

CITY OF DIEPPE

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2019



CITY OF DIEPPE

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CITY OF DIEPPE

COUNCIL, OFFICERS AND GENERAL STATISTICS

Year ended December 31, 2019

MAYOR

Yvon Lapierre

DEPUTY MAYOR

Edward Gaudet

COUNCILLORS

Patricia Arseneault
Ernest Thibodeau
Jean-Marc Brideau
Roger LeBlanc

Jean-Claude Cormier
Daniel Allain
Lise LeBouthillier

OFFICERS

Chief Administrative Officer / Clerk
Assistant Clerk
Treasurer
Fire Chief
Director of Public Engineering
Director of Leisure and Recreation Facilities
Director of Communications
Director of Planning and Development
Director of Human Resources
Director of Organizational Performance
Director of Information Technologies

Marc Melanson
Stéphane Simard
Stéphane Thériault
Vacant
Angèle Spencer
Raymond Bourque
Annie Duguay
André Frenette
Martine Savoie
Luc Richard
Shaun Daigle

Main solicitors

McIntyre Finn

Auditor

Ernst & Young
Chartered Professional Accountants

GENERAL STATISTICS

Population: 25,384 (2016 census)

TAX BASE AND TAX RATE

	Tax base	Tax rate
2019 - Dieppe	\$ 3,158,615,200	\$ 1.6295
2019 - Dieppe - outside	\$ 302,900	\$ 1.3060
2020 - Dieppe	\$ 3,272,099,603	\$ 1.6295
2020 - Dieppe - outside	\$ 304,600	\$ 1.4678

INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of Council

Opinion

We have audited the consolidated financial statements of the CITY OF DIEPPE and its controlled entities (the City), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of 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 City as at December 31, 2019, and its consolidated results of operations 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 City 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

Dieppe, Canada
April 14, 2020

Ernst & Young LLP

Chartered Professional Accountants



A member firm of Ernst & Young Global Limited

CITY OF DIEPPE

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31,	2019 Budget	2019 Actual	2018 Actual
REVENUES			
Warrant of assessment	\$ 51,473,591	\$ 51,473,591	\$ 49,377,446
Services to other governments			
Other municipalities (note 22)	180,000	186,867	189,371
Province of New Brunswick (note 22)	158,083	149,130	157,054
Sale of services (note 22)	12,450,312	12,713,802	12,299,550
Other revenues from own sources (note 22)	588,200	1,168,230	1,055,811
Community funding and equalization grant	1,063,645	1,063,645	1,053,001
Adjustment in lieu of taxes	-	-	4
Interest earned	95,000	412,467	418,415
Contributions from other governments			
towards capital assets	-	14,169,459	4,904,937
Capital assets contributed by developers	-	2,135,139	1,676,446
Other contributions	-	346,205	107,725
Gain on sale of land (note 3)	-	128,039	47,415
	\$ 66,008,831	\$ 83,946,574	\$ 71,287,175
EXPENSES			
General government services (note 22)	\$ 6,789,063	\$ 7,038,159	\$ 6,268,837
Protective services (note 22)	12,723,222	12,660,232	12,666,333
Transportation services (note 22)	8,055,479	14,981,185	14,374,462
Environmental health services (note 22)	1,123,079	1,155,561	1,144,502
Economic development services (note 22)	2,288,331	2,342,353	2,283,092
Recreation and cultural services (note 22)	7,856,540	9,325,334	9,082,049
Water supply (note 22)	5,050,338	7,587,543	5,519,227
Sewerage collection and disposal (note 22)	3,882,795	5,971,878	4,851,031
Fiscal services - general (note 22)	2,109,929	2,150,018	2,186,207
Fiscal services - water (note 22)	640,600	603,384	631,454
Fiscal services - sewerage (note 22)	299,300	297,380	312,154
	50,818,676	64,113,027	59,319,348
ANNUAL SURPLUS (notes 18 and 21)	\$ 15,190,155	\$ 19,833,547	\$ 11,967,827
ACCUMULATED SURPLUS, BEGINNING OF YEAR		241,081,346	229,113,519
ACCUMULATED SURPLUS, END OF YEAR		\$ 260,914,893	\$ 241,081,346

The accompanying notes are an integral part of these consolidated financial statements

