

Edmundston
Consolidated Financial Statements
December 31, 2020

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
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To His Honor the Mayor and Members of City Council of
Edmundston

Opinion

We have audited the consolidated financial statements hereafter "the financial statements" of Edmundston (hereafter "the Municipality"), which comprise the statement of consolidated financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus, the statement of changes in net debt and the statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies, and the consolidated schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2020, and the results of its operations and accumulated surplus, the change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial information prepared for tax purposes

We draw attention to the fact that the municipality includes in its financial statements certain financial information that is not required by the Canadian public sector accounting standards. This information, prepared in accordance with the Province of New Brunswick's municipal financial reporting guide presented on pages 28 and 32, focuses on determining the surplus (deficit) for the year. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Raymond Cholet Grant Thornton LLP

Chartered Professional Accountants

Edmundston
April 20, 2021

Edmundston

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020

	2020		2019
	Budget (Unaudited) (Note 26)	Actual	Actual
	\$	\$	\$
Revenues			
Property tax warrant	23,720,297	23,720,297	23,478,752
Services provided to other governments (Page 33)	1,164,257	1,197,368	1,121,611
Sale of services, fines and other revenues (Page 33)	3,664,048	2,953,992	3,265,476
Unconditional grant	5,564,820	5,702,768	5,316,635
Other government transfers	208,000	1,286,111	2,343,567
Other revenues from own sources (Page 33)	726,469	1,571,918	1,293,686
Contractors and other organizations contributions		148,554	139,343
User fees - Water and sewer services	6,061,228	6,010,403	6,093,927
Sales electrical utility - Distribution	33,047,631	31,322,440	32,754,933
Sales electrical utility - Generation	2,630,258	3,340,835	3,006,386
Interest	148,976	193,572	375,636
	<u>76,935,984</u>	<u>77,448,258</u>	<u>79,189,952</u>
Expenses (Pages 34 - 39)			
General government services	4,616,873	3,917,800	3,410,072
Protective services	10,464,946	10,093,314	9,210,813
Transportation services	9,387,980	9,359,688	9,422,437
Environmental health services	833,884	900,293	872,209
Development services	1,771,433	1,447,357	1,253,764
Recreational and cultural services	8,967,484	7,716,081	8,736,998
Water and sewer collection and disposal	6,804,641	6,202,826	6,509,518
Electrical utility - Distribution	33,165,801	31,585,292	32,390,656
Electrical utility - Generation	2,341,463	2,918,532	2,527,806
Adjustment for payment in lieu of taxes	14,073	14,073	
Loss on disposal of tangible capital assets		395,928	25,058
	<u>78,368,578</u>	<u>74,551,184</u>	<u>74,359,331</u>
Annual surplus (deficit) (Note 23)	<u>(1,432,594)</u>	<u>2,897,074</u>	<u>4,830,621</u>
Accumulated surplus, beginning of year		<u>114,447,039</u>	<u>109,616,418</u>
Accumulated surplus, end of year		<u>117,344,113</u>	<u>114,447,039</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, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	14,109,272	13,157,079
Term deposits	178,479	120,908
Accounts receivables		
General	1,629,515	606,100
Water and sewer	1,186,318	1,210,417
Electrical utility	4,375,689	4,671,685
Federal government and its agencies (Note 5)	121,870	56,337
Province of New Brunswick (Note 6)	11,513	
	<u>21,612,656</u>	<u>19,822,526</u>
LIABILITIES		
Bank loans (Note 17)	3,254,602	5,192,751
Trade payables and other operating liabilities (Note 7)	8,147,637	7,664,390
Holdbacks payable	106,913	180,847
Deferred revenues (Note 8)	906,308	318,545
Debentures (Note 9)	59,094,000	63,109,000
Long-term debt (Note 10)	40,000	309,810
Obligations under capital leases (Note 11)		42,170
Accrued sick leave (Note 12)	3,312,000	3,525,000
	<u>74,861,460</u>	<u>80,342,513</u>
NET DEBT	<u>(53,248,804)</u>	<u>(60,519,987)</u>

Edmundston
Consolidated Statement of Financial Position

As at December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 20)	333,080,187	327,129,942
Accumulated amortization (Note 20)	<u>(169,874,613)</u>	<u>(159,956,325)</u>
	<u>163,205,574</u>	<u>167,173,617</u>
Assets under capital leases (Note 21)		202,765
Accumulated amortization (Note 21)		<u>(62,340)</u>
		<u>140,425</u>
Inventory of supplies	1,844,871	1,788,138
Prepaid expenses	216,852	211,659
Post employment benefits surplus (Note 13)	<u>5,325,620</u>	<u>5,653,187</u>
	<u>7,387,343</u>	<u>7,652,984</u>
	<u>170,592,917</u>	<u>174,967,026</u>
ACCUMULATED SURPLUS	<u>117,344,113</u>	<u>114,447,039</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, 2020

	Budget (Unaudited)	2020 Actual	2019 Actual
	\$	\$	\$
Annual surplus (deficit)	(1,432,594)	2,897,074	4,830,621
Assets under construction, beginning of year		1,082,968	1,249,084
Assets under construction, end of year		(1,883,626)	(1,082,968)
Acquisition of tangible capital assets	(16,340,000)	(6,658,736)	(7,739,725)
Proceeds on disposal of tangible capital assets		83,854	163,587
Amortization of tangible capital assets	11,088,080	11,088,080	11,496,254
Loss on disposal of tangible capital assets		395,928	25,058
Amortization of assets under capital leases			15,603
	(5,251,920)	4,108,468	4,126,893
Acquisition of inventory of supplies		(1,844,871)	(1,788,138)
Consumption of inventory of supplies		1,788,138	1,899,538
Acquisition of prepaid expenses		(216,852)	(211,659)
Use of prepaid expenses		211,659	133,639
Post employment benefits surplus, end of year		(5,325,620)	(5,653,187)
Post employment benefits surplus, beginning of year		5,653,187	3,801,733
		265,641	(1,818,074)
Decrease (increase) in net debt	(6,684,514)	7,271,183	7,139,440
Net debt, beginning of year	60,519,987	60,519,987	67,659,427
Net debt, end of year	67,204,501	53,248,804	60,519,987

