
2021	\$ 3,326,000	\$ 549,000	\$ 2,848,000	\$ 6,723,000
2022	\$ 2,963,000	\$ 550,000	\$ 2,826,000	\$ 6,339,000
2023	\$ 2,648,000	\$ 468,000	\$ 2,805,000	\$ 5,921,000
2024	\$ 2,372,000	\$ 264,000	\$ 2,621,000	\$ 5,257,000
2025	\$ 1,977,000	\$ 216,000	\$ 2,592,000	\$ 4,785,000

## Edmundston Notes to Consolidated Financial Statements

As at December 31, 2021

### 10 - LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>CENTRE DES ARTS LA PETITE ÉGLISE D'EDMUNDSTON INC.</b>		
Loan, secured by the Government of Canada, non-interest bearing until December 31, 2022 (a)	40,000	40,000
<b>GESTION EDMUNDSTON GOLF MANAGEMENT INC.</b>		
Loan, secured by the Government of Canada, non-interest bearing until December 31, 2022 (a)	<u>40,000</u>	<u>          </u>
	<u>80,000</u>	<u>40,000</u>

(a) The Company received a \$60,000 loan under the Canada Emergency Business Account program. If the Company repays \$40,000 of the loan by December 31, 2022, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and may either be repaid in 36 monthly instalments of capital and interest or repaid on maturity on December 31, 2025.

Since \$20,000 of the government assistance is forgivable if the Company repays \$40,000 by December 31, 2022, the amount was recognized in earnings at the time the government assistance was granted.

Subsequent to year-end, the Government of Canada announced that the deadline to repay loans under the Canada Emergency Business Account program would be extended by one year (that is from December 31, 2022 to December 31, 2023). As of January 1, 2024, the loan balance will bear interest at 5% and will be repayable on maturity on December 31, 2025.

### 11 - ACCRUED SICK LEAVE

The Municipality provides sick leave that accumulates at 1 day per month for management staff and employees of Local 60. Management staff can accumulate a maximum of 260 days of sick leave while employees of Local 60 can accumulate a maximum of 130 days. The Municipality also provides sick leave that accumulates at 10 hours per month for the firefighters of Local 60. These firefighters can accumulate a maximum of 2,080 hours. The Municipality provide sick leave that accumulates at 12 hours per month for the policeman of Local 558 to a maximum of 2,080 hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave.

An actuarial valuation was performed on the 198 employees plan in accordance with PSA 3255. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflects the Municipality's best estimates.

**Edmundston**  
**Notes to Consolidated Financial Statements**  
 As at December 31, 2021

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**11 - ACCRUED SICK LEAVE (Continued)**

The following summarizes the major assumptions in the valuation:

- discount rate of engagement at 5%;
- annual salary increase of 3.5%;
- mortality age was determined according to the table "CPM 2014 Mortality Table", projected by year of birth using scale B, adjusted according to the size;
- leaving age was determined by the rate associated with age;
- retirement age was determined by the rates related to age and service, and
- number of days of sick leave used per year:
  - Management Staff: 5.7
  - Local 60 (blue and white collar): 10.3
  - Local 60 (firefighters) : 7.0
  - Local 558 (policemen) : 6.5

The unfunded liability was \$3,312,000 as at December 31, 2021 (\$3,312,000 as at December 31, 2020). An amount of \$4,922,819 was accounted for in the operating budgets since the year ended December 31, 2012.

**12 - POST EMPLOYMENT BENEFITS PAYABLE**

**Defined benefit pension plan**

The Municipality sponsors a contributory defined benefit pension plan for substantially all of its employees. The average age of the 185 active employees covered by the plan is 46.4 years. At present, the plan provides benefits for 150 retirees with an average age of 69.8 years.

**Normal retirement**

The normal retirement date is the first day of the month coincident with or next following the sixty-fifth (65th) birthday.

**Early retirement**

The participant may retire on the first day of any month in the period of ten (10) years before the normal retirement date.

The amounts of contributions payable to fund benefits for the service rendered by the participants are determined as follows for employees other than the appointed officers:

- Employee contributions: 9% of salary.
- Employer contributions: 5.94% of employee earning.

In addition, the annual amortization payment in the amount of \$811,561 and expenses not related to investments in the amount of \$150,000 are paid by the employer.

## Edmundston Notes to Consolidated Financial Statements

As at December 31, 2021

### 12 - POST EMPLOYMENT BENEFITS PAYABLE (Continued)

The amounts of contributions payable to fund benefits for the service rendered by the officers appointed are determined as follows:

- Employer contribution: 14.94% of salary.