CITY OF DIEPPE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31,	2019	2018
FINANCIAL ASSETS		
Cash	\$ 9,115,652	\$ 3,193,562
Term deposits (note 4)	4,101,843	13,026,000
Accounts receivable		
General	2,093,991	2,057,417
Sales tax receivable	1,283,549	823,332
Governments	7,859,106	3,554,861
	<u>24,454,141</u>	<u>22,655,172</u>
LIABILITIES		
Bank overdraft	288,051	589,606
Accounts payable	7,694,233	5,560,501
Withholding taxes payable	71,841	57,420
Due to other governments	223,308	312,490
Accrued sick leave (note 7)	1,360,000	1,200,000
Deferred revenues	2,924,224	1,265,726
Security deposits	494,355	416,168
Long-term debt and capital lease obligations (note 5)	84,558,231	86,706,590
	<u>97,614,243</u>	<u>96,108,501</u>
NET DEBT	<u>(73,160,102)</u>	<u>(73,453,329)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 16)	462,579,692	432,122,024
Accumulated amortization	(132,737,756)	(121,820,890)
	<u>329,841,936</u>	<u>310,301,134</u>
Inventory	20,929	22,582
Land inventory	4,188,465	4,191,911
Prepaid expenses	23,665	19,048
	<u>334,074,995</u>	<u>314,534,675</u>
ACCUMULATED SURPLUS	<u>\$ 260,914,893</u>	<u>\$ 241,081,346</u>

CONTINGENCIES (note 8) AND COMMITMENTS (note 9)

The accompanying notes are an integral part of these consolidated financial statements

APPROVED BY

..... Mayor
..... Clerk or Treasurer

CITY OF DIEPPE**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**

Year ended December 31,	2019	2018
Annual surplus	\$ 19,833,547	\$ 11,967,827
Acquisitions of tangible capital assets	(31,895,202)	(16,863,187)
Proceeds on disposal of tangible capital assets	375,049	364,560
Amortization of tangible capital assets	11,972,069	11,703,210
Loss on disposal of tangible capital assets	7,282	144,726
	292,745	7,317,136
Acquisition of inventory	(20,929)	(22,582)
Acquisition of prepaid expenses	(23,665)	(19,048)
Consumption of inventory	22,582	21,109
Use of prepaid expenses	19,048	114,592
Decrease in value of land inventory	-	39,413
Change in land inventory	3,446	(386,864)
	482	(253,380)
Decrease in net debt	293,227	7,063,756
Net debt, beginning of year	(73,453,329)	(80,517,085)
Net debt, end of year	\$ (73,160,102)	\$ (73,453,329)

The accompanying notes are an integral part of these consolidated financial statements

CITY OF DIEPPE**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended December 31,

2019

2018

OPERATING ACTIVITIES

Annual surplus	\$ 19,833,547	\$ 11,967,827
Items not affecting cash and cash equivalents:		
Loss on disposal of tangible capital assets	7,282	144,726
Decrease in value of land inventory	-	39,413
Amortization of tangible capital assets	11,972,069	11,703,210
Capital assets contributed by developers	(2,135,139)	(1,676,446)
	<u>29,677,759</u>	<u>22,178,730</u>
Net change in non-cash working capital items:		
Accounts receivable	(4,801,036)	3,255,993
Accounts payable, withholding taxes payable and due to other governments	2,058,971	(3,509,360)
Changes in inventory, land inventory and prepaid expenses	482	61,047
Other	1,896,685	782,474
	<u>28,832,861</u>	<u>22,768,884</u>

CAPITAL ACTIVITIES

Acquisitions of tangible capital assets net of contributions from developers	(29,760,063)	(15,186,741)
Proceeds on disposal of tangible capital assets	375,049	364,560
	<u>(29,385,014)</u>	<u>(14,822,181)</u>

INVESTING ACTIVITIES

Acquisitions of term deposits	(222,035)	(66,279,955)
Proceeds on disposal of term deposits	9,146,192	53,253,955
	<u>8,924,157</u>	<u>(13,026,000)</u>

FINANCING ACTIVITIES

Additional financing received	6,165,000	600,000
Repayment of long-term debt and capital lease obligations	(8,313,359)	(8,284,718)
	<u>(2,148,359)</u>	<u>(7,684,718)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

6,223,645 (12,764,015)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

2,603,956 15,367,971

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 8,827,601 \$ 2,603,956

Cash and cash equivalents are composed of the following:

Cash	\$ 9,115,652	\$ 3,193,562
Bank overdraft	(288,051)	(589,606)
	<u>\$ 8,827,601</u>	<u>\$ 2,603,956</u>

The accompanying notes are an integral part of these consolidated financial statements

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

1. STATUTES OF INCORPORATION AND PURPOSE OF THE ENTITY

The City of Dieppe (the "City") was incorporated as a town by the *Municipalities Act* of the Province of New Brunswick on January 1, 1952 and was approved for status as a city effective January 1, 2003 by an amendment of New Brunswick Regulation 85-6 under the *Municipalities Act*. As a municipality, the City is exempt from income taxes under section 149(1)(c) of the *Income Tax Act* (Canada). The City has the following vision statement: "The City of Dieppe's strong Acadian pride is reflected in its hospitality. It is a great place in which to live and raise a family thanks to its careful development and concern for the environment."

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of CPA Canada.

The focus of consolidated financial statements prepared in accordance with public sector accounting standards ("PSAS") is on the financial position of the City and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the City.

The following entities are included in the consolidated financial statements:

- City of Dieppe
- Expansion Dieppe Inc.
- Gestion 1604 Inc.

Significant aspects of the accounting policies adopted by the City 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 consists of all organizations and enterprises accountable for the administration of the affairs and resources of the City and that are owned or controlled by the City.

Interdepartmental and organizational transactions and balances are eliminated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 10 and 17, 2018, and the Minister of Local Government on January 7, 2019.

Revenue recognition

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

Other revenues are recorded when earned.

Capital contributions received from a third party, such as a contribution from another government to assist with the construction or purchase of a capital asset owned by the City, are recognized as revenue.

Use of estimates

The preparation of the consolidated financial statements in compliance with PSAS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in income in the period in which they become known. Actual results may differ from those estimates.

Financial instruments

The City's financial instruments are initially recorded at fair value and subsequently at amortized cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

<u>Asset type</u>	<u>Years</u>
Land improvements	10 to 25
Machinery and equipment	3 to 30
Vehicles	5 to 10
Buildings	20 to 50
Transportation network ("transportation")	10 to 50
Water and wastewater networks ("water and sewerage")	30 to 100

Assets under construction are not amortized until the asset is available for productive use.

Where the City is contributing to the cost of capital works on a provincially-designated highway or route, its share of the cost of the work is recorded as a tangible capital asset. Capital assets contributed by developers are recorded at fair value at the date of receipt.

Impairment

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the tangible capital asset no longer contributes to the City'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 book value. Impairment is assessed by comparing the carrying amount to the estimate of the value of the asset's remaining service potential to the City. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the value of the long-term asset subsequently increases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmented information

The City is a diversified municipal government that provides a wide range of services to its residents. For management reporting purposes, the City'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 the following departments:

General government services

This department is responsible for the overall governance and financial administration of the City. 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, building inspection and other protective measures.

Transportation services

This department is responsible for common services, road and street maintenance, traffic services and other transportation-related functions.

Environmental health services

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

Economic development services

This department is responsible for zoning, economic 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 swimming pools, arenas, parks and playgrounds and other recreational and cultural facilities.

Water and sewerage systems

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

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is valued at the lower of cost and net replacement cost with cost being determined using the average cost method.

Land inventory

Land inventory is valued at the lower of cost and fair market value. Cost is determined using the specific cost method for the land that consists of a single lot and using the average cost method for the other properties.

Post-employment benefits

The City offers a sick leave benefit plan, as described in note 7.

The City also provides a defined contribution pension plan to its employees. Pension costs related to current services are charged to expenses in the period during which contributions are due by the employer.

3. GAIN ON SALE OF LAND	2019	2018
Sale of land	\$ 182,400	\$ 71,392
Cost of land sold	(54,361)	(23,977)
	\$ 128,039	\$ 47,415

4. TERM DEPOSITS

The term deposits bear interest at 1.40% and mature in November 2020.

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

5. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

2019

2018

Capital lease obligations

Lease contract for a fire truck with a net book value of \$1,137,549, repayable in monthly instalments of \$12,149 including interest calculated at the rate of 3.19%, maturing in February 2027, with a purchase option of \$1 at maturity.

\$ 1,032,659 \$ 1,178,446

Lease contract for a fire truck with a net book value of \$468,735, repayable in monthly instalments of \$5,206 including interest calculated at the rate of 3.19%, maturing in July 2027, with a purchase option of \$1 at maturity.