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, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	2,897,074	4,830,621
Non-cash items		
Amortization of tangible capital assets	11,088,080	11,496,254
Amortization of assets under capital leases		15,603
Loss on disposal of tangible capital assets	395,928	25,058
Debt forgiveness on forgivable loan		(180,000)
Net change in working capital items (Note 3)	<u>269,351</u>	<u>(1,604,889)</u>
Cash flows from operating activities (a)	<u>14,650,433</u>	<u>14,582,647</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and assets under capital leases	(7,459,394)	(7,573,609)
Proceeds from the disposal of tangible capital assets	<u>83,854</u>	<u>163,587</u>
Cash flows from capital activities	<u>(7,375,540)</u>	<u>(7,410,022)</u>
INVESTING ACTIVITIES		
Investments and cash flows from investing activities	<u>(57,571)</u>	<u>(697)</u>
FINANCING ACTIVITIES		
Net change in bank loans	(1,938,149)	(1,386,497)
Debentures	9,638,000	3,601,000
Repayment of debentures	(13,653,000)	(7,911,000)
Long-term debt	40,000	
Repayment of long-term debt	(309,810)	(240,006)
Repayment of obligations under capital leases	<u>(42,170)</u>	<u>(39,671)</u>
Cash flows from financing activities	<u>(6,265,129)</u>	<u>(5,976,174)</u>
Increase in cash and cash equivalents	952,193	1,195,754
Cash, beginning of year	<u>13,157,079</u>	<u>11,961,325</u>
Cash, end of year	<u>14,109,272</u>	<u>13,157,079</u>

(a) Interest received during the year amounts to \$193,572 (\$375,636 for the year ended December 31, 2019). Interest paid during the year amounts to \$2,079,347 (\$2,237,757 for the year ended December 31, 2019).

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, 2020

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting entity

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

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

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

Centre des Arts La Petite Église d'Edmundston Inc.

Gestion Edmundston Golf Management Inc.

Moitié-Moitié Centre Jean-Daigle Inc.

Budget

The budget figures contained in these financial statements were approved by the City Council on December 17, 2019 and the Minister of Local Government on January 9, 2020.

Government transfers

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

Revenue recognition

Unrestricted revenues are recorded on an accrual basis and are recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Other revenue is recorded when it is earned.

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred revenues

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

Use of estimates

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

Cash and cash equivalents

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

Non-financial assets

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

Inventory of supplies

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

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

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, 2020

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, 2020

3 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Accounts receivable	(780,366)	1,063,019
Trade payables and other operating liabilities	483,247	(828,946)
Holdbacks payable	(73,934)	(333,616)
Deferred revenues	587,763	312,728
Accrued sick leave	(213,000)	
Inventory of supplies	(56,733)	111,400
Prepaid expenses	(5,193)	(78,020)
Post employment benefits surplus and non payable	327,567	(1,851,454)
	<u>269,351</u>	<u>(1,604,889)</u>

4 - CASH

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash - restricted	6,226,913	5,644,616
Cash - unrestricted	7,882,359	7,512,463
	<u>14,109,272</u>	<u>13,157,079</u>

5 - RECEIVABLES FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2020</u>	<u>2019</u>
	\$	\$
Canada Revenue Agency (HST refund)	85,892	56,337
Canadian Heritage	35,978	
	<u>121,870</u>	<u>56,337</u>

6 - RECEIVABLES FROM PROVINCE OF NEW BRUNSWICK

	<u>2020</u>	<u>2019</u>
	\$	\$
Regional Development Corporation	11,513	

7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2020</u>	<u>2019</u>
	\$	\$
Accounts payable and accrued liabilities	6,429,998	6,021,768
Salaries payable	799,085	661,905
Accrued interest	174,660	214,940
Government remittances	97,401	145,603
Clients deposits	505,798	477,722
Contractors' deposits	140,695	142,452
	<u>8,147,637</u>	<u>7,664,390</u>

Edmundston
Notes to Consolidated Financial Statements
As at December 31, 2020

8 - DEFERRED REVENUES

	<u>2020</u>	<u>2019</u>
	\$	\$
Deferred grants	798,666	297,451
Other deferred revenues	<u>107,642</u>	<u>21,094</u>
	<u>906,308</u>	<u>318,545</u>

