

***EDMUNDSTON***

**CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2023

# ***EDMUNDSTON***

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## **TABLE OF CONTENTS**

Year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT	1 - 3
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 39



# Nadeau Picard & Associés, CPA

Comptables professionnels agréés  
Chartered Professional Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### *Opinion*

We have audited the consolidated financial statements of Edmundston (hereafter "the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the results of its consolidated operations and of its accumulated surplus, changes in net debt and its consolidated cash flows for the year the 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.

### *Other information*

Without modifying our opinion, we draw attention to the fact that the Municipality includes in its financial statements certain financial information not required under Canadian public sector accounting standards. This information is prepared according to the form prescribed by the Department of Environment and Local Government. Our opinion is not modified in respect of this matter.

### ***Other matter***

According to chapter PS 1201.18, the financial statements must provide a comparison of the numbers of the year ended with those of the previous year. In the case of the consolidated financial statements of Edmundston, the numbers from the previous year have not been presented, because Edmundston is a new Legal Entity through the amalgamation of the City of Edmundston, of the Village of Rivière-Verte, part of the LSD of Saint-Jacques and part of the LSD of Saint-Joseph. The comparative numbers would not permit to decipher or quantify the trends in the financial position of the Municipality and the evolution of it because the comparative numbers of the LSD's are not available. The data would not have permitted a complete and adequate comparison with the previous year.

The financial statements of Edmundston and of the Village of Rivière-Verte for the year ended December 31, 2022 have been audited by another independent auditor. They have expressed an unmodified opinion as at April 25, 2023 for the financial statements of Edmundston and an opinion with reserve as at April 25, 2023 for the financial statements of the Village of Rivière-Verte.

### ***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 the 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 judgement 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 event 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 Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Municipality's 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.

*Nadeau Picard & Associés, CPA*

Nadeau Picard & Associés, CPA  
Chartered Professional Accountants

Edmundston, N.-B.  
April 23, 2024

**EDMUNDSTON****CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

Year ended December 31

	<b>Budget (unaudited) (Note 24)</b>	<b>2023 Actual</b>
<b>REVENUES</b>		
Property tax warrant	28 069 823 \$	28 069 812 \$
Services provided to other governments (Note 25)	1 187 910	1 218 341
Sale of services, fines and other fees (Note 25)	4 256 787	4 963 156
Unconditional grant	6 200 705	6 200 712
Other government transfers	25 595	5 367 835
Other revenues from own sources (Note 25)	784 001	997 119
Contractors and other organizations contributions	-	555 471
User fees - Water and sewer services	6 378 624	6 721 093
Sales electrical utility - Distribution	31 165 661	32 939 072
Sales electrical utility - Generation	2 851 499	3 823 572
Interest	146 350	1 376 135
	<b>81 066 955</b>	<b>92 232 318</b>
<b>EXPENSES (Note 25)</b>		
General government services	5 828 606	5 035 339
Protective services	11 328 397	9 475 783
Transportation services	11 170 434	11 800 053
Environmental health services	1 081 299	1 037 381
Development services	1 634 398	1 391 671
Recreational and cultural services	9 930 101	9 357 401
Water and sewer collection and disposal	8 031 022	7 443 463
Electrical utility - Distribution	30 987 353	32 397 773
Electrical utility - Generation	2 553 053	2 099 434
Gain on disposal of tangible capital assets	(18 000)	(163 942)
	<b>82 526 663</b>	<b>79 874 356</b>
<b>ANNUAL SURPLUS (DEFICIT) (Note 24)</b>	<b>(1 459 708) \$</b>	<b>12 357 962</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 18)</b>		<b>133 316 748</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>145 674 710 \$</b>

**EDMUNDSTON**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Year ended December 31

2023

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**FINANCIAL ASSETS**

Cash (Note 4)	\$ 23,255,312
Term deposit, 5.75 %, maturing June 2025	95,000
Receivables	
General	1,134,264
Water and sewer	1,223,466
Electrical utility	4,537,342
Federal government and its agencies (Note 5)	508,561
Province of New Brunswick (Note 6)	2,790,994
	<hr/>
	33,544,939

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**LIABILITIES**

Bank loans (Note 14)	3,000,571
Trade payables and other operating liabilities (Note 7)	11,857,290
Holdbacks payable	299,877
Deferred revenues (Note 8)	272,621
Debentures (Note 9)	44,402,000
Accrued sick leave (Note 10)	3,157,000
	<hr/>
	62,989,359

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**NET DEBT**

(29,444,420)

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**NON-FINANCIAL ASSETS**

Tangible capital assets (Note 19)	369,294,563
Accumulated amortization (Note 19)	(206,261,894)
	<hr/>
	163,032,669

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Inventory of supplies	2,409,323
Prepaid expenses	62,338
Post employment benefits surplus (Note 11)	9,614,800
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	12,086,461

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175,119,130

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**ACCUMULATED SURPLUS**

\$ 145,674,710

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Approved by :

\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Treasurer

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

Year ended December 31

**Budget****2023**

<b>Annual surplus (deficit)</b>	<b>(1 459 708) \$</b>	<b>12 357 962 \$</b>
Assets under construction, beginning of year	-	2 150 671
Assets under construction, end of year	-	(3 105 382)
Acquisition of tangible capital assets	<b>(3 650 000)</b>	<b>(10 826 781)</b>
Amortization of tangible capital assets	<b>12 078 040</b>	<b>12 078 040</b>
Proceeds on disposal of tangible capital assets	<b>18 000</b>	<b>266 498</b>
Gain on disposal of tangible capital assets	-	<b>(163 942)</b>
	<b>8 446 040</b>	<b>399 104</b>
Acquisition of inventory of supplies	-	<b>(2 409 323)</b>
Consumption of inventory of supplies	-	<b>2 074 619</b>
Acquisition of prepaid expenses	-	<b>(62 338)</b>
Use of prepaid expenses	-	<b>135 640</b>
Post employment benefits surplus, end of year	-	<b>(9 614 800)</b>
Post employment benefits surplus, beginning of year	-	<b>5 724 697</b>
	-	<b>(4 151 505)</b>
<b>Decrease (increase) in net debt</b>	<b>6 986 332</b>	<b>8 605 561</b>
<b>Net debt, beginning of year</b>	-	<b>(38 049 981)</b>
<b>Net debt, end of year</b>	<b>6 986 332 \$</b>	<b>(29 444 420) \$</b>



**EDMUNDSTON****CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended December 31

2023

**Operating activities**

Annual surplus	12 357 962 \$
Items not affecting cash:	
Amortization of tangible capital assets	12 078 040
Gain on disposal of tangible capital assets	(163 942)
Net change in working capital items (Note 3)	(3 874 379)
	<u>20 397 681</u>

**Capital activities**

Acquisition of tangible capital assets	(11 781 492)
Disposal of tangible capital assets	266 498
	<u>(11 514 994)</u>

**Financing activities**

Bank loan	(2 612 429)
Debentures	2 300 000
Repayment of debentures	(6 839 000)
	<u>(7 151 429)</u>

**Investing activities**

Investments and cash flows from investing activities	205 000
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<b>Increase in cash and cash equivalents</b>	<b>1 936 258</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>21 319 054</b>

<b>Cash and cash equivalents, end of year</b>	<b>23 255 312 \$</b>
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Cash and cash equivalents consist of cash.

