

EDMUNDSTON

ANNUAL FINANCIAL REPORT

Year ended December 31, 2012

EDMUNDSTON

TABLE OF CONTENTS

Year ended December 31, 2012

INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS :	
Consolidated statement of operations	3
Consolidated statement of financial position	4 - 5
Consolidated statement of change in net debt	6
Consolidated statement of cash flow	7
Notes to consolidated financial statements	8 - 36
Other informations:	
Schedule A - Supplementary schedules of revenues	37
B - Supplementary schedules of expenditures	38 - 44



INDEPENDENT AUDITOR'S REPORT

To His Honor the Mayor and Concillors
of Edmundston

We have audited the accompanying consolidated financial statements of the City of EDMUNDSTON, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The City Council is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the City Council, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of EDMUNDSTON as at December 31, 2012 and the results of its operations, the change in net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Comparative information

Without modifying our opinion, we draw attention to note 2 to the consolidated financial statements which describes that the City of EDMUNDSTON adopted Canadian public sector accounting standards on January 1st, 2012 with a transition date of January 1st, 2011. These standards were applied retrospectively by the City Council to the comparative information in these consolidated financial statements, including the consolidated statements of financial position as at December 31, 2011 and January 1st, 2011 and the consolidated statements of operations, change in net debt and cash flow for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, so they have not been audited or reviewed.

Other points

The budgeted figures are presented for comparison purposes. They have been prepared and approved by the City's Council and reclassified to conform to the current financial statement presentation. They have not been audited or reviewed.

Nadeau Picard & Associés

Nadeau Picard & Associés
Chartered Accountants

Edmundston, New Brunswick
June 11, 2013

EDMUNDSTON**CONSOLIDATED STATEMENT OF OPERATIONS**

Year ended December 31

	2012 Budget (Unaudited) (Note 26)	2012 Actual	2011 Actual
REVENUES			
Property tax warrant	\$ 20,136,787	\$ 20,136,787	\$ 19,161,087
Services provided to other governments (page 37)	682,680	717,394	683,460
Sale of services, fines and other revenues (page 37)	2,762,254	2,573,274	2,761,953
Unconditional grant	2,584,913	2,584,913	2,637,666
Other government transfers	514,573	5,248,994	7,094,342
Other revenues from own sources (page 37)	1,029,502	1,036,874	850,194
Contributions from contractors and organizations	-	399,232	107,844
Sales - Water services	3,358,130	3,173,217	3,310,538
Sales - Sewer services	1,969,235	2,241,881	1,946,726
Sales Electrical utility - Distribution	18,576,776	22,381,163	19,152,578
Sales Electrical utility - Generation	2,838,880	2,634,478	1,772,589
Interests	52,000	101,186	102,028
	<u>54,505,730</u>	<u>63,229,393</u>	<u>59,581,005</u>
EXPENDITURES			
General government services (page 38)	3,431,519	3,210,609	3,528,532
Protective services (page 39)	8,178,236	8,366,544	7,435,846
Transportation services (page 41)	8,734,876	8,782,363	8,515,089
Environmental health services (page 41)	596,456	608,583	829,628
Environmental development services (page 41)	1,073,228	1,021,281	1,100,680
Recreational and cultural services (page 42)	5,020,908	4,749,428	4,836,948
Airports (page 42)	401,290	318,103	321,408
Water supply (page 42)	3,625,113	3,537,084	3,721,960
Sewage collection and disposal (page 43)	2,752,522	2,644,194	2,745,659
Electrical utility - Distribution (page 43)	19,248,952	22,391,919	19,382,265
Electrical utility - Generation (page 44)	2,245,875	2,200,926	1,838,607
Transfer from General Capital Assets Reserve Fund to General Capital Fund	-	(700,000)	700,000
Loss (Gain) on disposal of tangible capital assets	-	(917,121)	114,099
	<u>55,308,975</u>	<u>56,213,913</u>	<u>55,070,721</u>
ANNUAL SURPLUS (DEFICIT) (note 23)	<u>\$ (803,245)</u>	<u>7,015,480</u>	<u>4,510,284</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>55,312,876</u>	<u>50,802,592</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 62,328,356</u>	<u>\$ 55,312,876</u>

EDMUNDSTON**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31

2012

2011
Restated2010
Restated**FINANCIAL ASSETS**

Cash (note 5)	\$ 4,719,305	\$ 6,228,658	\$ 4,916,358
Term deposits, 1.4 % and 1.6 %	28,576	3,525	3,490
Receivables			
General	5,500,840	4,949,318	4,372,241
Federal government and its agencies (note 6)	1,982,220	747,809	4,490,959
Province of New Brunswick (note 7)	601,547	1,287,480	1,714,593
Deposit on land purchase	-	75,000	75,000
Security deposit	2,000,000	2,000,000	2,000,000
	14,832,488	15,291,790	17,572,641

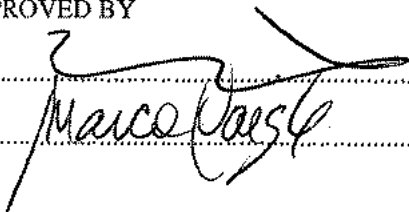
LIABILITIES

Bank loans	9,420,000	15,021,855	19,402,179
Payable and accruals	5,218,679	4,363,945	7,098,928
Salaries payable	1,230,008	803,852	797,638
Accrued interest	299,637	219,416	158,448
Holdbacks payable	1,846,155	374,433	3,327,798
Deferred revenue (note 8)	10,216,484	5,830,823	7,669,440
Debentures (note 9)	65,907,000	60,121,000	43,017,000
Long-term debt (note 10)	18,200,402	190,962	712,844
Obligations under capital leases (note 11)	105,151	148,159	200,336
Accrued sick leave (note 12)	3,735,000	3,550,000	3,799,000
Post employment benefits payable (note 13)	6,890,133	6,890,133	4,424,287
	123,068,649	97,514,578	90,607,898

NET DEBT (Carryforward)

	(108,236,161)	(82,222,788)	(73,035,257)
--	----------------------	---------------------	---------------------

APPROVED BY

....., Mayor

, Treasurer

EDMUNDSTON**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31

	2012	2011 Restated	2010 Restated
NET DEBT (Carried forward)	\$ (108,236,161)	\$ (82,222,788)	\$ (73,035,257)
NON-FINANCIAL ASSETS			
Tangible capital assets (note 14)	265,809,204	225,893,395	206,294,029
Accumulated amortization (note 14)	(97,279,481)	(90,378,729)	(84,545,446)
	168,529,723	135,514,666	121,748,583
Assets under capital leases (note 15)	293,034	278,669	278,669
Accumulated amortization (note 15)	(94,275)	(72,989)	(50,135)
	198,759	205,680	228,534
Inventory of supplies	1,739,496	1,652,563	1,608,521
Prepaid expenses	96,539	162,755	252,211
	1,836,035	1,815,318	1,860,732
	170,564,517	137,535,664	123,837,849
ACCUMULATED SURPLUS (note 21)	\$ 62,328,356	\$ 55,312,876	\$ 50,802,592

CONTINGENCIES AND COMMITMENTS (notes 16 et 17)

