

Edmundston
Consolidated Financial Statements
December 31, 2015

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Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton
507 Victoria Street
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To His Honor the Mayor and Members of City Council of
Edmundston

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We have audited the accompanying consolidated financial statements of Edmundston and the organizations under its control, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net debt and the consolidated statement of cash flows for the year the ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management 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 management determines is necessary to enable the preparaton of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsabilitiy

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 the 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 Edmundston and the organizations under its control as at December 31, 2015 and the results of their operations, the changes in their net debt and their cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Raymond Cabot Grant Thornton, LLP

Chartered Professional Accountants

Edmundston
April 12, 2016

Edmundston

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015

	2015		2014
	Budget (Unaudited) (Note 26) \$	Actual \$	Actual \$
Revenues			
Property tax warrant	21,747,035	21,747,035	20,768,470
Services provided to other governments (Page 34)	1,026,232	1,035,058	1,056,026
Sale of services, fines and other revenues (Page 34)	2,474,253	2,385,694	2,466,494
Unconditional grant	3,343,133	3,343,133	3,079,298
Adjustment for payment in lieu of taxes	59,583	59,583	
Other government transfers	143,623	2,526,017	1,957,304
Other revenues from own sources (Page 34)	699,558	2,232,062	1,149,029
Contractors and other organizations contributions		466,573	1,367,156
User fees - Water and sewer services	5,630,938	5,519,058	5,337,717
Sales electrical utility - Distribution	29,273,254	29,867,450	29,162,547
Sales electrical utility - Generation	2,699,404	3,049,796	2,704,551
Interest	71,000	140,541	132,594
	<u>67,168,013</u>	<u>72,372,000</u>	<u>69,181,186</u>
Expenses (Pages 35 - 40)			
General government services	3,319,228	3,065,092	2,889,225
Protective services	9,193,743	8,766,010	8,347,941
Transportation services	8,883,807	8,507,057	8,667,778
Environmental health services	783,514	759,978	737,514
Development services	1,200,656	935,961	1,335,653
Recreational and cultural services	5,673,213	5,505,179	5,342,259
Water and sewer collection and disposal	6,505,347	6,016,028	6,158,399
Electrical utility - Distribution	30,085,139	30,732,118	29,913,898
Electrical utility - Generation	2,236,012	2,198,770	2,318,854
Adjustment for payment in lieu of taxes			26,613
Loss on disposal of tangible capital assets		154,283	59,938
	<u>67,880,659</u>	<u>66,640,476</u>	<u>65,798,072</u>
Annual surplus (deficit) (Note 23)	<u>(712,646)</u>	<u>5,731,524</u>	<u>3,383,114</u>
Accumulated surplus, beginning of year		<u>67,196,504</u>	<u>63,813,390</u>
Accumulated surplus, end of year		<u>72,928,028</u>	<u>67,196,504</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, 2015

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	12,409,246	7,103,722
Term deposits, 1% and 1.6% (1.55% and 1.6% as at December 31, 2014)	176,469	125,606
Accounts receivables		
General	5,274,744	5,932,807
Federal government and its agencies (Note 5)	177,598	555,803
Province of New Brunswick (Note 6)	920,167	665,803
	<u>18,958,224</u>	<u>14,383,741</u>
LIABILITIES		
Bank loans (Note 17)	5,830,455	5,576,320
Trade payables and other operating liabilities (Note 7)	7,621,625	6,744,714
Holdbacks payable	155,718	51,200
Deferred revenues (Note 8)	1,122,850	510,632
Debentures (Note 9)	60,595,000	64,247,000
Long-term debt (Note 10)	16,811,491	17,534,036
Obligations under capital leases (Note 11)	2,407	42,019
Accrued sick leave (Note 12)	3,883,000	3,883,000
Post employment benefits payable (Note 13)	5,448,851	5,982,355
	<u>101,471,397</u>	<u>104,571,276</u>
NET DEBT	<u>(82,513,173)</u>	<u>(90,187,535)</u>

Edmundston
Consolidated Statement of Financial Position

As at December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 20)	276,910,179	270,270,646
Accumulated amortization (Note 20)	<u>(123,477,757)</u>	<u>(114,993,455)</u>
	<u>153,432,422</u>	<u>155,277,191</u>
Assets under capital leases (Note 21)	14,365	303,034
Accumulated amortization (Note 21)	<u>(3,311)</u>	<u>(133,489)</u>
	<u>11,054</u>	<u>169,545</u>
Inventory of supplies	1,869,470	1,790,969
Prepaid expenses	<u>128,255</u>	<u>146,334</u>
	<u>1,997,725</u>	<u>1,937,303</u>
	<u>155,441,201</u>	<u>157,384,039</u>
ACCUMULATED SURPLUS	<u>72,928,028</u>	<u>67,196,504</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, 2015

