

EDMUNDSTON

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

EDMUNDSTON

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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, 2025, 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, 2025, and the results of its consolidated operations and of its accumulated surplus, changes in net debt and its consolidated 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.

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.

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 21, 2026

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

Year ended December 31

	Budget (unaudited) (Note 25)	2025	2024
REVENUES			
Property tax warrant	\$ 31,613,184	\$ 31,613,184	\$ 29,793,732
Services provided to other governments (Note 26)	1,250,580	1,469,706	1,307,243
Sale of services, fines and other fees (Note 26)	4,561,292	5,629,270	4,828,378
Unconditional grant	5,637,083	5,637,083	5,890,704
Other government transfers	410,452	9,809,854	5,276,152
Other revenues from own sources (Note 26)	753,128	1,170,530	1,401,025
Contractors and other organizations contributions	-	302,800	417,728
User fees - Water and sewer services	7,011,803	6,743,782	7,262,686
Sales electrical utility - Distribution	37,536,323	40,786,423	35,651,252
Sales electrical utility - Generation	3,283,682	3,899,318	2,645,292
Interest	237,000	1,045,859	1,330,448
	<u>92,294,527</u>	<u>108,107,809</u>	<u>95,804,640</u>
EXPENSES (Note 26)			
General government services	5,791,322	5,739,741	5,562,923
Protective services	12,554,120	12,179,063	11,780,717
Transportation services	11,299,174	11,369,998	12,261,543
Environmental health services	921,036	831,908	1,002,941
Development services	2,416,028	2,848,675	2,125,349
Recreational and cultural services	10,663,736	10,995,093	10,517,879
Water and sewer collection and disposal	8,308,411	8,106,674	7,582,908
Electrical utility - Distribution	37,094,850	40,464,869	35,807,688
Electrical utility - Generation	2,136,292	1,960,154	1,758,063
Loss (gain) on disposal of tangible capital assets	(20,000)	(138,451)	120,629
	<u>91,164,969</u>	<u>94,357,724</u>	<u>88,520,640</u>
ANNUAL SURPLUS (Note 21)	<u>\$ 1,129,558</u>	<u>13,750,085</u>	<u>7,284,000</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>152,365,710</u>	<u>145,674,710</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 166,115,795</u>	<u>\$ 152,958,710</u>

EDMUNDSTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31

2025

2024

FINANCIAL ASSETS

Cash (Note 4)	\$ 30,968,977	\$ 24,835,540
Term deposits (Note 5)	408,500	395,000
Receivables		
General	1,571,442	1,776,367
Water and sewer	1,281,928	1,309,807
Electrical utility	5,263,464	4,923,442
Federal government and its agencies (Note 6)	1,356,656	320,267
Province of New Brunswick (Note 7)	1,703,711	5,553,392
	<u>42,554,678</u>	<u>39,113,815</u>

LIABILITIES

Bank loans (Note 15)	4,581,571	9,850,571
Trade payables and other operating liabilities (Note 8)	14,106,995	12,930,938
Holdbacks payable	1,673,942	424,929
Deferred revenues (Note 9)	1,317,433	1,708,948
Debentures (Note 10)	35,936,000	37,721,000
Accrued sick leave (Note 11)	3,157,000	3,157,000
	<u>60,772,941</u>	<u>65,793,386</u>

NET DEBT

(18,218,263) (26,679,571)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 20)	402,661,808	385,683,534
Accumulated amortization (Note 20)	(229,146,278)	(217,639,050)
	<u>173,515,530</u>	<u>168,044,484</u>

Inventory of supplies	2,271,410	2,374,809
Prepaid expenses	168,191	245,234
Post employment benefits surplus (Note 12)	8,378,927	8,380,754
	<u>10,818,528</u>	<u>11,000,797</u>

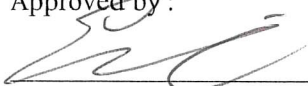
184,334,058 179,045,281

ACCUMULATED SURPLUS

\$ 166,115,795 \$ 152,365,710

Approved by :

Mayor



Treasurer

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

Year ended December 31

2025

2024

Annual surplus	\$ 13,750,085	\$ 7,284,000
Assets under construction, beginning of year	7,463,216	3,105,382
Assets under construction, end of year	(11,850,449)	(7,463,216)
Acquisition of tangible capital assets	(12,956,616)	(12,690,250)
Amortization of tangible capital assets	11,830,022	11,903,537
Proceeds from the disposal of tangible capital assets	181,233	12,103
Loss (gain) on disposal of tangible capital assets	(138,451)	120,629
	(5,471,045)	(5,011,815)
Acquisition of inventory of supplies	(2,271,410)	(2,374,809)
Consumption of inventory of supplies	2,374,809	2,409,323
Acquisition of prepaid expenses	(168,191)	(245,234)
Use of prepaid expenses	245,234	62,338
Post employment benefits surplus, end of year	(8,378,927)	(8,380,753)
Post employment benefits surplus, beginning of year	8,380,753	9,614,800
	182,268	1,085,665
Decrease in net debt	8,461,308	3,357,850
Net debt, beginning of year	(26,086,571)	(29,444,421)
Net debt, end of year	\$ (17,625,263)	\$ (26,086,571)

EDMUNDSTON**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended December 31

2025

2024

Operating activities

Annual surplus	\$ 13,750,085	\$ 7,284,000
Items not affecting cash:		
Amortization of tangible capital assets	11,830,022	11,903,537
Loss (gain) on disposal of tangible capital assets	(138,451)	120,629
Net change in working capital items (Note 3)	4,921,898	32,043
	<u>30,363,554</u>	<u>19,340,209</u>