468,541 531,013

Interest included in instalments

(161,773) (207,326)

1,339,427 1,502,133

Promissory note

Promissory note, repayable in annual instalments of \$70,768, without interest, maturing in 2023.

283,072 353,840

Loan

Loan, guaranteed by the city hall land and building having a net book value of \$6,473,616, repayable in monthly instalments of \$72,689 including interest calculated at the rate of 5.62%, maturing in October 2031.

7,526,732 7,962,617

Debentures

1. Debenture, 2.10% to 5.55%, renewable in 2023, portion due in 2028 and 2033.

3,936,000 4,277,000

2. Debenture, 1.50% to 3.85%, renewable in 2020, portion due in 2025, 2030, 2035 and 2040.

7,724,000 8,324,000

3. Debenture, 1.35% to 3.45%, renewable in 2021, portion due in 2026, 2031 and 2036.

3,550,000 3,774,000

4. Debenture, 1.35% to 3.80%, renewable in 2032, due in 2037.

6,883,000 7,270,000

5. Debenture, 1.25% to 4.40%, portion due in 2028 and 2033.

3,200,000 3,471,000

6. Debenture, 1.20% to 3.10%, due in 2024.

1,975,000 2,831,000

To carry forward

\$ 36,417,231 \$ 39,765,590

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

5. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)	2019	2018
Carried forward	\$ 36,417,231	\$ 39,765,590
7. Debenture, 0.95% to 3.50%, portion due in 2030 and 2035.	6,313,000	6,770,000
8. Debenture, 1.05% to 3.65%, due in 2030	5,156,000	6,358,000
9. Debenture, 1.20% to 3.80%, portion due in 2031 and 2036.	10,728,000	12,261,000
10. Debenture, 1.65% to 3.20%, portion due in 2027 and 2032.	12,695,000	13,944,000
11. Debenture, 2.10% to 3.60%, due in 2033.	568,000	600,000
12. Debenture, renewed in 2019.	-	7,008,000
13. Debenture, 1.95% to 2.95%, portion due in 2029 and 2034.	12,681,000	-
Total	\$ 84,558,231	\$ 86,706,590

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

Long-term debt principal repayments and minimum capital lease payments for the next five years are estimated as follows, assuming the debt is renewed as planned:

Debt	Capital leases
2020 - \$ 8,090,022	\$ 208,259
2021 - \$ 7,654,509	\$ 208,259
2022 - \$ 7,197,063	\$ 208,259
2023 - \$ 6,993,805	\$ 208,259
2024 - \$ 6,950,663	\$ 208,259

6. SHORT-TERM BORROWINGS

Operating borrowing

The City has two authorized lines of credit in the amount of \$8,500,000 and \$1,500,000, bearing interest at the prime rate and renewable annually. The line of credit of \$8,500,000 is secured by the Province of New Brunswick; the line of credit of \$1,500,000 is secured by land inventory with a total book value of \$1,965,571.

As prescribed in the *Local Governance Act*, borrowings to finance the General Fund's operations are limited to 4% of the City's operating budget. Borrowings to finance the Water and Sewerage Fund's operations are limited to 50% of the operating budget for the year. In 2019, the City has complied with these restrictions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

6. SHORT-TERM BORROWINGS (continued)

Interfund borrowing

The Municipal Financial Reporting Manual requires that short-term interfund borrowings be repaid in the following year unless the borrowing is for a capital project. The amounts payable between the funds are in compliance with this requirement.

7. EMPLOYEE FUTURE BENEFITS

Accrued sick leave

The City provides sick leave that accumulates at the rate of eight hours per month for full-time non-administrative employees and seven hours per month for full-time administrative employees. All employees can take a leave with pay for a maximum of five consecutive days and a maximum of 12 days per year.

An actuarial valuation was performed in accordance with the PSAS. The actuarial method used was the projected benefit method prorated on services. The valuation was based on a number of assumptions about future events, such as interest rates, employee salaries and turnover and retirement. The assumptions used reflect the City's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3.0%;
- discount rate used to determine the accrued benefit obligation is 4.5%;
- retirement age is 62; and
- estimated net utilization rate of sick leave varies with age.

