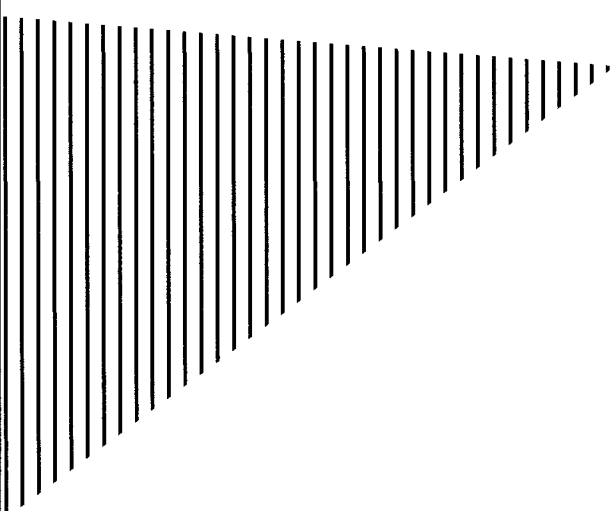


CITY OF DIEPPE

ANNUAL FINANCIAL REPORT

Year ended December 31, 2010



CITY OF DIEPPE

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Year ended December 31, 2010

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CITY OF DIEPPE

COUNCIL, OFFICERS AND GENERAL STATISTICS

Year ended December 31, 2010

MAYOR

Jean LeBlanc

DEPUTY MAYOR

J. L. Paul LeBlanc

COUNCILLORS

Dave Maltais

Roger LeBlanc

J. L. Paul LeBlanc

Jean Gaudet

Paul N. Belliveau

Jody Dallaire

Hélène Boudreau

Yvon Comeau

OFFICERS

Chief Administrative Officer

Marc Melanson

Assistant Chief Administrative Officer/Municipal Clerk

Pierre LaForest

Treasurer

Nicole Rioux

Fire Chief

Charles LeBlanc

Director of Public Works and Engineering

Jacques LeBlanc

Director of Municipal Buildings and Environment

Luc St-Jules

Director of Leisure and Recreation facilities

Raymond Bourque

Director of communications

Isabelle LeBlanc

Director of planning and development

André Daigle

Director of human resources

Martine Savoie

Director of corporate affairs

Luc Richard

Director of information technology

Shaun Daigle

Main solicitors

McIntyre Finn

Auditors

Ernst & Young
Chartered Accountants

GENERAL STATISTICS

Population : 18,565 (2006 census)

TAX BASE AND TAX RATE

	Tax base	Tax rate
2010	\$ 2,030,115,118	\$ 1.5645
2011	\$ 2,186,058,656	\$ 1.5645

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council

We have audited the accompanying financial statements of the CITY OF DIEPPE, which comprise the balance sheets of the general, water and sewerage, Industrial Park and reserve fund as at December 31, 2010, and the related statements of revenue, expenses, surplus and source and application of capital financing for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management to comply with the requirements of the Department of Local Government of New Brunswick for municipalities.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Department of Local Government of New Brunswick for municipalities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the CITY OF DIEPPE as at December 31, 2010, and the results of its operations and source and application of capital financing for the year then ended in accordance with generally accepted accounting principles adopted for New Brunswick municipalities.

Basis of accounting and restriction on use

Without modifying our opinion, we draw attention to the fact that the financial statements are prepared to assist the CITY OF DIEPPE to meet the requirements of the Department of Local Government of New Brunswick. As a result, the financial statements may not be suitable for another purpose. Our auditors' report is intended solely for the CITY OF DIEPPE and the Department of Local Government of New Brunswick and should not be used by parties other than the CITY OF DIEPPE or the Department of Local Government of New Brunswick.

Ernst & Young LLP

Chartered Accountants

Dieppe, New Brunswick
April 11, 2011

GENERAL CAPITAL FUND

CITY OF DIEPPE**GENERAL CAPITAL FUND
BALANCE SHEET**

December 31,

2010**2009****ASSETS**



Cash	\$ 82,191	\$ 78,493
Accounts receivable	3,509,874	55,437
Due from other funds		
General Operating Fund	2,797,716	4,414,523
Water and Sewerage Capital Fund	288,114	-
Capital assets (page 3)	154,137,571	140,844,011
	\$ 160,815,466	\$ 145,392,464

LIABILITIES

Accounts payable	\$ 3,324,286	\$ 1,473,859
Deferred revenue	-	1,831,620
Long-term debt (note 2)	69,558,456	66,925,714
Investment in capital assets (page 4)	87,932,724	75,161,271
	\$ 160,815,466	\$ 145,392,464

CONTINGENCIES (note 7)