Capital activities

Acquisition of tangible capital assets	(17,343,850)	(17,048,084)
Disposal of tangible capital assets	181,233	12,103
	<u>(17,162,617)</u>	<u>(17,035,981)</u>

Financing activities

Bank loan	(5,269,000)	6,850,000
Debentures	4,247,000	-
Repayment of debentures	(6,032,000)	(6,681,000)
	<u>(7,054,000)</u>	<u>169,000</u>

Investing activities

Investments and cash flows from investing activities	(13,500)	(300,000)
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Increase in cash and cash equivalents	6,133,437	2,173,228
Cash and cash equivalents, beginning of year	24,835,540	23,255,312
Cash and cash equivalents, end of year	\$ 30,968,977	\$ 25,428,540

Cash and cash equivalents consist of cash.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

1. STATUTES AND NATURE OF ACTIVITIES

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 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

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 26, 2024 and the Minister of Local Government on December 18, 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 11 and a long-term service award and pension plan as documented in Note 12.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmented information

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

General government services

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

Protective services

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

Transportation services

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

Environmental health services

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

Environmental development services

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

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including 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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

3. INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

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

	2025	2024
Accounts receivables	\$ 2,706,074	\$ (3,688,649)
Trade payables and other operating liabilities	1,176,057	1,103,716
Holdbacks payable	1,249,013	125,052
Deferred revenues	(391,515)	1,406,260
Inventory of supplies	103,399	34,514
Prepaid expenses	77,043	(182,896)
Post employment benefits surplus	1,827	1,234,046
	<u>\$ 4,921,898</u>	<u>\$ 32,043</u>

4. CASH

	2025	2024
Cash - restricted	\$ 16,824,368	\$ 15,762,214
Cash - unrestricted	14,144,609	9,073,326
	<u>\$ 30,968,977</u>	<u>\$ 24,835,540</u>

5. TERM DEPOSITS

	2025	2024
Term deposit, 3,1 %, maturing June 2026	\$ 95,000	\$ 95,000
Term deposit, 4,5 %, maturing January 2026	313,500	300,000
	<u>\$ 408,500</u>	<u>\$ 395,000</u>

6. RECEIVABLES FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2025	2024
Canada Revenue Agency (HST refund)	\$ 288,694	\$ 320,267
Canada Community Building Fund (CCBF)	1,067,962	-
	<u>\$ 1,356,656</u>	<u>\$ 320,267</u>

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

7. RECEIVABLES FROM THE PROVINCE OF NEW BRUNSWICK	2025	2024
Regional Development Corporation	\$ 123,147	\$ 2,733,202
Transportation and Infrastructure Department	1,539,650	-
New Brunswick Finance Department	40,914	2,820,190
	<u>\$ 1,703,711</u>	<u>\$ 5,553,392</u>
8. TRADE PAYABLES AND OTHER OPERATING LIABILITIES	2025	2024
Accounts payable and accrued liabilities	\$ 10,603,711	\$ 9,914,236
Salaries payable	1,477,321	1,040,842
Accrued interest	64,741	79,853
Government remittances	386,672	935,952
Customer deposits	761,474	670,651
Contractors deposits	813,076	289,404
	<u>\$ 14,106,995</u>	<u>\$ 12,930,938</u>
9. DEFERRED REVENUES	2025	2024
Deferred grants	\$ -	\$ 635,098
Other deferred revenues	1,317,433	1,073,850
	<u>\$ 1,317,433</u>	<u>\$ 1,708,948</u>

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

10. DEBENTURES	2025	2024
GENERAL CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BM3, 0.95 % - 2.8 % matured in 2025, OIC #05-0015, #13-0027, #14-0001 and #14-0026	\$ -	\$ 286,000
BO5, 1.45 % - 2.9 %, due in 2026, OIC #15-0023	78,000	155,000
BP4, 1.2 % - 2.95 %, due in 2026, OIC #16-0009	110,000	217,000
BK36, 1.15 % - 3.65 %, due in 2026, OIC #13-0045	27,000	54,000
BG4, 1.65 % - 3.8 %, due in 2027, OIC #10-0022, #10-0071, #11-0004, #11-0051, #11-0072, #11-0110, and #12-0005	1,323,000	1,493,000
BQ4, 1.2 % - 2.7 % due in 2027, OIC #15-0023 and #16-0009	405,000	601,000
BW7, 1.95 % - 2.45 % due in 2029, OIC #18-0016	696,000	861,000
BZ5, 0.3 % - 2.3 %, due in 2031, OIC #09-0032 and #10-0071	2,525,000	2,924,000
CB4, 3.005 % - 4.083 %, due in 2032, OIC #19-0018, #20-0008 and #21-0003	2,035,000	2,441,000
BH7, 1.35 % - 3.8 %, due in 2032, OIC #11-0004, #11-0051, and #11-0110	84,000	94,000
CC24, 3.95 % - 4.7 %, due in 2032, OIC #19-0080	33,000	37,000
BI3, 1.35 % - 4 %, due in 2033, OIC #11-0051, #11-0072, #12-0024 and #12-0044	478,000	529,000
CD5, 4.048 % - 5.115 %, due in 2033, OIC #20-0008, #20-0022 and #21-0003	1,801,000	2,056,000
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	270,000	316,000
BY7, 0.5 % - 2.3 %, due in 2035, OIC #09-0032, #17-0010, #18-0016, #19-0018 and #20-0022	2,070,000	2,564,000
BU5, 2.55 % - 3.7 %, due in 2038, OIC #15-0083, #16-0009, #17-0010 and #17-0085	3,220,000	3,591,000
CH3, 2.85 % - 4.895 %, due in 2035, DC #22-0004 et #23-0003	3,345,000	-
	\$ 18,500,000	\$ 18,219,000

