

EDMUNDSTON
EXTRACTS FROM AUDITED FINANCIAL
STATEMENTS

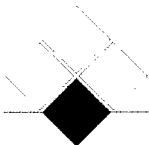
Year ended December 31, 2008

EDMUNDSTON

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AUDITORS' REPORT ON EXTRACTS FROM FINANCIAL STATEMENTS

To His Honor the Mayor and Councillors
of Edmundston

The extracts from balance sheet, statements of revenues and expenditures and financial informations are derived from the complete financial statements of the City of EDMUNDSTON as at December 31, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated March 12, 2009. The fair summarization of the complete financial statements is the responsibility of the City's Council. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the extracts from financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These extracts from financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles adopted for New Brunswick municipalities. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the City's financial position and results of operations, reference should be made to the related complete financial statements.

LeBlanc Nadeau Bujold

LeBlanc Nadeau Bujold
Chartered Accountants

Edmundston, New Brunswick
March 12, 2009

EDMUNDSTON

STATISTICS

2008

2007

DEBT COST RATIOS

General

Edmundston	13,99 %	13,14 %
Towns of New Brunswick <i>Group A</i>	10,58 %	10,08 %
Towns of New Brunswick <i>Group B</i>	15,98 %	16,30 %
New Brunswick Municipalities	11,00 %	10,90 %

Water and Sewer

Edmundston	20,38 %	21,98 %
Towns of New Brunswick <i>Group A</i>	27,25 %	30,17 %
Towns of New Brunswick <i>Group B</i>	28,07 %	28,46 %

Electrical Utility - Edmundston

5,48 % 6,14 %

TAX RATES

General

Edmundston - Zone 1	1,5950 \$	1,5950 \$
Edmundston - Zone 2 - Saint-Jacques	1,1925	1,1463
Edmundston - Zone 3 - Saint-Basile	1,4799	1,4591
Edmundston - Zone 4 - Verret	1,4504	1,4018
Edmundston - Zone 5 - Parish of Madawaska	1,1635	1,1262
Edmundston - Average tax rate	1,5249	1,5157
Towns of New Brunswick <i>Group A</i>	1,6207	1,6206
Towns of New Brunswick <i>Group B</i>	1,6001	1,5966
New Brunswick Municipalities	1,5117	1,5101

Water and Sewer

Edmundston	598 \$	548 \$
Towns of New Brunswick <i>Group A</i>	643	630
Towns of New Brunswick <i>Group B</i>	619	588

EDMUNDSTON

Capital Funds

BALANCE SHEET

December 31

2008 **2007**

	General	Water and Sewer	Electrical Utility	Total	Total
ASSETS					
Cash and term deposits, 2.25 %	-	84 200 \$	-	84 200 \$	289 519 \$
Accounts receivable	1 225 896	110 457	-	1 336 353	337 968
Harmonized sales tax receivable	11 485	-	-	11 485	-
Due from other Funds	54 089	100 000	41 927	196 016	-
Projects in progress	2 355 284	331 975	855 797	3 543 056	2 260 620
Deposit on land purchase	-	-	50 000	50 000	25 000
Capital assets	111 413 603	62 959 408	29 907 501	204 280 512	196 453 538
	115 060 357 \$	63 586 040 \$	30 855 225 \$	209 501 622 \$	199 366 645 \$

LIABILITIES					
Bank overdraft	171 832 \$	22 344 \$	99 632 \$	293 808 \$	25 \$
Bank loan	4 880 000	986 000	1 190 000	7 056 000	2 839 000
Accounts payable	326 062	600 974	260 051	1 187 087	732 246
Due to other Funds	363 388	137 577	-	500 965	351 363
Deferred grants	2 323 326	74 673	-	2 397 999	1 096 793
Long-term debt	16 037 333	6 113 000	5 817 000	27 967 333	30 693 666
	24 101 941	7 934 568	7 366 683	39 403 192	35 713 093
Investment in capital assets	90 958 416	55 651 472	23 488 542	170 098 430	163 653 552
	115 060 357 \$	63 586 040 \$	30 855 225 \$	209 501 622 \$	199 366 645 \$