9 - DEBENTURES

	<u>2020</u>	<u>2019</u>
	\$	\$
GENERAL CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BE3 1.65% - 4.25%, due in 2021, OIC #08-0043, #09-0032, #09-0133, #10-0022, #10-0066, #10-0071 and #11-00001	4,873,000	5,627,000
BG4 1.65% - 3.8%, due in 2027, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110 and #12-0005	2,877,000	3,386,000
BH7 1.35% - 3.8%, due in 2032, OIC #11-0004, #11-0051 and #11-0110	189,000	225,000
BI3 1.35% - 4%, due in 2033, OIC #11-0051, #11-0072, #12-0024 and #12-0044	1,656,000	1,996,000
BK1 1.15% - 4.15%, due in 2034, OIC #11-0004, #11-0110, #12-0024, #12-0083, #13-0027, #13-0047, #13-0054 and #13-0060	1,504,000	1,780,000
BM3 0.95% - 2.80%, due in 2025, OIC #05-0015, #13-0027, #14-0001 and #14-0026	1,361,000	1,652,000
BO5 1.45% - 2.9%, due in 2026, OIC #15-0023	457,000	539,000
BP4 1.2% - 2.95%, due in 2026, OIC #16-0009	699,000	873,000
BQ4 1.2% - 2.7%, due in 2027, OIC #15-0023, #16-0009	1,356,000	1,540,000
BU5 2.55% - 3.7%, due in 2038, OIC #15-0083, #16-0009, #17-0010, #17-0085	5,106,000	5,470,000
BW7 1.95% - 2.45% due in 2029, OIC #18-0016	1,722,000	1,927,000
BY7 0.5% - 2.3%, due in 2035, OIC #09-0032, #17-0010, #18-0016, #19-0018 and #20-0022	4,504,000	
BD7 1.5% - 3.85%, paid during the year		2,034,000
	<u>26,304,000</u>	<u>27,049,000</u>

Edmundston
Notes to Consolidated Financial Statements
As at December 31, 2020

9 - DEBENTURES (Continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
WATER AND SEWER CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BE4 1.65% - 4.25%, due in 2021, OIC #09-0032, #09-0133, #10-0022 and #10-0071	289,000	573,000
BI4 1.35% - 3.25%, due in 2023, OIC #11-0051 and #11-0086	163,000	214,000
BK2 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #13-0027	564,000	695,000
BL7 1.2% - 2.15%, due in 2019, OIC #02-0029 and #03-0089		
BM4 0.95% - 2.8%, due in 2025, OIC #13-0027 and #14-0026	138,000	170,000
BP6 1.2% - 2.95%, due in 2026, OIC #05-0034, #13-0027, #14-0026 and #15-0023	638,000	814,000
BQ5 1.2% - 1.85%, due in 2022, OIC #14-0026	24,000	36,000
BU6 2.55% - 3.4%, due in 2028, OIC #14-0026, #16-0009	443,000	513,000
BV5 2.05% - 2.3%, due in 2024, OIC #07-0022	130,000	161,000
BW8 1.95% - 2.45% due in 2029, OIC #16-0009, #17-0059 and #18-0016	599,000	675,000
BY08 0.5% - 1.8%, due in 2030, OIC #18-0016 and #19-0018	325,000	
BB8 1.5% - 3.85%, paid during the year		57,000
	<u>3,313,000</u>	<u>3,908,000</u>

Edmundston
Notes to Consolidated Financial Statements
As at December 31, 2020

9 - DEBENTURES (Continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
ELECTRICAL UTILITY CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BE5 1.85% - 4.25%, due in 2021, OIC #09-0032, #09-0076, #09-0137 and #10-0022	5,775,000	6,174,000
BG6 1.65% - 3.8%, due in 2027, OIC #09-0076	803,000	857,000
BH9 1.35% - 3.8%, due in 2032, OIC #10-0022, #11-0051 and #12-0006	1,583,000	1,738,000
BI5 1.35% - 3.25%, due in 2023, OIC #11-0001 and #12-0024	20,000	26,000
BK3 1.15% - 3.45%, due in 2024, OIC #11-0051, #12-0024 and #12-0040	866,000	1,068,000
BM5 0.95% - 3.25%, due in 2030, OIC #05-0004, #12-0040 and #13-0027	1,820,000	2,021,000
BP6 1.2% - 3.55%, due in 2031, OIC #05-0004, #05-0034 and # 16-0070	11,932,000	12,889,000
BQ6 1.2% - 3.3%, due in 2032, OIC #13-0027	927,000	1,032,000
BT5 2.1% - 3%, due in 2023, OIC #14-0026	186,000	245,000
BV6 2.05% - 2.85%, due in 2029, OIC #14-0026, #15-0023, #17-0010 and #18-0016	756,000	838,000
BY9 0.5% - 1.8%, due in 2030, DC #09-0076	4,809,000	
BD9 1.5% - 3.85%, paid during the year		5,264,000
	<u>29,477,000</u>	<u>32,152,000</u>
	<u>59,094,000</u>	<u>63,109,000</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
2021	\$ 7,840,000	\$ 918,000	\$ 8,092,000	\$16,850,000
2022	\$ 3,321,000	\$ 549,000	\$ 2,337,000	\$ 6,207,000
2023	\$ 2,960,000	\$ 550,000	\$ 2,312,000	\$ 5,822,000
2024	\$ 2,646,000	\$ 468,000	\$ 2,287,000	\$ 5,401,000
2025	\$ 2,372,000	\$ 264,000	\$ 2,099,000	\$ 4,735,000

Edmundston Notes to Consolidated Financial Statements

As at December 31, 2020

10 - LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>
	\$	\$
CENTRE DES ARTS LA PETITE ÉGLISE D'EDMUNDSTON INC.		
Loan, secured by the Government of Canada, non-interest bearing until December 31, 2022 (a)	<u>40,000</u>	<u> </u>
GESTION EDMUNDSTON GOLF MANAGEMENT INC.		
Note payable, 4.25%, paid during the year	<u>40,000</u>	<u>309,810</u>
	<u> </u>	<u>309,810</u>

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

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

11 - OBLIGATIONS UNDER CAPITAL LEASES

	<u>2020</u>	<u>2019</u>
	\$	\$
GESTION EDMUNDSTON GOLF MANAGEMENT INC.		
Obligations under capital leases for equipments, 4.57% and 6.2%, paid during the year	<u> </u>	<u>42,170</u>

12 - ACCRUED SICK LEAVE

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

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

Edmundston Notes to Consolidated Financial Statements

As at December 31, 2020

12 - ACCRUED SICK LEAVE (Continued)

The following summarizes the major assumptions in the valuation:

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

The unfunded liability was \$3,312,000 as at December 31, 2020 (\$3,525,000 as at December 31, 2019). An amount of \$4,821,825 was accounted for in the operating budgets since the year ended December 31, 2012.