Total benefits payments to retirees during the year was approximately \$3,048,905 (\$3,019,981 in 2020). Pension fund assets are invested in Canadian Equity Funds, Fixed Income Funds and Global Equity Funds and short term investments.

Actuarial evaluations for accounting purposes are performed annually using the Projected Benefit Method. The most recent actuarial evaluation was prepared on December 31, 2020 and at that time, the pension plan had an accrued benefit surplus of \$3,099,887.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rate, interest rates, wage and salary increase and employee turnover and mortality. The assumptions used reflect the Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- discount rate of engagement at 5.4%;
- the rate of wage increase was 3.5% (nil for disabled participants);
- the rate of increase of the maximum pensionable earning (MPE) is 3%;
- the rate of increase in the maximum pension of the Canadian Income Tax Act is 3%;
- the expected inflation rate is 2%;
- the indexation of pensions for which revaluation is expected is 0.1%, except for pensions in respect of services from Saint-Basile which are indexed at 2% per year
- interest rates on salary contribution of 3%.

Combined employer and employee contributions during the year were \$3,142,538 (\$3,029,754 in 2020).

Actuaries for the Municipality have not yet done the valuation at the date of the financial statements in order to determine the position of the pension benefits as at December 31, 2021.

The statement of financial position of the plan as at December 31, 2020 was as follows:

Assets continuity	\$ 78,384,569
Actuarial liabilities	
Active and disabled members	\$ 32,859,208
Retired members and beneficiaries	\$ 42,235,600
Participants terminated vested	\$ 189,874
Total actuarial liability	<u>\$ 75,284,682</u>
Plan surplus	<u>\$ 3,099,887</u>

## Edmundston

### Notes to Consolidated Financial Statements

As at December 31, 2021

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#### **13 - CONTINGENCIES**

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2021 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

Moreover, the Municipality has endorsed the line of credit of Gestion Edmundston Golf Management Inc. The maximal risk in regard to this endorsement is \$140,000, however the maximal amount permitted is 40 000\$. The Municipality estimates that the amount it could be called upon to honor is low.

#### **14 - COMMITMENTS**

The Municipality has committed itself by contract until 2022 for snow removal services, until 2022 for the garbage and waste collection, until 2024 for the rental of office equipment, until 2024 for a contribution to an organization in order to operate an airport and until 2026 for the rental of security equipment. The future minimum payment for these commitments is established to \$1,528,620. Minimum payments over the next five years are as follows:

2022 - \$	1,220,110
2023 - \$	174,115
2024 - \$	99,115
2024 - \$	17,640
2026 - \$	17,640

The commitment for the snow removal services and the garbage and waste collection will be renewable with a mutual agreement between the Municipality and the contractor.

The Municipality is committed, according to the agreement signed with the Province of New Brunswick under the "Infrastructure Program - Canada-New Brunswick", to contribute to the Water and Sewer Capital Assets Reserve Fund, an annual amount of \$25,000 for a minimum period of 25 years ending in 2026, or until the reserve fund reaches the sum of \$625,000.

#### **15 - REPORTING TO THE PROVINCE OF NEW BRUNSWICK**

The Municipality complies with PSAB accounting standards. The Municipality is also required to comply with the Municipal Financial Reporting Manual prescribed by the Province of New Brunswick ("PNB"). Differences in accounting policies include the methodology for accounting of tangible capital assets, government transfers and liability accruals for the pension fund and other retirement benefits. The PSAB also requires full consolidation of funds.

Note 22 provides a reconciliation between fund reporting required by PNB and current year-PSAB.

**Edmundston**  
**Notes to Consolidated Financial Statements**  
As at December 31, 2021

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**16 - SHORT-TERM BORROWING COMPLIANCE**

The Municipality has ministerial authority for short-term borrowing as follows:

General Capital Fund:

OIC #15-0083	\$ 300,000
OIC #19-0018	\$ 6,298,616
OIC #20-0008	\$ 2,500,000
OIC #20-0022	\$ 115,000
OIC #21-0003	\$ 3,700,000
	<u>\$ 12,913,616</u>
Used as bank loans	\$ 5,711,000
Not used	<u>\$ 7,202,616</u>

General Operating Fund:

Authorized	\$ 1,000,000
Used	\$ -
Not used	<u>\$ 1,000,000</u>

Water and Sewer Capital Fund:

OIC #19-0018	\$ 820,904
OIC #20-0008	\$ 350,000
OIC #21-0003	\$ 275,000
	<u>\$ 1,445,904</u>
Used as bank loans	\$ 898,000
Not used	<u>\$ 547,904</u>