	2015		2014
	<u>Budget (Unaudited)</u> \$	<u>Actual</u> \$	<u>Actual</u> \$
Annual surplus (deficit)	<u>(712,646)</u>	<u>5,731,524</u>	<u>3,383,114</u>
Assets under construction, beginning of year		303,171	2,008,030
Assets under construction, end of year		(1,011,194)	(303,171)
Acquisition of tangible capital assets	(7,464,000)	(6,924,705)	(9,539,266)
Proceeds on disposal of tangible capital assets		179,271	15,860
Amortization of tangible capital assets	9,301,329	9,301,329	9,378,792
Loss on disposal of tangible capital assets		154,283	59,938
Amortization of assets under capital leases	1,105	1,105	18,838
	<u>1,838,434</u>	<u>2,003,260</u>	<u>1,639,021</u>
Acquisition of inventory of supplies		(1,869,470)	(1,790,969)
Consumption of inventory of supplies		1,790,969	2,115,185
Acquisition of prepaid expenses		(128,255)	(146,334)
Use of prepaid expenses		146,334	122,020
		<u>(60,422)</u>	<u>299,902</u>
Decrease in net debt	1,125,788	7,674,362	5,322,037
Net debt, beginning of year	<u>(90,187,535)</u>	<u>(90,187,535)</u>	<u>(95,509,572)</u>
Net debt, end of year	<u>(89,061,747)</u>	<u>(82,513,173)</u>	<u>(90,187,535)</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, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	5,731,524	3,383,114
Non-cash items		
Amortization of tangible capital assets	9,301,329	9,378,792
Amortization of assets under capital leases	1,105	18,838
Loss on disposal of tangible capital assets	154,283	59,938
Net change in working capital items (Note 3)	<u>1,781,625</u>	<u>(380,323)</u>
Cash flows from operating activities (a)	<u>16,969,866</u>	<u>12,460,359</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and assets under capital leases	<u>(7,632,728)</u>	<u>(7,834,407)</u>
Proceeds from the disposal of tangible capital assets	<u>179,271</u>	<u>15,860</u>
Cash flows from capital activities	<u>(7,453,457)</u>	<u>(7,818,547)</u>
INVESTING ACTIVITIES		
Net change in term deposit and cash flows from investing activities	<u>(50,863)</u>	<u>(100,000)</u>
FINANCING ACTIVITIES		
Net change in bank loans	254,135	(2,952,721)
Debentures	5,870,000	6,758,000
Repayment of debentures	<u>(9,522,000)</u>	<u>(6,621,000)</u>
Long-term debt		645,000
Repayment of long-term debt	<u>(722,545)</u>	<u>(680,785)</u>
Repayment of obligations under capital leases	<u>(39,612)</u>	<u>(38,162)</u>
Cash flows from financing activities	<u>(4,160,022)</u>	<u>(2,889,668)</u>
Increase in cash and cash equivalents	5,305,524	1,652,144
Cash, beginning of year	<u>7,103,722</u>	<u>5,451,578</u>
Cash, end of year	<u>12,409,246</u>	<u>7,103,722</u>

(a) Interest received during the year amounts to \$140,541 (\$132,594 for the year ended December 31, 2014).
Interest paid during the year amounts to \$2,964,651 (\$3,055,914 for the year ended December 31, 2014).

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, 2015

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.

Budget

The budget figures contained in these financial statements were approved by the City Council on January 20, 2015 and the Minister of Local Government on January 30, 2015.

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, 2015

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 and the amount of certain accrued liabilities.

Cash and cash equivalents

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

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, 2015

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

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, 2015

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, 2015

3 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Accounts receivable	781,904	196,935
Trade payables and other operating liabilities	876,911	581,734
Holdbacks payable	104,517	(140,378)
Deferred revenues	612,219	(445,216)
Accrued sick leave		205,000
Post employment benefits payable	(533,504)	(1,078,300)
Inventory of supplies	(78,501)	324,216
Prepaid expenses	18,079	(24,314)
	<u>1,781,625</u>	<u>(380,323)</u>

4 - CASH

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash - restricted	5,806,568	4,002,676
Cash - unrestricted	6,602,678	3,101,046
	<u>12,409,246</u>	<u>7,103,722</u>

5 - RECEIVABLES FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Canada Revenue Agency (HST refund)	177,598	211,557
Gas Tax Fund		344,246
	<u>177,598</u>	<u>555,803</u>

6 - RECEIVABLES FROM PROVINCE OF NEW BRUNSWICK

	<u>2015</u>	<u>2014</u>
	\$	\$
Transportation and Infrastructure Department	920,167	620,580
Other		45,223
	<u>920,167</u>	<u>665,803</u>

7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Accounts payable and accrued liabilities	6,511,529	5,536,272
Salaries payable	685,692	672,537
Accrued interest	301,065	270,452
Government remittances	123,339	265,453
	<u>7,621,625</u>	<u>6,744,714</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

8 - DEFERRED REVENUES

	<u>2015</u>	<u>2014</u>
	\$	\$
Clients deposits	300,269	246,569
Contractors' deposits	258,786	129,841
Deferred grants	498,886	10,185
Other deferred revenues	64,909	124,036
	<u>1,122,850</u>	<u>510,631</u>