EDMUNDSTON
Capital Funds

YEAR'S ACTIVITIES
 December 31

	2008			2007
	General	Water and Sewer	Electrical Utility	Total
Debentures issue	\$ -	\$ -	\$ -	\$ 6 405 000
Additional financing	1 130 000	-	-	1 130 000
Debt reimbursement	2 348 333	777 000	731 000	3 856 333
Capital expenditures (page 5)	5 326 376	1 480 522	1 065 038	7 871 936
Operating Funds contributions	273 621	1 146	740 249	1 015 016
				9 982 371
				1 322 085

EDMUNDSTON*Capital Funds***SCHEDULE OF CAPITAL EXPENDITURES****2008****GENERAL**

Saint-Jacques building's renovation	225 596 \$
Protection services	379 871
Recreational	
Tennis courts	308 243
Soccer field	513 221
Other	319 012
Acquisition of equipments	195 565
Acquisition of vehicles	111 319
Storm sewers	583 937
Paving	2 268 257
Other projects	421 355
	<hr/>
	5 326 376 \$

WATER AND SEWER

Intervention plan	422 983 \$
Acquisition of equipments	143 939
Installation of new water meters	89 445
Residential development	426 495
Other projects	397 660
	<hr/>
	1 480 522 \$

ELECTRICAL UTILITY

Madawaska power dam - consultant and sundry	101 707 \$
Acquisition of equipments	65 432
2nd Sault power dam - acquisition of equipments	70 465
New services, transformer, meter and hot water reservoir	399 813
Renewal of air base installations	229 653
Other projects	197 968
	<hr/>
	1 065 038 \$

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

December 31

2008

2007

ASSETS

Cash	-	\$	390 996	\$
Term deposits, 2.65 %	18 495		22 347	
Accounts receivable	904 704		745 088	
Prepaid expenses	102 148		101 902	
Inventories, at average cost	325 804		327 223	
Due from other Funds	2 566 619		2 563 238	
	3 917 770		4 150 794	

NOTE RECEIVABLE

	104 526		-	
	4 022 296	\$	4 150 794	\$

LIABILITIES

Bank overdraft	202 718	\$	-	\$
Accounts payable	3 726 602		3 952 785	
Due to other Funds	130 286		184 220	
	4 059 606		4 137 005	

SURPLUS (DEFICIT)

Surplus, beginning of year	13 789		10 036	
Surplus of second previous year	(2 125)		(7 917)	
Surplus (Deficit) for the year	(48 974)		11 670	
	(37 310)		13 789	
	4 022 296	\$	4 150 794	\$

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

Year ended December 31

	2008 Budget	2008 Actual	2007 Actual
REVENUE			
Warrant of assessment	17 022 967 \$	17 022 967 \$	16 331 688 \$
Unconditional grant	2 664 309	2 664 309	2 612 068
Services to other governments	514 480	542 569	532 381
Sales of services	567 654	586 971	622 050
Other revenue from own sources	2 351 527	2 775 688	2 885 812
Surplus of second previous year	2 125	2 125	7 917
Other transfers	19 965	19 965	4 000
Transfer from other funds - General Operating Reserve Fund	200 000	200 000	-
	23 343 027	23 814 594	22 995 916
EXPENDITURE			
General government services	3 649 354	3 652 394	3 516 760
Protection services	5 988 482	5 978 988	5 966 786
Transportation services	4 831 838	5 426 770	4 834 208
Environmental health services	902 910	939 034	933 378
Environmental development services	1 494 814	1 441 673	1 501 937
Airport	143 918	159 904	157 993
Recreational and cultural services	2 560 887	2 759 321	2 658 972
Fiscal services (pages 8 and 9)	3 770 824	3 505 484	3 414 212
	23 343 027	23 863 568	22 984 246
SURPLUS (DEFICIT) FOR THE YEAR	-	\$(48 974)	\$ 11 670

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

Year ended December 31

**2008
Budget****2008
Actual****2007
Actual****FISCAL SERVICES**

Debt charges

Edmundston

Short-term debt interests	72 313 \$	98 668 \$	216 167 \$
Debenture fees	30 000	-	32 786
Long-term debt interests	770 561	764 048	654 116
Capital reimbursement	2 170 000	2 170 000	1 670 000