Water and Sewer Operating Fund:

Authorized	\$ 2,000,000
Used	\$ 316,000
Not used	<u>\$ 1,684,000</u>

Electrical Utility Capital Fund:

OIC #19-0018	\$ 445,000
OIC #20-0008	\$ 240,000
OIC #21-0003	\$ 486,000
	<u>\$ 1,171,000</u>
Used as bank loans	\$ 770,000
Not used	<u>\$ 401,000</u>

**Edmundston**  
**Notes to Consolidated Financial Statements**  
 As at December 31, 2021

**16 - SHORT-TERM BORROWING COMPLIANCE (Continued)**

Electrical Utility Operating Fund:

Authorized	\$ 4,500,000
Used	<u>\$</u>
Not used	<u>\$ 4,500,000</u>

**Operating borrowing**

As prescribed in the *Municipalities Act*, borrowing to finance General Fund operations is limited to 4% of the municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2021, the Municipality is in compliance with these restrictions.

**Interfund borrowing**

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

**17 - 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 three operating budgets commencing with the second next ensuing year. The balance of the surplus at the end of the year consists of:

	<u>2021</u>	<u>2020</u>
	\$	\$
2021 - Surplus	<b>28,564</b>	
2020 - Surplus	<b>29,909</b>	29,909
2019 - Surplus		<u>33,190</u>
	<u><b>58,473</b></u>	<u>63,099</u>

**18 - 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 or water system expenditures for the population.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 19 - TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Land	Buildings	Vehicles	Machinery and equipment	Water and wastewater facilities	Electrical facilities	Roads, sidewalks, storm sewers, water and sewer main	Assets under construction	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
Balance, beginning of year	8,482,581	15,152,065		66,213,540	12,023,773	18,358,042	11,188,942	67,621,594	132,156,024	1,883,626	333,080,187	327,129,942
Net additions during the year	682,587	165,650		1,124,810	949,309	1,082,514	50,832	214,575	4,465,338	2,076,439	10,811,954	8,476,466
Transfer of assets under capital leases during the year		(41,144)			(622,988)	(180,995)		(18,750)	(295,269)	(1,584,592)	(2,843,748)	202,765
Disposals during the year		15,276,471		67,338,350	12,350,084	19,259,561	11,239,774	67,817,419	136,326,093	2,275,473	341,048,393	(2,729,006)
Balance, end of year	9,165,168											
		6,646,954		27,608,881	5,113,497	10,859,079	8,167,671	24,211,071	87,268,460		169,874,613	159,956,325
<b>Accumulated Amortization</b>												
Balance, beginning of year												
Transfer of accumulated amortization on assets under capital leases		594,787		2,210,294	740,868	1,289,808	227,530	2,083,246	3,823,827		10,970,380	62,340
Amortization during the year		(41,144)			(331,082)	(180,995)		(6,000)	(282,327)		(841,548)	11,088,080
Accumulated amortization on disposals		7,199,597		29,819,175	5,523,303	11,967,892	8,395,201	26,288,317	90,809,960		180,003,445	(1,232,132)
Balance, end of year		8,076,874		37,519,175	6,826,781	7,291,569	2,844,573	41,529,102	45,516,133		161,044,948	163,205,574
<b>Net book value of tangible capital assets</b>	9,165,168									2,275,473		
		5,129,999		35,924,561	4,949,054	5,079,628			32,821,513	686,193	91,075,778	92,340,557
General Fund	1,885,247	2,649,789		355,872	598,747	935,013	2,844,573		12,594,620	207,013	22,173,874	22,311,373
Water and Sewer Fund	778,691	42,064		1,134,973	1,081,092	846,834		41,529,102		1,383,267	46,796,023	47,763,057
Electrical Utility Fund	12,400					430,194					12,400	12,400
Reserve Fund		255,022		103,769	197,888						986,873	778,187
Controlled entities	9,165,168	8,076,874		37,519,175	6,826,781	7,291,569	2,844,573	41,529,102	45,516,133	2,275,473	161,044,948	163,205,574

The buildings include work of arts for an amount of \$246,715 (2020) which are not amortized.



