

EDMUNDSTON
SUMMARY FINANCIAL STATEMENTS

Year ended December 31, 2011

EDMUNDSTON

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Year ended December 31, 2011

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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To His Honor the Mayor and Councillors
of Edmundston

The accompanying summary financial statements, which comprise the summary balance sheets as at December 31, 2011, the summary statements of revenues and expenditures for the year then ended, and financial informations, are derived from the audited financial statements of the City of EDMUNDSTON as at December 31, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated March 27, 2012.

The summary financial statements do not contain all the disclosures required by the Department of Local Government of New Brunswick. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the City of EDMUNDSTON.

Management Responsibility for the Summary Financial Statements

The City's Council is responsible for the preparation of a summary of the audited financial statements in accordance with the informations disclosed in the audited financial statements, the City's Council decided to present the summary balance sheet and the summary statements of revenues and expenditures of each Fund.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with the Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the City of EDMUNDSTON for the year ended December 31, 2011 are a fair summary of those financial statements, in accordance with the City's Council established criteria.

Report on Other Legal and Regulatory Requirements

These summary financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the management of the City of EDMUNDSTON and by the Department of Local Government of New Brunswick. These summary financial statements are not intended to be and should not be used for any other purpose than those specified.

Nadeau Picard + Associés

Nadeau Picard & Associés
Chartered Accountants

Edmundston, New Brunswick
March 27, 2012

EDMUNDSTON

STATISTICS

2011

2010

DEBT COST RATIOS

General

Edmundston	15.81 %	14.30 %
Towns of New Brunswick <i>Group B</i>	15.66 %	15.44 %
New Brunswick Municipalities	11.40 %	11.30 %

Water and Sewer

Edmundston	20.90 %	23.54 %
Towns of New Brunswick <i>Group B</i>	27.83 %	28.21 %

Electrical Utility - Edmundston

10.13 % 7.26 %

TAX RATES

General

Edmundston - Zone 1	\$	1.6250	\$	1.6150
Edmundston - Zone 2 - Saint-Jacques		1.3730		1.3149
Edmundston - Zone 3 - Saint-Basile		1.5867		1.5688
Edmundston - Zone 4 - Verret		1.6250		1.5734
Edmundston - Zone 5 - Parish of Madawaska		1.3145		1.2608
Edmundston - Average tax rate		1.5858		1.5670
Towns of New Brunswick <i>Group B</i>		1.6421		1.6368
New Brunswick Municipalities		1.5136		1.5133

Water and Sewer

Edmundston	\$	658	\$	598
Towns of New Brunswick <i>Group B</i>	\$	672	\$	635

EDMUNDSTON
Capital Funds

BALANCE SHEET
December 31

2011 2010

	General	Water and Sewer	Electrical Utility	Total	Total
ASSETS					
Cash	\$ 1,801,614	\$ 943	-	\$ 1,802,557	\$ 1,039,381
Grants receivable	1,458,802	-	-	1,458,802	4,921,150
Due from other Funds	700,000	1,454,866	1,994,488	4,149,354	1,663,316
Projects in progress	3,109,444	1,484,530	275,084	4,869,058	23,624,623
Deposit on land purchase	75,000	-	-	75,000	75,000
Security deposit	-	-	-	-	2,000,000
Capital assets	144,991,019	68,345,662	57,542,554	270,879,235	232,526,235
	\$ 152,135,879	\$ 71,286,001	\$ 59,812,126	\$ 283,234,006	\$ 265,849,705

LIABILITIES					
Bank overdraft	-	-	41,681	\$ 41,681	\$ 2,425
Bank loan	6,117,000	205,000	5,741,000	12,063,000	16,923,000
Accounts payable	523,725	449,557	294,419	1,267,701	7,255,194
Due to other Funds	1,115,334	226,000	-	1,341,334	862,749
Deferred grants	3,272,904	1,590,939	-	4,863,843	7,248,473
Deferred reserve contribution	700,000	-	-	700,000	-
Long-term debt	27,895,334	8,197,000	24,042,000	60,134,334	43,553,089
	39,624,297	10,668,496	30,119,100	80,411,893	75,844,930
Investment in capital assets	112,511,582	60,617,505	29,693,026	202,822,113	190,004,775
	\$ 152,135,879	\$ 71,286,001	\$ 59,812,126	\$ 283,234,006	\$ 265,849,705