EDMUNDSTON**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**

Year ended December 31	2012	2011
Annual surplus, before restatement	\$ 7,015,480	\$ 12,137,451
Prio period adjustments:		
Amortization	-	(5,790,679)
Sick leave	-	742,000
Post employment benefits	-	(2,465,846)
Accumulated surplus of controlled entities	-	(111,930)
Write-off of tangible capital assets	-	(712)
Annual surplus, as restated	7,015,480	4,510,284
Assets under construction, beginning of year	4,869,058	23,624,624
Assets under construction, end of year	(15,175,044)	(4,869,058)
Acquisition of tangible capital assets	(30,811,318)	(38,478,891)
Proceeds on disposal of tangible capital assets	1,710,345	9,860
Amortization of tangible capital assets	7,309,023	5,833,283
Loss (Gain) on sale of tangible capital assets	(917,121)	114,099
Acquisition of assets under capital leases	(14,365)	-
Amortization of assets under capital leases	21,286	22,854
	(25,992,656)	(9,232,945)
Acquisition of inventories	(1,739,496)	(1,652,563)
Consumption of inventories	1,652,563	1,608,521
Acquisition of prepaid assets	(96,539)	(162,755)
Use of prepaid assets	162,755	252,211
	(20,717)	45,414
Increase in net debt	(26,013,373)	(9,187,531)
Net debt, beginning of the year	(82,222,788)	(73,035,257)
Net debt, end of the year	\$ (108,236,161)	\$ (82,222,788)

EDMUNDSTON**CONSOLIDATED STATEMENT OF CASH FLOW**

Year ended December 31

2012

2011

Operating transactions

Annual surplus	\$ 7,015,480	\$ 4,510,284
Loss (Gain) on disposal of tangible capital assets	(917,121)	114,099
Amortization of tangible capital assets	7,309,023	5,833,283
Amortization of assets under capital leases	21,286	22,854
Receivable - General	(551,522)	(577,077)
Receivable - Federal Government and its agencies	(1,234,411)	3,743,150
Receivable - Province of New Brunswick	685,933	427,113
Payables and accruals	854,734	(2,734,983)
Salaries payable	426,156	6,214
Accrued interest	80,221	60,968
Holdbacks payable	1,471,722	(2,953,365)
Deferred revenue	4,385,661	(1,838,617)
Accrued sick leave	185,000	(249,000)
Post employment benefits payable	-	2,465,846
Change in inventory / prepaid expenses	(20,717)	45,414
	19,711,445	8,876,183

Capital transactions

Acquisition of tangible capital assets	(41,042,304)	(19,723,325)
Proceeds from the sale of tangible capital assets	1,710,345	9,860
	(39,331,959)	(19,713,465)

Financing transactions

Changes in bank loan	(5,601,855)	(4,380,324)
Additional debentures	11,622,000	22,516,000
Repayment of debentures	(5,836,000)	(5,412,000)
Additional long-term debt	18,346,341	30,248
Repayment of long-term debt	(336,901)	(552,130)
Repayment of obligations under capital leases	(57,373)	(52,177)
	18,136,212	12,149,617

Investing transactions

Term deposits	(25,051)	(35)
---------------	----------	------

Increase (Decrease) in cash and cash equivalents (1,509,353) 1,312,300**Cash and cash equivalents, beginning of year** 6,228,658 4,916,358**Cash and cash equivalents, end of year (note 5)** \$ 4,719,305 \$ 6,228,658

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

1. 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, on May 25, 1998, with the city of Saint-Basile, the Village of Saint-Jacques and the Village of Verret under the article 2 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. CHANGE IN ACCOUNTING POLICY

Effective January 1st, 2011, the municipality has restated its financial statements to adopt the Public Sector Accounting standards (PSA). The changes made were to comply with the provisions of Section 3150, Tangible Capital Assets and to adopt full accrual accounting. Section 3150 has established standards on how to account for and report tangible capital assets. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. The standard requires these assets to be recorded at historical cost on the balance sheet and their costs allocated to future accounting periods through annual amortization expenses based on the tangible capital assets estimated useful lives of the assets. The municipality was required to record the historical cost of their tangible capital assets and accumulated amortization on a retroactive basis with restatement of prior years.

The municipality determined historical cost based on historical accounting records, and discounted replacement costs. If historical cost could not be determined, the asset was recorded at a nominal value.

The municipality calculated and recorded liabilities for its sick accrual, defined benefit pension plan and other post employment benefits.

The December 31, 2011 figures presented for comparative purposes have been restated from those previously reported. The following adjustments were made to the prior periods:

Adjustments to annual surplus (note 21)

Annual surplus, as previously reported in the General Operating Fund	\$	4,750
Annual surplus, as previously reported in the Water & Sewer Operating Fund		5,963
Annual surplus, as previously reported in the Electrical Utility Operating Fund		36,453
Annual surplus of other funds		12,145,540
Annual deficit of controlled entities		(111,930)
Less : second previous year surplus		(55,255)
Plus : sick leave		742,000
Less : post employment benefits		(2,465,846)
Less : amortization on tangible capital assets		(5,790,679)
Less : write-off of tangible capital assets		(712)
Annual surplus, as restated	\$	4,510,284

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

2. CHANGE IN ACCOUNTING POLICY (continued)

Adjustments for net book value of tangible capital assets and assets under capital leases

As previously reported, December 31, 2010	\$ 256,163,255
Adjustment to historical cost of tangible capital assets and assets under capital leases, net	(134,251,596)
Acquisitions and disposals of 2011	19,599,366
Amortization expense recorded	(5,790,679)
	<hr/>
Adjusted net book value as at December 31, 2011	\$ 135,720,346

See note 22 for the reconciliation of accumulated surplus.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The municipality has adopted PSA as of January 1st, 2011.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures 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 an airport, a golf and a sport center.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by City Council on January 17, 2012 and the Minister of Local Government on February 3, 2012. Budgets from the controlled entities have been approved by the City Council, except the budget of the Edmundston Airport Commission.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

- (a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- (b) Other revenue is recorded when it is earned.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

The main estimates relate to the useful life of tangible capital assets.

Financial instruments

The municipality's financial instruments consist of cash, short-term investments, accounts receivable, bank loans, payables and accruals, salaries payable, accrued interest, debentures and long-term debt. Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The municipality is subject to credit risk through accounts receivable. The municipality minimizes credit risk through ongoing credit management.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

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 12 and a long-term service award and pension plan as documented in note 13.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Effective January 1st, 2011, The municipality adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Years</u>
Land : all City owned land, including land under buildings.	s/o
Work of arts : all City owned work of arts following the policy for the integration of the arts within the architecture and the environment of municipal buildings and sites.	s/o
Land improvements : includes major landscaping projects, sports fields/courts, trail culverts, paved trails, parking lots, playgrounds, large signage and similar assets.	5 - 25 years
Buildings : all City owned buildings, with the exception of treatment plants, as single assets or broken into components: structural, interior, exterior, mechanical, electrical, specialty items and equipment, and site works.	20 - 60 years
Machinery and equipment : includes information technology assets, parking meters, leasehold improvements and similar assets.	3 - 15 years
Vehicles : all City vehicles including cars, trucks and similar assets.	7 - 25 years
Linear assets : all public works infrastructure including roads, sidewalks, street lights, traffic signals, storm sewers, water and sewer mains.	15 - 50 years
Water and wastewater facilities : includes water and wastewater treatment plants broken into components; process piping/equipment, electrical and instrumentation, structural, architectural, mechanical, and site works.	20 - 60 years
Electrical facilities : includes electrical generation facilities, such as hydroelectric dams and distribution facilities such as power poles and power lines and services trucks.	20 - 60 years

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Segmented information

The municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the municipality. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Environmental development services

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

Recreation and cultural services

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

Water and Wastewater Systems

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

Electric systems

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory of supplies

Inventory of supplies consist mainly of parts and materials for roads, water and sewage systems and electrical utility system maintenance and is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

4. BUSINESS ACQUISITION

Transactions with NB Power

Acquisition

During the year, the municipality acquired electrical distribution facilities for Saint-Jacques, Saint-Basile and Verret. The results for the operations of the acquired territory is included in the financial statements from the acquisition date.

Disposal

During the year, the municipality sold its hot water tank business in the Edmundston terrirory.