	3 042 874	3 032 716	2 573 069
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Zone 1 - Edmundston

Long-term debt interests	11 697	11 446	24 309
Capital reimbursement	85 000	85 000	219 000
Mortgage reimbursement	13 333	13 333	13 333

	110 030	109 779	256 642
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Zone 3 - Saint-Basile

Long-term debt interests	8 920	8 724	14 992
Capital reimbursement	80 000	80 000	112 000

	88 920	88 724	126 992
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Debt charges total (carryforward)

	3 241 824	3 231 219	2 956 703
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EDMUNDSTON

General Operating Fund

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

Year ended December 31

**2008
Budget**

**2008
Actual**

**2007
Actual**

FISCAL SERVICES (continued)

Debt charges total (carried forward) **3 241 824 \$** **3 231 219 \$** 2 956 703 \$

Provision for loss on accounts receivable

 Bad debt expenses

25 000

644

325

Transfers

 Capital expenditure

504 000

273 621

457 184

3 770 824 \$

3 505 484 \$

3 414 212 \$

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

December 31

2008**2007****ASSETS**

Cash	905 \$	131 \$
Accounts receivable	1 083 013	995 307
Inventories, at average cost	376 511	330 953
Prepaid expenses	424	892
Due from other Funds	88 359	-
	1 549 212 \$	1 327 283 \$

LIABILITIES

Bank loan	1 463 000 \$	1 238 000 \$
Accounts payable	72 188	106 548
Due to other Funds	50 000	88 790
	1 585 188	1 433 338

DEFICIT

Deficit, beginning of year	(106 055)	(224 251)
Déficit of second previous year	93 406	130 845
Deficit for the year	(23 327)	(12 649)
Deficit, end of year	(35 976)	(106 055)
	1 549 212 \$	1 327 283 \$

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

Year ended December 31

	2008 Budget	2008 Actual	2007 Actual
REVENUE			
Sale of services			
Water	3 264 566 \$	3 166 962 \$	2 963 601 \$
Sewer	1 883 902	1 842 654	1 708 673
	5 148 468	5 009 616	4 672 274
Other revenue from own source			
Water distribution cost	603 360	603 365	603 360
Other revenue	52 550	65 301	90 676
Sale of capital assets	-	44	100
Deficit of second previous year	(93 406)	(93 406)	(130 845)
	562 504	575 304	563 291
	5 710 972	5 584 920	5 235 565
EXPENDITURE			
Water supply	2 538 036	2 573 259	2 407 247
Sewage collection and disposal	1 539 656	1 767 804	1 641 028
Fiscal services (page 12)	1 633 280	1 267 184	1 199 939
	5 710 972	5 608 247	5 248 214
DEFICIT FOR THE YEAR	-	(23 327) \$	(12 649) \$

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

Year ended December 31

	2008 Budget	2008 Actual	2007 Actual
FISCAL SERVICES			
Debt charges			
Water services			
Bank charges	25 000 \$	18 736 \$	22 538 \$
Short-term debt interests	27 285	17 783	36 375
Debenture fees	7 200	-	5 455
Long-term debt interests	186 246	188 588	170 614
Capital reimbursement	459 576	459 576	412 964
	705 307	684 683	647 946
Sewer services			
Bank charges	15 000	12 490	15 032
Short-term debt interests	7 347	10 356	24 250
Debenture fees	4 800	-	6 641
Long-term debt interest	132 988	134 549	102 576
Capital reimbursement	317 424	317 424	295 036
	477 559	474 819	443 535
Total debt charges	1 182 866	1 159 502	1 091 481
Provision for loss on accounts receivable			
Discounts	26 000	34 686	30 867
Bad debt expenses (recovered)	5 000	-	(10 199)
	31 000	34 686	20 668
Transfers			
Reserve Fund	50 000	50 000	25 000
Capital expenditure - water	221 648	1 146	3 378
Capital expenditure - sewer	147 766	-	1 737
Capital expenditure - General Capital Fund	-	-	57 675
Capital expenditure - Electrical Utility Capital Fund	-	21 850	-
	419 414	72 996	87 790
	1 633 280 \$	1 267 184 \$	1 199 939 \$