**Edmundston**  
**Notes to Consolidated Financial Statements**  
 As at December 31, 2021

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**20 - ASSETS UNDER CAPITAL LEASES**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Cost</b>		
Balance, beginning and end of year		202,765
Transfer to tangible capital assets		<u>(202,765)</u>
Balance, end of year		
<b>Accumulated Amortization</b>		
Balance, beginning of year		62,340
Transfer to tangible capital assets		<u>(62,340)</u>
Balance, end of year		

# Edmundston Notes to Consolidated Financial Statements

As at December 31, 2021

## 21 - SCHEDULE OF SEGMENT DISCLOSURE

	General government	Protective	Transportation	Environmental health	Development	Recreational and cultural	Water and sewer	Electrical utility	Reserves	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>											
Property tax warrant *	3,274,959	7,026,588	6,289,371	562,397	1,137,799	5,914,691				24,186,806	23,720,297
Services provided to other governments		861,807	359,470			1,260,747				1,221,277	1,197,368
Sale of services, fines and other revenues			15,606		365,782	1,260,747		760,532		2,402,667	2,948,954
Unconditional grant *	754,726	1,619,302	1,444,798	129,606	262,210	1,363,061				5,573,703	5,702,766
Other government transfers	1,042,772	5,374	1,430,441		145,563	499,380	468,184	111,446		3,673,149	1,431,763
Other revenues from own sources	84,991	478,451	228,575	54			89,062			881,133	1,571,918
Contractors and other organizations contributions			620,100			67,693				687,793	148,554
User fees - Water and sewer services							5,982,632	30,554,566		5,982,632	6,010,403
Sales electrical utility - Distribution											31,322,440
Sales electrical utility - Generation							20,422	2,628,745	60,873	2,628,745	3,200,223
Interest	75,650				1,911,344	9,105,572	6,560,300	34,055,287	60,873	77,948,414	77,448,258
<b>Expenses</b>											
Salaries and benefits	1,864,369	6,654,945	3,028,009	809,190	793,495	2,573,390	1,874,900	3,115,491		19,904,599	20,627,181
Goods and services	2,592,506	2,804,792	2,995,843	305	903,372	3,333,650	2,975,242	26,022,151		42,436,746	40,360,211
Amortization	439,014	915,029	3,265,014		85,511	2,135,994	1,741,129	2,388,384		10,970,380	11,088,081
Interests	63,087	176,719	256,308		10,049	161,125	78,592	773,431		1,519,311	2,065,710
Adjustment for payment in lieu of taxes			11,571			145,090	(5,546)	(10,158)		140,957	14,073
Loss on disposal of tangible capital assets	4,968,976	10,551,485	9,556,745	809,495	1,792,427	8,349,249	6,664,317	32,289,299		74,971,993	395,928
Surplus (deficit) for the year	244,122	(559,963)	811,616	(117,438)	118,917	756,323	(104,017)	1,765,988	60,873	2,976,421	2,897,074

\* For the segment disclosure, the property tax warrant and the unconditional grant are distributed between departments based on the budgeted expenses.

# Edmundston Notes to Consolidated Financial Statements

As at December 31, 2021

## 22 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	General Operating Fund	General Capital Fund	Water and Sewer Operating Fund	Water and Sewer Capital Fund	Electrical Utility Operating Fund	Electrical Utility Capital Fund	Reserves	Controlled entities	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Annual surplus (deficit)	5,801,862	(4,436,626)	1,212,283	(1,316,301)	4,215,795	(2,449,806)	60,873	(111,659)	2,976,421
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	32,459		29,909		30,942				93,310
Transfers between funds									
From General Operating Fund to Water and Sewer Operating Fund	(525,000)		525,000						
From General Operating Fund to General Capital Fund	(240,818)	240,818							
From Water and Sewer Operating Fund to Water and Sewer Capital Fund			(875,000)	875,000					
From Electrical Utility Operating Fund to Electrical Utility Capital Fund					(1,570,000)	1,570,000			
From General Operating Fund to General Capital Reserve Fund	(2,015,000)						2,015,000		
From General Operating Fund to General Reserve Operating Fund	(750,000)						750,000		
From Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund			(100,000)				100,000		
From Electrical Utility Operating Fund to Electrical Utility Capital Reserve Fund					(100,000)		100,000		
Principal payments on long-term debt	(3,736,000)	3,736,000				2,723,000			2,225,733
Provision for accrued retirement	1,835,095		(918,000)	918,000	(2,723,000)				(100,994)
Provision for accrued sick leave	(63,128)		166,765		223,873				
Contributions to controlled entities	(301,730)		(12,393)		(25,473)			301,730	
Amortization expense		6,840,867		1,741,129					10,970,380
Total adjustments to the annual surplus (deficit)	(5,764,122)	10,917,685	(1,183,719)	3,534,129	(4,163,658)	6,661,384	2,965,000	301,730	13,188,429
Annual fund surplus	37,740	6,381,059	28,564	2,217,828	52,137	4,231,578	3,025,873	190,071	16,164,850