## ***EDMUNDSTON***

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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#### **1. STATUTES AND NATURE OF ACTIVITIES**

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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. On January 1st, 2023, Rivière-Verte and a part of the LSD of Saint-Jacques and Saint-Joseph merged with Edmundston by the An Act Respecting Local Governance Reform (Bill 82). 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: "Open and inclusive; Sustainable and thriving".

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

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The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with the Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

The financial statements presented in accordance with the Canadian public sector accounting standard in the CPA Canada Public Sector Accounting Handbook are especially relating to the financial position of Edmundston and to changes relating to it. The consolidated statement of financial position includes all liabilities and assets of the Municipality.

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 reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

The entities included in the financial statements are as follows:

- Centre des Arts La Petite Église d'Edmundston Inc.
- Gestion Edmundston Golf Management Inc.
- Innovation, Développement et événements Edmundston (IDÉE) Inc.
- Moitié-Moitié Centre Jean-Daigle Inc.

##### **Budget**

The budget figures contained in these financial statements were approved by Council on November 29, 2022 and the Minister of Local Government on December 9, 2022.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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

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**Government transfers**

Government transfers are accounted for in the financial statements as revenues during the period the activities giving rise to the transfer occurred provided that transfers are authorized, that the eligibility criteria are met and reasonable estimates of the amounts can be made. Transfers received for which expenses have not yet occurred are included in deferred revenue.

**Revenue recognition**

- a) 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.
- b) Other revenue is recorded when it is earned.

**Deferred revenues**

Deferred revenues consist of grants, contributions and other amounts received from a third party under legislature, regulations and agreements that can only be used for certain programs, for the completion of particular projects or for the purchase of capital assets. Revenues are recognized in the period in which the related expenses are incurred. Furthermore, all funds from external sources and revenues limited by agreement or legislation are accounted for as deferred revenues until they are utilized for the specified purposes.

**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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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

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**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Years</u>
Land 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**

Assets under construction are not amortized until the asset is available for productive 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 10 and a long-term service award and pension plan as documented in Note 11.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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

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**Segmented information**

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

General government services

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

Protective services

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

Transportation services

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

Environmental health services

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

Environmental development services

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

Recreation and cultural services

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

Water and Wastewater disposal services

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

Generation facility

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

## ***EDMUNDSTON***

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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#### **3. INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS**

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

Accounts receivables	(2 086 713) \$
Trade payables and other operating liabilities	2 797 158
Holdbacks payable	(119 015)
Deferred revenues	(149 405)
Inventory of supplies	(344 642)
Prepaid expenses	73 341
Post employment benefits surplus and non payable	(4 045 103)
	<hr/>
	(3 874 379) \$

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#### **4. CASH**

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Cash - restricted	13 828 078 \$
Cash - unrestricted	9 427 234
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	23 255 312 \$

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#### **5. RECEIVABLES FROM FEDERAL GOVERNMENT AND ITS AGENCIES**

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Canada Revenue Agency (HST refund)	478 261 \$
Atlantic Canada Opportunities Agency (ACOA)	30 300
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	508 561 \$

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#### **6. RECEIVABLES FROM PROVINCE OF NEW BRUNSWICK**

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Regional Development Corporation	2 431 207 \$
Transportation and Infrastructure Department	359 787
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	2 790 994 \$

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**EDMUNDSTON**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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

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Accounts payable and accrued liabilities	8 658 796 \$
Salaries payable	941 059
Accrued interest	97 919
Government remittances	1 208 007
Clients deposits	642 824
Contractor's deposits	308 685
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	11 857 290 \$

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**8. DEFERRED REVENUES**

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Deferred grants	98 107 \$
Other deferred revenues	174 514
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	272 621 \$

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**EDMUNDSTON**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**9. DEBENTURES**

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**GENERAL CAPITAL FUND**

**New Brunswick Municipal Financing Corporation**

CB4, 3.005 % - 4.083 %, due in 2032, OIC #19-0018, #20-0008 and #21-0003	<b>2 834 000 \$</b>
BG4, 1.65 % - 3.8 %, due in 2027, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110, and #12-0005	<b>1 657 000</b>
BH7, 1.35 % - 3.8 %, due in 2032, OIC #11-0004, #11-0051, and #11-0110	<b>104 000</b>
BI3, 1.35 % - 4 %, due in 2033, OIC #11-0051, #11-0072, #12-0024 and #12-0044	<b>578 000</b>
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	<b>624 000</b>
BM3, 0.95 % - 2.8 % due in 2025, OIC #05-0015, #13-0027, #14-0001 and #14-0026	<b>564 000</b>
BO5, 1.45 % - 2.9 %, due in 2026, OIC #15-0023	<b>230 000</b>
BP4, 1.2 % - 2.95 %, due in 2026, OIC #16-0009	<b>321 000</b>
BQ4, 1.2 % - 2.7 % due in 2027, OIC #15-0023 and #16-0009	<b>792 000</b>
BU5, 2.55 % - 3.7 %, due in 2038, OIC #15-0083, #16-0009, #17-0010 and #17-0085	<b>3 952 000</b>
BW7, 1.95 % - 2.45 % due in 2029, OIC #18-0016	<b>1 083 000</b>
BY7, 0.5 % - 2.3 %, due in 2035, OIC #09-0032, #17-0010, #18-0016, #19-0018 and #20-0022	<b>3 054 000</b>
BZ5, 0.3 % - 2.3 %, due in 2031, OIC #09-0032 and #10-0071	<b>3 320 000</b>
CD5, 4.048 % - 5.115 %, due in 2033, OIC #20-0008, #20-0022 and #21-0003	<b>2 300 000</b>
BY42, 0.5 % - 0.95 %, due in 2024, OIC #20-0029 and #20-0033	<b>12 000</b>
BK36, 1.15 % - 3.65 %, due in 2026, OIC #13-0045	<b>80 000</b>
CC24, 3.95 % - 4.7 %, due in 2032, OIC #19-0080	<b>41 000</b>
	<hr/>
	<b>21 546 000 \$</b>