The transaction summary is as follows :

	2012
Assets acquired	
Electrical facilities	\$ 19,600,000
Assets disposed	
Hot water tanks	1,678,614
Net assets acquired	\$ 17,921,386
Consideration :	
Long-term debt	\$ 17,921,386

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2012

5. CASH	2012	2011	2010
Cash - restricted	\$ 3,377,250	\$ 3,707,955	\$ 3,846,432
Cash - unrestricted	1,342,055	2,520,703	1,069,926
	\$ 4,719,305	\$ 6,228,658	\$ 4,916,358

6. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES	2012	2011	2010
Canada Revenue Agency (HST refund)	\$ 191,483	\$ 576,710	\$ 1,192,713
Atlantic Canada Opportunities Agency	470,269	102,000	-
Federation of Canadian Municipalities	-	-	57,727
Public Works and Government Services Canada	1,320,468	69,099	3,240,519
	\$ 1,982,220	\$ 747,809	\$ 4,490,959

7. DUE FROM PROVINCE OF NEW BRUNSWICK	2012	2011	2010
Tourism, Heritage and Culture Department	\$ 20,000	\$ -	\$ -
Transportation and Infrastructure Department	-	724,010	41,688
Emergency Measures Organization	-	26,256	283,695
Regional Development Corporation	477,932	537,214	1,389,210
Other	103,615	-	-
	\$ 601,547	\$ 1,287,480	\$ 1,714,593

8. DEFERRED REVENUE	2012	2011	2010
Deferred contribution from General Capital Assets Reserve Fund\$	-	\$ 700,000	\$ -
Subscriber's deposits	172,243	152,946	116,566
Contractor's deposits	308,593	85,368	279,095
Grants received in advance	33,640	1,283,277	1,077,024
Deferred grants	9,702,008	3,609,232	6,196,755
	\$ 10,216,484	\$ 5,830,823	\$ 7,669,440

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

9. DEBENTURES	2012	2011	2010
GENERAL CAPITAL FUND			
<u>New Brunswick Municipal Financing Corporation</u>			
Debentures:			
Debentures repaid during the year	\$ -	\$ 118,000	\$ 525,000
AP07 2.75 % - 5.125 %, due in 2013, OIC #01-36, #02-29 and #02-68	385,000	752,000	1,101,000
AR07 2.75 % - 4.8 %, due in 2014, OIC #03-22, #03-42 and #03-80	573,000	841,000	1,097,000
AT07 3.75 % - 4.375 %, due in 2015, OIC #04-14, #04-62 and #05-15	1,747,000	2,010,000	2,262,000
AV7 4.15 % - 4.45 %, due in 2016, OIC #04-14, #04-62, #05-34 and #05-65	1,522,000	1,865,000	2,243,000
AX7 4.45 % - 4.85 %, due in 2017, OIC #05-34, #05-70, #06-42, #06-66 and #07-22	1,877,000	2,443,000	2,985,000
BA3 0.95 % - 5 %, due in 2019, OIC #06-0042, #07-0022 and #08-002	2,644,000	3,014,000	3,376,000
BB7 1 % - 4.5 %, due in 2019, OIC #08-0022	355,000	399,000	443,000
BD7 1.5 % - 3.85 %, due in 2030, OIC #09-0032 and #09-0133	5,124,000	5,545,000	5,960,000
BE3 1.65 % - 4.25 %, due in 2031, OIC #08-0043, #09-0032, #09-0133, #10-0022, #10-0066, #10-0071, #10-0098, #10-0109 and #11-00001	10,290,000	10,895,000	-
BG4 1.65 % - 3.8 %, due in 2032, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110 and #12-0005	6,688,000	-	-
BH7 1.35 % - 3.8 %, due in 2032, OIC #11-0004, #11-0051 and #11-0110	455,000	-	-
Carryforward	31,660,000	27,882,000	19,992,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

9. DEBENTURES (continued)	2012	2011	2010
Carried forward	\$ 31,660,000	\$ 27,882,000	\$ 19,992,000

WATER AND SEWER CAPITAL FUND

New Brunswick Municipal Financing Corporation

Debentures:

Debentures reimbursed during the year	-	82,000	468,000
AP08 2.75 % - 5.125 %, due in 2013, OIC #93-29 and #01-81	160,000	183,000	205,000
AP10 2.75 % - 5.125 %, due in 2013, OIC #01-75	72,000	82,000	92,000
AR08 2.75 % - 4.8 %, due in 2014, OIC #02-29 , #03-22 and #03-89	252,000	310,000	365,000
AT08 3.75 % - 4.375 %, due in 2015, OIC #93-29, #94-90, #95-74, #02-29 and #04-14	287,000	375,000	460,000
AV8 4.15 % - 4.45 %, due in 2016, OIC #95-74, #04-14 and #05-34	1,079,000	1,220,000	1,401,000
AX8 4.45 % - 4.85 %, due in 2017, OIC #06-42 and #07-22	874,000	1,043,000	1,205,000
BA4 0.95 % - 5 %, due in 2019, OIC #07-0022, #07-0071 and #08-0019	1,101,000	1,230,000	1,356,000
BB8 1 % - 4.5 %, due in 2019, OIC #08-0019 and #09-0009	304,000	342,000	379,000
BB8 1.5 % - 3.85 %, due in 2020, OIC #98-0035, #09-0032 and #09-0133	668,000	797,000	924,000
BE4 1.65 % - 4.25 %, due in 2021, OIC #09-0032, #09-0133, #10-0022 and #10-0071	2,309,000	2,533,000	-
BG5 1.65 % - 3.8 %, due in 2017, OIC #98-0064	281,000	-	-
BH8 1.35 % - 3.8 %, due in 2017, OIC #01-0081	70,000	-	-
	7,457,000	8,197,000	6,855,000
Carryforward	39,117,000	36,079,000	26,847,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

9. DEBENTURES (continued)	2012	2011	2010
Carried forward	\$ 39,117,000	\$ 36,079,000	\$ 26,847,000
ELECTRICAL UTILITY CAPITAL FUND			
<u>New Brunswick Municipal Financing Corporation</u>			
Debentures:			
Debentures reimbursed during the year	-	17,000	33,000
AP09 2.75 % - 5.125 %, due in 2013, OIC #01-58 and #02-29	58,000	113,000	166,000
AT09 3.75 % - 4.375 %, due in 2015, OIC #03-39 , #04-14 and #05-0	2,536,000	2,757,000	2,969,000
AV8 4.3 % - 4.45 %, due in 2016, OIC #96-27, #05-04 and #05-34	849,000	932,000	1,150,000
AX09 4.45 % - 4.85 %, due in 2017, OIC #05-34	154,000	181,000	207,000
BA5 0.95 % - 5 %, due in 2019, OIC #05-0034, #06-0042, #07-0022 and #08-0019	1,086,000	1,245,000	1,401,000
BB9 1 % - 4.5 %, due in 2019, OIC #06-0042 and #08-0019	939,000	1,071,000	1,201,000
BD9 1.5 % - 3.85 %, due in 2020, OIC #09-0032 and #09-0076	8,227,000	8,638,000	9,043,000
BE5 1.85 % - 4.25 %, due in 2026, OIC #09-0032, #09-0076, #09-0137 and #10-0022	8,743,000	9,088,000	-
BG6 1.65 % - 3.8 %, due in 2032, OIC #09-0076	1,200,000	-	-
BH9 1.35 % - 3.8 %, due in 2032, OIC #10-0022, #11-0051 and #12-0006	2,998,000	-	-
	26,790,000	24,042,000	16,170,000
	\$ 65,907,000	\$ 60,121,000	\$ 43,017,000

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

Principal payments required during the next five years are as follows:

	General Capital	Water and Sewer Utility Capital	Electrical Utility Capital	Total
2013	\$ 3,580,000	\$ 1,286,000	\$ 1,705,000	\$ 6,571,000
2014	\$ 3,294,000	\$ 1,220,000	\$ 1,690,000	\$ 6,204,000
2015	\$ 3,927,000	\$ 1,045,000	\$ 3,503,000	\$ 8,475,000
2016	\$ 2,798,000	\$ 1,343,000	\$ 1,908,000	\$ 6,049,000
2017	\$ 2,502,000	\$ 749,000	\$ 1,335,000	\$ 4,586,000

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2012

10. LONG TERM DEBT	2012	2011	2010
GENERAL CAPITAL FUND			
Loan payable to a vendor reimbursed during the year	\$ -	\$ -	509,422
First rank loan reimbursed during the year	-	13,334	26,667
	-	13,334	536,089
ELECTRICAL UTILITY CAPITAL FUND			
Loan, repayable by monthly installments of \$ 107,370 including principal and interest at 3.85 %, maturing in August 2032	17,751,572	-	-
GESTION EDMUNDSTON GOLF MANAGEMENT INC.			
Loans reimbursed during the year	-	147,380	176,755
Loan, secured by equipments with a net book value of \$ 27,041, repayable by annual installments of \$ 6,809 including interests at 4 %, maturing in November 2015	23,875	30,248	-
Loan, secured by the City of Edmundston, repayable by monthly installments of \$ 6,809 including interests at 3 %, maturing in November 2015	424,955	-	-
	448,830	177,628	176,755
	\$ 18,200,402	\$ 190,962	\$ 712,844

Principal payments required during the next five years are as follows:

2013	\$ 631,072
2014	\$ 665,347
2015	\$ 691,258
2016	\$ 717,354
2017	\$ 1,073,678

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

11. OBLIGATIONS UNDER CAPITAL LEASES	2012	2011	2010
GESTION EDMUNDSTON GOLF MANAGEMENT INC.			
Capital leases obligations reimbursed during the year	\$ -	\$ 1,485	\$ 5,688
Obligation under capital lease, secured by equipments with a net book value of \$ 169,652, repayable in six monthly installments of \$ 9,355 including interests of 6.9 %, maturing in November 2013	87,216	134,573	178,782
Obligation under capital lease, secured by equipments with a net book value of \$ 13,647, repayable by monthly installments of \$ 476 including interest of 15.7 %, maturing in Mai 2017	9,831	-	-
Obligation under capital lease, secured by equipments with a net book value of \$ 15,460, repayable by monthly installments of \$ 781 including interest of 6 %, maturing in September 2014	8,104	12,101	15,866
	\$ 105,151	\$ 148,159	\$ 200,336

Principal payments required during the next five years are as follows:

2013	\$ 100,152
2014	6,892
2015	2,854
2016	2,854
2017	3,605
Total minimum payments required	116,357
Interests included in the minimum payments required	11,206
	\$ 105,151

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

12. ACCRUED SICK LEAVE

The municipality provides sick leave that accumulates at 1.5 days per month for managerial staff and employees of Local 60; and at 2 days per month for directors. All employees can accumulate a maximum of 260 days leave. The municipality also provides sick leave that accumulates at 12 hours per month for the firefighters of Local 60 to a maximum of 2,080 hours and to 12 hours per month for the policemen of Local 558 to a maximum of 1,920 hours and after to cumulate 8 hours per month to a global 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 reflect the municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- discount rate of 5 %;
- annual salary increase is 3.5 %;
- mortality age was determined according the table "1994 Uninsured Pensioner Mortality", projected by year of birth using scale AA;
- 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 :
 - Managerial Staff : 7.8
 - Local 60 (blue and white collar) : 10.2
 - Local 60 (firefighters) : 4.4
 - Local 558 (policemen) : 5.9

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The unfunded liability was \$ 3,799,000 on January 1st, 2011; \$ 3,550,000 on December 31, 2011; and \$ 3,735,000 on December 31, 2012. The liability for January 1st, 2011 was recorded as a prior period adjustment on the adoption of PSA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

13. POST EMPLOYMENT BENEFITS PAYABLE

a) Pension Obligation

Defined benefit pension plan

The municipality sponsors a contributory defined benefit pension plan for substantially all of its employees. The average age of the 193 active employees covered by the plan is 46.2 years. At present, the plan provides benefits for 83 retirees with an average age of 68.3 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: 7 % up to the maximum pensionable earning and 8.8 % of the excess.
- Employer contributions: 6.44 % of employee earning.

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

- Employer contribution: 13.18 % up to the maximum pensionable earnings and 14.98 % of the excess.

Total benefit payments to retirees during the year was approximately \$ 1,686,885 (\$ 1,488,636 in 2011). Pension fund assets are invested in Canadian Equity Funds, Fixed Income Funds and des Global Equity Funds and short term investments.

Actuarial valuations for accounting purposes are preformed annually using the projected benefit method. The most recent actuarial valuation was prepared on December 31, 2011 and at that time the pension plan had an accrued benefit obligation of \$ 6,890,133.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

13. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The following summarizes the major assumptions in the valuation:

- discount rate 6.25 %;
- 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 Tax Act on the Canada Revenue is 3 %;
- the expected inflation rate is 2 %;
- the indexation of pensions for which revaluation is expected is 0.2 %, 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 \$ 2,535,124 (\$ 2,061,028 in 2011).

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, 2012.

The statement of financial position of the plan as at December 31, 2011 was as follows:

Assets continuity	\$ 38,500,864
Actuarial liabilities	
Active and disabled	27,260,014
Retired members and beneficiaries	18,071,507
Participants terminated vested	55,820
Voluntary contributions	3,656
Total actuarial liability	45,390,997
Plan deficit	\$ (6,890,133)

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

14. TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings	Vehicles	Tools & material	Treatment facilities	Electrical facilities	Linear assets	Assets under construction	Total	Total
										2012	2011
Cost											
Balance, beginning of year	\$ 6,425,638	\$ 6,964,348	\$ 36,573,391	\$ 7,234,344	\$ 6,808,596	\$ 9,501,407	\$ 42,390,831	\$ 105,125,782	\$ 4,869,058	\$ 225,893,395	\$ 206,294,029
Add:											
Net additions during the year	360,071	416,331	959,575	335,997	962,386	279,150	20,651,876	6,845,932	32,564,075	63,375,393	41,981,416
Less:											
Disposals during the year	-	-	-	(18,161)	(327,939)	-	(855,395)	-	(22,258,089)	(23,459,584)	(22,382,050)
Balance, end of year	6,785,709	7,380,679	37,532,966	7,552,180	7,443,043	9,780,557	62,187,312	111,971,714	15,175,044	265,809,204	225,893,395
Accumulated Amortization											
Balance, beginning of year	-	2,069,535	12,602,201	3,424,662	3,630,501	5,481,562	6,596,149	57,324,119	-	90,378,729	84,545,446
Add:											
Amortization during the year	-	345,411	1,217,938	310,895	638,519	309,854	867,735	3,618,671	-	7,309,023	5,833,283
Less:											
Accumulated Amortization on disposals	-	-	-	(18,161)	(327,939)	-	(62,171)	-	-	(408,271)	-
Balance, end of year	-	2,354,946	13,220,139	3,717,396	3,941,081	5,791,416	7,311,713	60,942,790	-	97,279,481	90,378,729
Net book value of tangible capital	\$ 6,785,709	\$ 5,025,733	\$ 24,312,827	\$ 3,834,784	\$ 3,501,962	\$ 3,989,141	\$ 54,875,599	\$ 51,028,924	\$ 15,175,044	\$ 168,529,723	\$ 135,514,666
Consists of:											
General Fund	\$ 4,858,715	\$ 4,442,890	\$ 22,946,518	\$ 2,781,350	\$ 1,915,391	\$ -	\$ -	\$ 32,974,938	\$ 13,943,900	\$ 83,863,702	\$ 72,241,432
Water & Sewer Fund	1,141,698	401,118	103,055	302,108	946,516	3,989,141	-	18,053,986	236,648	25,174,270	23,539,828
Electrical Utility Fund	772,896	35,955	1,204,330	720,961	511,297	-	54,875,599	-	994,496	59,115,534	39,318,199
Reserve Fund	12,400	-	-	-	-	-	-	-	-	12,400	12,400
Controlled entities	-	145,770	58,924	30,365	128,758	-	-	-	-	363,817	462,807
	\$ 6,785,709	\$ 5,025,733	\$ 24,312,827	\$ 3,834,784	\$ 3,501,962	\$ 3,989,141	\$ 54,875,599	\$ 51,028,924	\$ 15,175,044	\$ 168,529,723	\$ 135,514,666