9 - DEBENTURES

	<u>2015</u>	<u>2014</u>
	\$	\$

GENERAL CAPITAL FUND

New Brunswick Municipal Financing Corporation

AT07 3.75% - 4.375%, due in 2015, OIC #04-14, #04-62 and #05-15		1,188,000
AV7 4.15% - 4.45%, due in 2016, OIC #04-14, #04-62, #05-34 and #05-65	405,000	793,000
AX7 4.45% - 4.85%, due in 2017, OIC #05-34, #05-70, #06-42, #06-66 and #07-22	829,000	1,194,000
BA3 .95% - 5%, due in 2019, OIC #06-0042, #07-0022 and #08-002	1,527,000	1,872,000
BB7 1% - 4.5%, due in 2019, OIC #08-0022	213,000	262,000
BD7 1.5% - 3.85%, due in 2020, OIC #09-0032 and #09-0133	3,812,000	4,259,000
BE3 1.65% - 4.25%, due in 2021, OIC #08-0043, #09-0032, #09-0133, #10-0022, #10-0066, #10-0071 and #11-00001	8,392,000	9,040,000
BG4 1.65% - 3.8%, due in 2027, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110 and #12-0005	5,321,000	5,786,000
BH7 1.35% - 3.8%, due in 2032, OIC #11-0004, #11-0051 and #11-0110	360,000	392,000
BI3 1.35% - 4%, due in 2033, OIC #11-0051, #11-0072, #12-0024 and #12-0044	3,310,000	3,627,000
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	3,004,000	3,299,000
BM3 0.95% - 2.80%, due in 2025, OIC #05-0015, #13-0027, #14-0001 and #14-0026	2,779,000	
	<u>29,952,000</u>	<u>31,712,000</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

9 - DEBENTURES (Continued)

	<u>2015</u>	<u>2014</u>
	\$	\$
WATER AND SEWER CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
AT08 3.75% - 4.375%, due in 2015, OIC #93-29, #94-90, #95-74, #02-29 and #04-14		99,000
AV9 4.15% - 4.45%, due in 2016, OIC #95-74, #04-14 and #05-34	619,000	779,000
AX8 4.45% - 4.85%, due in 2017, OIC #06-42 and #07-22	374,000	548,000
BA4 .95% - 5%, due in 2019, OIC #07-0022, #07-0071 and #08-0019	709,000	833,000
BB8 1% - 4.5%, due in 2019, OIC #08-0019 and #09-0009	183,000	225,000
BD8 1.5% - 3.85%, due in 2020, OIC #98-0035, #09-0032 and #09-0133	269,000	405,000
BE4 1.65% - 4.25%, due in 2021, OIC #09-0032, #09-0133, #10-0022 and #10-0071	1,608,000	1,848,000
BG5 1.65% - 2.45%, due in 2017, OIC #98-0064	116,000	172,000
BH8 1.35% - 2.15%, due in 2017, OIC #01-0081	28,000	42,000
BI4 1.35% - 3.25%, due in 2023, OIC #11-0051 and #11-0086	408,000	454,000
BJ7 1.25% - 2.5%, due in 2018, OIC #01-0075 and #01-0081	120,000	159,000
BK2 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #13-0027	1,193,000	1,313,000
BL7 1.2% - 2.15%, due in 2019, OIC #02-0029 and #03-0089	104,000	129,000
BM4 0.95% - 2.8%, due in 2025, OIC #13-0027 and #14-0026	295,000	
	<u>6,026,000</u>	<u>7,006,000</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

9 - DEBENTURES (Continued)

	2015	2014
	\$	\$
ELECTRICAL UTILITY CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
AT09 3.75% - 4.375%, due in 2015, OIC #03-39, #04-14 and #05-04		2,066,000
AV8 4.3% - 4.45%, due in 2016, OIC #96-27, #05-04 and #05-34	579,000	673,000
AX09 4.45% - 4.85%, due in 2017, OIC #05-34	66,000	97,000
BA5 .95% - 5%, due in 2018, OIC #05-0034, #06-0042, #07-002 and #08-0019	614,000	753,000
BB9 1% - 4.5%, due in 2019, OIC #06-0042 and #08-0019	541,000	664,000
BD9 1.5% - 3.85%, due in 2020, OIC #09-0032 and #09-0076	6,942,000	7,381,000
BE5 1.85% - 4.25%, due in 2021, OIC #09-0032, #09-0076, #09-0137 and #10-0022	7,662,000	8,032,000
BG6 1.65% - 3.8%, due in 2027, OIC #09-0076	1,059,000	1,107,000
BH9 1.35% - 3.8%, due in 2032, OIC #10-0022, #11-0051 and #12-0006	2,429,000	2,622,000
BI5 1.35% - 3.25%, due in 2023, OIC #11-0001 and #12-0024	96,000	117,000
BK3 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #12-0040	1,833,000	2,017,000
BM5 0.95% - 3.25%, due in 2030, OIC #05-0004, #12-0040 and #13-0027	2,796,000	
	<u>24,617,000</u>	<u>25,529,000</u>
	<u>60,595,000</u>	<u>64,247,000</u>

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:

	General Capital Fund	Water and Sewer Capital Fund	Electrical Utility Capital Fund	Total
2016	\$ 3,695,000	\$ 1,154,000	\$ 1,825,000	\$ 6,674,000
2017	\$ 3,412,000	\$ 1,017,000	\$ 1,738,000	\$ 6,167,000
2018	\$ 3,037,000	\$ 777,000	\$ 1,697,000	\$ 5,511,000
2019	\$ 3,108,000	\$ 917,000	\$ 1,728,000	\$ 5,753,000
2020	\$ 4,240,000	\$ 555,000	\$ 6,280,999	\$11,075,999

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

10 - LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
	\$	\$
ELECTRICAL UTILITY CAPITAL FUND		
Note payable, 3.85%, payable in monthly instalments of \$107,370, principal and interest, maturing in August 2032	15,830,858	16,495,857
Note payable, 3.85%, payable in monthly instalments of \$4,731, principal and interest, maturing in May 2029	<u>594,170</u>	<u>627,371</u>
	<u>16,425,028</u>	<u>17,123,228</u>

GESTION EDMUNDSTON GOLF MANAGEMENT INC.