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 188 active employees covered by the plan is 46.8 years. At present, the plan provides benefits for 143 retirees with an average age of 69.5 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: 4.8% of employee earning.

In addition, the annual amortization payment in the amount of \$811,561 and expenses not related to investments in the amount of \$175,000 are paid by the employer.

Edmundston Notes to Consolidated Financial Statements

As at December 31, 2020

13 - POST EMPLOYMENT BENEFITS PAYABLE (Continued)

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

- Employer contribution: 13.8% of salary.

Total benefits payments to retirees during the year was approximately \$3,019,981 (\$3,073,871 in 2018). 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, 2019 and at that time, the pension plan had an accrued benefit surplus of \$5,325,620.

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

The following summarizes the major assumptions in the valuation:

- discount rate of engagement at 5.75%;
- the rate of wage increase was 3.5% (nil for disabled participants);
- the rate of increase of the maximum pensionable earning (MPE) is 3%;
- the rate of increase in the maximum pension of the Canadian Income Tax Act is 3%;
- the expected inflation rate is 2%;
- the indexation of pensions for which revaluation is expected is 0.1%, except for pensions in respect of services from Saint-Basile which are indexed at 2% per year
- interest rates on salary contribution of 3%.

Combined employer and employee contributions during the year were \$3,029,754 (\$3,073,871 in 2018).

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, 2020.

The statement of financial position of the plan as at December 31, 2019 was as follows:

Assets continuity	\$ 74,371,520
Actuarial liabilities	
Active and disabled members	\$ 30,110,476
Retired members and beneficiaries	\$ 38,843,571
Participants terminated vested	\$ 91,853
Total actuarial liability	<u>\$ 69,045,900</u>
Plan surplus	<u>\$ 5,325,620</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

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, 2020 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

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

15 - COMMITMENTS

The Municipality has committed itself by contract until 2021 for snow removal services, until 2022 for the garbage and waste collection, until 2021 for the rental of vehicles, until 2024 for the rental of office equipment, until 2024 for a contribution to an organization in order to operate an airport and until 2026 for the rental of security equipment. The future minimum payment for these commitments is established to \$2,628,529. Minimum payments over the next five years are as follows:

2020 - \$	1,369,443
2021 - \$	950,575
2022 - \$	174,115
2023 - \$	99,115
2024 - \$	17,640

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

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

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, 2020

17 - SHORT-TERM BORROWING COMPLIANCE

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

General Capital Fund:

OIC #15-0083	\$ 1,000,000
OIC #19-0018	\$ 6,298,616
OIC #20-0008	\$ 2,500,000
OIC #20-0022	\$ 115,000
	<u>\$ 9,913,616</u>
Used as bank loans	\$ 1,470,000
Not used	<u>\$ 8,443,616</u>

General Operating Fund:

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

Water and Sewer Capital Fund:

OIC #19-0018	\$ 820,904
OIC #20-0008	\$ 350,000
	<u>\$ 1,170,904</u>
Used as bank loans	\$ 192,000
Not used	<u>\$ 978,904</u>

Water and Sewer Operating Fund:

Authorized	\$ 2,000,000
Used	\$ 446,000
Not used	<u>\$ 1,554,000</u>

Electrical Utility Capital Fund:

OIC #19-0018	\$ 445,000
OIC #20-0008	\$ 240,000
	<u>\$ 685,000</u>
Used as bank loans	\$ 303,000
Not used	<u>\$ 382,000</u>

Electrical Utility Operating Fund:

Authorized	\$ 4,500,000
Used	\$ 830,000
Not used	<u>\$ 3,670,000</u>

Edmundston
Notes to Consolidated Financial Statements
 As at December 31, 2020

17 - 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 2020, 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>2020</u>	<u>2019</u>
	\$	\$
2020 - Surplus	16,241	
2019 - Surplus	29,909	29,909
2018 - Surplus		33,190
	<u>46,150</u>	<u>63,099</u>

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 or water system expenditures for the population.