APPROVED BY


....., Mayor
....., Municipal Clerk or Treasurer

CITY OF DIEPPE

GENERAL CAPITAL FUND STATEMENT OF CAPITAL ASSETS

December 31,	Land and Buildings	Engineering Structures	Machinery and Equipment	St. Anselme Rotary Park	Dover Park	Work in progress	Total 2010	Total 2009
General government								
Town hall site	\$12,774,291	\$ -	\$ 78,196	\$ -	\$ -	-	\$12,852,487	\$12,371,918
Dieppe Market	2,983,798	-	-	-	-	-	2,983,798	2,983,798
Other	30,987	364,733	-	-	-	-	395,720	395,720
Protective services								
Fire department	4,199,549	-	1,934,068	-	-	-	6,133,617	5,712,049
Police department	-	-	90,000	-	-	-	90,000	90,000
Transportation services								
Workshop and yards	669,288	-	2,223,145	-	-	334,080	3,226,513	2,892,433
Streets and roads	-	90,339,341	-	-	-	-	90,339,341	80,433,287
Salt and sand shed	626,743	-	-	-	-	-	626,743	626,743
Buses	-	-	1,183,109	-	-	-	1,183,109	1,183,109
Recreation and cultural services								
Tennis courts	-	252,488	-	-	-	-	252,488	252,488
Amusement parks and playgrounds	161,310	2,564,162	567,547	1,268,793	2,302,149	-	6,863,961	6,407,768
Sports track	-	760,350	-	-	-	-	760,350	760,350
Centennial arena	516,798	-	82,441	-	-	18,566	617,805	599,239
Arthur J. LeBlanc arena	5,987,724	-	444,962	-	-	-	6,432,686	6,432,686
Leisure and community service	-	-	25,702	-	-	-	25,702	25,702
Arts and cultural center	5,156,795	-	-	-	-	-	5,156,795	3,556,944
Community centre	501,585	-	-	-	-	-	501,585	501,585
Aquatic center	15,669,886	-	-	-	-	-	15,669,886	15,593,207
Intangible capital assets								
By laws	-	11,304	-	-	-	-	11,304	11,304
Leisure master plan	-	13,681	-	-	-	-	13,681	13,681
	\$ 49,278,754	\$ 94,306,059	\$ 6,629,170	\$ 1,268,793	\$ 2,302,149	\$ 352,646	\$ 154,137,571	\$ 140,844,011

CITY OF DIEPPE**GENERAL CAPITAL FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

Year ended December 31,	2010	2009
BALANCE AT BEGINNING	\$ 75,161,271	\$ 69,608,342
Add :		
Contributions from General Operating Fund		
Debt repayment	4,046,258	3,910,968
Capital expenditures	1,938,069	954,000
Contribution from General Capital Reserve Fund	830,135	-
Contribution from Land for public purposes Reserve Fund	-	72,000
Contribution from federal, provincial and municipal governments	5,952,491	709,815
Contribution from other organizations	4,500	(25,122)
Subtract :		
Equity in disposed capital assets	-	(68,732)
BALANCE AT END	\$ 87,932,724	\$ 75,161,271

CITY OF DIEPPE**GENERAL CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING**

Year ended December 31,	2010	2009
SOURCE		
Unapplied from previous period		
Cash	\$ 78,493	\$ 5,060
Accounts receivable	55,437	279,330
Due from other funds	4,414,523	2,417,695
	<u>4,548,453</u>	<u>2,702,085</u>
Term borrowing		
Debentures	<u>6,679,000</u>	<u>8,900,000</u>
Transfer from		
General Operating Fund - debt repayment	<u>4,046,258</u>	<u>3,910,968</u>
Other financing obtained		
Contribution from General Operating Fund	1,938,069	954,000
Contribution from Reserve Fund	830,135	72,000
Contribution from federal, provincial and municipal governments	5,952,491	709,815
Contribution from other organizations	4,500	(25,122)
	<u>8,725,195</u>	<u>1,710,693</u>
Temporary financing at end of period		
Accounts payable	3,324,286	1,473,859
Deferred revenue	-	1,831,620
	<u>3,324,286</u>	<u>3,305,479</u>
	<u>\$ 27,323,192</u>	<u>\$ 20,529,225</u>
APPLICATION		
Temporary financing at the end of the previous period		
Accounts payable	\$ 1,473,859	\$ 3,228,720
Deferred revenue	1,831,620	1,279,571
	<u>3,305,479</u>	<u>4,508,291</u>
Capital expenditures	<u>13,293,560</u>	<u>7,561,513</u>
Debt repayment	<u>4,046,258</u>	<u>3,910,968</u>
Unapplied at end of period		
Cash	82,191	78,493
Accounts receivable	3,509,874	55,437
Due from other funds	3,085,830	4,414,523
	<u>6,677,895</u>	<u>4,548,453</u>
	<u>\$ 27,323,192</u>	<u>\$ 20,529,225</u>