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

Pension plan

During the year, the City contributed \$1,111,765 (2018 - \$1,100,967) to the pension plan. The City's contributions range from 4.5% to 11.5% of the employees' earnings, depending on the category of the employee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

8. CONTINGENCIES

In the normal course of operations, the City is involved in various claims or proceedings. Legal counsel is of the opinion that neither the possible outcome nor the amount of any possible settlement can be foreseen at this time. Therefore, no provision has been recorded in the consolidated financial statements.

During the year, the New Brunswick Court of Appeal rendered a judgment against the City in a dispute over water and sewer rates charged to a prefabricated home park owner in the City over the past two decades. The City therefore made the required payments in accordance with this judgment (note 22).

9. COMMITMENTS

The City has committed to buy its water from the City of Moncton until 2032. The City of Moncton bills monthly based on the quantity in cubic metres of water used by the City as per the water meters and based on the annual rate per cubic metre of water used calculated annually by the City of Moncton.

The City has also committed to purchase its operation and treatment of wastewater services from the Greater Moncton Wastewater Commission. The Greater Moncton Wastewater Commission bills quarterly based on the number of residential units and unit equivalents at the meter and based on a fixed rate per unit calculated annually.

The City has also committed to share 90% of the operating costs of the Codiac Regional Police Service with the City of Moncton and the Town of Riverview until 2032. Under this commitment, municipal police services are provided by the Royal Canadian Mounted Police ("RCMP").

The City has also committed to purchase waste collection and disposal services from Fero Waste and Recycling Inc. until 2020. The remaining commitment under this contract is \$264,322 and will be paid over the next year.

The City has also committed to purchase construction services for the new intergenerational community complex, which is expected to be completed in 2020, from Pomerleau Inc. An approximate amount of \$9,392,000 is expected to be paid over the next year to complete the construction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

10. FINANCIAL INSTRUMENTS

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to this risk on its long-term debt bearing interest at fixed rates.

Management believes that the City is not exposed to any other significant risks arising from its financial instruments.

11. TRANSFERS TO RESERVE FUNDS

Transfers between reserve funds were authorized by Council through a resolution dated December 9, 2019, with the exception of the following: a transfer of \$110,700 was authorized on January 14, 2019, a transfer of \$60,000 was authorized on February 11, 2019, a transfer of \$333,482 was authorized on March 25, 2019, transfers of \$148,000 and \$75,000 were authorized on June 14, 2019, a transfer of \$40,000 was authorized on September 23, 2019 and a transfer of \$73,000 was authorized on October 15, 2019.

12. WATER DISTRIBUTION COSTS

Water distribution costs for fire protection charged by the City are within the maximum allowable by Regulation 81-195 under the *Local Governance Act* based on the applicable percentage of water system expenditures for the population.

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

13. WATER AND SEWERAGE FUND SURPLUS/DEFICIT

The *Local Governance Act* requires Water and Sewerage Fund surplus/deficit amounts to be absorbed into one or more of the four operating budgets commencing with the second ensuing year. The balance of the surplus/deficit at the end of the year is as follows:

	2019	2018
2019 deficit	\$ (2,700,816)	\$ -
2018 surplus	79,760	79,760
2017 surplus	-	42,745
	<u>\$ (2,621,056)</u>	<u>\$ 122,505</u>

14. SUBSEQUENT EVENT

Subsequent to year-end, the outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to entities globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the City in future periods. The impacts of COVID-19 that are likely to be the most significant to the City are the loss of future revenue from the City's various recreational facilities related to their closure as well as the loss of revenue from construction permits.

15. COMPARATIVE FIGURES

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

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

16. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Machinery and equipment	Vehicles	Buildings	Transportation	Water and sewerage	Work in progress	Total 2019	Total 2018
COST										
Balance, beginning of year	\$ 26,558,364	\$ 14,530,872	\$ 5,422,693	\$ 12,538,374	\$ 64,164,809	\$ 176,788,406	\$ 120,605,874	\$ 11,814,832	\$ 432,122,024	\$ 417,414,803
Add:										
Acquisitions during the year	1,084,875	450,763	214,606	951,344	-	8,954,488	2,686,593	-	14,342,469	9,941,266
Disposals during the year	(26,800)	(8,112)	-	(590,264)	-	(625,042)	(187,316)	-	(1,437,534)	(2,155,966)
Net change in work in progress	-	-	-	-	-	-	-	17,552,733	17,552,733	6,921,921
Balance, end of year	27,614,239	14,973,523	5,637,299	12,899,454	64,164,809	185,117,852	123,004,951	29,167,565	462,579,692	432,122,024
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	4,874,601	2,373,633	5,628,361	24,453,690	64,429,642	30,060,963	-	121,820,890	111,764,360
Add:										
Amortization for the year	-	771,833	509,239	931,554	2,296,646	5,972,203	1,490,594	-	11,972,069	11,703,210
Accumulated amortization of disposals	-	(8,112)	-	(440,344)	-	(473,981)	(132,766)	-	(1,055,203)	(1,646,680)
Balance, end of year	-	5,638,322	2,882,872	6,119,571	26,750,336	69,927,864	31,418,791	-	132,737,766	121,820,890
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS										
	\$ 27,614,239	\$ 9,335,201	\$ 2,754,427	\$ 6,779,883	\$ 37,414,473	\$ 125,189,988	\$ 91,586,160	\$ 29,167,565	\$ 329,841,936	\$ 310,301,134