Note payable, 4%, secured by equipments with a net book value of \$19,712, payable in annual instalments of \$6,809, principal and interest, maturing in July 2016	4,677	11,036
Note payable, prime rate of 2.7% (3% as at December 31, 2014), secured by the city of Edmundston, payable in monthly instalments of \$2,432, principal and interest, renegotiable in November 2016, maturing in November 2031	<u>381,786</u>	<u>399,772</u>
	<u>386,463</u>	<u>410,808</u>
	<u>16,811,491</u>	<u>17,534,036</u>

The estimated instalments on long-term debt for the next five years are as follows:

2015	\$1,112,024
2016	\$ 753,993
2017	\$ 783,540
2018	\$ 814,244
2019	\$ 846,151

11 - OBLIGATIONS UNDER CAPITAL LEASES

	<u>2015</u>	<u>2014</u>
	\$	\$
GESTION EDMUNDSTON GOLF MANAGEMENT INC.		
Obligation under capital lease for equipments, 4.25%, paid during the year		36,932
Obligation under capital lease for equipments with a net carrying amount of \$9,949, 9.21%, payable in monthly instalments of \$476, principal and interest, maturing in May 2016	<u>2,407</u>	<u>5,087</u>
	<u>2,407</u>	<u>42,019</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

11 - OBLIGATIONS UNDER CAPITAL LEASES (Continued)

The minimum lease payments under the capital leases for the next year and the balance of the obligation are as follows:

2016	\$ 2,461
Total minimum payments	<u>\$ 2,461</u>
Interest expenses included in minimum lease payments	<u>\$ 54</u>
	<u><u>\$ 2,407</u></u>

12 - ACCRUED SICK LEAVE

The Municipality provides sick leave that accumulates at 1.5 days per month for management staff and employees of Local 60 and at 2 days per month for directors. All employees can accumulate a maximum of 260 days of sick 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 policeman 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 195 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.

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: 7.8
 - Local 60 (blue and white collar): 8.6
 - Local 60 (firefighters) : 7.9
 - Local 558 (policemen) : 5.7

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 \$3,883,000 as at December 31, 2014 and 2015. As at December 31, 2015, an amount of \$2,673,691 was accounted for in the operating budgets since the year ended December 31, 2012.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

13 - 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 186 active employees covered by the plan is 46.2 years. At present, the plan provides benefits for 111 retirees with an average age of 68.1 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: 4.44% of employee earning.

In addition, the annual amortization payment in the amount of \$815,699 and expenses not related to investments in the amount of \$125,000 are paid by the employer.

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

- Employer contribution: 13.44% of salary.

Total benefits payments to retirees during the year was approximately \$1,966,465 (\$1,764,409 in 2014). 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, 2014 and at that time, the pension plan had an accrued benefit obligation of \$5,448,851.

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.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

13 - POST EMPLOYMENT BENEFITS PAYABLE (Continued)

The following summarizes the major assumptions in the valuation:

- discount rate of engagement at 6%;
- 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 0.2%, 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 \$2,687,623 (\$2,612,265 in 2014).

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, 2015.

The statement of financial position of the plan as at December 31, 2014 was as follows:

Assets continuity	\$ 51,071,708
Actuarial liabilities	
Active and disabled members	\$ 28,281,833
Retired members and beneficiaries	\$ 28,129,751
Participants terminated vested	\$ 105,152
Voluntary contribution	\$ 3,823
Total actuarial liability	<u>\$ 56,520,559</u>
Plan deficit	<u>\$ (5,448,851)</u>

14 - 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, 2015 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, with the authorization of the Municipality Capital Borrowing Board, has endorsed the line of credit of Gestion Edmundston Golf Management Inc. up to an amount of \$512,000 for a maximum of 15 years. The Municipality estimates that the amount it could be called upon to honor is low.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

15 - COMMITMENTS

The Municipality has committed itself by contract until 2016 for snow removal services, until 2016 for the garbage and waste collection, until 2019 for the rental of vehicles, until 2019 for the rental of office equipment, until 2019 for a contribution to an organization in order to operate an airport, until 2017 for the management of the Palais des congrès and until 2020 for the rental of security equipment. The future minimum payment for these commitments is established to \$1,511,795. Minimum payments over the next four years are as follows:

2015 - \$	987,114
2016 - \$	259,307
2017 - \$	174,801
2018 - \$	88,444
2019 - \$	2,129

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 10 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", to contribute to the Water and Sewer Capital Assets Reserve Fund, an annual amount of \$25,000 for a minimum period of 25 years, or until the reserve fund reaches the sum of \$625,000.