EDMUNDSTON
Capital Funds

YEAR'S ACTIVITIES
 December 31

	2011			2010	
	General	Water and Sewer	Electrical Utility	Total	Total
Debentures issue	\$ 10,895,000	\$ 2,533,000	\$ 9,088,000	\$ 22,516,000	\$ 15,927,000
Refinanced debenture	\$ -	\$ -	\$ -	\$ -	\$ (324,000)
Debt reimbursement	\$ 3,005,000	\$ 910,000	\$ 1,216,000	\$ 5,131,000	\$ 4,807,861
Capital expenditures (page 6)	\$ 21,108,040	\$ 3,248,552	\$ 14,119,655	\$ 38,476,247	\$ 18,397,265
Operating Funds contributions	\$ 365,106	\$ 269,338	\$ -	\$ 634,444	\$ 1,386,272

EDMUNDSTON

Capital Funds

SCHEDULE OF CAPITAL EXPENDITURES

2011

GENERAL

Acquisition of equipment	\$ 35,420
Acquisition of heavy equipment	150,979
Downtown	1,085,413
Storm sewers	3,263,585
Recreational	913,508
Paving	2,955,320
Protection services - equipment	469,478
- building	12,080,404
Other projects	153,933
	<hr/>
	\$ 21,108,040

WATER AND SEWER

Acquisition of equipment	\$ 30,817
Artesian well improvements	61,459
Sewerage system improvements	1,322,325
Water system improvements	1,618,502
Residential development	142,087
Installation of new water meters	73,362
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	\$ 3,248,552

ELECTRICAL UTILITY

Acquisition of equipment	\$ 263,484
2nd Falls power dam	33,200
Madawaska power dam	13,155,052
New services, transformers and meters	185,979
Renewal of air base installations	169,604
Hot water tanks	100,520
MRH building	188,756
Other projects	23,060
	<hr/>
	\$ 14,119,655

EDMUNDSTON*General Operating Fund***BALANCE SHEET**

December 31

2011

2010

ASSETS

Cash	\$ 771,299	\$ -
Term deposits, 1 %	3,525	3,490
Accounts receivable	1,286,631	1,618,767
Prepaid expenses	131,218	131,646
Inventories, at average cost	390,194	413,792
Due from other Funds	3,718,022	2,028,512
	<u>6,300,889</u>	<u>4,196,207</u>

DUE FROM GESTION EDMUNDSTON GOLFMANAGEMENT INC., payable over a three
year period, without interest

	<u>100,000</u>	-
	\$ 6,400,889	\$ 4,196,207

LIABILITIES

Bank overdraft	\$ -	\$ 12,085
Accounts payable	3,850,136	3,538,924
Due to other Funds	2,509,209	565,789
	<u>6,359,345</u>	<u>4,116,798</u>

SURPLUS

Surplus (Deficit), beginning of year	79,409	(6,365)
Deficit (Surplus) of second previous year	(42,615)	48,974
Surplus for the year	4,750	36,800
	<u>41,544</u>	<u>79,409</u>
Surplus, end of year	\$ 6,400,889	\$ 4,196,207

EDMUNDSTON*General Operating Fund***STATEMENT OF REVENUE AND EXPENDITURE**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
REVENUE			
Warrant of assessment	\$ 19,161,087	\$ 19,161,087	\$ 18,275,704
Unconditional grant	2,637,666	2,637,666	2,664,309
Services to other governments	658,114	683,460	696,922
Sales of services	725,949	704,068	656,419
Other revenue from own sources	2,626,335	2,706,273	2,889,942
Surplus of second previous year	42,615	42,615	-
Other transfers	3,904	3,904	3,378
Transfer from other funds			
General Operating Reserve Fund	-	-	200,000
Debt reimbursement Reserve Fund	-	-	4,359
	25,855,670	25,939,073	25,391,033
EXPENDITURE			
General government services	3,672,332	3,510,460	3,494,487
Protection services	7,083,105	7,020,271	6,767,258
Transportation services	5,322,720	5,444,119	5,325,218
Environmental health services	866,410	827,346	888,402
Environmental development services	1,561,838	1,484,271	1,494,026
Airports	145,580	138,282	140,073
Recreational and cultural services	2,793,267	2,850,001	2,868,201
Fiscal services (pages 9 and 10)	4,410,418	4,659,573	4,327,594
Deficit of second previous year	-	-	48,974
	25,855,670	25,934,323	25,354,233
SURPLUS FOR THE YEAR	\$ -	\$ 4,750	\$ 36,800