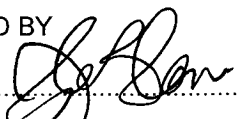

GENERAL OPERATING FUND

CITY OF DIEPPE**GENERAL OPERATING FUND
BALANCE SHEET**

December 31,	2010	2009
ASSETS		
Cash	\$ 8,103,676	\$ 7,338,140
Accounts receivable	812,361	897,538
Sales tax receivable	810,954	579,739
Due from other funds		
Water and Sewerage Capital Fund	-	4,004,969
Water and Sewerage Operating Fund	950,071	550,900
Inventories	11,449	8,913
Prepaid expenses	12,485	-
	\$ 10,700,996	\$ 13,380,199
LIABILITIES		
Accounts payable	\$ 2,991,983	\$ 2,734,702
Deferred revenue	-	264
Security deposits	616,031	465,508
Due to other funds		
General Capital Fund	2,797,716	4,414,523
Water and Sewerage Capital Fund	530,410	-
Industrial Park Fund	585	2,927
Reserve Fund	3,187,678	4,842,882
	10,124,403	12,460,806
SURPLUS		
Balance at beginning	919,393	1,017,626
Surplus for the second previous year	(663,965)	(353,661)
Surplus for the year	321,165	255,428
	576,593	919,393
	\$ 10,700,996	\$ 13,380,199

CONTINGENCIES (note 7)

APPROVED BY


....., Mayor
....., Municipal Clerk or Treasurer

CITY OF DIEPPE**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENSES**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**REVENUE**

Page

Warrant of assessment		\$ 31,761,151	\$ 31,761,151	\$ 29,682,977
Services to other governments				
Other municipalities	8	60,000	63,000	60,000
Province of New Brunswick	8	151,492	159,636	151,350
Sale of services	8	1,115,829	1,014,104	677,300
Other revenue from own sources	8	1,084,113	1,515,144	1,267,089
Unconditional grant		954,073	954,073	954,073
Adjustment in lieu of taxes		-	-	2,147
Surplus - second previous year		663,965	663,965	353,661
		35,790,623	36,131,073	33,148,597

EXPENSES

General government services	9	3,907,607	3,371,873	3,501,239
Protection services	10	7,928,673	7,743,663	7,196,917
Transportation services	11	5,075,258	4,877,943	4,218,737
Environmental health services	12	867,500	829,818	790,611
Environmental development services	12	2,584,881	2,608,489	2,232,683
Recreation and cultural services	12	6,467,524	6,253,891	5,406,141
Fiscal services	13	8,959,180	10,124,231	9,546,841
		35,790,623	35,809,908	32,893,169

SURPLUS FOR THE YEAR

\$	-	\$ 321,165	\$ 255,428
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CITY OF DIEPPE**GENERAL OPERATING FUND
SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS**

Year ended December 31,

	2010 Budget	2010 Actual	2009 Actual
Services to other municipalities			
Fire	\$ 60,000	\$ 63,000	\$ 60,000
Province of New Brunswick			
Roads and streets	\$ 141,492	\$ 146,538	\$ 138,993
Lanemarking	10,000	13,098	12,357
	\$ 151,492	\$ 159,636	\$ 151,350
Sale of services			
Arenas	\$ 452,264	\$ 471,983	\$ 462,976
Aquatic and sport center	598,815	452,952	135,845
Mobile stage - rental and sponsors	-	-	177
Programs	63,250	81,625	70,974
Sport fields rental	1,500	7,544	7,328
	\$ 1,115,829	\$ 1,014,104	\$ 677,300
Other revenue from own sources			
Building and other permits	\$ 495,700	\$ 741,366	\$ 637,669
Fines			
Municipal By-laws	96,273	102,624	88,883
Other	13,000	19,744	13,523
	109,273	122,368	102,406
Rental - equipment and buildings	134,500	157,541	156,637
Return on investments - interest	30,000	20,460	15,573
Miscellaneous	2,000	160,769	42,650
Contribution from Industrial Park Fund	312,640	312,640	312,154
	\$ 1,084,113	\$ 1,515,144	\$ 1,267,089

CITY OF DIEPPE

GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS

Year ended December 31,

	2010 Budget	2010 Actual	2009 Actual
General government services			
Legislative			
Mayor	\$ 32,767	\$ 31,110	\$ 29,416
Councillors	144,336	124,473	131,606
Other	41,300	21,091	45,573
	218,403	176,674	206,595
Administrative			
Clerk	57,415	57,743	56,520
Manager	603,609	587,016	478,105
Buildings	1,219,388	722,215	889,783
Solicitor	76,100	88,373	108,403
Other	179,890	287,980	312,337
	2,136,402	1,743,327	1,845,148
Financial management			
Administration	188,911	191,282	180,382
Accounting	251,481	220,139	209,732
External audit	36,181	40,817	22,061
	476,573	452,238	412,175
Common services			
Staff training	3,000	2,922	258
Cost of assessment	393,842	393,842	379,456
	396,842	396,764	379,714
Other general government services			
Conventions	20,000	17,590	17,581
Public liability insurance	185,058	170,833	178,176
Grant - Capitol Theatre	79,079	81,008	77,150
Grant - Université de Moncton	50,000	50,000	50,000
Grant - others	269,750	260,946	243,144
Strategic planning	10,000	10,500	55,131
Others	65,500	11,993	36,425
	679,387	602,870	657,607
	\$ 3,907,607	\$ 3,371,873	\$ 3,501,239