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 23 - STATEMENT OF RESERVES

	General Operating	General Capital Assets	Water and Sewer Operating	Water and Sewer Capital Assets	Electrical Utility Operating	Electrical Utility Capital Assets	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Cash	1,766,684	2,484,543	190,168	1,958,593	1,419,630	1,437,095	9,256,713	6,226,913
Accounts receivable	1,049	483	113	1,015	843	853	4,356	8,283
Public utility land				12,400			12,400	12,400
<b>Accumulated Surplus</b>	<b>1,767,733</b>	<b>2,485,026</b>	<b>190,281</b>	<b>1,972,008</b>	<b>1,420,473</b>	<b>1,437,948</b>	<b>9,273,469</b>	<b>6,247,596</b>
<b>Revenues</b>								
Interests	14,992	11,443	1,569	10,064	11,713	11,092	60,873	66,643
Interfund transfers	750,000	2,015,000		100,000		100,000	2,965,000	505,000
Annual surplus	764,992	2,026,443	1,569	110,064	11,713	111,092	3,025,873	571,643

## Edmundston Notes to Consolidated Financial Statements

As at December 31, 2021

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### 23 - STATEMENT OF RESERVES (Continued)

#### Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Gérald Morneault, seconded by Councillor Michel Serry that \$750,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2021-032)

Moved by Councillor Eric McGuire, seconded by Councillor Camille Roy that \$250,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2021-033)

Moved by Councillor Lise Ouellette, seconded by Councillor Charles Fournier that \$200,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2021-034)

Moved by Councillor Michel Serry, seconded by Councillor Eric McGuire that \$500,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2021-035)

Moved by Councillor Aldeo Nadeau, seconded by Councillor Eric Morneault that \$1,065,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2021-153)

Moved by Councillor Karen Power, seconded by Councillor Diane Belanger-Nadeau that \$100,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund. (#2021-154)

Moved by Councillor Eric Morneault, seconded by Councillor Sylvie St-Onge that \$100,000 be transferred from the Electrical Utility Operating Fund to the Electrical Utility Capital Reserve Fund. (#2021-155)

I hereby certify that the above are true and exact copies of resolutions adopted at a special public meeting of Council on April 13, 2021 and at a regular public meeting of Council on December 21, 2021.

  
\_\_\_\_\_  
Marc Michaud  
City Clerk,  
Edmundston

  
\_\_\_\_\_  
Date

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 24 - STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Gestion Edmundston Golf Management Inc.	Moitié-Moitié Centre Jean-Daigle Inc.	Centre des arts La petite église d'Edmundston Inc.	Total 2019	Total 2018
Assets	\$ 1,163,460	\$ 6,774	\$ 867,626	\$ 2,037,860	\$ 1,442,600
Liabilities	245,476	3,816	355,509	604,801	199,612
Accumulated surplus	917,984	2,958	512,117	1,433,059	1,242,988
Revenues	807,491	138,871	430,975	1,377,337	1,520,391
Expenses	640,815	145,272	401,179	1,187,266	1,436,727
Annual surplus (deficit)	166,676	(6,401)	29,796	190,071	83,664

The above noted entities are included in the consolidated financial statements.