**EDMUNDSTON**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**9. DEBENTURES (continued)**

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**WATER AND WASTEWATER DISPOSAL SERVICES CAPITAL FUND**

**New Brunswick Municipal Financing Corporation**

BK2, 1.15 % - 3.45 %, due in 2024, OIC #11-0051, #12-0024 and #13-0027	<b>146 000 \$</b>
BM4, 0.95 % - 2.8 %, due in 2025, OIC #13-0027 and #14-0026	<b>57 000</b>
BP6, 1.2 % - 2.95 %, due in 2026, OIC #05-0034, #13-0027, #14-0026 and #15-0023	<b>283 000</b>
BU6, 2.55 % - 3.4 %, due in 2028, OIC #14-0026 and #16-0009	<b>221 000</b>
BV5, 2.05 % - 2.3 % due in 2024, OIC #07-0022	<b>34 000</b>
BW8, 1.95 % - 2.45 % due in 2029, OIC #16-0009, #17-0059 and #18-0016	<b>362 000</b>
BY08, 0.5 % - 1.8 %, due in 2030, OIC #18-0016 and #19-0018	<b>193 000</b>
BJ41, 1.25 % - 4.15 %, due in 2028, OIC #11-0027	<b>200 000</b>
BV38, 2.05 % - 2.85 %, due in 2029, OIC #06-0004	<b>218 000</b>
BW48, 1.95 % - 2.45 %, due in 2029, OIC #18-0043	<b>63 000</b>

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**1 777 000 \$**

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**EDMUNDSTON**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**9. DEBENTURES (continued)**

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**GENERATION FACILITY CAPITAL FUND**

**New Brunswick Municipal Financing Corporation**

BG6, 1.65 % - 3.8 %, due in 2027, OIC #09-0076	<b>629 000 \$</b>
BH9, 1.35 % - 3.8 %, due in 2032, OIC #10-0022, #11-0051 and #12-0006	<b>1 153 000</b>
BK3, 1.15 % - 3.45 %, due in 2024, OIC #11-0051, #12-0024 and #12-0040	<b>224 000</b>
BM5, 0.95 % - 3.25 %, due in 2030, OIC #05-0004, #12-0040 and #13-0027	<b>1 196 000</b>
BP6, 1.2 % - 3.55 %, due in 2031, OIC #05-0004, #05-0034 and #16-0070	<b>9 000 000</b>
BQ6, 1.2 % - 3.3 %, due in 2032, OIC #13-0027	<b>616 000</b>
BV6, 2.05 % - 2.85 % due in 2029, OIC #14-0026, #15-0023, #17-0010 and #18-0016	<b>503 000</b>
BY9, 0.5 % - 1.8 %, due in 2030, OIC #09-0076	<b>3 415 000</b>
BZ6, 0.3 % - 2.3 % due in 2031, OIC #09-0076 and #09-0137	<b>4 343 000</b>
	<hr/>
	<b>21 079 000 \$</b>
	<hr/>
	<b>44 402 000 \$</b>

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

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

	General capital fund	Water and wastewater disposal services capital fund	Generation facility capital fund	Total
2024	3 327 000 \$	549 000 \$	2 805 000 \$	6 681 000 \$
2025	3 064 000 \$	347 000 \$	2 621 000 \$	6 032 000 \$
2026	2 695 000 \$	302 000 \$	2 592 000 \$	5 589 000 \$
2027	3 508 000 \$	212 000 \$	3 017 000 \$	6 737 000 \$
2028	1 988 000 \$	217 000 \$	2 576 000 \$	4 781 000 \$

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**10. ACCRUED SICK LEAVE**

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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 2,080 hours. The Municipality provides sick leave that accumulates at 10 hours per month for policemen 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 199 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 the engagement 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 rate associated with age, and
- number of days of sick leave used per year :
  - Management : 4.6
  - Local 60 (blue and white collar) : 9.3
  - Local 60 (firefighters) : 6.4
  - Local 558 (policemen) : 6.3

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid from general revenues as they become due.

The unfunded liability was estimated at \$3 157 000 as at December 31, 2023 (\$3 312 000 as at December 31, 2022).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**11. POST EMPLOYMENT BENEFITS PAYABLE**

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**Defined benefit pension plan**

The Municipality sponsors a contributory defined benefit pension plan for substantially all of its employees. The average age of the 194 employees covered by the plan is 45.3 years. At present, the plan provides benefits for the 163 retirees with an average age of 70.4 years.

**Normal retirement**

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

**Early retirement**

The participant may retire on the first day of any month in the period of ten 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 the employees other than the appointed officers :

- Employee contribution : 9 % of salary.
- Employer contributions : 2.73 % of employee earning.

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

Total benefits payments to retirees during the year was approximately \$3,857,000 (\$3,245,886 in 2022). 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, 2022 and at that time, the pension plan had an accrued benefit surplus of \$9,614,800.

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**December 31, 2023

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**11. POST EMPLOYMENT BENEFITS PAYABLE (continued)**

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The following summarizes the major assumptions in the valuation :

- discount rate of engagement at 6.4 %;
- the rate of wage increase was 3.5 % (nil for disabled participants);
- the rate of increase of the maximum pensionable earning (MPE) is 3 %;
- the rate of increase in the maximum pension of the Canadian Income Tax Act is 3 %;
- the expected inflation rate is 2 %;
- the indexation of pensions for which revaluation is expected is 0.2 %, 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 \$3,543,010 (\$3,228,673 in 2022).

Actuaries for the Municipality have not yet completed the valuation at the date of the financial statements in order to determine the position of the pension benefits as at December 31, 2023.

The statement of financial position of the plan as at December 31, 2022 was as follows:

Assets continuity	83 452 300 \$
Actuarial liabilities	
Active and disabled members	28 724 500
Retired members and beneficiaries	45 028 800
Participants terminated vested	84 200
Total actuarial liability	73 837 500
Plan surplus	9 614 800 \$

***EDMUNDSTON***

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**12. CONTINGENCIES**

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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, 2023 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.