CITY OF DIEPPE**GENERAL OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**Protection services**

Police

Traffic activities	\$ 10,170	\$ 11,254	\$ 9,406
Automotive equipment	1,908	2,068	1,886
RCMP contract and municipal costs	3,467,285	3,467,285	3,185,183
Evaluation-study	50,000	12,300	-
Prevention programs	17,200	20,007	2,486
	3,546,563	3,512,914	3,198,961

Fire

Administration	355,454	342,446	249,474
Firefighting force	1,845,624	1,838,905	1,727,607
Fire investigation and prevention	8,000	6,518	7,008
Water cost	1,052,000	1,052,000	1,027,000
Station and building	268,560	281,525	285,731
Firefighting equipment	312,700	216,736	233,856
Training	27,000	30,602	24,552
	3,869,338	3,768,732	3,555,228

Emergency measures

6,600	5,095	6,303
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Other

Building inspection	378,223	327,824	315,343
Animal and pest control	50,140	51,289	52,085
Mosquito control	77,809	77,809	68,997
	506,172	456,922	436,425

\$ 7,928,673	\$ 7,743,663	\$ 7,196,917
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CITY OF DIEPPE**GENERAL OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

	2010 Budget	2010 Actual	2009 Actual
Transportation services			
Common services			
Administration	\$ 243,147	\$ 251,362	\$ 184,588
Training and development	14,590	15,587	11,798
General engineering	789,397	790,270	654,724
General equipment	230,204	184,037	188,960
Workshops and other buildings	94,996	95,818	110,253
	1,372,334	1,337,074	1,150,323
Roads and streets			
Summer maintenance	1,165,413	1,217,863	1,055,092
Sidewalks	50,000	48,741	49,259
Storm sewers and culverts	85,000	124,495	68,850
Snow and ice removal	861,235	697,520	808,498
	2,161,648	2,088,619	1,981,699
Street lighting	400,000	410,255	373,600
Traffic services			
Street signs	14,250	21,805	46,611
Traffic lanemarking	60,600	56,508	49,382
Traffic signals	21,475	27,118	36,496
	96,325	105,431	132,489
Public transit	578,132	566,004	402,638
Natural gas	11,819	9,006	9,634
Equipment program	455,000	361,554	168,354
	466,819	370,560	177,988
	\$ 5,075,258	\$ 4,877,943	\$ 4,218,737

CITY OF DIEPPE**GENERAL OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**Environmental health services**

Dumps and garbage collection	\$	867,500	\$	829,818	\$	790,611
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Environmental development services

Community planning	\$	182,577	\$	182,577	\$	176,271
Planning and development		373,532		310,537		231,318
General land assembly		87,000		82,265		81,935
Economic development corporation		941,294		941,294		850,000
Economic development commission		122,468		122,468		122,468
Tourism promotion and public receptions		726,010		829,801		641,979
Beautification and land rehabilitation		152,000		139,547		128,712
	\$	2,584,881	\$	2,608,489	\$	2,232,683

Recreation and cultural services

Administration	\$	772,388	\$	693,366	\$	519,008
Community centers		301,000		269,321		291,362
Aquatic and sport center		1,077,815		1,110,888		757,760
Arenas		1,362,887		1,372,927		1,334,593
Parks and playgrounds		2,149,595		1,906,868		1,839,859
Other recreation facilities		564,036		478,678		447,240
Municipal buildings and environment		212,303		397,593		190,302
Training and development		10,500		8,960		10,836
Library		17,000		15,290		15,181
	\$	6,467,524	\$	6,253,891	\$	5,406,141

CITY OF DIEPPE**GENERAL OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**Fiscal services**

Debt charges

Interest - long-term

\$ 2,716,461 \$ 2,698,902 \$ 2,550,279

Principal repayment

3,949,000 3,949,000 3,820,000

6,665,461 6,647,902 6,370,279

Interest - short-term

- - 427

Capital lease

Interest

638,933 632,640 649,884

Principal

261,641 261,641 247,251

900,574 894,281 897,135

Transfers

General Capital Reserve Fund

- 515,209 902,000

General Operating Reserve Fund

- 123,125 423,000

General Capital Fund

1,387,500 1,938,069 954,000

1,387,500 2,576,403 2,279,000

Adjustment for payment in lieu of taxes

5,645 5,645 -

\$ 8,959,180 \$ 10,124,231 \$ 9,546,841

WATER AND SEWERAGE CAPITAL FUND

CITY OF DIEPPE**WATER AND SEWERAGE CAPITAL FUND****BALANCE SHEET**

December 31,

2010**2009****ASSETS**

Cash	\$	58,903	\$	33,401
Due from other funds				
General Operating Fund		530,410		-
Capital assets (page 15)		47,808,493		43,636,361
	\$	48,397,806	\$	43,669,762