16 - 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 23 provides a reconciliation between fund reporting required by PNB and current year-PSAB.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

17 - SHORT-TERM BORROWING COMPLIANCE

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

General Capital Fund:

OIC #05-71	\$ 512,000
OIC #13-0047	\$ 670,000
OIC #15-0009	\$ 3,396,514
OIC #15-0023	\$ 1,180,000
OIC #15-0083	\$ 28,000,000
	<u>\$ 33,758,514</u>
Used as bank loans	\$ 1,500,000
Not used	<u>\$ 32,258,514</u>

General Operating Fund:

Authorized	\$ 900,000
Used	\$ -
Not used	<u>\$ 900,000</u>

Water and Sewer Capital Fund:

OIC #13-0027	\$ 30,000
OIC #14-0026	\$ 615,000
OIC #15-0009	\$ 1,010,000
OIC #15-0023	\$ 700,000
	<u>\$ 2,355,000</u>
Used as bank loans	\$ 560,000
Not used	<u>\$ 1,795,000</u>

Water and Sewer Operating Fund:

Authorized	\$ 2,000,000
Used	\$ 1,305,000
Not used	<u>\$ 695,000</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

17 - SHORT-TERM BORROWING COMPLIANCE (Continued)

Electrical Utility Capital Fund:

OIC #12-0041	\$ 18,050,000
OIC #13-0027	\$ 1,485,000
OIC #14-0026	\$ 315,000
OIC #14-0039	\$ 645,000
OIC #15-0023	\$ 285,000
	<u>\$ 20,780,000</u>
Used as bank loans	\$ 550,000
Used as notes payables	\$ 16,425,028
	<u>\$ 16,975,028</u>
Not used	<u>\$ 3,804,972</u>

Electrical Utility Operating Fund:

Authorized	\$ 4,500,000
Used	\$ 1,835,000
Not used	<u>\$ 2,665,000</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 2015, 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.

18 - 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>2015</u>	<u>2014</u>
	\$	\$
2015 - Surplus	21,889	
2014 - Surplus	31,819	31,819
2013 - Surplus		50,458
	<u>53,708</u>	<u>82,277</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

19 - 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

As at December 31, 2015

20 - 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 2015	Total 2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
Balance, beginning of year	7,201,058	9,610,840	42,740,394	8,245,716	9,505,469	10,061,606	65,497,537	117,104,855	303,171	270,270,646	262,799,483	
Net additions during the year	79,210	1,069,287	775,945	758,430	801,918	350,177	319,240	2,770,498	854,469	7,779,174	9,788,060	
Transfer of assets under capital leases during the year	(63,624)		(14,846)	(225,413)	(31,342)	(62,752)		(883,887)	(146,446)	288,669	(2,316,897)	
Disposals during the year			43,501,493	8,778,733	10,564,714	10,349,031	65,816,777	118,991,466	1,011,194	(1,428,310)	270,270,646	
Balance, end of year	7,216,644	10,680,127	43,501,493	8,778,733	10,564,714	10,349,031	65,816,777	118,991,466	1,011,194	276,910,179	270,270,646	
Accumulated Amortization												
Balance, beginning of year		3,157,719	15,994,348	3,997,838	5,388,354	6,441,422	11,676,867	68,336,907		114,993,455	105,902,109	
Transfer of accumulated amortization on assets under capital leases		498,207	1,423,189	460,464	761,658	320,382	2,025,845	3,811,584		131,283	9,264,859	
Amortization during the year			(14,846)	(211,198)	(20,894)	(53,353)	13,702,712	(648,019)		(948,310)	(287,446)	
Accumulated amortization on disposals		3,655,926	17,402,691	4,247,104	6,260,401	6,708,451	13,702,712	71,500,472		123,477,757	114,993,455	
Balance, end of year		7,024,201	26,098,802	4,531,629	4,304,313	3,640,580	52,114,065	47,490,994	1,011,194	153,432,422	155,277,191	
Net book value of tangible capital assets												
	7,216,644	7,024,201	26,098,802	4,531,629	4,304,313	3,640,580	52,114,065	47,490,994	1,011,194	153,432,422	155,277,191	
Consists of:												
General Fund	5,157,272	4,992,259	24,636,898	3,206,269	2,556,307	3,640,580	52,114,065	31,639,448	438,569	72,627,022	73,476,872	
Water and Sewer Fund	1,274,076	1,759,800	105,718	368,198	878,949	3,640,580		15,851,546	546,697	24,425,564	23,943,364	
Electrical Utility Fund	772,896	43,030	1,246,909	937,026	477,053				25,928	55,616,907	57,200,278	
Reserve Fund	12,400			20,136	392,004					12,400	12,400	
Controlled entities		229,112	109,277							750,529	644,277	
	7,216,644	7,024,201	26,098,802	4,531,629	4,304,313	3,640,580	52,114,065	47,490,994	1,011,194	153,432,422	155,277,191	

The buildings include work of art for an amount of \$190,234 (190,234 \$ as at December 31, 2014) which are not amortized.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

21 - ASSETS UNDER CAPITAL LEASES

	<u>2015</u>	<u>2014</u>
	\$	\$
Cost		
Balance, beginning of year	303,034	303,034
Transfer to tangible capital assets	<u>(288,669)</u>	
Balance, end of year	<u>14,365</u>	<u>303,034</u>
Accumulated Amortization		
Balance, beginning of year	133,489	114,651
Transfer to tangible capital assets	<u>(131,283)</u>	
Amortization during the year	1,105	18,838
Balance, end of year	<u>3,311</u>	<u>133,489</u>
	<u>11,054</u>	<u>169,545</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