Edmundston Notes to Consolidated Financial Statements

As at December 31, 2020

20 - TANGIBLE CAPITAL ASSETS

	Land \$	Land improvements \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Water and wastewater facilities \$	Electrical facilities \$	Roads, sidewalks, storm sewers, water and sewer main \$	Assets under construction \$	Total 2020 \$	Total 2019 \$
Cost											
Balance, beginning of year	8,417,399	14,992,618	65,865,759	11,972,252	16,094,669	11,106,058	67,515,282	130,082,937	1,082,968	327,129,942	320,682,342
Net additions during the year	74,639	159,447	387,516	678,314	2,406,742	82,884	106,312	2,762,882	1,817,750	8,476,486	8,809,096
Transfer of assets under capital leases during the year					202,765					202,765	
Disposals during the year	(9,457)		(39,735)	(626,793)	(346,134)			(689,795)	(1,017,092)	(2,729,006)	(2,361,496)
Balance, end of year	<u>8,482,581</u>	<u>15,152,065</u>	<u>66,213,540</u>	<u>12,023,773</u>	<u>18,358,042</u>	<u>11,188,942</u>	<u>67,621,594</u>	<u>132,156,024</u>	<u>1,883,626</u>	<u>333,080,187</u>	<u>327,129,942</u>
Accumulated Amortization											
Balance, beginning of year		6,037,480	25,440,938	4,846,280	9,727,996	7,889,533	22,126,647	83,887,451		159,956,325	149,397,435
Transfer of accumulated amortization on assets under capital leases					62,340					62,340	
Amortization during the year		608,474	2,204,343	692,127	1,382,659	278,138	2,084,424	3,837,915		11,088,080	11,496,254
Accumulated amortization on disposals			(36,400)	(424,910)	(313,916)			(456,906)		(1,232,132)	(937,364)
Balance, end of year		<u>6,645,954</u>	<u>27,608,881</u>	<u>5,113,497</u>	<u>10,859,079</u>	<u>8,167,671</u>	<u>24,211,071</u>	<u>87,268,460</u>		<u>189,874,613</u>	<u>159,956,325</u>
Net book value of tangible capital assets	<u>8,482,581</u>	<u>8,506,111</u>	<u>38,604,659</u>	<u>6,910,276</u>	<u>7,498,963</u>	<u>3,021,271</u>	<u>43,410,523</u>	<u>44,887,564</u>	<u>1,883,626</u>	<u>163,205,574</u>	<u>167,173,617</u>
Consists of:											
General Fund	5,843,293	5,469,575	36,941,824	5,170,721	5,175,236			32,911,045	828,863	92,340,557	94,209,238
Water and Sewer Fund	1,848,197	2,725,611	376,517	525,894	1,019,410	3,021,271		11,976,519	818,954	22,311,373	22,754,695
Electrical Utility Fund	778,691	45,822	1,176,605	1,199,239	916,368		43,410,523		235,809	47,763,057	49,495,675
Reserve Fund	12,400				386,949					12,400	12,400
Controlled entities		265,099	109,717	14,422					778,187	778,187	701,409
	<u>8,482,581</u>	<u>8,506,107</u>	<u>38,604,663</u>	<u>6,910,276</u>	<u>7,498,963</u>	<u>3,021,271</u>	<u>43,410,523</u>	<u>44,887,564</u>	<u>1,883,626</u>	<u>163,205,574</u>	<u>167,173,617</u>

The buildings include work of arts for an amount of \$246,715 (210,816 \$ as at December 31, 2019) which are not amortized.

Edmundston
Notes to Consolidated Financial Statements
As at December 31, 2020

21 - ASSETS UNDER CAPITAL LEASES

	<u>2020</u>	<u>2019</u>
	\$	\$
Cost		
Balance, beginning and end of year	202,765	202,765
Transfer to tangible capital assets	(202,765)	
Balance, end of year	<u> </u>	<u>202,765</u>
Accumulated Amortization		
Balance, beginning of year	62,340	46,737
Transfer to tangible capital assets	(62,340)	
Amortization during the year		<u>15,603</u>
Balance, end of year	<u> </u>	<u>62,340</u>
	<u> </u>	<u>140,425</u>

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

22 - SCHEDULE OF SEGMENT DISCLOSURE

	General government	Protective	Transpor- tation	Environ- mental health	Development	Recreatio- nal and cultural	Water and sewer	Electrical utility	Reserves	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Property tax warrant *	3,038,448	6,887,175	6,178,402	548,794	1,165,812	5,901,666				23,720,297	23,478,752
Services provided to other governments		839,613	357,755							1,197,368	1,121,611
Sale of services, fines and other revenues			15,300		571,018	1,487,545		880,129		2,953,992	3,265,476
Unconditional grant *	730,496	1,655,795	1,485,394	131,940	280,281	1,418,862				5,702,768	5,316,635
Other government transfers	236,007		893,241		11,243	145,620				1,286,111	2,343,567
Other revenues from own sources	59,952	470,350	290,765	65,320	10,300	554,198	108,052	23,281		1,571,918	2,343,567
Contractors and other organizations contributions						22,307	23,202	12,500		148,554	139,343
User fees - Water and sewer services			80,245				6,010,403			6,010,403	6,093,927
Sales electrical utility - Distribution								31,322,440		31,322,440	32,754,933
Sales electrical utility - Generation	113,885						13,044	3,340,835	66,643	3,340,835	3,006,386
Interest	4,178,788	9,852,933	9,301,102	746,054	2,038,654	9,530,198	6,154,701	35,579,185	66,643	77,448,258	79,189,952
Expenses											
Salaries and benefits	1,651,359	7,093,937	3,377,152	899,988	695,749	2,516,413	1,949,660	3,342,911		20,627,181	18,803,560
Goods and services	1,742,086	1,777,380	2,418,502	305	627,366	2,876,235	2,303,018	27,715,636		40,360,211	41,795,407
Amortization	452,979	959,513	3,225,616		107,176	2,127,951	1,814,989	2,399,552		11,088,081	11,511,857
Interests	71,376	262,484	338,418		17,066	195,482	135,159	1,045,725		2,065,710	2,223,449
Adjustment for payment in lieu of taxes	14,073									14,073	
Loss on disposal of tangible capital assets	3,335	73,220	279,698		891		7,903	30,881		395,928	25,058
	3,935,208	10,166,534	9,639,386	900,293	1,448,248	7,716,081	6,210,729	34,534,705		74,551,184	74,359,331
Surplus (deficit) for the year	243,580	(313,601)	(338,284)	(154,239)	590,406	1,814,117	(56,028)	1,044,480	66,643	2,897,074	4,830,621