LIABILITIES

Accounts payable	\$	459,675	\$	420,550
Due to other funds				
General Capital Fund		288,114		-
General Operating Fund		-		4,004,969
Long-term debt (note 2)		21,299,000		16,513,000
Investment in capital assets (page 16)		26,351,017		22,731,243
	\$	48,397,806	\$	43,669,762

CONTINGENCIES (note 7)

APPROVED BY

....., Mayor

....., C.A., ~~Municipal Clerk or~~ Treasurer

CITY OF DIEPPE**WATER AND SEWERAGE CAPITAL FUND
STATEMENT OF CAPITAL**

ASSETS		Engineering	Machinery and	Work in	Total	Total
December 31,	Land	Structures	Equipment	Progress	2010	2009
Water supply	\$	\$ 28,750,356	\$ 242,966	\$	\$ 28,993,322	\$ 25,895,994
New water source	5,166,309	242,891	-	-	5,409,200	5,409,200
Sewerage collection and disposal	-	12,697,143	430,849	-	13,127,992	12,226,167
Workshop and yards	105,000	-	-	172,979	277,979	105,000
	\$ 5,271,309	\$ 41,690,390	\$ 673,815	\$ 172,979	\$ 47,808,493	\$ 43,636,361

CITY OF DIEPPE**WATER AND SEWERAGE CAPITAL FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

Year ended December 31,

2010**2009****BALANCE AT BEGINNING****\$ 22,731,243 \$ 21,669,650**

Add :

Contribution from Water and Sewerage

Operating Fund

Debt repayment

Capital expenditures

Contribution from Water and Sewerage Capital

Reserve Fund

Contribution from federal, provincial and municipal governments

Contribution from other organizations

Equity in assets sold

1,144,000 1,041,000**368,500 -****1,440,000 -****667,274 56,967****- (8,374)****- (28,000)****BALANCE AT END****\$ 26,351,017 \$ 22,731,243**

CITY OF DIEPPE**WATER AND SEWERAGE CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING**
Year ended December 31,**2010****2009****SOURCE**

Unapplied from previous period		
Cash	\$ 33,401	\$ 2,144
Term borrowing		
Debentures	5,930,000	1,835,000
Transfer from		
Water and Sewerage Operating Fund - debt repayment	1,144,000	1,041,000
Other financing acquired		
Contribution from Water and Sewerage Operating Fund	368,500	-
Contribution from Reserve Fund	1,440,000	-
Contribution from federal, provincial and municipal governments	667,274	56,967
Contribution from other organizations	-	(8,374)
	2,475,774	48,593
Temporary financing at end of period		
Accounts payable	459,675	420,550
Due to other funds	288,114	4,004,969
	747,789	4,425,519
	\$ 10,330,964	\$ 7,352,256

APPLICATION

Temporary financing at end of previous period		
Accounts payable	\$ 420,550	\$ 2,090,479
Due to other funds	4,004,969	2,471,488
	4,425,519	4,561,967
Capital expenditures	4,172,132	1,715,888
Debt repayment	1,144,000	1,041,000
Unapplied at end of period		
Cash	58,903	33,401
Due from other funds	530,410	-
	589,313	33,401
	\$ 10,330,964	\$ 7,352,256

WATER AND SEWERAGE OPERATING FUND

CITY OF DIEPPE**WATER AND SEWERAGE OPERATING FUND****BALANCE SHEET**

December 31,

2010**2009****ASSETS**

Accounts receivable - water and sewer	\$	1,832,182	\$	1,512,138
---------------------------------------	----	-----------	----	-----------

LIABILITIES

Accounts payable	\$	81,792	\$	63,167
Security deposits		51,187		44,027
Due to other funds				
General Operating Fund		950,071		550,900
		<u>1,083,050</u>		<u>658,094</u>

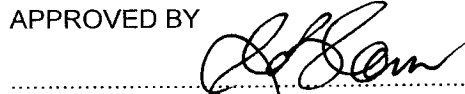
SURPLUS

Balance at beginning	854,044	1,206,331
Surplus from second previous year	(344,615)	(861,715)
Surplus for the year	<u>239,703</u>	<u>509,428</u>
Balance at end	<u>749,132</u>	<u>854,044</u>

\$	1,832,182	\$	1,512,138
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CONTINGENCIES (note 7)