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

10. DEBENTURES (continued)	2025	2024
WATER AND WASTEWATER DISPOSAL SERVICES CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BM4, 0.95 % - 2.8 %, matured in 2025, OIC #13-0027 and #14-0026	\$ -	\$ 29,000
BP6, 1.2 % - 2.95 %, due in 2026, OIC #05-0034, #13-0027, #14-0026 and #15-0023	97,000	191,000
BU6, 2.55 % - 3.4 %, due in 2028, OIC #14-0026 and #16-0009	137,000	180,000
BJ41, 1.25 % - 4.15 %, due in 2028, OIC #11-0027	125,000	163,000
BW8, 1.95 % - 2.45 % due in 2029, OIC #16-0009, #17-0059 and #18-0016	227,000	280,000
BV38, 2.05 % - 2.85 %, due in 2029, OIC #06-0004	149,000	184,000
BW48, 1.95 % - 2.45 %, due in 2029, OIC #18-0043	43,000	53,000
BY08, 0.5 % - 1.8 %, due in 2030, OIC #18-0016 and #19-0018	103,000	148,000
CH4, 2.85 % - 4.895 % due in 2035, DC #19-0018, #20-0008 et #21-0003	592,000	-
	<hr/>	<hr/>
	\$ 1,473,000	\$ 1,228,000

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

10. DEBENTURES (continued)	2025	2024
GENERATION FACILITY CAPITAL FUND		
<u>New Brunswick Municipal Financing Corporation</u>		
BG6, 1.65 % - 3.8 %, due in 2027, OIC #09-0076	\$ 503,000	\$ 567,000
BV6, 2.05 % - 2.85 % due in 2029, OIC #14-0026, #15-0023, #17-0010 and #18-0016	336,000	415,000
BY9, 0.5 % - 1.8 %, due in 2030, OIC #09-0076	2,469,000	2,944,000
BM5, 0.95 % - 3.25 %, due in 2030, OIC #05-0004, #12-0040 and #13-0027	754,000	978,000
BP6, 1.2 % - 3.55 %, due in 2031, OIC #05-0004, #05-0034 and #16-0070	6,945,000	7,986,000
BZ6, 0.3 % - 2.3 % due in 2031, OIC #09-0076 and #09-0137	3,303,000	3,825,000
BH9, 1.35 % - 3.8 %, due in 2032, OIC #10-0022, #11-0051 and #12-0006	927,000	1,042,000
BQ6, 1.2 % - 3.3 %, due in 2032, OIC #13-0027	416,000	517,000
CH5, 2.85 %- 4.895 %, due in 2035, DC #19-0018	310,000	-
	\$ 15,963,000	\$ 18,274,000
	\$ 35,936,000	\$ 37,721,000

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
2026	\$ 3,172,000	\$ 379,000	\$ 2,619,000	\$ 6,170,000
2027	\$ 3,999,000	\$ 291,000	\$ 3,045,000	\$ 7,335,000
2028	\$ 2,495,000	\$ 297,000	\$ 2,604,000	\$ 5,396,000
2029	\$ 2,193,000	\$ 212,000	\$ 2,672,000	\$ 5,077,000
2030	\$ 2,030,000	\$ 107,000	\$ 2,656,000	\$ 4,793,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

11. 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 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, 2025 (\$3,157,000 as at December 31, 2024).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

12. 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 203 employees covered by the plan is 45.5 years. At present, the plan provides benefits for the 167 retirees with an average age of 71.4 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 : 2.82 % of employee earning.

In addition, the annual amortization payment in the amount of \$387,113 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 \$4,545,157 (\$3,778,176 in 2024). 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, 2024 and at that time, the pension plan had an accrued benefit surplus of \$8,378,927.

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

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

12. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The following summarizes the major assumptions in the valuation :

- discount rate of engagement at 6.3 %;
- 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 is 3 %.

Combined employer and employee contributions during the year were \$3,372,236 (\$3,455,645 in 2024).

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, 2025.

The statement of financial position of the plan as at December 31, 2024 was as follows:

Assets continuity	\$ 86,922,386
<hr/>	
Actuarial liabilities	
Active and disabled members	30,671,469
Retired members and beneficiaries	47,659,123
Participants terminated vested	212,867
	<hr/>
Total actuarial liability	78,543,459
<hr/>	
Plan surplus	\$ 8,378,927
<hr/>	

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

13. 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, 2025 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.

14. COMMITMENTS

The Municipality has committed itself by contract until 2028. The balance of the following commitments is established at \$484,128. Minimum payments over the next three years are as follows:

2026 - \$	206,041
2027 - \$	213,557
2028 - \$	64,530
2029 - \$	-

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 contractors.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

15. SHORT-TERM BORROWINGS COMPLIANCE

The Municipality has ministerial authority for borrowing as follows:

General capital fund:

OIC #24-0006	\$ 2,210,000
OIC #25-0004 (including interim financing - \$3,806,000)	6,076,000

Used as bank loans

8,286,000
571

Not used

\$ 8,285,429

General operating fund:

Authorized	\$ 1,000,000
Used as bank loans	-

Not used

\$ 1,000,000

Water and wastewater disposal services capital fund:

OIC #21-0003	\$ 258,000
OIC #23-0003	150,000
OIC #24-0006	200,000
OIC #25-0004 (Including interim financing - \$765,000)	915,000

Used as bank loans

1,523,000
20,000

Not used

\$ 1,503,000

Water and wastewater disposal services operating fund:

Authorized	\$ 1,000,000
Used as bank loans	836,000

Not used

\$ 164,000

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

15. SHORT-TERM BORROWINGS COMPLIANCE (continued)

Generation facility capital fund:		
OIC #19-0018	\$	135,000
OIC #20-0008		240,000
OIC #21-0003		486,000
OIC #22-0004		750,000
OIC #23-0003		425,000
OIC #23-0037 and #23-0038 (Interim financing)		7,000,000
OIC #24-0007		255,000
OIC #25-0004		7,500,000
		<hr/>
		16,791,000
Used as bank loans		<hr/>
		2,240,000
		<hr/>
Not used	\$	14,551,000
		<hr/>
Generation facility operating fund:		
Authorized	\$	4,500,000
Used as bank loans		<hr/>
		1,485,000
		<hr/>
Not used	\$	3,015,000
		<hr/>

Operating borrowing

As prescribed in the *Local Governance 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 2025, 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.

16. WATER AND WASTEWATER DISPOSAL SERVICES OPERATING FUND SURPLUS/DEFICIT

The *Local Governance 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:

	2025	2024
2025 - Surplus	\$ 24,566	\$ -
2024 - Surplus	34,131	34,131
2023 - Surplus	-	23,623
	<hr/>	<hr/>
	\$ 58,697	\$ 57,754
	<hr/>	<hr/>

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

17. WATER COST TRANSFER

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

18. 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. 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 22 provides a reconciliation between fund reporting required by the Province of New Brunswick and current year PSAB.

19. COMPARATIVE FIGURES

Certain figures for 2024 have been reclassified to make their presentation identical to that adopted in 2025.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

20. TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings*	Vehicles	Machinery and equipment	Water and wastewater facilities	Electrical facilities	Linear assets**	Assets under construction	2025		2024	
										Total	Total	Total	Total
Cost													
Opening balance	\$ 10,229,341	\$ 18,236,453	\$ 75,219,457	\$ 15,969,708	\$ 23,100,877	\$ 11,485,526	\$ 69,805,248	\$ 154,173,708	\$ 7,463,216	\$ 385,683,534	\$ 369,294,563		
Net additions	55,150	328,526	1,635,462	3,598,899	1,877,525	144,917	1,018,957	4,297,180	4,387,233	17,343,849	17,048,084		
Disposals	(42,781)	-	-	(322,794)	-	-	-	-	-	(365,575)	(639,113)		
Closing balance	10,241,710	18,564,979	76,854,919	19,245,813	24,978,402	11,630,443	70,824,205	158,470,888	11,850,449	402,661,808	385,683,534		
Accumulated amortization													
Opening balance	-	9,498,504	39,809,748	7,523,971	14,803,767	9,027,571	32,550,317	104,425,172	-	217,639,050	206,261,894		
Amortization during the year	-	708,850	2,494,994	1,220,384	1,402,686	206,086	2,031,588	3,765,434	-	11,830,022	11,903,537		
Accumulated amortization on disposals	-	-	-	(322,794)	-	-	-	-	-	(322,794)	(526,381)		
Closing balance	-	10,207,354	42,304,742	8,421,561	16,206,453	9,233,657	34,581,905	108,190,606	-	229,146,278	217,639,050		
Net book value of tangible capital assets	\$ 10,241,710	\$ 8,357,625	\$ 34,550,177	\$ 10,824,252	\$ 8,771,949	\$ 2,396,786	\$ 36,242,300	\$ 50,280,282	\$ 11,850,449	\$ 173,515,530	\$ 168,044,484		
Consists of:													
General capital fund	\$ 7,462,420	\$ 5,763,086	\$ 31,331,388	\$ 8,912,398	\$ 5,204,486	\$ -	\$ -	\$ 35,295,152	\$ 2,434,975	\$ 96,403,905	\$ 93,123,429		
Water and wastewater disposal services capital fund	1,988,199	2,136,716	1,792,614	595,336	1,292,862	2,396,786	-	14,985,130	1,091,059	26,278,702	26,037,353		
Generation facility capital fund	778,691	133,051	1,307,128	1,160,841	1,826,797	-	36,242,300	-	8,324,415	49,773,223	47,939,367		
Reserve fund	12,400	-	-	-	-	-	-	-	-	12,400	12,400		
Controlled entities	-	324,772	119,047	155,677	447,804	-	-	-	-	1,047,300	931,935		
Closing balance	\$ 10,241,710	\$ 8,357,625	\$ 34,550,177	\$ 10,824,252	\$ 8,771,949	\$ 2,396,786	\$ 36,242,300	\$ 50,280,282	\$ 11,850,449	\$ 173,515,530	\$ 168,044,484		