# Edmundston

## Notes to Consolidated Financial Statements

As at December 31, 2021

### 25 - OPERATING BUDGET TO PSAB BUDGET

	General	Water and Sewer	Electrical Utility	Amortization of tangible capital assets	Controlled Entities	Transfers	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Property tax warrant	23,914,218						23,914,218
Services provided to other governments	1,162,179						1,162,179
Sale of services, fines and other revenues	1,742,045		771,766		1,249,754	(310,000)	3,453,565
Unconditional grant	5,441,542						5,441,542
Other government transfers	17,189		28,683		17,000		62,872
Other revenues from own sources	673,032	49,050					722,082
User fees - Water and sewer services		6,618,930					6,093,930
Sales electrical utility - Distribution			31,701,829				31,701,829
Sales electrical utility - Generation			2,620,321				2,620,321
Interfund transfers from the General Operating Reserve Fund to the General Operating Fund	250,000					(250,000)	
Interest	125,000	53,238	30,942			(93,310)	178,238
Second previous year's surplus	32,459	29,909	30,942			(93,310)	
	<u>33,357,664</u>	<u>6,751,127</u>	<u>35,153,541</u>		<u>1,266,754</u>	<u>(1,178,310)</u>	<u>75,350,776</u>
<b>Expenses</b>							
General government services	4,207,720			439,014		209,156	4,855,890
Protective services	9,848,542			915,029		(345,018)	10,418,553
Transportation services	5,769,746			3,265,014		261,042	9,295,802
Environmental health services	833,579			305			833,884
Development services	1,591,306			85,511		10,235	1,687,052
Recreational and cultural services	5,779,256			2,052,055	1,084,495	(145,900)	8,769,906
Water and sewer collection and disposal		4,915,614		1,741,129		168,499	6,825,242
Electrical utility - Distribution			29,692,758	1,599,470		534,079	31,826,307
Electrical utility - Generation			1,011,516	788,914		400,188	2,200,618
Debt service fees							
Debtentures and long-term debt payments	3,728,000	917,014	2,715,000			(7,360,014)	
Interest, bank fees and debenture fees	804,515	133,499	889,441			(1,827,455)	
Discounts and bad debt	20,000	35,000	44,826			(99,826)	
Transfer from the General Operating Fund to the General Capital Fund	750,000					(750,000)	
Transfer from the General Operating Fund to the General Operating Reserve Fund	25,000					(25,000)	
Transfer from the Water and Sewer Operating Fund to the Water and Sewer Capital Fund		700,000				(700,000)	
Transfer from the Water and Sewer Operating Fund to the Water and Sewer Capital Assets Reserve Fund		50,000				(50,000)	
Transfer from the Electrical Utility Operating Fund to the Electrical Utility Capital Assets Fund			800,000			(800,000)	
	<u>33,357,664</u>	<u>6,751,127</u>	<u>35,153,541</u>	<u>10,886,441</u>	<u>1,084,495</u>	<u>(10,520,014)</u>	<u>76,713,254</u>
Annual surplus (deficit)				<u>(10,886,441)</u>	<u>182,259</u>	<u>9,341,704</u>	<u>(1,362,478)</u>

**Edmundston**  
**Consolidated Schedules**  
Year ended December 31, 2021

	Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>			
<b>Province of New Brunswick</b>			
Fire protection	308,242	323,365	332,557
Police	5,200	7,466	8,576
Transportation	356,000	359,470	357,755
Communication center	492,737	530,976	498,480
	<u>1,162,179</u>	<u>1,221,277</u>	<u>1,197,368</u>
<b>SALES OF SERVICES, FINES AND OTHER REVENUES</b>			
Arenas	163,800	80,424	114,802
Jean-Daigle Centre	585,140	254,977	302,000
Sport Center	300,100	142,388	185,387
Golf	539,650	544,230	584,570
Recreational services	21,500	12,769	9,765
Cultural services	76,505	31,153	34,457
Service charge	45,000	54,985	48,552
Equipment rental	396,787	411,831	405,930
Licenses and permits	120,000	92,093	133,435
Sales and rental of equipment	344,979	310,072	441,447
Lodging tax	460,000	272,939	437,083
Moitié-Moitié Centre Jean-Daigle Inc.	209,104	138,871	193,740
Art Center	191,000	55,935	57,786
	<u>3,453,565</u>	<u>2,402,667</u>	<u>2,948,954</u>
<b>OTHER REVENUES FROM OWN SOURCES</b>			
Other revenue	66,951	105,838	726,567
Other revenue - Police	397,387	405,442	412,796
Other revenue - Water and sewer services	23,500	63,512	82,502
Transportation department	135,000	211,024	238,764
Building rental	24,700	24,048	25,057
Administrative services	8,000	5,822	5,875
Wastewater treatment plant	25,550	25,550	25,550
Technical services	40,994	39,897	54,807
	<u>722,082</u>	<u>881,133</u>	<u>1,571,918</u>



**Edmundston**  
**Consolidated Schedules**  
Year ended December 31, 2021

	<u>Budget</u> <u>(Unaudited)</u> \$	<u>2021</u> <u>Actual</u> \$	<u>2020</u> <u>Actual</u> \$
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Legislative</b>			
Mayor	37,880	31,991	24,056
Councillors	132,921	105,536	81,886
Other legislative fees	75,793	74,986	43,568
	<u>246,594</u>	<u>212,513</u>	<u>149,510</u>
<b>Administrative</b>			
Administration	402,198	534,001	131,716
City Clerk	53,888	79,792	30,565
Treasurer	742,317	839,035	661,486
Tourism	651,080	458,090	651,468
Human resources	464,411	343,100	295,879
Office building	1,217,095	1,106,228	974,231
Data processing	361,535	397,032	233,991
Legal fees (recovery)	2,602	(1,193)	(4,430)
Secrétariat à la Jeunesse	66,000	65,632	65,458
Pandemic fees		40,905	222,076
Sick leave and post employment benefits		332,771	(34,667)
Amortization	439,014	439,014	452,979
Debenture fees	51,992	33,934	36,162
Long-term debt interest	137,164	63,087	71,376
Bad debts	20,000	15,035	
	<u>4,609,296</u>	<u>4,746,463</u>	<u>3,788,290</u>
	<u>4,855,890</u>	<u>4,958,976</u>	<u>3,937,800</u>