APPROVED BY



, Mayor



, Municipal Clerk or Treasurer

CITY OF DIEPPE**WATER AND SEWERAGE OPERATING FUND
STATEMENT OF REVENUE AND EXPENSES**

Year ended December 31,

		2010 Budget	2010 Actual	2009 Actual
<hr/>				
REVENUE	Page			
Sale of services				
Water		\$ 4,102,325	\$ 4,135,267	\$ 3,954,915
Sewerage		2,948,271	2,961,997	2,701,693
Connections, services and other		52,761	63,341	51,041
Interest on sale of services		97,400	158,823	124,137
		7,200,757	7,319,428	6,831,786
Other revenue from own sources :				
Water supply for fire protection		1,052,000	1,052,000	1,027,000
Plumbing permits		60,000	-	-
Interest earned		18,420	6,818	4,369
Transfers :				
Water and Sewerage Operating Reserve Fund		-	84,795	32,600
Surplus of second previous year :				
Water		344,692	344,692	808,794
Sewer		-	-	52,921
		8,675,869	8,807,733	8,757,470
<hr/>				
EXPENSES				
Water supply	20	3,872,303	3,663,435	3,248,234
Sewerage collection and disposal	20	2,503,909	2,534,013	2,303,538
Fiscal services - water	21	1,776,895	1,849,073	2,194,432
Fiscal services - sewer	21	522,685	521,432	501,838
Deficit of second previous year :				
Sewer		77	77	-
		8,675,869	8,568,030	8,248,042
<hr/>				
SURPLUS FOR THE YEAR		\$ -	\$ 239,703	\$ 509,428
<hr/>				

CITY OF DIEPPE**WATER AND SEWERAGE OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**Water supply**

Administration	\$ 302,651	\$ 277,218	\$ 252,157
Transmission and distribution	1,904,620	1,777,924	1,486,507
Power and pumping	243,825	226,594	231,749
Water purchase	1,373,000	1,312,217	1,217,950
Test water source	-	17,183	12,229
Billing and collection	48,207	52,299	47,642
	<hr/>	<hr/>	<hr/>
	\$ 3,872,303	\$ 3,663,435	\$ 3,248,234

Sewerage collection and disposal

Administration	\$ 136,081	\$ 132,167	\$ 119,966
Sewerage collection system	801,555	838,322	779,324
Sewerage lift stations	17,000	10,795	15,409
Sewerage treatment and disposal	1,515,000	1,515,000	1,354,500
Billing and collection	34,273	37,729	34,339
	<hr/>	<hr/>	<hr/>
	\$ 2,503,909	\$ 2,534,013	\$ 2,303,538

CITY OF DIEPPE**WATER AND SEWERAGE OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**

Year ended December 31,

2010
Budget2010
Actual2009
Actual**Fiscal services - water**

Water system debt charges			
Interest on long-term debt	\$ 553,035	\$ 625,213	\$ 530,817
Principal repayment	872,760	872,760	783,730
Interest on short-term debt	-	-	85
	1,425,795	1,497,973	1,314,632
Transfer			
Water and Sewerage Operating Reserve Fund	-	-	39,800
Water and Sewerage Capital Reserve Fund	-	-	840,000
Water and Sewerage Capital Fund	351,100	351,100	-
	\$ 1,776,895	\$ 1,849,073	\$ 2,194,432

Fiscal services - sewer

Sewerage system debt charges			
Interest on long-term debt	\$ 234,045	\$ 232,792	\$ 237,011
Principal repayment	271,240	271,240	257,270
Interest on short-term debt	-	-	57
	505,285	504,032	494,338
Transfer			
Water and Sewerage Operating Reserve Fund	-	-	7,500
Water and Sewerage Capital Fund	17,400	17,400	-
	\$ 522,685	\$ 521,432	\$ 501,838

INDUSTRIAL PARK FUND

CITY OF DIEPPE**INDUSTRIAL PARK FUND****BALANCE SHEET**

December 31,

2010**2009****ASSETS****CURRENT ASSETS**

Cash	\$	1,054,674	\$	1,230,060
Due from other funds				
General Operating Fund		585		2,927
Inventory of land - new expansion, at cost		1,209,025		1,266,357
	\$	2,264,284	\$	2,499,344

LIABILITIES**CURRENT LIABILITIES**

Accounts payable	\$	118,618	\$	111,099
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LONG-TERM DEBT

Debentures (note 2)		927,513		1,091,896
		1,046,131		1,202,995

ACCUMULATED SURPLUS (page 23)

		1,218,153		1,296,349
	\$	2,264,284	\$	2,499,344

CONTINGENCIES (note 7)

APPROVED BY

....., Mayor....., Municipal Clerk or Treasurer

CITY OF DIEPPE**INDUSTRIAL PARK FUND
REVENUE, EXPENSES AND ACCUMULATED SURPLUS**
Year ended December 31,

	2010	2009
SALE OF LAND	\$ 163,020	\$ 116,161
COST OF LAND SOLD	71,396	51,257
GROSS PROFIT	91,624	64,904
OTHER REVENUE		
Interest earned	6,530	6,846
Contribution from General Operating Fund		
Debt repayment	164,383	156,283
	262,537	228,033
EXPENSES		
Property taxes	17,679	19,451
Aeronautical project	-	13,771
Engineering fees	-	250
Professional fees	10,414	18,017
Contribution to General Operating Fund	312,640	312,154
	340,733	363,643
DEFICIT FOR THE YEAR	(78,196)	(135,610)
ACCUMULATED SURPLUS AT BEGINNING	1,296,349	1,431,959
ACCUMULATED SURPLUS AT END	\$ 1,218,153	\$ 1,296,349