The buildings include work of art for an amount of \$ 190,234 (2011: \$ 87,957) which are not amortized.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

15. ASSETS UNDER CAPITAL LEASES	2012	2011
Cost		
Balance, beginning of year	\$ 278,669	\$ 278,669
Add:		
Net additions during the year	14,365	-
Balance, end of year	<u>293,034</u>	<u>278,669</u>
Accumulated Amortization		
Balance, beginning of year	72,989	50,135
Add:		
Amortization during the year	21,286	22,854
Balance, end of year	<u>94,275</u>	<u>72,989</u>
Net value of the assets under capital leases	\$ 198,759	\$ 205,680

16. CONTINGENCIES

The municipality, with the authorization of the Municipality Capital Borrowing Board, has endorsed the line of credit of Gestion Edmundston Golf Management Inc. for a maximum period of 15 years. The maximum risk for this endorsement is \$ 512,000. The municipality estimates that the amount it could be called upon to honor is low.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

17. COMMITMENTS

The municipality has committed itself by contract until 2016 for snow removal services, until 2017 for the garbage and waste collection and until 2013 for land maintenance. The future minimum payment for these contracts is established to \$ 3,666,260. Minimum payments payable over the next five years are as follows:

2013 - \$ 857,140
2014 - \$ 827,290
2015 - \$ 827,290
2016 - \$ 702,280
2017 - \$ 452,260

The commitment for the snow removal services 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" program, to contribute to the Water and Sewer Capital Assets Reserve Fund, an annual amount of \$ 25,000 for a minimum period of 20 years, or until the reserve fund reaches the sum of \$ 250,000.

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

18. SHORT-TERM BORROWING COMPLIANCE

The municipality has ministerial authority for short-term borrowings as follows:

General Capital Fund:

OIC # 05-71	\$ 512,000
OIC # 10-0071	2,009,000
OIC # 11-0004	662,000
OIC # 11-0051	893,000
OIC # 11-0072	5,000,000
OIC # 11-0110	225,000
OIC # 12-0024	1,722,000
OIC # 12-0044	400,000
OIC # 12-0083	130,000
	<hr/>
	11,553,000
Used as bank loans	3,950,000
	<hr/>
Not used as at December 31, 2012	\$ 7,603,000

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

18. SHORT-TERM BORROWING COMPLIANCE (continued)

General Operating Fund:	
Authorized	\$ 900,000
Used	-
Not used as at December 31, 2012	\$ 900,000
Water and Sewer Capital Fund:	
OIC # 10-0071	\$ 3,165,000
OIC # 11-0051	650,000
OIC # 11-0086	200,000
OIC # 12-0024	443,000
Used as bank loans	4,458,000
Not used as at December 31, 2012	\$ 208,000
Water and Sewer Operating Fund:	
Authorized	\$ 2,000,000
Used	899,000
Not used as at December 31, 2012	\$ 1,101,000
Electrical Utility Capital Fund:	
OIC # 11-0001	\$ 62,000
OIC # 11-0051	872,000
OIC # 12-0024	900,000
OIC # 12-0040	1,100,000
OIC # 12-0041	18,050,000
Used as bank loans	20,984,000
Balance as at December 31, 2012	\$ 1,207,000
Electrical Utility Operating Fund:	
Authorized	\$ 6,500,000
Used	3,156,000
Not used as at December 31, 2012	\$ 3,344,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

18. SHORT-TERM BORROWING COMPLIANCE (continued)

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 2012, the municipality has complied with these restrictions.

Inter-fund borrowing

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

19. 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 four operating budgets commencing with the second next ensuing year; the balance of the surplus/deficit at the end of the year consists of:

	2012	2011
2012 - Surplus	\$ 39,254	\$ -
2011 - Surplus	5,962	5,962
2010 - Surplus	-	9,709
	<u>\$ 45,216</u>	<u>\$ 15,671</u>

20. WATER COST TRANSFER

The municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the *Municipalities Act* based upon the applicable percentage of water system expenditures for the population.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

21. SCHEDULE OF ACCUMULATED SURPLUS RECONCILIATION TO PUBLIC SECTOR ACCOUNTING BOARD (PSAB) REQUIREMENTS

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	Electrical Operating Fund	Electrical Capital Fund	Reserves	Total 2011
2011 annual fund surplus (deficit)	\$ 4,750	\$ 9,017,576	\$ 5,963	\$ 2,598,798	\$ 36,453	\$ 1,290,966	\$ (671,800)	\$ 12,192,706
Adjustments to 2011 annual surplus (deficit) for PSAB requirements								
Second previous year's surplus	(42,615)	-	(2,943)	-	(9,697)	-	-	(55,255)
Transfer between funds:								
Transfer elimination	365,106	(365,106)	-	-	-	-	-	-
Transfer elimination	693,360	-	(603,360)	-	-	-	-	-
Transfer elimination	-	(15,856)	-	-	-	(11,875)	15,856	-
Transfer elimination	-	-	319,338	(257,463)	-	(46,877)	(50,000)	-
Transfer elimination	-	-	-	-	-	-	46,877	-
Long-term debt principal repayment	3,018,333	(3,018,333)	-	-	-	-	-	-
Long-term debt principal repayment	-	-	910,000	(910,000)	-	-	-	-
Long-term debt principal repayment	-	-	-	-	1,216,000	(1,216,000)	-	-
Proceeds from the disposal of tangible capital assets	(9,860)	9,860	-	-	-	-	-	-
Provision for sick leave accrual	26,000	-	245,000	-	471,000	-	-	742,000
Post employment benefits	(1,297,814)	-	(519,125)	-	(648,907)	-	-	(2,465,846)
Amortization expense	-	(3,697,384)	-	(1,460,211)	-	(633,984)	-	(5,790,679)
Write-off of tangible capital assets	-	-	-	-	-	(712)	-	(712)
2011 deficit of controlled entities	(111,930)	-	-	-	-	-	-	(111,930)
Total adjustments to 2011 annual surplus (deficit)	2,550,580	(7,986,819)	348,910	(2,627,674)	1,028,396	(1,908,548)	12,733	(7,682,422)
2011 annual surplus (deficit) per PSAB requirements	2,555,330	1,930,757	354,873	(118,876)	1,064,849	(617,582)	(659,067)	4,510,284
Accumulated surplus before PPA, beginning of year	79,416	103,494,006	12,652	58,198,709	23,910	28,402,960	3,692,156	193,812,989
Accumulated surplus before PPA, end of year	2,634,746	105,424,763	367,525	57,989,833	1,088,759	27,784,478	3,033,089	198,323,193
Prior period adjustments	(5,541,161)	(72,161,642)	(1,161,429)	(44,830,156)	(1,450,286)	(17,865,643)	-	(143,010,317)
Accumulated surplus (deficit) per PSAB requirements, end of year	\$ (2,906,415)	\$ 33,263,121	\$ (793,904)	\$ 13,159,677	\$ (361,527)	\$ 9,918,835	\$ 3,033,089	\$ 55,312,876