*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, 2025

21. SCHEDULE OF SEGMENT DISCLOSURE

	General government services	Protective	Transportation	Environmental health	Development	Recreational and cultural	Water and wastewater disposal services	Generation facility	Reserves	2025 Total	2024 Total
Revenues											
Property tax warrant*	\$ 4,194,762	\$ 9,093,182	\$ 8,184,201	\$ 667,123	\$ 1,749,974	\$ 7,723,942	\$ -	\$ -	\$ -	\$ 31,613,184	\$ 29,793,732
Services provided to other governments	-	1,044,627	425,079	-	-	-	-	-	-	1,469,706	1,307,243
Sale of services, fines and other revenues	691,272	-	-	-	315,007	3,411,881	-	1,211,110	-	5,629,270	4,828,378
Unconditional grant*	747,986	1,621,444	1,459,360	118,958	312,045	1,377,290	-	-	-	5,637,083	5,890,704
Other government transfers	636,016	447,720	4,569,372	-	218,427	109,960	1,252,938	2,575,421	-	9,809,854	5,276,152
Other revenues from own sources	469,038	448,795	189,052	7,717	2,690	3,764	57,474	-	-	1,170,530	1,401,025
Contractors and other organizations contributions	-	-	-	-	-	246,820	-	55,980	-	302,800	417,728
User fees - Water and sewer services	-	-	-	-	-	-	7,336,782	-	-	7,336,782	7,262,686
Sales electrical utility - Distribution	-	-	-	-	-	-	-	40,786,423	-	40,786,423	35,651,252
Sales electrical utility - Generation	-	-	-	-	-	-	-	3,899,318	-	3,899,318	2,645,292
Interest	496,483	-	-	-	-	-	39,231	-	510,145	1,045,859	1,330,448
	7,235,557	12,647,768	14,827,064	793,798	2,598,143	12,873,657	8,686,425	48,528,252	510,145	108,700,809	95,804,640
Expenses											
Salaries and benefits	3,704,261	8,324,892	4,399,209	-	786,862	3,465,574	1,651,496	2,130,989	-	24,463,283	24,963,283
Goods and services	1,889,795	2,632,079	3,299,990	831,908	1,909,169	5,322,942	4,410,837	37,123,023	-	57,419,743	51,271,620
Amortization	621,924	1,088,270	3,412,531	-	144,173	2,066,917	1,987,817	2,508,390	-	11,830,022	11,903,537
Interest	116,761	133,822	258,268	-	8,471	139,660	56,524	662,621	-	1,376,127	1,354,571
Gain on disposal of tangible capital assets	(138,451)	-	-	-	-	-	-	-	-	(138,451)	120,629
	6,194,290	12,179,063	11,369,998	831,908	2,848,675	10,995,093	8,106,674	42,425,023	-	94,950,724	89,613,640
Surplus (deficit) for the year	\$ 1,041,267	\$ 468,705	\$ 3,457,066	\$ (38,110)	\$ (250,532)	\$ 1,878,564	\$ 579,751	\$ 6,103,229	\$ 510,145	\$ 13,750,085	\$ 6,191,000

*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, 2025

22. RECONCILIATION OF ANNUAL SURPLUS

	General operating fund	General capital fund	Water and wastewater disposal operating fund	Water and wastewater disposal services capital fund	Generation facility operating fund	Generation facility capital fund	Reserves	Controlled entities	Total
2025 surplus (deficit) by fund	\$ 8,995,329	\$ (2,458,279)	\$ 1,377,937	\$ (798,184)	\$ 6,000,818	\$ 123,011	\$ 510,145	\$ (692)	\$ 13,750,085
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	102,408	-	48,952	-	31,703	-	-	-	183,063
Transfers between funds									
General operating fund to General capital fund	(5,300,000)	5,300,000	-	-	-	-	-	-	-
Water and wastewater disposal services operating fund to Water and wastewater disposal services capital fund	-	-	(1,000,000)	1,000,000	-	-	-	-	-
Generation facility operating fund to Generation facility capital fund	-	-	-	-	(3,025,000)	3,025,000	-	-	-
General operating fund to General capital reserve fund	(625,000)	-	-	-	-	-	625,000	-	-
Water and wastewater disposal services operating fund to Water and wastewater disposal services capital reserve fund	-	-	(50,000)	-	-	-	50,000	-	-
Generation facility operating fund to Generation facility capital reserve fund	-	-	-	-	(250,000)	-	250,000	-	-
General capital reserve fund to general operating fund	185,000	-	-	-	-	-	(185,000)	-	-
Principal payments on long-term debt	(3,064,000)	3,064,000	(347,000)	347,000	(2,621,000)	2,621,000	-	-	-
BALANCE TO FORWARD	(8,701,592)	8,364,000	(1,348,048)	1,347,000	(5,864,297)	5,646,000	740,000	-	183,063

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

22. 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	\$ (8,701,592)	\$ 8,364,000	\$ (1,348,048)	\$ 1,347,000	\$ (5,864,297)	\$ 5,646,000	\$ 740,000	\$ -	\$ 183,063
Provision for accrued retirement	1,534	-	146	-	146	-	-	-	1,826
Provision for accrued sick leave	(231,109)	-	(5,469)	-	(87,538)	-	-	-	(324,116)
Amortization expense	-	7,236,805	-	1,987,817	-	2,508,391	-	-	11,733,013
Total adjustments to the annual surplus (deficit)	(8,931,167)	15,600,805	(1,353,371)	3,334,817	(5,951,689)	8,154,391	740,000	-	11,593,786
Annual fund surplus (deficit)	\$ 64,162	\$ 13,142,526	\$ 24,566	\$ 2,536,633	\$ 49,129	\$ 8,277,402	\$ 1,250,145	\$ (692)	\$ 25,343,871

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

23. STATEMENT OF RESERVES

	General operating reserve	General capital reserve	Water and wastewater disposal services operating reserve	Water and wastewater disposal services capital reserve	Generation facility operating reserve	Generation facility capital reserve	2025 Total	2024 Total
Assets								
Cash	\$ 2,104,828 \$	5,519,213 \$	410,345 \$	3,016,263 \$	1,631,129 \$	4,142,591 \$	16,824,369 \$	15,762,213
Accounts receivable	-	118,228	-	68,432	-	100,852	287,512	99,523
Public utility land	-	-	-	12,400	-	-	12,400	12,400
Accumulated surplus	\$ 2,104,828 \$	5,637,441 \$	410,345 \$	3,097,095 \$	1,631,129 \$	4,243,443 \$	17,124,281 \$	15,874,136
Revenues								
Interests	\$ 75 \$	209,936 \$	15 \$	120,978 \$	12,811 \$	166,330 \$	510,145 \$	707,557
Interfund transfers	-	440,000	-	50,000	-	250,000	740,000	1,825,000
Annual surplus	\$ 75 \$	649,936 \$	15 \$	170,978 \$	12,811 \$	416,330 \$	1,250,145 \$	2,532,557