As at December 31, 2019, the City's leased tangible capital assets were composed of vehicles with a cost of \$1,785,819 (2018 - \$1,785,819) and accumulated amortization of \$193,357 (2018 - \$116,014).

During the year, transportation assets of \$1,778,022 (2018 - \$1,559,353) and water and sewerage assets of \$357,117 (2018 - \$117,093) were received as contributions from developers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

17. SCHEDULE OF SEGMENT INFORMATION

	General government	Protective	Transportation	Environmental health	Economic development	Recreation and cultural	Water and sewerage	2019 Consolidated	2018 Consolidated
Revenues									
Warrant of assessment	\$ 7,245,384	\$ 13,785,176	\$ 17,027,814	\$ 1,023,380	\$ 2,085,188	\$ 10,306,649	\$ -	\$ 51,473,591	\$ 49,377,446
Services to other governments	-	186,867	149,130	-	-	-	-	335,997	346,425
Sale of services	-	-	-	-	-	1,652,191	11,161,611	12,713,802	12,299,550
Community funding and equalization grant	149,718	284,855	351,861	21,147	43,088	212,976	-	1,063,645	1,053,001
Interest earned	55,222	105,066	129,781	7,800	15,893	78,554	20,151	412,467	418,415
Other	58,115	743,905	4,458,123	8,209	481,324	11,691,238	506,168	17,947,072	7,792,338
	7,508,439	15,105,869	22,116,709	1,060,536	2,625,493	23,841,608	11,687,920	83,946,574	71,287,176
Expenses									
Salaries and benefits	2,488,967	5,463,467	3,433,169	-	1,231,622	4,338,690	2,771,588	19,727,503	19,245,539
Goods and services	3,179,142	6,562,611	4,557,058	1,155,561	1,107,262	3,141,140	5,722,589	25,425,363	24,422,643
Amortization	774,783	634,929	6,958,152	-	3,469	1,887,835	1,712,901	11,972,069	11,703,210
Interest	434,344	187,893	1,174,690	-	-	350,460	900,764	3,048,151	3,129,815
Other	597,898	(775)	32,806	-	-	(42,331)	3,352,343	3,939,941	818,141
	7,475,134	12,848,125	16,155,875	1,155,561	2,342,353	9,675,794	14,460,185	64,113,027	59,319,348
Annual surplus (deficit)	\$ 33,305	\$ 2,257,744	\$ 5,960,834	(\$ 95,025)	283,140	\$ 14,165,814	(\$ 2,772,265)	\$ 19,833,547	\$ 11,967,827