* 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, 2020

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)	7,820,977	(6,015,144)	1,755,469	(1,811,498)	3,469,023	(2,424,542)	66,643	36,146	2,897,074
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	12,801		33,190		33,933				79,924
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	(2,523,753)	2,523,753							
From Water and Sewer Operating Fund to Water and Sewer Capital Fund			(1,313,823)	1,313,823					
From Electrical Utility Operating Fund to Electrical Utility Capital Fund					(610,000)	610,000			
From General Operating Fund to General Capital Reserve Fund	(55,000)						55,000		
From General Reserve Operating Fund to Water and Sewer Operating Fund	(200,000)						200,000		
From Water and Sewer Operating Reserve Fund to Water and Sewer Capital Reserve Fund			(50,000)					50,000	
From Electrical Utility Operating Fund to Electrical Utility Capital Reserve Fund					(200,000)				
Principal payments on long-term debt	(3,698,000)	3,698,000	(920,000)	920,000	(2,675,000)	2,675,000	200,000		327,567
Provision for accrued retirement	271,035		23,173		33,359				(506,529)
Provision for accrued sick leave	(449,412)		(48,588)		(8,529)				
Contributions to controlled entities	(601,055)							601,055	
Amortization expense		6,873,539		1,814,989		2,399,552			11,088,080
Total adjustments to the annual surplus (deficit)	(7,780,204)	13,095,292	(1,739,228)	4,048,812	(3,426,237)	5,684,552	505,000	601,055	10,989,042
Annual fund surplus	40,773	7,080,148	16,241	2,237,314	42,786	3,260,010	571,643	637,201	13,886,116

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

24 - STATEMENT OF RESERVES

	General Operating	General Capital Assets	Water and Sewer Operating	Water and Sewer Capital Assets	Electrical Utility Operating	Electrical Utility Capital Assets	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Cash	1,003,509	459,087	188,442	1,844,025	1,406,745	1,325,105	6,226,913	5,644,616
Accounts receivable	1,307	622	273	2,272	157	3,652	8,283	18,937
Public utility land				12,400			12,400	12,400
Accumulated Surplus	1,004,816	459,709	188,715	1,858,697	1,406,902	1,328,757	6,247,596	5,675,953
Revenues								
Interests	9,888	4,912	2,285	18,709	17,061	13,788	66,643	107,410
Interfund transfers	200,000	55,000		50,000		200,000	505,000	1,052,000
Annual surplus	209,888	59,912	2,285	68,709	17,061	213,788	571,643	1,159,410

Edmundston
Notes to Consolidated Financial Statements
As at December 31, 2020

24 - STATEMENT OF RESERVES (Continued)

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Lise Ouelette, seconded by Councillor Eric Doiron that \$50,000 be transferred from the General Operating Fund to the General Capital Reserve Fund. (#2020-117)

Moved by Councillor Michel Serry, seconded by Councillor Eric Marquis that \$200,000 be transferred from the General Operating Fund to the General Operating Reserve Fund. (#2020-118)

Moved by Councillor Camille Roy, seconded by Councillor Eric McGuire that \$50,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund. (#2020-119)

Moved by Councillor Eric Marquis, seconded by Councillor Gérald Morneau that \$200,000 be transferred from the Electrical Utility Operating Fund to the Electrical Utility Capital Reserve Fund. (#2020-120)

I hereby certify that the above are true and exact copies of resolutions adopted at a regular public meeting of Council on December 15, 2020.



Marc Michaud
City Clerk,
Edmundston



Date

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

25 - STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Gestion Edmundston Golf Management Inc.	Moitié-Moitié Centre Jean-Daigle Inc.	Centre des arts La petite église d'Edmundston Inc.	Total 2019	Total 2018
Assets	\$ 792,071	\$ 16,367	\$ 634,162	\$ 1,442,600	\$ 1,203,870
Liabilities	40,764	7,008	151,840	199,612	598,086
Accumulated surplus	751,307	9,359	482,322	1,242,988	605,784
Revenues	1,006,457	193,740	320,194	1,520,391	1,506,090
Expenses	533,964	188,234	160,989	883,187	1,436,727
Annual surplus	472,493	5,506	159,205	637,204	69,363

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

Edmundston

Notes to Consolidated Financial Statements

As at December 31, 2020

26 - OPERATING BUDGET TO PSAB BUDGET

	General	Water and Sewer	Electrical Utility	Amortization of tangible capital assets	Controlled Entities	Transfers	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Property tax warrant	23,720,297						23,720,297
Services provided to other governments	1,164,257						1,164,257
Sale of services, fines and other revenues	1,754,795		727,662		1,471,591	(290,000)	3,664,048
Unconditional grant	5,564,820						5,564,820
Other government transfers	147,000				61,000		208,000
Other revenues from own sources	672,031	54,438					726,469
User fees - Water and sewer services		6,598,048				(536,820)	6,061,228
Sales electrical utility - Distribution			33,047,631				33,047,631
Sales electrical utility - Generation			2,630,258				2,630,258
Interest	100,000	48,976					148,976
Second previous year's surplus	12,801	33,190	33,933			(79,924)	
	33,136,001	6,734,652	36,439,484		1,532,591	(906,744)	76,935,984
Expenses							
General government services	4,005,243			452,979		158,651	4,616,873
Protective services	9,779,769			959,513		(274,336)	10,464,946
Transportation services	5,823,946			3,225,616		338,418	9,387,980
Environmental health services	833,579			305			833,884
Development services	1,647,191			107,176		17,066	1,771,433
Recreational and cultural services	5,537,101			2,127,950	1,396,952	(94,519)	8,967,484
Water and sewer collection and disposal		4,798,842		1,814,989		190,810	6,804,641
Electrical utility - Distribution			30,982,179	1,616,376		567,246	33,165,801
Electrical utility - Generation			968,599	783,176		589,688	2,341,463
Payment in lieu of taxes	14,073						14,073
Debt service fees							
Debtentures and long-term debt payments	3,698,000	920,000	2,781,771			(7,399,771)	
Interest, bank fees and debenture fees	952,099	155,810	1,112,231			(2,220,140)	
Discounts and bad debt	20,000	35,000	44,704			(99,704)	
Transfer from the General Operating Fund to the General Capital Fund	800,000					(800,000)	
Transfer from the General Operating Fund to the General Operating Reserve Fund	25,000					(25,000)	
Transfer from the Water and Sewer Operating Fund to the Water and Sewer Capital Fund		775,000				(775,000)	
Transfer from the Water and Sewer Operating Fund to the Water and Sewer Capital Assets Reserve Fund		50,000				(50,000)	
Transfer from the Electrical Utility Operating Fund to the Electrical Utility Capital Assets Fund			550,000			(550,000)	
	33,136,001	6,734,652	36,439,484	11,088,080	1,396,952	(10,426,591)	78,368,578
Annual surplus (deficit)				(11,088,080)	135,639	9,519,847	(1,432,594)