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

22. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental Health	Airport	Environmental development	Recreation and culture	Water and sewer	Electrical utility	Reserves	Total 2012	Total 2011
Revenues												
Property tax warrant *	\$ 2,518,533	\$ 6,002,344	\$ 6,410,886	\$ 437,764	\$ 294,523	\$ 787,686	\$ 3,685,051	\$ -	\$ -	\$ -	\$ 20,136,787	\$ 19,161,087
Services provided to other governments	-	346,400	370,994	-	-	-	-	-	-	-	717,394	683,460
Sale of recreational and cultural services	438,029	-	-	-	-	-	1,429,943	-	795,302	-	2,573,274	2,761,953
Unconditional grant	323,298	770,507	822,951	56,195	37,807	101,113	473,042	-	-	-	2,584,913	2,637,666
Other government transfers	2,110,518	-	-	-	83,624	-	6,448	3,048,404	-	-	5,248,994	7,094,342
Other revenue from own sources	120,721	294,707	540,824	-	-	-	-	80,622	-	-	1,036,574	850,194
Contractor's and other organizations contributions	116,050	-	-	-	-	-	4,032	279,150	-	-	399,232	107,844
Sales - water services	-	-	-	-	-	-	-	3,173,217	-	-	3,173,217	3,310,538
Sales - sewer services	-	-	-	-	-	-	-	2,241,881	-	-	2,241,881	1,946,726
Sales Electrical Utility - Distribution	-	-	-	-	-	-	-	-	22,381,163	-	22,381,163	19,152,578
Sales Electrical Utility - Generation	-	-	-	-	-	-	-	-	2,634,478	-	2,634,478	1,772,589
Interest	42,805	-	-	-	-	-	-	19,586	-	38,795	101,186	102,028
	5,669,954	7,413,958	8,145,685	493,959	415,954	888,799	5,598,516	8,842,860	25,720,943	38,795	63,229,393	59,581,005
Expenses												
Salaries et benefits	1,497,947	5,983,395	2,478,800	-	167,670	228,855	2,266,158	1,254,331	1,359,307	-	15,206,463	15,808,791
Goods and services	967,353	1,180,265	3,046,809	607,441	143,198	685,923	1,766,296	2,983,198	20,661,565	-	32,042,048	29,719,029
Amortization	465,758	818,606	2,793,358	-	7,235	11,360	573,465	1,553,261	1,107,266	-	7,330,209	5,856,137
Interest	84,977	414,278	463,396	1,142	-	95,143	143,509	332,640	1,398,534	-	2,933,619	2,534,829
Other	(527,832)	-	(9,325)	-	-	-	-	57,848	(819,217)	-	(1,298,526)	1,151,935
	2,486,203	8,366,544	8,773,038	608,583	318,103	1,021,281	4,749,428	6,181,278	23,707,455	-	56,213,913	55,070,721
Surplus (deficit) for the year	\$ 3,181,751	\$ (952,586)	\$ (627,353)	\$ (114,624)	\$ 97,851	\$ (132,482)	\$ 849,088	\$ 2,661,582	\$ 2,013,488	\$ 38,795	\$ 7,015,480	\$ 4,510,284

* 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

December 31, 2012

23. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	Electrical Operating Fund	Electrical Capital Fund	Reserves	Total 2012
2012 annual surplus (deficit)	\$ 4,021,906	\$ (1,720,291)	\$ 887,289	\$ 1,774,293	\$ 2,235,363	\$ (221,875)	\$ 38,795	\$ 7,015,480
Adjustments to annual surplus (deficit) for funding requirements								
Second previous year's surplus	36,800	-	9,709	-	14,214	-	-	60,723
Transfers between funds:								
From General Operating Fund to Water & Sewer Operating Fund	(536,820)	-	536,820	-	-	-	-	-
From General Operating Fund to General Capital Fund	(366,245)	366,245	-	-	-	-	-	-
From Water & Sewer General Operating Fund to Water & Sewer Capital Fund	-	-	(293,680)	293,680	-	-	-	-
From Water & Sewer Operating Fund to General Capital Fund	-	7,884	(7,884)	-	-	-	-	-
From Electrical Utility Operating Fund to Electrical Utility Capital Fund	-	-	-	-	(1,990,354)	1,990,354	-	-
From Electrical Utility Operating Fund to General Capital Fund	-	7,884	-	-	(7,884)	-	-	-
From General Operating Fund to General Capital Assets Reserve Fund	(5,500)	-	-	-	-	-	5,500	-
From Water & Sewer Operating Fund to Water and Sewer Capital Assets Reserve Fund	-	-	(50,000)	-	-	-	50,000	-
From Electrical Utility Operating Fund to Electrical Capital Assets Reserve Fund	(3,378,333)	3,378,333	-	-	(275,000)	-	275,000	-
Long-term debt principal repayment	-	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(1,021,000)	1,021,000	-	-	-	-
Long-term debt principal repayment	-	-	-	-	(1,619,815)	1,619,815	-	-
Proceeds from the disposal of tangible capital assets	31,731	(31,731)	-	-	1,678,614	(1,678,614)	-	-
Provision for sick leave accrual	193,000	-	(22,000)	-	14,000	-	-	185,000
Amortization expense	-	4,669,782	-	1,553,261	-	1,107,266	-	7,330,309
Total adjustments to 2012 annual surplus (deficit)	(4,025,367)	8,398,397	(848,035)	2,867,941	(2,186,225)	3,038,821	330,500	7,576,032
2012 annual fund surplus (deficit)	\$ (3,461)	\$ 6,678,106	\$ 39,254	\$ 4,642,234	\$ 49,138	\$ 2,816,946	\$ 369,295	\$ 14,591,512

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

24. STATEMENT OF RESERVES

	General Operating	General Capital Assets	Water and Sewer Capital Assets	Electrical Utility Operating	Electrical Utility Capital Assets	Total 2012	Total 2011
ASSETS							
Cash	\$ 238,693	\$ 1,266,671	\$ 525,649	\$ 1,067,089	\$ 279,148	\$ 3,377,250	\$ 3,707,955
Public utility land	-	-	12,400	-	-	12,400	12,400
	\$ 238,693	\$ 1,266,671	\$ 538,049	\$ 1,067,089	\$ 279,148	\$ 3,389,650	\$ 3,720,355
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000
ACCUMULATED SURPLUS	238,693	1,266,671	538,049	1,067,089	279,148	3,389,650	3,020,355
	\$ 238,693	\$ 1,266,671	\$ 538,049	\$ 1,067,089	\$ 279,148	\$ 3,389,650	\$ 3,720,355

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

24. STATEMENT OF RESERVES (continued)

	General Operating	General Capital Assets	Water and Sewer Capital Assets	Electrical Utility Operating	Electrical Capital Assets	Total 2012	Total 2011
REVENUE							
Interest	\$ 2,893	\$ 16,605	\$ 5,850	\$ 12,936	\$ 511	\$ 38,795	\$ 40,933
Interfund transfers	-	5,500	50,000	-	275,000	330,500	50,000
	2,893	22,105	55,850	12,936	275,511	369,295	90,933
EXPENDITURES							
Interfund transfers	-	-	-	-	-	-	762,733
Annual Surplus (Deficit)	\$ 2,893	\$ 22,105	\$ 55,850	\$ 12,936	\$ 275,511	\$ 369,295	\$ (671,800)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

24. STATEMENT OF RESERVES (continued)

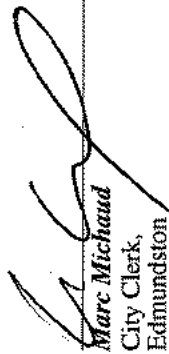
Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Guy Voyer, seconded by Councillor Charles Fournier that \$ 5,500 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Charles Fournier, seconded by Councillor Guy Voyer that \$ 50,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.