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

18. RECONCILIATION OF ANNUAL SURPLUS

	General Operating	General Capital	Water and Sewerage Operating	Water and Sewerage Capital	Industrial Park	Reserve Funds	Total
2019 annual fund surplus (deficit)	\$ 623,604	\$ 28,941,022	\$ (2,700,816)	\$ 3,023,700	\$ (314,462)	\$ 467,156	\$ 30,040,204
Adjustments to annual surplus (deficit)							
Second previous year's surplus	(511,159)	-	(42,745)	-	-	-	(553,904)
Elimination of Interfund transfers							
General operating fund reserve	(289,000)	-	-	-	-	289,000	-
General capital fund reserve	2,643,182	(2,186,000)	-	-	-	(457,182)	-
Interfund transfer	6,216,069	(6,216,069)	759,660	(759,660)	-	-	-
Water and sewerage operating fund reserve	-	-	(19,000)	-	-	19,000	-
Water and sewerage capital fund reserve	-	-	288,000	(265,000)	-	(23,000)	-
Long-term debt principal repayment	6,300,083	(6,300,083)	1,850,000	(1,850,000)	-	-	-
Internal revenue elimination	1,600,000	-	(1,600,000)	-	-	-	-
Amortization of tangible capital assets	-	(10,478,006)	-	(1,490,594)	-	-	(11,968,600)
Capital assets contributed by developers	-	1,778,022	-	357,117	-	-	2,135,139
Expenses reclassified as tangible capital assets	192,731	-	-	-	-	-	192,731
Fees in lieu of land for public purposes, recorded as deferred revenues	-	-	-	-	-	(3,112)	(3,112)
Purchase of land for public purpose	-	(40,000)	-	-	-	40,000	-
Loss on disposal of tangible capital assets	-	(345,318)	-	(37,013)	-	-	(382,331)
Surplus (deficit) from other consolidated entities	151,962	(3,469)	(63,605)	-	288,532	-	373,420
Total adjustments to 2019 annual surplus (deficit)	16,303,868	(23,790,923)	1,172,310	(4,045,150)	288,532	(135,294)	(10,206,657)
2019 annual surplus (deficit) under PSAS	\$ 16,927,472	\$ 5,150,099	\$ (1,528,506)	\$ (1,021,450)	\$ (26,930)	\$ 331,862	\$ 19,833,547

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

19. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Water and Sewerage Operating Reserve	Water and Sewerage Capital Reserve	Land for public purposes	Total 2019	Total 2018
Assets and accumulated surplus	\$ 2,433,874	\$ 9,356,800	\$ 621,736	\$ 2,263,240	\$ 137,080	\$ 14,812,730	\$ 14,345,674
Revenues							
Interest	60,893	202,989	14,332	49,876	3,772	331,862	222,763
Transfer from the general operating fund	547,000	2,643,182	-	-	-	3,190,182	3,434,677
Transfer from the water and sewerage operating fund	-	-	56,000	288,000	-	344,000	656,500
Sale of land	-	-	-	-	-	-	4,131
Fees in lieu of land for public purposes	-	-	-	-	3,112	3,112	3,400
	607,893	2,846,171	70,332	337,876	6,884	3,869,156	4,321,371
Expenses							
Transfer to the general operating fund	836,000	-	-	-	-	836,000	326,500
Transfer to the general capital fund	-	2,186,000	-	-	-	2,186,000	2,557,000
Transfer to the water and sewerage operating fund	-	-	75,000	-	-	75,000	117,500
Transfer to the water and sewerage capital fund	-	-	-	265,000	-	265,000	1,845,000
Purchase of land for public purposes	-	-	-	-	40,000	40,000	-
	836,000	2,186,000	75,000	265,000	40,000	3,402,000	4,846,000
Annual surplus (deficit)	\$ (228,107)	\$ 660,171	\$ (4,668)	\$ 72,876	\$ (33,116)	\$ 467,156	\$ (524,629)

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

20. INFORMATION ON CONTROLLED ENTITIES

	City of Dieppe	Expansion Dieppe Inc.	Gestion 1604 Inc.	2019 Total	2018 Total
Assets	\$ 347,233,022	\$ 3,704,837	\$ 7,591,277	\$ 358,529,136	\$ 337,189,847
Liabilities	89,199,729	849,454	7,565,060	97,614,243	96,108,501
Accumulated surplus	258,033,293	2,855,383	26,217	260,914,893	241,081,346
Revenues	81,623,136	1,884,140	439,298	83,946,574	71,287,175
Expenses	62,163,009	1,512,332	437,686	64,113,027	59,319,348
Annual surplus	\$ 19,460,127	\$ 371,808	\$ 1,612	\$ 19,833,547	\$ 11,967,827