22 - SCHEDULE OF SEGMENT DISCLOSURE

	General government	Protective	Transportation	Environmental health	Development	Recreational and cultural	Water and sewer	Electrical utility	Reserves	Total 2015	Total 2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Property tax warrant *	2,497,810	6,918,544	6,685,308	589,616	787,637	4,268,120				21,747,035	20,768,470
Services provided to other governments		671,630	363,428		120,980	1,578,146				1,035,058	1,056,026
Sale of services, fines and other revenues	865				121,082	656,130		685,703		2,385,694	2,466,494
Unconditional grant *	383,984	1,063,575	1,027,721	90,641						3,343,133	3,079,298
Adjustment for payment in lieu of taxes	59,583									59,583	
Other government transfers	102,151	73,127	2,046,655		1,648	100,818	201,618			2,526,017	1,957,304
Other revenues from own sources	1,363,999	447,637	332,414		16,574	101,213	71,438			2,232,062	1,149,029
Contractors and other organizations contributions			138,371		5,000		221,989			466,573	1,367,156
User fees - Water and sewer services							5,519,058			5,519,058	5,337,717
Sales electrical utility - Distribution							29,867,450			29,867,450	29,162,547
Sales electrical utility - Generation						2,262	31,110	3,049,796		3,049,796	2,704,551
Interest						6,706,689	6,045,213	67,275	39,894	140,541	132,594
	<u>4,408,392</u>	<u>9,174,513</u>	<u>10,593,897</u>	<u>680,257</u>	<u>1,052,921</u>	<u>6,706,689</u>	<u>6,045,213</u>	<u>33,670,224</u>	<u>39,894</u>	<u>72,372,000</u>	<u>69,181,186</u>
Expenses											
Salaries and benefits	1,046,225	6,027,748	2,998,740	2,540	670,873	1,858,070	1,398,524	2,673,917		16,676,637	16,913,375
Goods and services	1,476,613	1,482,166	2,171,525	757,133	194,418	2,565,578	2,540,050	26,324,377		37,511,860	36,252,410
Amortization	486,553	849,045	2,938,752	305	10,482	902,950	1,839,531	2,274,814		9,302,432	9,397,634
Interests	55,701	407,051	398,040		60,188	178,581	237,923	1,657,780		2,995,264	3,148,102
Adjustment for payment in lieu of taxes							9,399			154,283	26,613
Loss on disposal of tangible capital assets										59,938	59,938
	<u>3,065,092</u>	<u>8,766,010</u>	<u>8,651,941</u>	<u>759,978</u>	<u>935,961</u>	<u>5,505,179</u>	<u>6,025,427</u>	<u>32,930,888</u>		<u>66,640,476</u>	<u>65,798,072</u>
Surplus (deficit) for the year	<u>1,343,300</u>	<u>408,503</u>	<u>1,941,956</u>	<u>(79,721)</u>	<u>116,960</u>	<u>1,201,510</u>	<u>19,786</u>	<u>739,336</u>	<u>39,894</u>	<u>5,731,524</u>	<u>3,383,114</u>

* 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, 2015

23 - 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)	8,266,769	(3,140,172)	1,445,127	(1,425,343)	2,946,875	(2,274,814)	39,894	(126,812)	5,731,524
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	19,013		50,458		48,210				117,681
Transfers between funds									
From General Operating Fund to Water and Sewer Operating Fund	(536,820)		536,820						
From General Operating Fund to General Capital Fund	(1,222,287)	1,222,287							
From Water and Sewer Operating Fund to Water and Sewer Capital Fund			(442,944)	442,944					
From Electrical Utility Operating Fund to Electrical Utility Capital Fund					(140,000)	140,000			
From General Operating Fund to General Operating Reserve Fund	(302,000)						302,000		
From General Operating Fund to General Capital Assets Reserve Fund	(1,262,000)						1,262,000		
From Water and Sewer Operating Fund to Water and Sewer Operating Reserve Fund			(75,000)				75,000		
From Water and Sewer Operating Fund to Water and Sewer Capital Assets Reserve Fund			(75,000)				75,000		
From Electrical Utility Operating Fund to Electrical Capital Assets Reserve Fund							50,000		
Principal payments on long-term debt	(3,650,000)	3,650,000	(1,275,000)	1,275,000	(2,590,200)	2,590,200			
Provision for defined benefit pension plan	(280,792)		(112,317)		(140,396)				(533,505)
Provision for accrued sick leave	(781,701)		(30,255)		(41,354)				(853,310)
Contributions to controlled entities	(226,299)							226,299	
Amortization expense		5,188,087		1,839,531		2,274,814			9,302,432
Total adjustments to the annual surplus (deficit)	(8,242,886)	10,060,374	(1,423,238)	3,557,475	(2,913,740)	5,005,014	1,764,000	226,299	8,033,298
Annual fund surplus (deficit)	23,883	6,920,202	21,869	2,132,132	33,135	2,730,200	1,803,894	99,487	13,764,822

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

24 - STATEMENT OF RESERVES (Continued)

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Camille Roy, seconded by Councillor Martin Albert that \$302,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2015-165)

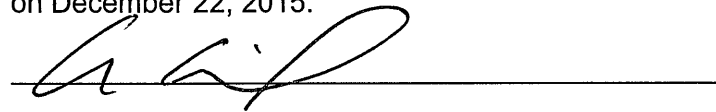
Moved by Councillor Denis M. Pelletier, seconded by Councillor Gérald Morneau that \$1,262,000 be transferred from the General Operating Fund to the General Capital Assets Reserve Fund. (#2015-164)

Moved by Councillor André Lang, seconded by Councillor Guy Voyer that \$75,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Operating Reserve Fund. (#2015-167)

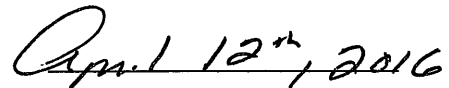
Moved by Councillor Gérald Morneau, seconded by Councillor Camille Roy that \$75,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund. (#2015-166)

Moved by Councillor Jean-Guy Marquis, seconded by Councillor Charles Fournier that \$50,000 be transferred from the Electrical Utility Operating Fund to the Electrical Utility Capital Assets Reserve Fund. (#2015-168)

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on December 22, 2015.