Moved by Councillor Guy Voyer, seconded by Councillor Charles Fournier that \$ 275,000 be transferred from the Electrical Utility Operating Fund to the Electrical Capital assets Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on December 19, 2012.


Marc Michaud
City Clerk,
Edmundston


Date

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

25. STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Edmundston Airport Commission Inc.	Complexe Sportif Régional d'Edmundston Inc.	Gestion Edmundston Golf Management Inc.	Total 2012	Total 2011
Assets	\$ 116,498	\$ -	\$ 789,688	\$ 906,186	\$ 1,048,657
Liabilities	\$ 97,022	\$ -	\$ 975,810	\$ 1,072,832	\$ 1,090,179
Accumulated Surplus (Deficit)	\$ 19,476	\$ -	\$ (186,122)	\$ (166,646)	\$ (41,522)
Revenue	\$ 230,823	\$ 531,546	\$ 840,856	\$ 1,603,225	\$ 859,760
Expenditures	273,879	531,546	922,925	1,728,350	863,509
Annual Deficit	\$ (43,056)	\$ -	\$ (82,069)	\$ (125,125)	\$ (3,749)

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

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

26. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer	Operating Budget Electrical Utility	Amortization Capital Assets	Controlled Entities	Transfers	Total
REVENUE							
Property tax warrant	\$ 20,136,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,136,787
Services provided to other governments	682,680	-	-	-	-	-	682,680
Sales of services, fines and other revenue	916,306	-	644,430	-	1,201,518	-	2,762,254
Unconditional grant	2,584,913	-	-	-	-	-	2,584,913
Other government transfers	8,808	-	-	-	505,765	-	514,573
Other revenue from own sources	903,402	71,900	-	-	54,200	-	1,029,502
Sales - water services	-	3,894,950	-	-	-	-	3,358,130
Sales - sewer services	-	1,969,235	-	-	-	(536,820)	1,969,235
Electrical utility sales - Distribution	-	-	18,576,776	-	-	-	18,576,776
Electrical utility sales - Generation	-	-	2,838,880	-	-	-	2,838,880
Interest	36,000	16,000	-	-	-	-	52,000
Surplus/deficit of second previous year	36,800	9,709	14,214	-	-	(60,723)	-
Total reported revenue	\$ 25,305,696	\$ 5,961,794	\$ 22,074,300	\$ -	\$ 1,761,483	\$ (597,543)	\$ 54,505,730

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

26. OPERATING BUDGET TO PSA BUDGET (continued)

	Operating Budget General	Operating Budget Water & Sewer	Operating Budget Electrical Utility	Amortization Capital Assets	Controlled Entities	Transfers	Total
EXPENDITURES							
General government services	\$ 2,728,953	\$ -	\$ -	\$ 465,758	\$ -	\$ 236,808	\$ 3,431,519
Protective services	7,521,142	-	-	818,606	-	(161,512)	8,178,236
Transportation services	5,521,237	-	-	2,793,358	-	420,281	8,734,876
Environmental health services	595,410	-	-	-	-	1,046	596,456
Environmental development services	974,752	-	-	11,360	-	87,116	1,073,228
Recreational and cultural services	2,917,444	-	-	505,405	1,503,283	94,776	5,020,908
Airport	143,090	-	-	-	258,200	-	401,290
Water supply	-	2,690,789	-	726,294	-	208,030	3,625,113
Sewage collection and disposal	-	1,752,503	-	826,967	-	173,052	2,752,522
Electrical utility - Distribution	-	-	18,591,461	348,308	-	309,183	19,248,952
Electrical utility - Generation	-	-	663,615	758,958	-	823,302	2,245,875
Debt service fees	-	-	-	-	-	-	-
Long-term debt repayments	3,365,000	1,021,000	1,450,000	-	-	(5,836,000)	-
Interest, bank fees and debenture fees	1,215,335	345,482	1,112,485	-	-	(2,673,302)	-
Discounts and bad debt	-	35,600	20,000	-	-	(55,600)	-
Transfer from the General Operating Fund to the General Capital Fund	323,333	-	-	-	-	(323,333)	-
Transfer from Water and Sewer Operating Fund to the Water & Sewer Capital Fund	-	66,420	-	-	-	(66,420)	-
Transfer from the Water and Sewer Operating Fund to the Water & Sewer Operating Reserve Fund	-	50,000	-	-	-	(50,000)	-
Transfer from the Electrical Utility Operating Fund to the Electrical Utility Capital Fund	-	-	236,739	-	-	(236,739)	-
	25,305,696	5,961,794	22,074,300	7,255,014	1,761,483	(7,049,312)	55,308,975
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ (7,255,014)	\$ -	\$ 6,451,769	\$ (803,245)

EDMUNDSTON**SCHEDULE A - OTHER INFORMATIONS**

Year ended December 31

2012
Budget
(Unaudited)2012
Actual2011
Actual**A - SUPPLEMENTARY SCHEDULES OF REVENUES***Services - Other governments*

Fire protection - Zone 1 - Edmundston	\$ 63,000	\$ 73,486	\$ 72,852
Fire protection - Zone 2 - Saint-Jacques	45,008	46,607	44,638
Fire protection - Zone 3 - Saint-Basile	42,798	50,490	43,506
Police	195,660	175,817	180,753
Transportation	336,214	370,994	341,711
	<u>\$ 682,680</u>	<u>\$ 717,394</u>	<u>\$ 683,460</u>

Sales of services, fines and other revenues

Communication center	\$ 346,348	\$ 344,100	\$ 328,586
Skating rinks	278,348	289,910	275,986
Sport Center	295,928	240,526	317,654
Golf	905,590	809,079	848,299
Recreational services	40,540	28,362	27,285
Cultural services	98,070	62,066	72,211
Service charge	31,500	30,068	30,951
Equipment rental			
Lighting	295,200	332,204	288,693
Christmas lights	21,730	21,730	21,736
Licences and permits	153,000	93,929	164,467
Equipment rental and sales	296,000	321,300	386,085
	<u>\$ 2,762,254</u>	<u>\$ 2,573,274</u>	<u>\$ 2,761,953</u>

Other revenue from own sources

Other revenue	\$ 54,200	\$ 75,055	\$ 124,574
Other revenue - Police	259,900	294,707	37,845
Other revenue - Water and sewer services	46,350	55,072	85,931
Transportation department	563,130	540,824	469,803
Buildings rental	14,377	15,445	71,610
Administrative services	48,407	9,184	6,383
Wastewater treatment plant	25,550	25,550	25,550
Technical services	17,588	21,037	28,498
	<u>\$ 1,029,502</u>	<u>\$ 1,036,874</u>	<u>\$ 850,194</u>

EDMUNDSTON

SCHEDULE B - OTHER INFORMATION

Year ended December 31

2012
Budget
(Unaudited)

2012
Actual

2011
Actual

B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES

General government services

Legislative

Mayor	\$ 42,421	\$ 45,119	\$ 46,012
Councilors	35,539	75,495	76,663
Other legislative fees	142,060	76,594	64,722
	220,020	197,208	187,397

Administrative

Administration	366,548	353,923	432,584
Clerk	78,705	74,033	86,751
Treasurer	792,079	706,381	697,319
Tourism	114,400	105,602	114,230
Human resources	328,652	296,883	298,349
Office building	656,735	592,659	653,255
Data processing	112,865	83,648	149,558
Legal fees	58,949	54,963	65,232
Amortization	465,758	465,758	467,739
Short-term debt interest	100,000	-	154,637
Debenture fees	59,000	68,377	120,216
Long-term debt interest	77,808	84,977	107,478
Bad debt (recuperation)	-	126,197	(6,213)
	3,211,499	3,013,401	3,341,135

\$ 3,431,519 \$ 3,210,609 \$ 3,528,532

EDMUNDSTON**SCHEDULE B - OTHER INFORMATION** (continued)
Year ended December 31

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
--	-------------------------------	----------------	----------------