Respect of the budgetary limit

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

23. STATEMENT OF RESERVES (continued)

Council Resolutions regarding transfers to and from reserves:

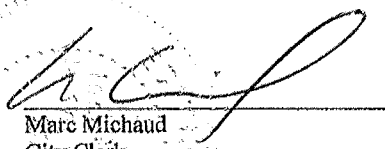
Moved by Councillor Lisa Parent, seconded by Councillor Denise Landry-Nadeau that \$185,000 be transferred from the general capital reserve fund to the general operating fund. (#2025-077)

Moved by Councillor Eric McGuire, seconded by Councillor Aldeo Nadeau that \$625,000 be transferred from the general operating fund to the general capital reserve fund. (#2025-131)

Moved by Councillor Denise Landry-Nadeau, seconded by Councillor Lisa Parent that \$50,000 be transferred from the water and wastewater disposal services operating fund to the water and wastewater disposal services capital reserve fund. (#2025-132)

Moved by Councillor Sylvie St-Onge-Morneau, seconded by Councillor Diane Bélanger-Nadeau that \$250,000 be transferred from the generation facility operating fund to the generation facility capital reserve fund. (#2025-133)

I hereby certify that the above are true and exact copies of resolutions adopted at a regular public meeting of Council on August 19, 2025 and at a regular public meeting of Council on December 16, 2025.



Marc Michaud
City Clerk,
Edmundston

21/04/2026
Date

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

24. STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Innovation, Développement et événements Edmundston (IDÉE) Inc.	Gestion Edmundston Golf Management Inc.	Moitié-Moitié Centre Jean-Daigle Inc.	Centre des Arts La Petite Église d'Edmundston Inc.	2025 Total	2024 Total
Assets	\$ 299,271	\$ 1,240,253	\$ 26,503	\$ 762,650	\$ 2,328,677	\$ 2,466,177
Liabilities	170,954	100,574	15,953	152,548	440,029	576,834
Accumulated surplus	\$ 128,317	\$ 1,139,679	\$ 10,550	\$ 610,102	\$ 1,888,648	\$ 1,889,343
Revenues	\$ 52,987	\$ 1,177,929	\$ 436,197	\$ 788,130	\$ 2,455,243	\$ 1,911,600
Expenses	62,501	1,177,307	433,023	783,104	2,455,935	1,860,630
Annual surplus (deficit)	\$ (9,514)	\$ 622	\$ 3,174	\$ 5,026	\$ (692)	\$ 50,970

The above noted entities are included in the financial statements.

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

25. OPERATING BUDGET TO PSAB BUDGET

	General operating fund	Water and wastewater disposal services operating fund	Generation facility operating fund	Amortization of tangible capital assets	Controlled entities	Transfers	Total
Revenues	\$ 31,613,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,613,184
Property tax warrant	1,250,580	-	-	-	-	-	1,250,580
Services provided to other governments	1,900,935	-	917,044	-	1,743,313	-	4,561,292
Sale of services, fines and other revenue	5,637,083	-	-	-	-	-	5,637,083
Unconditional grant	326,383	-	-	-	84,069	-	410,452
Other government transfers	697,578	55,550	-	-	-	-	753,128
Other revenues from own sources	-	7,604,803	-	-	-	(593,000)	7,011,803
User fees - Water and wastewater disposal services	-	-	37,536,323	-	-	-	37,536,323
Sales electrical utility - Distribution	200,000	-	3,283,682	-	-	-	3,283,682
Sales electrical utility - Generation	102,408	37,000	-	-	-	-	237,000
Interest	102,408	78,241	31,703	-	-	(212,352)	-
Second previous year's surplus	41,728,151	7,775,594	41,768,752	-	1,827,382	(805,352)	92,294,527

EDMUNDSTON

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

25. 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
Expenses							
General government services	\$ 4,984,513	\$ -	\$ -	\$ 621,924	\$ -	\$ 184,885	\$ 5,791,322
Protective services	11,929,470	-	-	1,088,270	-	(463,620)	12,554,120
Transportation services	7,636,948	-	-	3,412,531	-	249,695	11,299,174
Environmental health services	921,036	-	-	-	-	-	921,036
Development services	2,263,665	-	-	144,173	-	8,190	2,416,028
Recreational and cultural services	6,816,345	-	-	2,066,917	1,645,450	135,024	10,663,736
Water and wastewater disposal services	-	6,147,116	-	1,987,817	-	173,478	8,308,411
Electrical utility - Distribution	-	-	35,038,815	1,627,035	-	429,000	37,094,850
Electrical utility - Generation	-	-	1,025,280	881,355	-	229,657	2,136,292
Debt service fees	-	-	-	-	-	-	-
Debentures and long-term debt payments	3,064,000	430,000	2,621,000	-	-	(6,115,000)	-
Interest, bank fees and debenture fees	687,174	99,478	608,657	-	-	(1,395,309)	-
Discounts and bad debts	20,000	74,000	50,000	-	-	(144,000)	-
Transfer from the general operating fund to the general capital fund	3,300,000	-	-	-	-	(3,300,000)	-
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	-	975,000	-	-	-	(975,000)	-
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	-	-	2,300,000	-	-	(2,300,000)	-
Transfer from the general operating reserve fund to the general operating fund	-	-	125,000	-	-	(125,000)	-
Gain on disposal of tangible capital assets	(20,000)	-	-	-	-	-	(20,000)
	\$ 41,728,151	\$ 7,775,594	\$ 41,768,752	\$ 11,830,022	\$ 1,645,450	\$ (13,583,000)	\$ 91,164,969
Surplus (deficit)	\$ -	\$ -	\$ -	\$ (11,830,022)	\$ 181,952	\$ 12,777,648	\$ 1,129,558