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
SERVICES PROVIDED TO OTHER GOVERNMENTS			
Province of New Brunswick			
Fire protection	315,024	332,557	298,778
Police	5,200	8,576	5,000
Transportation	356,000	357,755	358,867
Communication center	488,033	498,480	458,966
	<u>1,164,257</u>	<u>1,197,368</u>	<u>1,121,611</u>
SALES OF SERVICES, FINES AND OTHER REVENUES			
Arenas	185,050	114,801	160,993
Jean-Daigle Centre	565,640	302,000	562,283
Sport Center	306,100	185,387	315,389
Golf	537,450	584,570	584,065
Recreational services	21,500	9,765	19,821
Cultural services	81,505	39,496	76,163
Service charge	45,000	48,552	44,958
Equipment rental	399,722	405,930	396,787
Licenses and permits	120,000	133,435	96,733
Sales and rental of equipment	297,940	441,447	428,326
Lodging tax	460,000	437,083	
Moitié-Moitié Centre Jean-Daigle Inc.	390,591	193,740	355,083
Art Center	253,550	57,786	224,875
	<u>3,664,048</u>	<u>2,953,992</u>	<u>3,265,476</u>
OTHER REVENUES FROM OWN SOURCES			
Other revenue	68,950	726,567	504,948
Other revenue - Police	397,387	412,796	433,930
Other revenue - Water and sewer services	22,000	82,502	32,255
Transportation department	135,000	238,764	215,232
Building rental	21,700	25,057	24,649
Administrative services	8,000	5,875	8,433
Wastewater treatment plant	32,438	25,550	25,550
Technical services	40,994	54,807	48,689
	<u>726,469</u>	<u>1,571,918</u>	<u>1,293,686</u>

Edmundston Consolidated Schedules

Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	34,304	24,056	28,965
Councillors	111,410	81,886	94,888
Other legislative fees	84,752	43,568	55,333
	<u>230,466</u>	<u>149,510</u>	<u>179,186</u>
Administrative			
Administration	381,440	111,716	332,506
City Clerk	51,647	30,565	32,389
Treasurer	685,051	661,486	731,975
Tourism	676,110	651,468	156,428
Human resources	477,458	295,879	457,496
Office building	1,159,627	974,231	968,681
Data processing	274,844	233,991	217,602
Legal fees (recovery)	2,602	(4,430)	(1,819)
Secrétariat à la Jeunesse	66,000	65,458	65,811
Pandemic Fee		222,076	
Sick leave and post employment benefits		(34,667)	(322,764)
Amortization	452,979	452,979	530,054
Debenture fees	20,000	36,162	14,945
Long-term debt interest	118,649	71,376	44,490
Bad debts	20,000		3,092
	<u>4,386,407</u>	<u>3,768,290</u>	<u>3,230,886</u>
	<u>4,616,873</u>	<u>3,917,800</u>	<u>3,410,072</u>

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
PROTECTIVE SERVICES			
911 Center	1,155,448	1,154,407	1,171,091
Police			
Administration	617,867	1,003,173	770,996
Crime prevention	4,178,207	3,771,845	3,798,664
Traffic activities	54,879	40,376	59,458
Station and building	464,860	440,989	468,062
Vehicles	232,910	174,707	198,159
Animal control	16,800	20,484	16,510
Jailer	33,003	23,020	29,365
Emergency measures service	8,002	1,941	1,560
Sick leave and post employment benefits		(57,955)	(568,438)
Long-term debt interest	227,969	227,969	261,755
Amortization	753,664	753,664	603,170
	<u>6,588,161</u>	<u>6,400,213</u>	<u>5,639,261</u>
Fire			
Administration	488,449	444,544	375,808
Fire fighting force	1,456,337	1,415,663	1,428,661
Brigade	154,080	108,915	125,010
Prevention	130,359	122,237	120,901
Station and building	131,349	132,136	128,083
Vehicles	120,400	93,599	100,708
Sick leave and post employment benefits		(18,763)	(183,668)
Amortization	205,848	205,848	267,512
Long-term debt interest	34,515	34,515	37,446
	<u>2,721,337</u>	<u>2,538,694</u>	<u>2,400,461</u>
	<u>10,464,946</u>	<u>10,093,314</u>	<u>9,210,813</u>