B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)*Protective services*

911 Center	\$ 887,269	\$ 901,076	\$ 909,998
<hr/>			
Police			
Administration	411,832	394,596	419,632
Crime prevention	3,283,851	3,271,042	3,299,266
Traffic activities	58,012	56,649	60,974
Station and building	360,607	394,382	216,072
Vehicles	207,360	205,409	219,423
Animal control	15,900	14,909	12,472
Jailer	31,725	27,601	25,613
Emergency measures service	6,858	3,788	2,563
Long-term debt interest	357,177	394,477	245,501
Amortization	655,760	655,760	95,221
	<hr/>	<hr/>	<hr/>
	5,389,082	5,418,613	4,596,737
<hr/>			
Fire			
Zone 1 - Edmundston			
Administration	147,215	179,832	173,596
Fire fighting force	958,464	1,106,444	996,566
Brigade	69,980	37,942	50,979
Prevention	80,800	81,084	78,078
Station and building	90,367	82,474	87,305
Vehicles	50,300	42,848	51,740
Amortization	162,846	162,846	118,960
Long-term debt interest	18,131	19,801	18,715
	<hr/>	<hr/>	<hr/>
	1,578,103	1,713,271	1,575,939
<hr/>			
Zone 2 - Saint-Jacques			
Fire fighting force	116,306	123,431	129,226
Station and building	21,168	21,168	21,168
	<hr/>	<hr/>	<hr/>
	137,474	144,599	150,394

EDMUNDSTON

SCHEDULE B - OTHER INFORMATION (continued)
Year ended December 31

2012
Budget
(Unaudited)

2012
Actual

2011
Actual

B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)

Protective services (continued)

Fire (continued)

Zone 3 - Saint-Basile

Fire fighting force

\$ 161,892 \$ 164,405 \$ 178,358

Station and building

10,776 10,936 10,776

172,668 175,341 189,134

Zone 4 - Verret

Fire fighting force

13,640 13,644 13,644

\$ 8,178,236 \$ 8,366,544 \$ 7,435,846

EDMUNDSTON**SCHEDULE B - OTHER INFORMATION (continued)**

Year ended December 31

**2012
Budget
(Unaudited)****2012
Actual****2011
Actual****B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)***Transportation services*

Administration - Road transport	\$ 767,938	\$ 662,599	\$ 582,854
Street maintenance - Summer	1,521,664	1,704,855	1,723,906
Street maintenance - Winter	1,786,168	1,737,630	1,601,568
Landscaping	460,355	387,852	623,481
Sidewalks	15,300	26,857	15,394
Storm sewers	128,000	181,665	132,829
Street lighting	649,428	603,950	602,903
Traffic	178,359	207,203	246,469
Other	14,025	12,998	20,387
Amortization	2,793,358	2,793,358	2,514,640
Long-term debt interest	420,281	463,396	450,658
	\$ 8,734,876	\$ 8,782,363	\$ 8,515,089

Environmental health services

Collection	\$ 595,410	\$ 607,441	\$ 827,346
Long-term debt interest	1,046	1,142	2,282
	\$ 596,456	\$ 608,583	\$ 829,628

Environmental development services

Town planning services and urban development	\$ 117,301	\$ 84,815	\$ 121,627
Industrial park	21,800	22,224	21,765
Industrial commission	155,000	154,997	155,007
Urban commission	425,743	425,743	410,418
Engineering	254,908	226,999	276,772
Amortization	11,360	11,360	15,158
Long-term debt interest	87,116	95,143	99,933
	\$ 1,073,228	\$ 1,021,281	\$ 1,100,680

EDMUNDSTON**SCHEDULE B - OTHER INFORMATION (continued)**

Year ended December 31

2012
Budget
(Unaudited)2012
Actual2011
Actual**B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)***Recreational and cultural services*

Administration	\$ 691,573	\$ 724,258	\$ 726,279
Services rendered to other organizations	22,900	14,960	14,583
Sports	943,967	718,806	784,957
Arena	513,470	522,276	545,965
Parks and playgrounds	777,668	756,299	771,624
Sociocultural	339,627	293,678	271,550
Library	165,623	162,629	147,241
Golf	965,899	879,548	948,063
Amortization	505,405	573,465	543,761
Long-term debt interest	94,776	103,509	82,925
	\$ 5,020,908	\$ 4,749,428	\$ 4,836,948

Airports

Operating cost	\$ 401,290	\$ 310,868	\$ 314,044
Amortization	-	7,235	7,364
	\$ 401,290	\$ 318,103	\$ 321,408

Water supply

Administration	\$ 517,247	\$ 504,096	\$ 484,375
Billing and collection	90,192	95,677	88,396
Power and pumping	418,406	405,719	335,654
Purification and treatment	107,156	140,404	97,760
Transmission and distribution	1,557,788	1,448,271	1,800,097
Amortization	726,294	726,294	683,186
Bank fees	9,200	5,784	8,294
Short-term debt interest	6,580	11,524	6,606
Debenture fees	4,000	1,585	16,865
Long-term debt interest	153,650	155,925	165,260
Discounts	33,600	35,335	33,339
Bad debt	1,000	6,470	2,128
	\$ 3,625,113	\$ 3,537,084	\$ 3,721,960

EDMUNDSTON**SCHEDULE B - OTHER INFORMATION (continued)**

Year ended December 31

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
--	-------------------------------	----------------	----------------

B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)*Sewage collection and disposal*

Administration	\$ 344,832	\$ 341,453	\$ 319,704
Billing and collection	60,128	61,488	58,935
Wastewater treatment plant	326,061	288,843	294,251
Sewage collection system	670,810	633,177	763,409
Lift-station	319,648	294,966	318,428
Pre-treatment	31,024	23,435	28,955
Amortization	826,967	826,967	777,025
Bank fees	5,600	3,856	5,529
Short-term debt interest	4,390	7,683	4,404
Debenture fees	3,000	505	11,104
Long-term debt interest	159,062	157,508	160,724
Bad debt	1,000	4,313	3,191
	<u>\$ 2,752,522</u>	<u>\$ 2,644,194</u>	<u>\$ 2,745,659</u>

Electrical utility - Distribution

Electrical energy purchase	\$ 14,932,068	\$ 17,672,090	\$ 14,793,079
Administration	299,689	225,228	398,013
Distribution	1,464,086	1,337,566	1,649,962
Management expenses	1,560,991	1,858,452	1,508,854
Management and planning	140,417	144,433	176,335
Customer service	47,666	20,338	41,317
Electrometry	146,544	152,878	136,850
Amortization	348,308	348,308	371,636
Short-term debt interest	53,000	59,176	26,954
Debenture fees	-	6,796	46,284
Long-term debt interest	236,183	551,478	189,182
Bad debt	20,000	15,176	43,799
	<u>\$ 19,248,952</u>	<u>\$ 22,391,919</u>	<u>\$ 19,382,265</u>

EDMUNDSTON

SCHEDULE B - OTHER INFORMATION (continued)

Year ended December 31

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
--	--	------------------------	------------------------

B - SUPPLEMENTARY SCHEDULES OF EXPENDITURES (continued)

Electrical utility - Generation

Administration	\$ 31,466	\$ 33,294	\$ 39,641
Management expenses	58,423	69,368	56,160
Management and planning	65,068	64,185	43,908
Operations	472,749	408,613	570,661
Electrometry	12,318	5,448	4,032
Lines	23,591	28,979	32,185
Amortization	758,958	758,958	261,448
Short-term debt interest	130,000	97,414	173,446
Debenture fees	30,500	44,201	53,300
Long-term debt interest	662,802	690,466	603,826
	\$ 2,245,875	\$ 2,200,926	\$ 1,838,607