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT

	Budget (unaudited)	2025	2024
<i>SERVICES PROVIDED TO OTHER GOVERNMENTS</i>			
Province of New Brunswick			
Fire protection	\$ 301,176	\$ 309,004	\$ 308,141
Police	5,000	4,220	5,780
Transportation	377,000	425,079	400,370
Communication center	567,404	666,338	592,952
Emergency warming center	-	65,065	-
	\$ 1,250,580	\$ 1,469,706	\$ 1,307,243
<i>SALE OF SERVICES, FINES AND OTHER REVENUES</i>			
Arenas	\$ 190,800	\$ 163,187	\$ 190,229
Jean-Daigle Centre	715,640	711,455	702,678
Sport Center	321,000	360,711	355,646
Golf	865,313	905,539	965,558
Recreational services	8,000	13,151	14,140
Cultural services	103,295	117,846	101,275
Service charge	55,000	93,475	84,748
Equipement rental	6,000	6,900	5,800
Licences, permits and fines	140,000	315,007	154,301
Sales and rental of equipment	878,244	1,127,627	821,343
Lodging tax	400,000	691,272	559,925
Moitié-Moitié Centre Jean-Daigle Inc.	367,000	436,197	367,370
Innovation, Développement et événements			
Edmundston (IDÉE) Inc.	64,500	52,987	76,253
Centre des Arts la Petite Église d'Edmundston Inc.	446,500	633,916	429,112
	\$ 4,561,292	\$ 5,629,270	\$ 4,828,378
<i>OTHER REVENUES FROM OWN SOURCES</i>			
Other revenues	\$ 49,750	\$ 388,518	\$ 541,766
Other revenues - Police	405,823	440,795	435,649
Other revenues - water and sewer services	30,000	31,924	18,880
Transportation department	133,305	151,468	235,222
Building rental	26,700	28,334	28,295
Administrative services	-	1,517	7,595
Wastewater treatment plant	25,550	25,550	25,550
Technical services	82,000	102,424	108,068
	\$ 753,128	\$ 1,170,530	\$ 1,401,025

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>GENERAL GOVERNMENT SERVICES</i>			
Legislative			
Mayor	\$ 75,700	\$ 76,071	\$ 72,840
Councillors	105,933	106,447	107,812
Other legislative fees	149,256	165,213	162,878
	<u>330,889</u>	<u>347,731</u>	<u>343,530</u>
Administration			
Administration	713,599	763,349	652,497
City Clerk	126,102	121,469	110,279
Treasury	825,577	866,048	849,371
Tourism	453,558	557,630	613,436
Human resources	511,197	439,051	457,479
Office building	1,424,213	1,407,289	1,170,283
Data processing	537,799	512,465	425,542
Secrétariat à la Jeunesse	61,579	7,013	62,187
Sick leave and post employment benefits	-	(41,120)	150,624
Amortization	621,924	621,924	604,705
Debenture fees	52,000	-	-
Long-term debt interest	112,885	116,761	103,282
Discounts	-	20,131	-
Bad debts	20,000	-	19,708
	<u>5,460,433</u>	<u>5,392,010</u>	<u>5,219,393</u>
	<u>\$ 5,791,322</u>	<u>\$ 5,739,741</u>	<u>\$ 5,562,923</u>

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>PROTECTIVE SERVICES</i>			
911 Center	\$ 1,655,427	\$ 1,622,546	\$ 1,450,306
Police			
Administration	537,591	579,477	536,840
Crime prevention	4,814,316	4,660,897	4,406,502
Traffic activities	193,948	161,131	180,289
Station and buildings	532,078	504,091	482,623
Vehicles	416,873	388,669	374,793
Animal control	19,800	22,203	22,327
Jailer	35,909	31,227	28,817
Emergency measures service	10,413	10,510	6,124
Emergency warming center	-	67,566	-
Sick leave and post employment benefits	-	(67,042)	245,574
Amortization	764,429	764,429	737,728
Long-term debt interest	105,498	109,120	120,223
	7,430,855	7,232,278	7,141,840
Fire			
Administration	333,304	327,212	265,269
Fire fighting force	2,139,012	2,070,839	1,953,825
Brigade	232,390	166,531	213,682
Prevention	129,209	112,954	149,413
Station and buildings	142,120	143,146	135,559
Vehicles	144,080	180,385	150,051
Sick leave and post employment benefits	-	(25,371)	92,933
Amortization	323,841	323,841	201,195
Long-term debt interest	23,882	24,702	26,644
	3,467,838	3,324,239	3,188,571
	\$ 12,554,120	\$ 12,179,063	\$ 11,780,717