**13. COMMITMENTS**

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The Municipality has committed itself by contract until 2028. The balance of the following commitments is established at \$2,856,040. Minimum payments over the next five years are as follows:

2024 -	1 350 733	\$
2025 -	682 118	\$
2026 -	524 022	\$
2027 -	175 788	\$
2028 -	123 379	\$

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

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**14. SHORT-TERM BORROWINGS COMPLIANCE**

The Municipality has ministerial authority for borrowing as follows:

General capital fund:

OIC #20-0022	15 000 \$
OIC #21-0003	1 000
OIC #22-0004	3 393 524
OIC #23-0003	3 229 500
OIC #19-0080	80 000
OIC# 22-0079 (Interim financing)	1 207 000

---

7 926 024

Used as bank loans

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910 571

Not used

---

7 015 453 \$

General operating fund:

Authorized

1 000 000 \$

Used as bank loans

---

-

Not used

---

1 000 000 \$

Water and wastewater disposal services capital fund:

OIC #19-0018	125 000 \$
OIC #20-0008	350 000
OIC #21-0003	375 000
OIC #22-0004	1 247 000
OIC #23-0003	967 000
OIC# 22-0079 (Interim financing)	1 079 000

---

4 143 000

Used as bank loans

---

-

Not used

---

4 143 000 \$

Water and wastewater disposal services operating fund:

Authorized

1 000 000 \$

Used as bank loans

---

549 000

Not used

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451 000 \$

**EDMUNDSTON**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**14. SHORT-TERM BORROWINGS COMPLIANCE (continued)**

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Generation facility capital fund:	
OIC #19-0018	445 000 \$
OIC #20-0008	240 000
OIC #21-0003	486 000
OIC #22-0004	750 000
OIC #23-0003	425 000
OIC# 23-0037 et 23-0038 (Interim financing)	<u>7 000 000</u>
	9 346 000
Used as bank loans	<u>200 000</u>
Not used	<u>9 146 000 \$</u>
Generation facility operating fund:	
Authorized	4 500 000 \$
Used as bank loans	<u>1 341 000</u>
Not used	<u>3 159 000 \$</u>

**Operating borrowing**

As prescribed in the *Municipalities Act*, borrowing to finance General Operating 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 2023, 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.

**15. WATER AND WASTEWATER DISPOSAL SERVICES OPERATING FUND SURPLUS/DEFICIT**

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The *Municipalities Act* requires Water and wastewater disposal services operating fund surplus/deficit amounts to be absorbed into one or more of four operating budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of:

2023 - Surplus	80 105 \$
2022 - Surplus	<u>23 623</u>
	<u>103 728 \$</u>

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## ***EDMUNDSTON***

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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#### **16. WATER COST TRANSFER**

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

#### **17. REPORTING TO THE PROVINCE OF NEW BRUNSWICK**

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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. 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 21 provides a reconciliation between fund reporting required by the Province of New Brunswick and current year PSAB.

#### **18. ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR**

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The accumulated surplus at the beginning of the year represents the surplus of the City of Edmundston, the Village of Rivière-Verte, part of the LSD of Saint-Jacques and of Saint-Joseph and the integration of the company Innovation, Développement et événements Edmundston (IDÉE) Inc. in the accounting perimeter of Edmundston. The accumulated surplus at the beginning of the year for each of the old entities is represented as follows:

Edmundston	<b>129 538 290 \$</b>
Village of Rivière-Verte	<b>3 727 587</b>
LSD Saint-Jacques and Saint-Joseph	<b>28 077</b>
Innovation, Développement et événements Edmundston (IDÉE) Inc.	<b>22 794</b>
	<hr/>
	<b>133 316 748 \$</b>

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**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**19. TANGIBLE CAPITAL ASSETS**

	Land	Land improvements	Buildings*	Vehicles	Machinery and equipment	Water and wastewater facilities	Electrical facilities	Linear assets**	Assets under construction	Total 2023
<b>Cost</b>										
Balance, beginning of year	9 515 631 \$	16 221 067 \$	72 499 666 \$	14 651 587 \$	19 940 162 \$	11 260 360 \$	69 147 148 \$	143 560 253 \$	2 150 671 \$	358 946 545 \$
Net additions	289 762	478 853	1 471 383	1 149 603	1 849 119	19 532	192 649	5 375 880	954 711	11 781 492
Disposals	-	-	-	(628 672)	(709 415)	-	-	(95 387)	-	(1 433 474)
Balance, end of year	9 805 393	16 699 920	73 971 049	15 172 518	21 079 866	11 279 892	69 339 797	148 840 746	3 105 382	369 294 563
<b>Accumulated amortization</b>										
Balance, beginning of year	-	8 003 126	34 863 039	6 471 196	13 175 239	8 612 470	28 427 958	95 961 744	-	195 514 772
Amortization during the year	-	838 070	2 432 416	896 575	1 041 954	204 724	2 109 753	4 554 548	-	12 078 040
Accumulated amortization on disposals	-	-	-	(534 683)	(700 848)	-	-	(95 387)	-	(1 330 918)
Balance, end of year	-	8 841 196	37 295 455	6 833 088	13 516 345	8 817 194	30 537 711	100 420 905	-	206 261 894
<b>Net book value of tangible capital assets</b>										
	9 805 393 \$	7 858 724 \$	36 675 594 \$	8 339 430 \$	7 563 521 \$	2 462 698 \$	38 802 086 \$	48 419 841 \$	3 105 382 \$	163 032 669 \$
<b>Consists of:</b>										
General capital fund	7 081 980 \$	4 987 097 \$	33 131 857 \$	6 684 709 \$	5 045 088 \$	- \$	- \$	33 660 937 \$	1 923 139 \$	92 514 807 \$
Water and wastewater disposal services capital fund	1 932 322	2 451 764	2 038 915	622 824	940 379	2 462 698	-	14 758 904	153 658	25 361 464
Generation facility capital fund	778 691	150 665	1 411 313	889 842	1 155 482	-	38 802 086	-	1 028 585	44 216 664
Reserve fund	12 400	-	-	-	-	-	-	-	-	12 400
Controlled entities	-	269 198	93 509	142 055	422 572	-	-	-	-	927 334
	9 805 393 \$	7 858 724 \$	36 675 594 \$	8 339 430 \$	7 563 521 \$	2 462 698 \$	38 802 086 \$	48 419 841 \$	3 105 382 \$	163 032 669 \$

\*The buildings include works of art for an amount of \$246,715 which are not amortized.

\*\*The linear assets include: Roads, sidewalks, storm sewers, water and sewer main.