**Edmundston**  
**Consolidated Schedules**  
Year ended December 31, 2021

	Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
<b>PROTECTIVE SERVICES</b>			
911 Center	1,271,987	1,230,980	1,154,407
<b>Police</b>			
Administration	645,480	520,181	1,003,173
Crime prevention	4,156,913	3,935,659	3,771,845
Traffic activities	66,458	53,984	40,376
Station and building	466,060	447,985	440,989
Vehicles	183,410	162,199	174,707
Animal control	18,800	15,286	20,484
Jailer	33,047	22,399	23,020
Emergency measures service	8,002	7,134	1,941
Sick leave and post employment benefits		557,135	(57,955)
Long-term debt interest	151,229	148,487	227,969
Amortization	732,865	732,865	753,664
	<u>6,462,264</u>	<u>6,603,314</u>	<u>6,400,213</u>
<b>Fire</b>			
Administration	400,865	256,839	444,544
Fire fighting force	1,501,957	1,527,095	1,415,663
Brigade	169,760	110,396	108,915
Prevention	143,229	143,278	122,237
Station and building	132,174	133,519	132,136
Vehicles	125,400	149,179	93,599
Sick leave and post employment benefits		186,489	(18,763)
Amortization	182,164	182,164	205,848
Long-term debt interest	28,753	28,232	34,515
	<u>2,684,302</u>	<u>2,717,191</u>	<u>2,538,694</u>
	<u>10,418,553</u>	<u>10,551,485</u>	<u>10,093,314</u>

**Edmundston**  
**Consolidated Schedules**  
Year ended December 31, 2021

	<u>Budget</u> <u>(Unaudited)</u> \$	<u>2021</u> <u>Actual</u> \$	<u>2020</u> <u>Actual</u> \$
<b>TRANSPORTATION SERVICES</b>			
Administration - Road transport	611,761	531,321	664,200
Street maintenance - Summer	2,174,705	1,790,718	1,621,450
Street maintenance - Winter	1,834,739	2,081,516	2,187,755
Landscaping	294,812	443,830	465,430
Sidewalks	26,000	17,613	3,493
Storm sewers	142,500	148,316	183,080
Street lighting	492,000	500,737	502,142
Traffic	102,720	107,380	104,258
Parking	84,027	77,730	89,064
Other	6,482	12,409	7,136
Sick leave and post employment benefits		312,282	(32,354)
Amortization	3,265,014	3,265,014	3,225,616
Long-term debt interest	261,042	256,308	338,418
	<u>9,295,802</u>	<u>9,545,174</u>	<u>9,359,688</u>
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Garbage and waste collection	833,579	809,190	899,988
Amortization	305	305	305
	<u>833,884</u>	<u>809,495</u>	<u>900,293</u>
<b>DEVELOPMENT SERVICES</b>			
Economic development	402,851	428,901	340,400
Engineering	261,757	297,344	235,353
Building inspectors	383,378	382,142	404,772
Environmental sustainability (recovery)	81,419	73,678	(14,304)
Planning department	88,647	88,642	104,285
Communication towers	3,993	(306)	3,365
Urban development	165,900	96,797	50,154
Airports	150,000	150,000	150,000
Urban commission	53,361	53,361	60,789
Sick leave and post employment benefits		126,308	(11,699)
Amortization	85,511	85,511	107,176
Long-term debt interest	10,235	10,049	17,066
	<u>1,687,052</u>	<u>1,792,427</u>	<u>1,447,357</u>