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>TRANSPORTATION SERVICES</i>			
Administration - Road transport	\$ 957,247	\$ 952,652	\$ 927,914
Street maintenance - Summer	2,445,041	2,116,951	2,233,794
Street maintenance - Winter	2,830,737	2,895,891	2,621,505
Floods	-	88,038	756,106
Landscaping	383,749	486,703	591,074
Sidewalks	36,000	34,593	18,702
Storm sewers	155,000	252,254	124,274
Street lighting	608,960	683,430	635,830
Traffic	122,500	136,788	140,691
Parking	86,027	81,738	81,607
Other	11,687	18,997	41,665
Sick leave and post employment benefits	-	(48,836)	178,880
Amortization	3,412,531	3,412,531	3,655,223
Long-term debt interest	249,695	258,268	254,278
	\$ 11,299,174	\$ 11,369,998	\$ 12,261,543
<i>ENVIRONMENTAL HEALTH SERVICES</i>			
Garbage and waste collection	\$ 921,036	\$ 831,908	\$ 1,002,941
	\$ 921,036	\$ 831,908	\$ 1,002,941
<i>DEVELOPMENT SERVICES</i>			
Economic development	\$ 589,694	\$ 456,442	\$ 214,702
Engineering	159,324	72,421	79,069
Building inspectors	425,663	409,266	382,148
Environmental sustainability	31,626	15,889	29,535
Planning department	112,117	120,940	94,634
Communication towers	2,000	3,095	8,283
Urban development	459,771	591,725	686,736
Housing	-	566,431	132,697
Airport	-	-	138,780
Northwest Regional Service Commission (NWRSC)	483,470	468,558	209,409
Sick leave and post employment benefits	-	(8,736)	31,995
Amortization	144,173	144,173	110,467
Long-term debt interest	8,190	8,471	6,894
	\$ 2,416,028	\$ 2,848,675	\$ 2,125,349

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>RECREATIONAL AND CULTURAL SERVICES</i>			
Recreational			
Administration	\$ 852,348	\$ 808,104	\$ 733,661
Sports	1,415,804	1,385,453	1,398,260
Arenas and Palladium	673,321	730,826	727,699
Jean-Daigle Centre	1,384,605	1,487,006	1,319,766
Parks and playgrounds	1,393,660	1,364,435	1,273,543
Golf	842,390	967,711	992,912
Moitié-Moitié Centre Jean-Daigle Inc.	367,000	433,023	364,139
Sick leave and post employment benefits	-	(38,470)	140,917
Amortization	2,066,917	2,066,917	2,048,077
Long-term debt interest	135,024	139,660	153,923
	<u>9,131,069</u>	<u>9,344,665</u>	<u>9,152,897</u>
Cultural			
Sociocultural	689,436	639,788	644,548
Library	180,731	173,776	176,612
Innovation, Développement et événements			
Edmundston (IDÉE) Inc.	64,500	61,286	62,166
Centre des Arts La Petite Église d'Edmundston Inc.	598,000	775,578	481,656
	<u>1,532,667</u>	<u>1,650,428</u>	<u>1,364,982</u>
	<u>\$ 10,663,736</u>	<u>\$ 10,995,093</u>	<u>\$ 10,517,879</u>

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>WATER AND SEWER COLLECTION AND DISPOSAL</i>			
Water supply			
Administration	\$ 727,458	\$ 719,695	\$ 636,613
Billing and collecting	159,250	158,050	137,456
Power and pumping	597,451	494,107	627,702
Purification and treatment	159,212	158,616	126,717
Transmission and distribution	2,231,925	2,289,583	1,736,810
Sick leave and post employment benefits	-	(4,365)	55,075
Amortization	1,086,845	1,086,845	1,164,797
Bank fees	16,000	19,351	20,504
Short-term debt interest	10,000	10,137	2,222
Long-term debt interest	45,245	24,084	27,574
Discounts	52,000	54,557	51,050
Bad debts	4,000	-	-
	5,089,386	5,010,660	4,586,520
Sewer collection and disposal			
Administration	552,893	547,124	472,541
Billing and collection	106,167	105,367	92,971
Wastewater treatment plant	371,367	361,502	311,277
Sewage collection system	823,988	801,310	769,937
Lift-station	417,405	344,430	329,325
Sick leave and post employment benefits	-	(958)	12,079
Amortization	900,972	900,972	978,055
Bank fees	10,124	13,964	13,670
Short-term debt interest	5,000	5,695	1,481
Long-term debt interest	13,109	16,608	15,052
Bad debts	18,000	-	-
	3,219,025	3,096,014	2,996,388
	\$ 8,308,411	\$ 8,106,674	\$ 7,582,908

EDMUNDSTON**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

26. REVENUES AND EXPENSES SUPPORT (continued)

	Budget (unaudited)	2025	2024
<i>ELECTRICAL UTILITY</i>			
Electrical utility - Distribution			
Electrical energy purchases	\$ 29,377,259	\$ 31,897,542	\$ 27,814,306
Variance account	(60,000)	923,072	415,012
Administration	302,088	316,790	315,460
Distribution	2,352,893	2,255,353	2,136,001
Management expenses	2,236,986	2,236,986	2,168,482
Management and planning	139,426	149,256	132,889
Customer service	140,868	142,143	161,139
Electrometry	549,295	604,010	573,306
Sick leave and post employment benefits	-	(82,023)	81,326
Amortization	1,627,035	1,627,035	1,583,170
Short-term debt interest	86,025	98,229	100,059
Long term debt interest	292,975	292,099	324,357
Discount	-	1,866	-
Bad debts	50,000	2,511	2,181
	37,094,850	40,464,869	35,807,688
Electrical utility - Generation			
Administration	40,344	38,425	44,934
Management expenses	255,306	255,306	262,704
Management and planning	91,537	142,803	86,634
Operations	606,371	350,153	293,578
Electrometry	12,181	12,988	11,168
Lines	19,541	12,200	15,019
Sick leave and post employment benefits	-	(5,369)	5,324
Amortization	881,355	881,355	820,120
Short-term debt interest	27,271	90,195	18,703
Debenture fees	20,000	-	-
Long-term debt interest	182,386	182,098	199,879
	2,136,292	1,960,154	1,758,063
	\$ 39,231,142	\$ 42,425,023	\$ 37,565,751