RESERVE FUND

CITY OF DIEPPE

RESERVE FUND BALANCE SHEET

December 31,

2010

2009

ASSETS

Due from other funds

General Operating Fund

\$ 3,187,678 \$ 4,842,882

EQUITY

Page

Reserve Funds

General Operating

25 \$ 1,624,657 \$ 1,492,673

General Capital

25 990,720 1,298,266

Water and Sewerage Operating

25 291,966 374,714

Water and Sewerage Capital

25 181,374 1,613,137

Land for public purposes

25 98,961 64,092

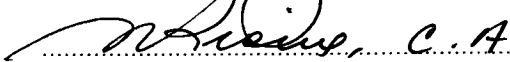
\$ 3,187,678 \$ 4,842,882

CONTINGENCIES (note 7)

APPROVED BY



....., Mayor



....., Municipal Clerk or Treasurer

CITY OF DIEPPE

RESERVE FUND STATEMENT OF RESERVE FUND BALANCES						
Year ended December 31,	General Operating Reserve Fund	General Capital Reserve Fund	Water and Sewerage Operating Fund	Water and Sewerage Capital Fund	Land for public purposes	Total 2010 Total 2009
Balance at beginning	\$ 1,492,673	\$ 1,298,266	\$ 374,714	\$ 1,613,137	\$ 64,092	\$ 4,842,882 \$ 2,714,659
Add						
Interest	8,859	7,380	2,047	8,237	497	11,551
Contribution from General Operating Fund	123,125	515,209	-	-	-	1,325,000
Contribution from Water and Sewerage Operating Fund	-	-	-	-	-	887,300
Sale of land for public purposes	-	-	-	-	263	-
Fees in lieu of parkland	-	-	-	-	34,109	8,972
	131,984	522,589	2,047	8,237	34,869	2,232,823
Deduct						
Transfer to General Capital Fund	-	830,135	-	-	-	72,000
Transfer to Water and Sewerage Operating Fund	-	-	84,795	-	-	32,600
Transfer to Water and Sewerage Capital Fund	-	-	-	1,440,000	-	-
	-	830,135	84,795	1,440,000	-	104,600
	\$ 1,624,657	\$ 990,720	\$ 291,966	\$ 181,374	\$ 98,961	\$ 3,187,678 \$ 4,842,882

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The presentation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Major sources of revenue are recorded on an accrual basis.

Expense recognition

Expenses are recorded on an accrual basis. Principal repayments of long-term debt are recorded as an expense when paid.

Capital assets

Capital assets and projects in progress are recorded at cost. Assets under capital leases are accounted for at cost, that is at the present value of minimum lease payments over the lease term, excluding executory costs. The Municipality does not record depreciation on its capital assets. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness, except for the amounts received from developers, are treated as additions to equity in capital assets.

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

2. LONG-TERM DEBT	Amount	Portion payable by		
		General Capital Fund	Water and Sewerage Capital Fund	Industrial Park Fund
Capital lease				
City Hall lease contract, repayable in monthly instalments of \$73,041, including interest calculated at a rate of 5.67%, with the transfer of the property at maturity in October 2031.	\$ 18,259,887	\$ 18,259,887	\$ -	\$ -
Interest included in instalments	7,558,918	7,558,918	-	-
Net amount	10,700,969	10,700,969	-	-
Debentures				
1) Debenture, 2.45% to 5.5%, renewable in 2011, due in 2016.	2,297,000	1,537,852	329,000	430,148
2) Debenture, 3.375% to 5.75%, portion renewable in 2012, portion due in 2012 and 2017.	2,679,000	2,346,816	170,000	162,184
3) Debenture, 2.75% to 5.125%, renewable in 2013, portion due in 2018 and 2023.	3,052,000	1,264,819	1,452,000	335,181
4) Debenture, 2.75% to 4.8%, renewable in 2014, portion due in 2019 and 2024.	8,860,000	5,978,000	2,882,000	-
5) Debenture, 3.75% to 4.375%, renewable in 2015, portion due in 2020 and 2025.	10,647,000	6,977,000	3,670,000	-
6) Debenture, 4.15% to 4.45%, renewable in 2016, portion due in 2021 and 2026.	15,453,000	14,535,000	918,000	-
7) Debenture, 4.45% to 4.85%, renewable in 2017, portion due in 2022, 2027 and 2032.	8,589,000	6,554,000	2,035,000	-
Carry forward	\$ 62,277,969	\$ 49,894,456	\$ 11,456,000	\$ 927,513