**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**20. SCHEDULE OF SEGMENT DISCLOSURE**

	General government services	Protective	Transportation	Environmental health	Development	Recreational and cultural	Water and wastewater disposal services	Generation facility	Reserves	Total 2023
<b>Revenues</b>										
Property tax warrant*	3 993 043	\$ 7 760 822	\$ 7 652 605	\$ 740 773	\$ 1 119 688	\$ 6 802 881	\$ -	\$ -	\$ -	\$ 28 069 812
Services provided to other governments	-	841 989	376 352	-	-	-	-	-	-	1 218 341
Sale of services, fines and other revenues	624 159	-	-	-	192 760	3 035 140	-	1 111 096	-	4 963 155
Unconditional grant*	882 076	1 714 391	1 690 485	163 639	247 343	1 502 778	-	-	-	6 200 712
Other government transfers	37 338	338 128	3 095 192	-	165 238	125 295	1 129 118	477 526	-	5 367 835
Other revenues from own sources	167 316	421 191	210 840	-	2 000	6 775	188 997	-	-	997 119
Contractors and other organizations contributions	-	-	41 521	-	306 535	207 415	-	-	-	555 471
User fees - Water and sewer services	-	-	-	-	-	-	7 314 093	-	-	7 314 093
Sales electrical utility - Distribution	-	-	-	-	-	-	-	32 939 072	-	32 939 072
Sales electrical utility - Generation	-	-	-	-	-	-	-	3 823 572	-	3 823 572
Interest	757 188	-	-	-	-	-	60 177	-	558 770	1 376 135
	<b>6 461 120</b>	<b>11 076 521</b>	<b>13 066 995</b>	<b>904 412</b>	<b>2 033 564</b>	<b>11 680 284</b>	<b>8 692 385</b>	<b>38 351 266</b>	<b>558 770</b>	<b>92 825 317</b>
<b>Expenses</b>										
Salaries and benefits	3 310 023	7 736 388	4 347 104	-	851 468	3 357 385	1 734 266	2 165 674	-	23 502 308
Goods and services	1 559 200	659 937	3 539 397	1 037 381	448 835	3 907 261	3 182 799	29 258 045	-	43 592 855
Amortization	540 902	923 780	3 642 633	-	83 719	1 935 917	2 460 872	2 447 672	-	12 035 495
Interest	218 213	155 678	270 919	-	7 649	156 838	65 526	625 816	-	1 500 639
Gain on disposal of tangible capital assets	(127 019)	-	-	-	-	(5 827)	(31 096)	-	-	(163 942)
	<b>5 501 319</b>	<b>9 475 783</b>	<b>11 800 053</b>	<b>1 037 381</b>	<b>1 391 671</b>	<b>9 351 574</b>	<b>7 412 367</b>	<b>34 497 207</b>	<b>-</b>	<b>80 467 355</b>
<b>Surplus (deficit) for the year</b>	<b>959 801</b>	<b>\$ 1 600 738</b>	<b>\$ 1 266 942</b>	<b>\$ (132 969)</b>	<b>\$ 641 893</b>	<b>\$ 2 328 710</b>	<b>\$ 1 280 018</b>	<b>\$ 3 854 059</b>	<b>\$ 558 770</b>	<b>\$ 12 357 962</b>

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

**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**21. RECONCILIATION OF ANNUAL SURPLUS**

	General operating fund	General capital fund	Water and wastewater disposal services operating fund	Water and wastewater disposal services capital fund	Generation facility operating fund	Generation facility capital fund	Reserves	Controlled entities	Total
<b>2023 surplus (deficit) by fund</b>	9 949 358 \$	(3 481 879) \$	2 658 758 \$	(1 378 741) \$	5 824 207 \$	(1 970 145) \$	558 770 \$	197 634 \$	12 357 962 \$
<b>Adjustments to annual surplus (deficit) for funding requirements</b>									
Second previous year's surplus	83 594	-	10 256	-	52 137	-	-	-	145 987
Transfers between funds									
General operating fund to General capital fund	(2 420 000)	2 420 000	-	-	-	-	-	-	-
Water and wastewater disposal services operating fund to Water and wastewater disposal services capital fund	-	-	(1 080 000)	1 080 000	-	-	-	-	-
Generation facility operating fund to Generation facility capital fund	-	-	-	-	(1 250 000)	1 250 000	-	-	-
General operating fund to General capital reserve fund	(775 000)	-	-	-	-	-	775 000	-	-
Water and wastewater disposal services operating fund to Water and wastewater disposal services capital reserve fund	-	-	(400 000)	-	-	-	400 000	-	-
Water and wastewater disposal services operating fund to Water and wastewater disposal services operating reserve fund	-	-	(150 000)	-	-	-	150 000	-	-
General operating fund to General operating reserve fund	(150 000)	-	-	-	-	-	150 000	-	-
Generation facility operating fund to Generation facility capital reserve fund	-	-	-	-	(1 500 000)	-	1 500 000	-	-
General capital reserve fund to general operating fund	100 000	-	-	-	-	-	(100 000)	-	-
General capital reserve fund to General capital fund	-	325 625	-	-	-	-	(325 625)	-	-
General operating fund (Rivière-Verte) to General capital reserve fund	(85 000)	-	-	-	-	-	85 000	-	-
General operating fund (Rivière-Verte) to General operating reserve fund	(15 000)	-	-	-	-	-	15 000	-	-
Water and wastewater disposal services operating fund (Rivière-Verte) to Water and wastewater disposal services operating reserve fund	-	-	(30 000)	-	-	-	30 000	-	-
Principal payments on long-term debt	(3 384 000)	3 384 000	(629 000)	629 000	(2 826 000)	2 826 000	-	-	-
<b>BALANCE TO FORWARD</b>	<b>(6 645 406)</b>	<b>6 129 625</b>	<b>(2 278 744)</b>	<b>1 709 000</b>	<b>(5 523 863)</b>	<b>4 076 000</b>	<b>2 679 375</b>	<b>-</b>	<b>(5 983 638)</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**21. RECONCILIATION OF ANNUAL SURPLUS (continued)**