Marc Michaud
City Clerk,
Edmundston



Date

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2015

25 - STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Commission de l'Aéroport d'Edmundston Inc.	Gestion Edmundston Golf Management Inc.	Secrétariat à la jeunesse d'Edmundston Inc.	Centre des arts La petite église d'Edmundston Inc.	Total 2014	Total 2013
Assets	\$	811,045	57,596	283,771	1,152,412	1,225,287
Liabilities		656,010	629	29,543	686,182	858,544
Accumulated surplus		155,035	56,967	254,228	466,230	366,743
Revenues	3,051	717,457	69,213	457,173	1,243,843	1,436,255
Expenses	(3,051)	680,497	54,639	406,169	1,144,356	1,429,256
Annual surplus (deficit)		36,960	14,574	51,004	99,487	6,999

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

Edmundston
Notes to Consolidated Financial Statements

As at December 31, 2015

27 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Edmundston

Consolidated Schedules

Year ended December 31, 2015

	<u>2015</u>	<u>2014</u>
	<u>Budget</u>	<u>Actual</u>
	<u>(Unaudited)</u>	<u>Actual</u>
	<u>\$</u>	<u>\$</u>
SERVICES PROVIDED TO OTHER GOVERNMENTS		
Province of New Brunswick		
Fire protection	175,171	206,302
Police	105,200	75,895
Transportation	364,000	363,428
Communication center	381,861	389,433
	<u>1,026,232</u>	<u>1,056,026</u>
SALES OF SERVICES, FINES AND OTHER REVENUES		
Arenas	289,200	282,624
Sport Center	406,100	315,531
Golf	671,020	667,510
Recreational services	21,500	11,532
Cultural services	48,070	78,187
Service charge	43,000	44,481
Equipment rental	364,316	369,864
Licenses and permits	120,000	120,980
Sales and rental of equipment	293,352	271,358
Secrétariat à la Jeunesse		865
Art Center	217,695	222,762
	<u>2,474,253</u>	<u>2,385,694</u>
OTHER REVENUES FROM OWN SOURCES		
Other revenue	34,450	1,433,502
Other revenue - Police	360,108	361,118
Other revenue - Water and sewer services	52,300	45,888
Transportation department	200,000	322,984
Building rental	20,400	21,804
Administrative services		4,967
Wastewater treatment plant	25,300	25,550
Technical services	7,000	16,249
	<u>699,558</u>	<u>2,232,062</u>
		<u>1,149,029</u>

Edmundston

Consolidated Schedules

Year ended December 31, 2015

	2015		2014
	Budget	Actual	Actual
	(Unaudited)		
	\$	\$	\$
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	47,456	49,929	46,223
Councillors	52,910	44,847	43,765
Other legislative fees	64,768	64,679	47,738
	<u>165,134</u>	<u>159,455</u>	<u>137,726</u>
Administrative			
Administration	349,921	219,181	174,516
City Clerk	38,918	146,187	42,251
Treasurer	568,563	503,870	441,676
Tourism	155,000	155,144	155,140
Human resources	325,122	270,746	238,069
Office building	868,969	840,756	662,835
Data processing	138,716	74,929	86,405
Legal fees	58,407	55,465	46,230
Secrétariat à la Jeunesse	58,053	99,528	111,685
Amortization	486,553	486,553	508,134
Debenture fees	13,809	15,214	25,729
Long-term debt interest	72,063	55,701	56,961
Bad debt (recovery)	20,000	(17,637)	201,868
	<u>3,154,094</u>	<u>2,905,637</u>	<u>2,751,499</u>
	<u>3,319,228</u>	<u>3,065,092</u>	<u>2,889,225</u>

Edmundston Consolidated Schedules

Year ended December 31, 2015

	2015		2014
	Budget (Unaudited) \$	Actual \$	Actual \$
PROTECTIVE SERVICES			
911 Center	975,437	978,357	895,857
Police			
Administration	472,503	424,358	401,769
Crime prevention	3,559,593	3,322,792	3,141,422
Traffic activities	56,290	49,887	47,204
Station and building	428,344	439,027	408,777
Vehicles	258,906	186,006	198,639
Animal control	16,000	13,523	13,896
Jailer	30,710	17,320	16,993
Emergency measures service	3,566	2,382	2,878
Long-term debt interest	374,487	374,487	394,198
Amortization	689,939	689,939	676,570
	5,890,338	5,519,721	5,302,346
Fire			
Administration	439,674	418,590	349,136
Fire fighting force	1,268,900	1,260,094	1,100,434
Brigade	148,970	127,854	194,190
Prevention	45,445	4,125	38,195
Station and building	121,409	121,127	124,691
Vehicles	111,900	144,472	130,704
Amortization	159,106	159,106	186,539
Long-term debt interest	32,564	32,564	25,849
	2,327,968	2,267,932	2,149,738
	9,193,743	8,766,010	8,347,941