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

December 31

2008**2007****ASSETS**

Cash	374 897 \$	59 450 \$
Accounts receivable	3 321 977	3 215 505
Inventories, at average cost	654 395	652 061
Prepaid expenses	4 972	641
	4 356 241 \$	3 927 657 \$

LIABILITIES

Bank loan	1 969 000 \$	1 539 000 \$
Accounts payable	167 014	202 296
Due to other Funds	2 148 689	2 141 053
	4 284 703	3 882 349

SURPLUS

Surplus, beginning of year	45 308	44 306
Surplus of second previous year	(33 599)	(10 719)
Surplus for the year	59 829	11 721
Surplus, end of year	71 538	45 308
	4 356 241 \$	3 927 657 \$

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

Year ended December 31

	2008 Budget	2008 Actual	2007 Actual
DISTRIBUTION REVENUE			
Electrical energy sold	18 986 282 \$	19 445 250 \$	19 167 403 \$
Other	572 573	724 984	642 485
Surplus of second previous year	33 599	33 599	10 719
	19 592 454	20 203 833	19 820 607
DISTRIBUTION EXPENDITURE			
Electrical energy purchase	15 419 020	15 549 432	15 283 730
Administration	214 742	373 408	187 645
Distribution	1 174 672	1 062 741	1 084 142
Management expenses	1 214 362	1 217 064	1 109 518
Management and planning	124 070	119 195	118 644
Customer service	122 272	67 522	156 775
Electrometry	138 725	151 786	142 763
Fiscal services (page 15)	833 286	1 222 431	1 551 875
	19 241 149	19 763 579	19 635 092
DISTRIBUTION SURPLUS	351 305	440 254	185 515
GENERATION REVENUE			
Electrical energy sold	851 400	1 151 435	1 022 660
GENERATION EXPENDITURE			
Administration	35 850	33 438	36 410
Management expenses	152 106	152 112	131 628
Management and planning	31 017	29 050	26 968
Operations	401 229	400 845	375 023
Electrometry	4 673	4 680	4 056
Lines	22 379	22 126	18 729
Fiscal services (page 15)	555 451	889 609	603 640
	1 202 705	1 531 860	1 196 454
GENERATION DEFICIT	(351 305)	(380 425)	(173 794)
SURPLUS FOR THE YEAR	- \$	59 829 \$	11 721 \$

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

Year ended December 31

**2008
Budget****2008
Actual**2007
Actual**DISTRIBUTION FISCAL SERVICES**

Debt charges

Short-term debt interests	76 740 \$	80 901 \$	74 060 \$
Long-term debt interests	124 966	113 302	122 811
Capital reimbursement	371 580	371 580	332 103

Debt charges total

573 286	565 783	528 974
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Provision for loss on accounts receivable

Bad debt expenses	10 000	1 812	41 605
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Transfers

Reserve Fund	-	250 000	250 000
Capital expenditure	250 000	386 836	684 749
Capital expenditure - General Capital Fund	-	-	46 547
Capital expenditure - Water and Sewer Capital Fund	-	18 000	-

250 000	654 836	981 296
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833 286 \$	1 222 431 \$	1 551 875 \$
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GENERATION FISCAL SERVICES

Debt charges

Long-term debt interests	176 775 \$	176 776 \$	189 929 \$
Capital reimbursement	359 421	359 420	342 897

Debt charges total

536 196	536 196	532 826
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Transfers

Capital expenditure	19 255	353 413	68 713
Capital expenditure - General Capital Fund	-	-	2 101

19 255	353 413	70 814
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555 451 \$	889 609 \$	603 640 \$
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EDMUNDSTON

SUMMARIZED RESERVES FUNDS

Year ended December 31

2008

2007

General Operating	427 698 \$	608 586 \$
General Capital Assets	1 926 344	1 888 104
Water and Sewer Capital Assets	323 236	362 249
Electrical Utility Operating	1 078 678	803 447
Debt Reimbursement	4 307	4 176
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	3 760 263 \$	3 666 562 \$