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

2. LONG-TERM DEBT (continued)	Amount	Portion payable by		
		General Capital Fund	Water and Sewerage Capital Fund	Industrial Park Fund
Carried forward	\$ 62,277,969	\$ 49,894,456	\$ 11,456,000	\$ 927,513
8) Debenture, 2.10% to 5.55%, renewable in 2023, portion due in 2028 and 2033.	6,536,000	4,389,000	2,147,000	-
9) Debenture, 1.0% to 4.5%, renewable in 2019, portion due in 2024, 2029 and 2034.	10,362,000	8,596,000	1,766,000	-
10) Debenture, 1.50% to 3.85%, renewable in 2020, portion due in 2025, 2030, 2035 and 2040.	12,609,000	6,679,000	5,930,000	-
Total (all funds)	\$ 91,784,969	\$ 69,558,456	\$ 21,299,000	\$ 927,513

Long-term debt principal repayments for the next five years are as follows presuming the renewal of the debts :

	General Capital Fund	Water and Sewerage Capital Fund	Industrial Park Fund
2011 (estimate)	\$ 3,696,502	\$ 1,064,000	\$ 501,498
2012 (estimate)	\$ 3,715,351	\$ 984,000	\$ 170,649
2013 (estimate)	\$ 3,232,634	\$ 933,000	\$ 255,366
2014 (estimate)	\$ 3,416,000	\$ 836,000	\$ -
2015 (estimate)	\$ 2,970,000	\$ 690,000	\$ -

Minimum lease payments under capital leases for the next five years are as follows :

	General Capital Fund
2011	\$ 876,492
2012	\$ 876,492
2013	\$ 876,492
2014	\$ 876,492
2015	\$ 876,492

Approval of the Municipal Capital Borrowing Board has been obtained for the debentures reported on the General Capital Fund and Water and Sewerage Capital Fund balance sheets.

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

3. WATER COST TRANSFER

The Municipality's Water Cost transfer is within the maximum allowable by Regulation based on the applicable percentages of water system expenses for the population.

4. SHORT-TERM BORROWING

Capital Funds

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

	Water and Sewerage Capital Fund
OIC # 09-0001	\$ 430,000
OIC # 10-0002	3,519,000
	<hr/>
	\$ 3,949,000

5. DUE TO/FROM ACCOUNTS

With the exception of balances in the Reserve Fund, all inter-fund accounts as at December 31, 2010 represent current year transactions. All inter-fund accounts are in compliance with the policy established by the Department of Local Government.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

6. EMPLOYEE SICK LEAVE BENEFITS

Under the Sick Leave Benefits Plan, unused sick leave benefits can accumulate up to a maximum as specified under the collective agreement, and employees may become entitled to a cash payment upon retirement.

The liability for these accumulated days amounted to \$1,143,416 at year end. An amount of \$92,146 has been provided for this liability in the current year, for a total provision of \$621,744 as at December 31, 2010.

7. CONTINGENCIES

Proceedings were instituted against the City of Dieppe. Legal counsel is of the opinion that neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been accounted for in the financial statements.

The City of Dieppe has also given certain land properties as guarantee for an Economic Development Corporation of the City of Dieppe loan. As at December 31, 2010, the balance of the loan was \$2,074,416. It is impossible to determine the properties, if any, that the City could be called upon to transfer should the Economic Development Corporation of the City of Dieppe fall in default. Any eventual loss will be charged to the period in which it occurs.

8. FINANCIAL INSTRUMENTS

The fair value of cash, accounts receivable, other receivables, accounts payable, security deposits and other payables approximates their book value because of their short-term maturity.

The fair value of long-term debt has not been established.

Management considers that the municipality is not exposed to significant credit or interest rate risks on these financial instruments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

9. TRANSFERS TO RESERVE FUND

The transfer to the General Operating Reserve Fund was authorized by Council through a resolution dated December 13, 2010.

The transfer to the General Capital Reserve Fund was authorized by Council through a resolution dated December 13, 2010.

The transfer from the General Capital Reserve Fund was authorized by Council through a resolution dated December 13, 2010.

The transfer from the Water and Sewerage Operating Reserve Fund was authorized by Council through a resolution dated December 13, 2010.

The transfer from the Water and Sewerage Capital Reserve Fund was authorized by Council through a resolution dated December 13, 2010.

10. EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITIES IN CAPITAL FUNDS

As at December 31, 2010, the City of Dieppe's Capital Funds indicate an excess of current assets over current liabilities as follows :

	General Capital Fund
	<hr/>
Current assets	\$ 6,811,008
Current liabilities	3,617,732
	<hr/>
	\$ 3,193,276

This excess was caused by the actual cost of capital expenditures being less than what was initially projected for 2010 and by certain uncompleted projects. The City of Dieppe intends to apply these excess funds against capital projects in the year 2011.

11. COMPARATIVE FIGURES

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