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
TRANSPORTATION SERVICES			
Administration - Road transport	608,005	664,200	806,572
Street maintenance - Summer	2,134,136	1,621,450	2,036,582
Street maintenance - Winter	1,859,336	2,187,755	1,959,661
Landscaping	340,740	465,430	302,805
Sidewalks	36,000	3,493	1,355
Storm sewers	155,500	183,080	145,729
Street lighting	492,000	502,142	519,548
Traffic	107,720	104,258	150,959
Parking	84,027	89,064	73,532
Other	6,482	7,136	24,154
Sick leave and post employment benefits		(32,354)	(322,209)
Amortization	3,225,616	3,225,616	3,375,310
Long-term debt interest	338,418	338,418	348,439
	<u>9,387,980</u>	<u>9,359,688</u>	<u>9,422,437</u>
ENVIRONMENTAL HEALTH SERVICES			
Garbage and waste collection	833,579	899,988	871,904
Amortization	305	305	305
	<u>833,884</u>	<u>900,293</u>	<u>872,209</u>
DEVELOPMENT SERVICES			
Economic development	464,996	340,400	337,028
Engineering	253,586	235,353	186,058
Building inspectors	370,832	404,772	337,118
Environmental sustainability (recovery)	66,629	(14,304)	(50,977)
Planning department	124,290	104,285	93,857
Communication towers	3,994	3,365	14,734
Urban development	152,075	50,154	104,377
Airports	150,000	150,000	156,094
Urban commission	60,789	60,789	52,985
Sick leave and post employment benefits		(11,699)	(92,833)
Amortization	107,176	107,176	96,012
Long-term debt interest	17,066	17,066	19,311
	<u>1,771,433</u>	<u>1,447,357</u>	<u>1,253,764</u>

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
RECREATIONAL AND CULTURAL SERVICES			
Recreational			
Administration	685,514	689,576	666,561
Sports	1,305,321	1,072,257	1,269,020
Arenas	543,301	532,625	562,543
Jean-Daigle Centre	1,144,679	973,120	1,125,998
Parks and playgrounds	903,822	674,543	904,398
Golf	608,955	490,437	660,316
Moitié-Moitié Centre Jean-Daigle Inc.	390,591	188,232	352,134
Sick leave and post employment benefits		(22,939)	(241,463)
Amortization	2,127,950	2,127,951	2,206,457
Long-term debt interest	195,482	195,482	210,197
	<u>7,905,615</u>	<u>6,921,284</u>	<u>7,716,161</u>
Cultural			
Sociocultural	481,789	454,841	464,593
Library	171,480	187,658	176,772
Art Center	408,600	152,298	379,472
	<u>1,061,869</u>	<u>794,797</u>	<u>1,020,837</u>
	<u>8,967,484</u>	<u>7,716,081</u>	<u>8,736,998</u>

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
WATER AND SEWER COLLECTION AND DISPOSAL			
Water supply			
Administration	619,189	545,968	598,665
Billing and collection	129,165	69,165	127,193
Power and pumping	465,823	383,328	401,233
Purification and treatment	134,054	103,821	106,729
Transmission and distribution	1,607,010	1,377,351	1,596,715
Sick leave and post employment benefits		(19,921)	(128,578)
Amortization	959,667	907,308	959,667
Bank fees	16,000	12,972	16,818
Short-term debt interest	10,000	5,420	4,793
Debenture fees	5,000	906	3,247
Long-term debt interest	60,112	56,777	64,773
Discounts	32,000	39,302	38,879
Bad debts	2,000	21,337	5,511
	<u>4,040,020</u>	<u>3,503,734</u>	<u>3,795,645</u>
Sewer collection and disposal			
Administration	406,932	406,932	398,264
Billing and collection	86,110	46,110	84,796
Wastewater treatment plant	363,825	310,267	347,924
Sewage collection system	632,438	612,844	565,354
Lift-station	354,296	349,396	349,556
Pre-treatment		748	571
Sick leave and post employment benefits		(5,494)	(28,113)
Amortization	907,681	907,681	912,269
Bank fees	10,000	8,648	11,212
Short-term debt interest	5,000	3,613	12,632
Debenture fees	4,000	1,417	2,772
Long-term debt interest	45,698	42,706	52,962
Bad debts	1,000	14,224	3,674
	<u>2,816,980</u>	<u>2,699,092</u>	<u>2,713,873</u>
	<u>6,804,641</u>	<u>6,202,826</u>	<u>6,509,518</u>

Edmundston
Consolidated Schedules
Year ended December 31, 2020

	Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
ELECTRICAL UTILITY			
Electrical utility - Distribution			
Electrical energy purchase	26,141,642	24,623,134	25,804,120
Administration	361,329	253,622	230,076
Distribution	1,782,021	1,728,973	1,972,239
Management expenses	1,996,823	2,002,023	1,966,734
Management and planning	116,430	84,644	120,672
Customer service	128,026	130,642	
Electrometry	455,908	434,497	232,984
Sick leave and post employment benefits		16,333	(141,973)
Amortization	1,616,376	1,616,376	1,597,624
Short-term debt interest	30,000	25,205	48,905
Debenture fees	5,490		5,601
Long-term debt interest	487,052	460,023	510,179
Bad debts	44,704	209,820	43,495
	<u>33,165,801</u>	<u>31,585,292</u>	<u>32,390,656</u>
Electrical utility - Generation			
Administration	44,014	38,648	27,806
Management expenses	238,411	913,211	234,633
Management and planning	74,287	78,566	101,906
Operations	556,406	473,018	633,318
Electrometry	8,476	8,476	6,596
Lines	47,004	15,630	15,910
Sick leave and post employment benefits		8,497	(64,396)
Amortization	783,176	783,176	963,477
Short-term debt interest	12,000	312	7,215
Debenture fees	20,000	38,813	988
Long-term debt interest	557,689	560,185	600,353
	<u>2,341,463</u>	<u>2,918,532</u>	<u>2,527,806</u>
	<u>35,507,264</u>	<u>34,503,824</u>	<u>34,918,462</u>