	General operating fund	General capital fund	Water and wastewater disposal services operating fund	Water and wastewater disposal services capital fund	Generation facility operating fund	Generation facility capital fund	Reserves	Controlled entities	Total
FORWARDED BALANCE	(6 645 406) \$	6 129 625 \$	(2 278 744) \$	1 709 000 \$	(5 523 863) \$	4 076 000 \$	2 679 375 \$	- \$	(5 983 638) \$
Provision for accrued retirement	(3 306 588)	-	(306 959)	-	(276 556)	-	-	-	(3 890 103)
Provision for accrued sick leave	105 048	-	7 050	-	7 916	-	-	-	120 014
Amortization expense	-	7 126 952	-	2 460 872	-	2 447 671	-	-	12 035 495
<b>Total adjustments to the annual surplus (deficit)</b>	<b>(9 846 946)</b>	<b>13 256 577</b>	<b>(2 578 653)</b>	<b>4 169 872</b>	<b>(5 792 503)</b>	<b>6 523 671</b>	<b>2 679 375</b>	<b>-</b>	<b>8 411 393</b>
<b>Annual fund surplus (deficit)</b>	<b>102 412 \$</b>	<b>9 774 698 \$</b>	<b>80 105 \$</b>	<b>2 791 131 \$</b>	<b>31 704 \$</b>	<b>4 553 526 \$</b>	<b>3 238 145 \$</b>	<b>197 634 \$</b>	<b>20 769 355 \$</b>

**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**22. STATEMENT OF RESERVES**

	<b>General operating reserve</b>	<b>General capital reserve</b>	<b>Water and wastewater disposal services operating reserve</b>	<b>Water and wastewater disposal services capital reserve</b>	<b>Generation facility operating reserve</b>	<b>Generation facility capital reserve</b>	<b>Total 2023</b>
<b>Assets</b>							
Cash	2 097 232 \$	3 632 272 \$	386 117 \$	2 619 971 \$	1 521 033 \$	3 571 453 \$	13 828 078 \$
Public utility land	-	-	-	12 400	-	-	12 400
Accumulated surplus	2 097 232 \$	3 632 272 \$	386 117 \$	2 632 371 \$	1 521 033 \$	3 571 453 \$	13 840 478 \$
<b>Revenues</b>							
Interests	118 071 \$	132 866 \$	12 492 \$	111 518 \$	75 593 \$	108 230 \$	558 770 \$
Interfund transfers	65 000	534 375	180 000	400 000	-	1 500 000	2 679 375
<b>Annual surplus</b>	<b>183 071 \$</b>	<b>667 241 \$</b>	<b>192 492 \$</b>	<b>511 518 \$</b>	<b>75 593 \$</b>	<b>1 608 230 \$</b>	<b>3 238 145 \$</b>

**Respect of the budgetary limit**

The reserve of the generation facility operating reserve fund respects the budgetary limit of 5. p 100 intended by the *Municipalities Act*. However, the general operating reserve fund and the water and wastewater disposal services operating reserve fund exceed the permitted limit.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

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**22. STATEMENT OF RESERVES (continued)**

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

Moved by Councillor Eric Desjardins, seconded by Councillor Daniel St-Germain that \$75,625 be transferred from the general capital reserve fund to the general capital fund. (#2023-096)

Moved by Councillor Eric Desjardins, seconded by Councillor Denise Landry-Nadeau that \$250,000 be transferred from the general capital reserve fund to the general operating fund. (#2023-130)

Moved by Councillor Daniel St-Germain, seconded by Councillor Denise Landry-Nadeau that \$100,000 be transferred from the general operating reserve fund to the general operating fund. (#2023-132)

Moved by Councillor Aldéo Nadeau, seconded by Councillor Diane Bélanger-Nadeau that \$775,000 be transferred from the general operating fund to the general capital reserve fund. (#2023-174)

Moved by Councillor Eric Desjardins, seconded by Councillor Karen Power that \$150,000 be transferred from the general operating fund to the general operating reserve fund. (#2023-175)

Moved by Councillor Sylvie St-Onge-Morneau, seconded by Councillor Denise Landry-Nadeau that \$150,000 be transferred from the water and wastewater disposal services operating fund to the water and wastewater disposal services operating reserve fund. (#2023-176)

Moved by Councillor Karen Power, seconded by Councillor Denise Landry-Nadeau that \$400,000 be transferred from the water and wastewater disposal services operating fund to the water and wastewater disposal services capital reserve fund. (#2023-177)

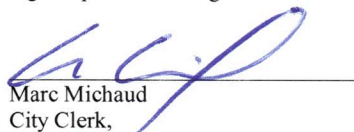
Moved by Councillor Diane Bélanger-Nadeau, seconded by Councillor Eric Morneau that \$1,500,000 be transferred from the generation facility operating fund to the generation facility capital reserve fund. (#2023-178)

Moved by Councillor Daniel St-Germain, seconded by Councillor Lisa Parent that \$85,000 be transferred from the general operating fund of Rivière-Verte to the general capital reserve fund of Rivière-Verte. (#2023-179)

Moved by Councillor Karen Power, seconded by Councillor Lisa Parent that \$15,000 be transferred from the general operating fund of Rivière-Verte to the general operating reserve fund of Rivière-Verte. (#2023-180)

Moved by Councillor Lisa Parent, seconded by Councillor Sylvie St-Onge-Morneau that \$30,000 be transferred from the water and wastewater disposal services operating fund Rivière-Verte to the water and wastewater disposal services operating reserve fund Rivière-Verte. (#2023-181)

I hereby certify that the above are true and exact copies of resolutions adopted at a regular public meeting of Council on June 20, 2023, at a regular public meeting of Council on September 19, 2023, at a special public meeting of Council on November 14, 2023 and at a regular public meeting of Council on December 19, 2023.

  
Marc Michaud  
City Clerk,  
Edmundston

  
Date

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**23. STATEMENT OF CONTROLLED ENTITIES OPERATIONS**

	<b>Innovation, Développement et événements Edmundston (IDÉE) Inc.</b>	<b>Gestion Edmundston Golf Management Inc.</b>	<b>Moitié-Moitié Centre Jean-Daigle Inc.</b>	<b>Centre des Arts La Petite Église d'Edmundston Inc.</b>	<b>Total 2023</b>
<b>Assets</b>	291 137 \$	1 171 467 \$	24 169 \$	774 374 \$	<b>2 261 147 \$</b>
<b>Liabilities</b>	167 392	75 036	20 024	161 141	<b>423 593</b>
<b>Accumulated surplus (deficit)</b>	123 745 \$	(75 036) \$	4 145 \$	613 233 \$	<b>666 087 \$</b>
<b>Revenues</b>	45 795 \$	941 259 \$	409 887 \$	498 006 \$	<b>1 894 947 \$</b>
<b>Expenses</b>	39 864	805 363	408 200	443 886	<b>1 697 313</b>
<b>Annual surplus (deficit)</b>	5 931 \$	135 896 \$	1 687 \$	54 120 \$	<b>197 634 \$</b>

The above noted entities are included in the financial statements.