EDMUNDSTON*General Operating Fund***SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
FISCAL SERVICES			
Debt charges			
Edmundston			
Short-term debt interests	\$ 153,900	\$ 154,640	\$ 106,564
Debenture fees	144,500	120,216	67,218
Long-term debt interests	783,190	1,007,038	725,851
Capital reimbursement	2,996,000	2,996,000	2,625,000
	4,077,590	4,277,894	3,524,633
Zone 1 - Edmundston			
Long-term debt interests	-	-	356
Capital reimbursement	-	-	6,000
Mortgage reimbursement	-	13,333	13,333
	-	13,333	19,689
Zone 3 - Saint-Basile			
Long-term debt interests	495	453	2,431
Capital reimbursement	9,000	9,000	34,000
	9,495	9,453	36,431
Debt charges total (carryforward)	4,087,085	4,300,680	3,580,753

EDMUNDSTON

General Operating Fund

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

Year ended December 31

**2011
Budget**

**2011
Actual**

2010
Actual

FISCAL SERVICES (continued)

Debt charges total (carried forward) **\$ 4,087,085** **\$ 4,300,680** **\$ 3,580,753**

Provision for loss on accounts receivable

Bad debt expenses (recoveries) **-** **(6,213)** **113,668**

Transfers

Capital expenditure **323,333** **365,106** **633,173**

\$ 4,410,418 **\$ 4,659,573** **\$ 4,327,594**

EDMUNDSTON*Water and Sewer Operating Fund***BALANCE SHEET**

December 31

2011

2010

ASSETS

Cash	\$	536	\$	422
Accounts receivable		1,042,890		995,038
Inventories, at average cost		460,592		460,179
Prepaid expenses		697		551
Due from other Funds		226,000		206,889
	\$	1,730,715	\$	1,663,079

LIABILITIES

Bank loan	\$	1,352,000	\$	1,455,000
Accounts payable		341,365		115,427
Due to other Funds		21,679		80,000
		1,715,044		1,650,427

SURPLUS

Surplus (Deficit), beginning of year		12,652		(20,384)
Deficit (Surplus) of second previous year		(2,943)		23,327
Surplus for the year		5,962		9,709
Surplus, end of year		15,671		12,652
	\$	1,730,715	\$	1,663,079

EDMUNDSTON*Water and Sewer Operating Fund***STATEMENT OF REVENUE AND EXPENDITURE**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
REVENUE			
Sale of services			
Water	\$ 3,335,317	\$ 3,329,230	\$ 3,053,161
Sewer	1,956,582	1,946,726	1,791,622
	<u>5,291,899</u>	<u>5,275,956</u>	<u>4,844,783</u>
Other revenue from own source			
Water distribution cost	603,360	603,360	603,360
Other revenue	71,901	111,481	111,287
Surplus (Deficit) of second previous year	2,943	2,943	(23,327)
	<u>678,204</u>	<u>717,784</u>	<u>691,320</u>
	<u>5,970,103</u>	<u>5,993,740</u>	<u>5,536,103</u>
EXPENDITURE			
Water supply	2,749,421	2,633,651	2,521,791
Sewage collection and disposal	1,694,700	1,707,344	1,593,137
Fiscal services (page 13)	1,525,982	1,646,783	1,411,466
	<u>5,970,103</u>	<u>5,987,778</u>	<u>5,526,394</u>
SURPLUS FOR THE YEAR	\$ -	\$ 5,962	\$ 9,709

EDMUNDSTON*Water and Sewer Operating Fund***SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
FISCAL SERVICES			
Debt charges			
Water services			
Bank charges	\$ 6,500	\$ 8,295	\$ 6,646
Short-term debt interests	21,599	6,606	4,356
Debenture fees	4,000	16,865	3,555
Long-term debt interests	138,411	165,260	160,305
Capital reimbursement	455,585	455,585	523,202
	626,095	652,611	698,064
Sewer services			
Bank charges	5,000	5,529	4,431
Short-term debt interests	14,400	4,404	2,904
Debenture fees	5,000	11,104	5,348
Long-term debt interests	143,057	160,724	156,787
Capital reimbursement	454,415	454,415	445,798
	621,872	636,176	615,268
Total debt charges	1,247,967	1,288,787	1,313,332
Provision for loss on accounts receivable			
Discounts	32,000	33,339	31,163
Bad debt expenses (recoveries)	2,000	5,319	(13,029)
	34,000	38,658	18,134
Transfers			
Reserve Fund	50,000	50,000	50,000
Capital expenditure - water	116,400	106,499	30,000
Capital expenditure - sewer	77,615	150,964	-
Capital expenditure - Electrical Utility Capital Fund	-	11,875	-
	244,015	319,338	80,000
	\$ 1,525,982	\$ 1,646,783	\$ 1,411,466