Edmundston

Consolidated Schedules

Year ended December 31, 2015

	Budget (Unaudited) \$	2015 Actual \$	2014 Actual \$
TRANSPORTATION SERVICES			
Administration - Road transport	572,418	518,145	428,572
Street maintenance - Summer	2,007,822	1,841,668	2,035,627
Street maintenance - Winter	1,610,471	1,449,718	1,683,174
Landscaping	322,204	354,880	215,529
Sidewalks	15,000	23,249	17,127
Storm sewers	222,439	216,600	158,015
Street lighting	491,684	467,105	464,636
Traffic	239,031	228,640	148,765
Parking	52,000	65,935	53,382
Other	13,946	4,325	10,590
Amortization	2,938,752	2,938,752	3,014,640
Long-term debt interest	398,040	398,040	437,721
	<u>8,883,807</u>	<u>8,507,057</u>	<u>8,667,778</u>
ENVIRONMENTAL HEALTH SERVICES			
Garbage and waste collection	783,209	759,673	737,209
Amortization	305	305	305
	<u>783,514</u>	<u>759,978</u>	<u>737,514</u>
DEVELOPMENT SERVICES			
Economic development	154,177	109,909	37,314
Engineering	185,777	151,560	112,124
Building inspectors	414,809	296,098	280,158
Environmental sustainability	55,895	52,433	36,289
Planning department			41,818
Communication towers	2,000	109	523
Urban development	103,512	45,167	99,264
Airports	154,000	151,579	270,663
Urban commission	59,816	58,436	373,965
Amortization	10,482	10,482	10,282
Long-term debt interest	60,188	60,188	73,253
	<u>1,200,656</u>	<u>935,961</u>	<u>1,335,653</u>

Edmundston Consolidated Schedules

Year ended December 31, 2015

	Budget (Unaudited)	2015 Actual	2014 Actual
	\$	\$	\$
RECREATIONAL AND CULTURAL SERVICES			
Administration	612,987	550,936	702,245
Sports	1,047,409	996,860	894,517
Arenas	518,356	495,028	496,702
Parks and playgrounds	802,753	822,283	732,653
Sociocultural	337,358	352,302	310,368
Library	135,340	134,708	135,499
Golf	722,016	674,130	707,748
Art Center	419,695	397,401	308,950
Amortization	898,718	902,950	878,184
Long-term debt interest	178,581	178,581	175,393
	5,673,213	5,505,179	5,342,259

Edmundston Consolidated Schedules

Year ended December 31, 2015

	Budget (Unaudited) \$	2015 Actual \$	2014 Actual \$
WATER AND SEWER COLLECTION AND DISPOSAL			
Water supply			
Administration	529,075	491,506	550,515
Billing and collection	113,955	113,955	107,886
Power and pumping	412,217	383,893	401,225
Purification and treatment	144,087	122,563	101,935
Transmission and distribution	1,459,357	1,294,140	1,199,022
Amortization	866,824	866,824	829,443
Bank fees	5,000	10,616	4,471
Short-term debt interest	14,088	337	4,577
Debenture fees	3,800	1,047	4,600
Long-term debt interest	118,277	118,111	136,029
Discounts	32,000	34,414	32,335
Bad debt (recovery)	2,000	(45,000)	44,115
	<u>3,700,680</u>	<u>3,392,406</u>	<u>3,416,153</u>
Sewer collection and disposal			
Administration	350,024	350,162	380,422
Billing and collection	75,970	75,970	72,075
Wastewater treatment plant	375,378	378,156	378,191
Sewage collection system	590,508	482,304	521,919
Lift-station	284,595	203,711	245,480
Pre-treatment	29,524	33,502	33,480
Amortization	972,707	972,707	967,879
Bank fees	3,500	7,077	2,981
Short-term debt interest	1,220	311	3,051
Debenture fees		557	6,214
Long-term debt interest	120,241	119,165	131,144
Bad debt (recovery)	1,000		(590)
	<u>2,804,667</u>	<u>2,623,622</u>	<u>2,742,246</u>
	<u>6,505,347</u>	<u>6,016,028</u>	<u>6,158,399</u>

Edmundston

Consolidated Schedules

Year ended December 31, 2015

	Budget (Unaudited) \$	2015 Actual \$	2014 Actual \$
ELECTRICAL UTILITY			
Electrical utility - Distribution			
Electrical energy purchase	23,244,139	23,699,208	23,049,587
Administration	320,143	554,966	219,284
Distribution	1,768,817	1,696,015	1,775,028
Management expenses	1,876,981	1,875,274	1,975,542
Management and planning	144,543	96,070	117,402
Customer service	23,945	16,976	19,789
Electrometry	195,305	174,630	167,234
Amortization	1,532,770	1,532,770	1,582,393
Short-term debt interest	20,175	37,853	48,560
Debenture fees	4,940	5,531	9,070
Long-term debt interest	908,381	910,451	926,049
Bad debt	45,000	132,374	23,960
	<u>30,085,139</u>	<u>30,732,118</u>	<u>29,913,898</u>
Electrical utility - Generation			
Administration	33,496	24,259	22,671
Management expenses	230,684	226,711	253,670
Management and planning	93,190	90,935	85,400
Operations	425,724	369,817	443,067
Electrometry	7,296	7,296	8,692
Lines	21,403	17,318	20,472
Amortization	742,044	742,044	743,263
Short-term debt interest	6,725	17,724	33,123
Debenture fees		10,915	6,303
Long-term debt interest	675,450	691,751	702,193
	<u>2,236,012</u>	<u>2,198,770</u>	<u>2,318,854</u>
	<u>32,321,151</u>	<u>32,930,888</u>	<u>32,232,752</u>