**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**24. OPERATING BUDGET TO PSAB BUDGET**

	<b>General operating fund</b>	<b>Water and wastewater disposal services operating fund</b>	<b>Generation facility operating fund</b>	<b>Amortization of tangible capital assets</b>	<b>Controlled entities</b>	<b>Transfers</b>	<b>Total</b>
<b>Revenues</b>							
Property tax warrant	28 069 823	\$ -	\$ -	\$ -	\$ -	\$ -	28 069 823
Services provided to other governments	1 187 910	-	-	-	-	-	1 187 910
Sale of services, fines and other revenue	1 756 154	-	799 437	-	1 781 905	(80 709)	4 256 787
Unconditionnal grant	6 200 705	-	-	-	-	-	6 200 705
Other government transfers	25 595	-	-	-	-	-	25 595
Other revenues from own sources	641 731	142 270	-	-	-	-	784 001
User fees - Water and wastewater disposal services	-	6 971 624	-	-	-	(593 000)	6 378 624
Sales electrical utility - Distribution	-	-	31 165 661	-	-	-	31 165 661
Sales electrical utility - Generation	-	-	2 851 499	-	-	-	2 851 499
Interest	121 350	25 000	-	-	-	-	146 350
Second previous year's surplus	83 594	10 256	52 137	-	-	(145 987)	-
	<b>38 086 862</b>	<b>7 149 150</b>	<b>34 868 734</b>	<b>-</b>	<b>1 781 905</b>	<b>(819 696)</b>	<b>81 066 955</b>

**EDMUNDSTON**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**24. OPERATING BUDGET TO PSAB BUDGET (continued)**

	General operating fund	Water and wastewater disposal services operating fund	Generation facility operating fund	Amortization of tangible capital assets	Controlled entities	Transfers	Total
<b>Expenses</b>							
General government services	4 751 953 \$	- \$	- \$	540 902 \$	- \$	535 751 \$	5 828 606 \$
Protective services	10 862 952	-	-	923 780	-	(458 335)	11 328 397
Transportation services	7 293 450	-	-	3 642 633	-	234 351	11 170 434
Environmental health services	1 081 299	-	-	-	-	-	1 081 299
Development services	1 544 062	-	-	83 719	-	6 617	1 634 398
Recreational and cultural services	6 214 908	-	-	1 935 917	1 724 317	54 959	9 930 101
Water and wastewater disposal services	-	5 400 665	-	2 460 872	-	169 485	8 031 022
Electrical utility - Distribution	-	-	29 323 203	1 209 387	-	454 763	30 987 353
Electrical utility - Generation	-	-	1 060 915	1 238 285	-	253 853	2 553 053
Debt service fees							
Debentures and long-term debt payments	3 384 186	629 000	2 826 000	-	-	(6 839 186)	-
Interest, bank fees and debenture fees	1 027 052	115 085	658 616	-	-	(1 800 753)	-
Discounts and bad debts	20 000	54 400	50 000	-	-	(124 400)	-
Transfer from the general operating fund to the general capital fund	1 800 000	-	-	-	-	(1 800 000)	-
Transfer from the general operating fund to the general operating reserve fund	125 000	-	-	-	-	(125 000)	-
Transfer from the water and wastewater disposal services operating fund to the water and wastewater disposal services capital fund	-	900 000	-	-	-	(900 000)	-
Transfer from the water and wastewater disposal services operating fund to the water and wastewater disposal services capital reserve fund	-	50 000	-	-	-	(50 000)	-
Transfer from the generation facility operating fund to the generation facility capital fund	-	-	950 000	-	-	(950 000)	-
Gain on disposal of tangible capital assets	(18 000)	-	-	-	-	-	(18 000)
	38 086 862	7 149 150	34 868 734	12 035 495	1 724 317	(11 337 895)	82 526 663
Surplus (deficit)	- \$	- \$	- \$	(12 035 495) \$	57 588 \$	10 518 199 \$	(1 459 708) \$