EDMUNDSTON*Electrical Utility Operating Fund***BALANCE SHEET**

December 31

2011

2010

ASSETS

Cash	\$ 528	\$ 444
Accounts receivable	3,086,812	2,910,268
Inventories, at average cost	742,931	669,223
Prepaid expenses	10,551	100,571
	<u>3,840,822</u>	<u>3,680,506</u>

SECURITY DEPOSIT

	<u>2,000,000</u>	-
	\$ 5,840,822	\$ 3,680,506

LIABILITIES

Bank loan	\$ 1,316,000	\$ 788,000
Accounts payable	953,013	645,104
Due to other Funds	3,521,154	2,223,503
	<u>5,790,167</u>	<u>3,656,607</u>

SURPLUS

Surplus, beginning of year	23,899	69,514
Surplus of second previous year	(9,697)	(59,829)
Surplus for the year	36,453	14,214
	<u>50,655</u>	<u>23,899</u>
Surplus, end of year	\$ 5,840,822	\$ 3,680,506

EDMUNDSTON*Electrical Utility Operating Fund***STATEMENT OF REVENUE AND EXPENDITURE**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
DISTRIBUTION REVENUE			
Electrical energy sold	\$ 19,290,211	\$ 19,152,581	\$ 18,160,658
Other	547,280	727,465	694,627
Surplus of second previous year	9,697	9,697	59,829
Transfer from other Fund - Electrical utility operating reserve	-	-	50,000
	19,847,188	19,889,743	18,965,114
DISTRIBUTION EXPENDITURE			
Electrical energy purchase	15,165,710	14,793,079	14,062,496
Administration	263,946	376,579	231,055
Distribution	1,568,264	1,564,224	1,253,149
Management expenses	1,472,147	1,508,854	1,418,309
Management and planning	154,312	157,044	138,124
Customer service	47,368	39,173	87,259
Electrometry	150,626	130,419	152,433
Fiscal services (page 16)	537,410	640,941	621,628
	19,359,783	19,210,313	17,964,453
DISTRIBUTION SURPLUS	487,405	679,430	1,000,661
GENERATION REVENUE			
Electrical energy sold	1,762,777	1,772,589	1,142,165
GENERATION EXPENDITURE			
Administration	36,678	35,353	34,055
Management expenses	54,893	56,160	52,788
Management and planning	38,578	37,478	35,310
Operations	446,577	540,652	341,652
Electrometry	4,432	4,032	4,032
Lines	16,871	30,042	15,855
Fiscal services (page 16)	1,652,153	1,711,849	1,644,920
	2,250,182	2,415,566	2,128,612
GENERATION DEFICIT	(487,405)	(642,977)	(986,447)
SURPLUS FOR THE YEAR	\$ -	\$ 36,453	\$ 14,214

EDMUNDSTON*Electrical Utility Operating Fund***SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS**

Year ended December 31

	2011 Budget	2011 Actual	2010 Actual
DISTRIBUTION FISCAL SERVICES			
Debt charges			
Short-term debt interests	\$ 29,000	\$ 26,953	\$ 24,507
Debenture fees	43,263	46,284	45,068
Long-term debt interests	110,424	189,182	140,408
Capital reimbursement	334,723	334,723	341,753
Debt charges total	517,410	597,142	551,736
Provision for loss on accounts receivable			
Bad debt expenses	20,000	43,799	16,793
Transfers			
Reserve Fund	-	-	50,000
Capital expenditure	-	-	3,099
	-	-	53,099
	\$ 537,410	\$ 640,941	\$ 621,628

GENERATION FISCAL SERVICES

Debt charges			
Short-term debt interests	\$ 292,500	\$ 173,446	\$ 158,275
Debenture fees	-	53,300	57,025
Long-term debt interests	478,376	603,826	209,373
Capital reimbursement	881,277	881,277	500,247
Debt charges total	1,652,153	1,711,849	924,920
Transfers			
Capital expenditure	-	-	720,000
	\$ 1,652,153	\$ 1,711,849	\$ 1,644,920

EDMUNDSTON

SUMMARIZED RESERVES FUNDS

Year ended December 31

2011

2010

General Operating	\$ 235,800	\$ 233,204
General Capital Assets	1,244,565	1,938,862
Water and Sewer Capital Assets	482,200	427,535
Electrical Utility Operating	1,054,153	1,042,553
Electrical Capital Assets	3,637	50,000
	<hr/>	<hr/>
	\$ 3,020,355	\$ 3,692,154