## Edmundston Consolidated Schedules

Year ended December 31, 2021

	<u>Budget (Unaudited)</u> \$	<u>2021 Actual</u> \$	<u>2020 Actual</u> \$
<b>RECREATIONAL AND CULTURAL SERVICES</b>			
<b>Recreational</b>			
Administration	692,420	836,534	689,576
Sports	1,352,101	1,174,342	1,072,257
Arenas	576,373	579,808	532,625
Jean-Daigle Centre	1,203,375	869,265	973,120
Parks and playgrounds	973,533	650,124	674,543
Golf	626,671	543,200	490,437
Moitié-Moitié Centre Jean-Daigle Inc.	217,404	145,272	188,232
Sick leave and post employment benefits		256,983	(22,939)
Amortization	2,112,055	2,135,994	2,127,951
Long-term debt interest	164,100	161,125	195,482
	<u>7,918,032</u>	<u>7,352,647</u>	<u>6,921,284</u>
<b>Cultural</b>			
Sociocultural	478,238	462,424	454,841
Library	173,516	175,774	167,658
Art Center	200,120	213,314	152,298
	<u>851,874</u>	<u>851,512</u>	<u>774,797</u>
	<u>8,769,906</u>	<u>8,204,159</u>	<u>7,696,081</u>

**Edmundston**  
**Consolidated Schedules**  
Year ended December 31, 2021

	Budget (Unaudited) \$	2021 Actual \$	2020 Actual \$
<b>WATER AND SEWER COLLECTION AND DISPOSAL</b>			
<i>Water supply</i>			
Administration	653,877	599,077	545,968
Billing and collection	130,933	130,933	69,165
Power and pumping	445,521	430,257	383,328
Purification and treatment	133,835	133,986	103,821
Transmission and distribution	1,654,680	1,543,828	1,377,351
Sick leave and post employment benefits		120,746	(19,921)
Amortization	888,651	888,651	907,308
Bank fees	16,000	6,465	12,972
Short-term debt interest	10,000	1,775	5,420
Debenture fees	5,000		906
Long-term debt interest	47,368	43,904	56,777
Discounts	32,000	40,195	39,302
Bad debts (recovery)	2,000	(20,083)	21,337
	<u>4,019,865</u>	<u>3,919,734</u>	<u>3,503,734</u>
<i>Sewer collection and disposal</i>			
Administration	429,582	429,581	406,932
Billing and collection	87,289	87,289	46,110
Wastewater treatment plant	373,188	318,242	310,267
Sewage collection system	653,720	679,816	612,844
Lift-station	352,989	324,868	349,396
Pre-treatment		514	748
Sick leave and post employment benefits		33,626	(5,494)
Amortization	852,478	852,478	907,681
Bank fees	10,124	4,191	8,648
Short-term debt interest	5,000	317	3,613
Debenture fees	4,000		1,417
Long-term debt interest	36,007	32,596	42,706
Bad debts (recovery)	1,000	(13,389)	14,224
	<u>2,805,377</u>	<u>2,750,129</u>	<u>2,699,092</u>
	<u>6,825,242</u>	<u>6,669,863</u>	<u>6,202,826</u>

## Edmundston Consolidated Schedules

Year ended December 31, 2021

	2021		2020
	Budget (Unaudited) \$	Actual \$	Actual \$
<b><i>ELECTRICAL UTILITY</i></b>			
<b><i>Electrical utility - Distribution</i></b>			
Electrical energy purchase	24,651,015	23,790,978	24,623,134
Administration	320,793	234,360	253,622
Distribution	1,896,338	1,831,702	1,728,973
Management expenses	2,093,411	1,584,572	2,002,023
Management and planning	117,551	98,501	84,644
Customer service	141,169	140,187	130,642
Electrometry	472,481	487,273	434,497
Sick leave and post employment benefits		131,383	16,333
Amortization	1,599,470	1,599,470	1,616,376
Short-term debt interest	33,562	18,087	25,205
Debenture fees	4,760		
Long-term debt interest	450,931	446,752	460,023
Bad debts (recovery)	44,826	(83,536)	209,820
	<u>31,826,307</u>	<u>30,279,729</u>	<u>31,585,292</u>
<b><i>Electrical utility - Generation</i></b>			
Administration	37,249	40,299	38,648
Management expenses	253,896	253,896	913,211
Management and planning	75,034	74,385	78,566
Operations	585,056	407,303	473,018
Electrometry	8,476	8,605	8,476
Lines	51,805	26,323	15,630
Sick leave and post employment benefits		67,017	8,497
Amortization	788,914	788,914	783,176
Short-term debt interest	10,719	5,415	312
Debenture fees	45,000	44,394	38,813
Long-term debt interest	344,469	303,177	560,185
	<u>2,200,618</u>	<u>2,019,728</u>	<u>2,918,532</u>
	<u>34,026,925</u>	<u>32,299,457</u>	<u>34,503,824</u>