## ***EDMUNDSTON***

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

#### **25. REVENUES AND EXPENSES SUPPORT**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>SERVICES PROVIDED TO OTHER GOVERNMENTS</i>		
Province of New Brunswick		
Fire protection	263 468 \$	267 959 \$
Police	5 000	5 000
Transportation	356 876	376 352
Communication center	562 566	569 030
	<b>1 187 910 \$</b>	<b>1 218 341 \$</b>
<i>SALE OF SERVICES, FINES AND OTHER REVENUES</i>		
Arenas	159 800 \$	175 064 \$
Jean-Daigle Centre	585 140	613 454
Sport Center	279 500	321 252
Golf	844 197	913 588
Recreational services	18 500	8 363
Cultural services	82 505	96 166
Service charge	50 000	70 574
Equipement rental	416 568	437 828
Licences, permits and fines	135 000	192 760
Sales and rental of equipment	347 869	619 741
Lodging tax	400 000	624 159
Moitié-Moitié Centre Jean-Daigle Inc.	257 500	409 887
Innovation, Développement et événements Edmundston (IDÉE) Inc.	68 208	45 795
Centre des Arts la Petite Église d'Edmundston Inc.	612 000	434 525
	<b>4 256 787 \$</b>	<b>4 963 156 \$</b>
<i>OTHER REVENUES FROM OWN SOURCES</i>		
Other revenues	46 450 \$	106 258 \$
Other revenues - Police	397 587	421 191
Other revenues - water and sewer services	116 061	163 447
Transportation department	135 000	187 643
Building rental	16 700	26 781
Administrative services	5 000	6 955
Wastewater treatment plant	26 209	25 550
Technical services	40 994	59 294
	<b>784 001 \$</b>	<b>997 119 \$</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>GENERAL GOVERNMENT SERVICES</i>		
Legislative		
Mayor	71 750 \$	70 120 \$
Councillors	122 579	151 936
Other legislative fees	141 552	141 144
	<b>335 881</b>	<b>363 200</b>
Administration		
Administration	703 517	681 553
City Clerk	138 779	106 368
Treasury	820 896	836 743
Tourism	453 513	670 673
Human resources	470 929	484 047
Office building	1 336 961	1 041 121
Data processing	430 487	524 944
Secrétariat à la Jeunesse	60 990	61 238
Pandemic fees	-	1 506
Sick leave and post employment benefits	-	(592 216)
Amortization	540 902	540 902
Debenture fees	326 992	97 047
Long-term debt interest	188 759	218 213
Bad debts	20 000	-
	<b>5 492 725</b>	<b>4 672 139</b>
	<b>5 828 606 \$</b>	<b>5 035 339 \$</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>PROTECTIVE SERVICES</i>		
911 Center	1 438 398 \$	1 398 245 \$
<b>Police</b>		
Administration	501 001	408 060
Crime prevention	4 578 294	4 361 511
Traffic activities	74 463	66 171
Station and buildings	498 268	493 768
Vehicles	318 112	287 298
Animal control	22 254	20 986
Jailer	37 837	28 284
Emergency measures service	9 149	11 082
Sick leave and post employment benefits	-	(1 079 306)
Amortization	726 971	726 971
Long-term debt interest	109 849	126 990
	<b>6 876 198</b>	<b>5 451 815</b>
<b>Fire</b>		
Administration	310 278	283 968
Fire fighting force	1 819 953	1 851 542
Brigade	261 128	169 321
Prevention	132 955	136 378
Station and buildings	134 582	135 862
Vehicles	133 280	161 634
Sick leave and post employment benefits	-	(338 479)
Amortization	196 809	196 809
Long-term debt interest	24 816	28 688
	<b>3 013 801</b>	<b>2 625 723</b>
	<b>11 328 397 \$</b>	<b>9 475 783 \$</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>TRANSPORTATION SERVICES</i>		
Administration - Road transport	912 002 \$	904 815 \$
Street maintenance - Summer	2 384 256	2 116 941
Street maintenance - Winter	2 714 569	2 651 121
Floods	-	1 438 088
Landscaping	322 125	434 268
Sidewalks	26 000	29 080
Storm sewers	162 500	119 086
Street lighting	551 009	587 197
Traffic	122 720	114 012
Parking	91 527	83 227
Other	6 742	23 310
Sick leave and post employment benefits	-	(614 644)
Amortization	3 642 633	3 642 633
Long-term debt interest	234 351	270 919
	<b>11 170 434 \$</b>	<b>11 800 053 \$</b>
<i>ENVIRONMENTAL HEALTH SERVICES</i>		
Garbage and waste collection	1 081 299 \$	1 037 381 \$
<i>DEVELOPMENT SERVICES</i>		
Economic development	371 187 \$	346 207 \$
Engineering	73 255	74 454
Building inspectors	420 859	361 047
Environmental sustainability	112 605	20 340
Planning department	87 756	89 348
Communication towers	3 993	1 628
Urban development	208 147	308 370
Airport	138 613	138 613
Northwest Regional Service Commission (NWRSC)	127 647	127 647
Sick leave and post employment benefits	-	(167 351)
Amortization	83 719	83 719
Long-term debt interest	6 617	7 649
	<b>1 634 398 \$</b>	<b>1 391 671 \$</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>RECREATIONAL AND CULTURAL SERVICES</i>		
Recreational		
Administration	763 485 \$	752 763 \$
Sports	1 358 021	1 421 250
Arenas and Palladium	577 430	719 898
Jean-Daigle Centre	1 195 776	1 251 876
Parks and playgrounds	1 213 145	1 088 118
Golf	916 309	815 212
Moitié-Moitié Centre Jean-Daigle Inc.	257 500	408 200
Sick leave and post employment benefits	-	(409 544)
Amortization	1 935 917	1 935 917
Long-term debt interest	135 668	156 838
	<b>8 353 251</b>	<b>8 140 528</b>
Cultural		
Sociocultural	729 512	552 725
Library	167 130	185 394
Innovation, Développement et événements Edmundston (IDÉE) Inc.	68 208	39 863
Centre des Arts La Petite Église d'Edmundston Inc.	612 000	438 891
	<b>1 576 850</b>	<b>1 216 873</b>
	<b>9 930 101 \$</b>	<b>9 357 401 \$</b>

**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>WATER AND SEWER COLLECTION AND DISPOSAL</i>		
Water supply		
Administration	645 010 \$	466 291 \$
Billing and collecting	137 063	135 089
Power and pumping	561 655	622 378
Purification and treatment	168 264	138 693
Transmission and distribution	1 844 686	1 925 725
Sick leave and post employment benefits	-	(232 177)
Amortization	1 349 753	1 349 753
Bank fees	16 000	3 382
Short-term debt interest	10 000	3 623
Long-term debt interest	52 977	41 104
Discounts	34 400	48 490
Bad debts	2 000	-
	<b>4 821 808</b>	<b>4 502 351</b>
Sewer collection and disposal		
Administration	423 539	423 237
Billing and collection	91 375	91 349
Wastewater treatment plant	358 120	325 646
Sewage collection system	747 578	627 869
Lift-station	423 375	408 631
Sick leave and post employment benefits	-	(67 732)
Amortization	1 111 119	1 111 119
Bank fees	10 124	194
Short-term debt interest	5 000	2 416
Long-term debt interest	20 984	18 383
Bad debts	18 000	-
	<b>3 209 214</b>	<b>2 941 112</b>
	<b>8 031 022 \$</b>	<b>7 443 463 \$</b>



**EDMUNDSTON****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2023

**25. REVENUES AND EXPENSES SUPPORT (continued)**

	<b>Budget (unaudited)</b>	<b>Actual</b>
<i>ELECTRICAL UTILITY</i>		
Electrical utility - Distribution		
Electrical energy purchases	24 243 007 \$	25 656 995 \$
Administration	300 140	292 263
Distribution	2 006 243	2 133 220
Management expenses	1 982 646	2 107 252
Management and planning	132 521	109 531
Customer service	147 717	152 742
Electrometry	510 929	540 627
Sick leave and post employment benefits	-	(232 377)
Amortization	1 209 387	1 209 387
Short-term debt interest	40 001	46 320
Long term debt interest	364 762	360 547
Bad debts	50 000	21 266
	<b>30 987 353</b>	<b>32 397 773</b>
Electrical utility - Generation		
Administration	38 569	38 618
Management expenses	230 000	230 000
Management and planning	86 932	85 242
Operations	648 527	297 809
Electrometry	8 568	8 568
Lines	48 319	18 226
Sick leave and post employment benefits	-	(36 263)
Amortization	1 238 285	1 238 285
Short-term debt interest	12 432	-
Debenture fees	20 000	-
Long-term debt interest	221 421	218 949
	<b>2 553 053</b>	<b>2 099 434</b>
	<b>33 540 406 \$</b>	<b>34 497 207 \$</b>