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

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

21. OPERATING BUDGET RECONCILED TO THE BUDGET PRESENTED IN ACCORDANCE WITH PSAS

	General operating budget	Water and sewerage operating budget	Amortization of tangible capital assets	Internal revenue	Second previous year's surplus/deficit	Transfers	Consolidated entities' transfers	Total
Revenues								
Warrant of assessment	\$ 51,473,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	51,473,591
Services to other governments	338,083	-	-	-	-	-	-	338,083
Sale of services	1,545,050	10,905,262	-	-	-	-	-	12,450,312
Other revenues from own sources	588,200	1,600,000	-	(1,600,000)	-	-	-	588,200
Community funding and equalization grant	1,063,645	-	-	-	-	-	-	1,063,645
Transfers from the reserves to the operating funds	746,000	224,000	-	-	-	(970,000)	-	-
Interest earned	75,000	20,000	-	-	-	-	-	95,000
Contribution from Expansion Dieppe Inc.	147,504	63,826	-	-	-	-	(211,330)	-
Second previous year's surplus	511,159	116,053	-	-	(627,212)	-	-	-
	56,488,232	12,929,141	-	(1,600,000)	(627,212)	(970,000)	(211,330)	66,008,831
Expenses								
General government services	5,789,063	-	-	-	-	-	-	6,789,063
Protective services	14,323,222	-	-	(1,600,000)	-	-	-	12,723,222
Transportation services	8,055,479	-	-	-	-	-	-	8,055,479
Environmental health services	1,123,079	-	-	-	-	-	-	1,123,079
Economic development services	2,288,331	-	-	-	-	-	-	2,288,331
Recreational and cultural services	7,856,540	-	-	-	-	-	-	7,856,540
Water supply	-	5,050,338	-	-	-	-	-	5,050,338
Sewerage collection and disposal	-	3,882,795	-	-	-	-	-	3,882,795
Interest on long-term debt	2,107,298	939,900	-	-	-	-	-	3,047,198
Long-term debt payments	6,229,702	1,850,100	-	-	-	(8,079,802)	-	-
Transfers from the operating funds to the capital funds	-	1,008,700	-	-	-	(1,008,700)	-	-
Transfers from the operating funds to the reserves	1,447,000	124,000	-	-	-	(1,571,000)	-	-
Transfer to the general capital funds	6,265,887	-	-	-	-	(6,265,887)	-	-
Second previous year's deficit	-	73,308	-	-	(73,308)	-	-	-
Adjustment for payment in lieu of taxes	2,631	-	-	-	-	-	-	2,631
	56,488,232	12,929,141	-	(1,600,000)	(73,308)	(16,925,389)	-	50,818,676
Surplus (deficit)	\$ -	\$ -	\$ -	\$ -	(553,904)\$	15,955,389 \$	(211,330)\$	15,190,155

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN

	2019 Budget	2019 Actual	2018 Actual
Revenues			
<i>Services to other governments</i>			
Other municipalities			
Fire	\$ 180,000	\$ 186,867	\$ 189,371
<hr/>			
Province of New Brunswick			
Roads and streets	\$ 142,083	\$ 138,267	\$ 139,363
Lane marking	16,000	10,863	17,691
	<hr/>	<hr/>	<hr/>
	\$ 158,083	\$ 149,130	\$ 157,054
<hr/>			
<i>Sale of services</i>			
Arenas	\$ 784,700	\$ 766,078	\$ 787,201
Aquatic and sports centre	588,300	640,184	627,557
Programs	158,050	131,215	121,977
Rental of sports fields	14,000	14,714	13,807
Water	5,565,101	5,637,453	5,437,251
Sewerage system	5,154,561	5,232,843	5,088,246
Connections, services and other	107,600	218,142	144,802
Interest earned	78,000	73,173	78,709
	<hr/>	<hr/>	<hr/>
	\$ 12,450,312	\$ 12,713,802	\$ 12,299,550
<hr/>			
<i>Other revenues from own sources</i>			
Building and other permits	\$ 345,500	\$ 602,856	\$ 482,145
Fines			
Municipal by-laws	18,000	30,478	26,475
Rental - equipment and buildings	195,000	269,814	263,801
Miscellaneous	29,700	265,082	283,390
	<hr/>	<hr/>	<hr/>
	\$ 588,200	\$ 1,168,230	\$ 1,055,811
<hr/>			

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
Expenses			
<i>General government services</i>			
<i>Legislative</i>			
Mayor	\$ 46,024	\$ 46,582	\$ 36,117
Councillors	175,372	158,185	132,545
Other	30,500	22,995	27,532
	<u>251,896</u>	<u>227,762</u>	<u>196,194</u>
<i>Administrative</i>			
Clerk	246,599	247,752	239,885
Manager	1,611,174	1,608,846	1,459,154
Buildings	594,456	614,988	605,803
Solicitor	210,000	314,273	163,810
Other	1,659,081	1,291,673	920,891
	<u>4,321,310</u>	<u>4,077,532</u>	<u>3,389,543</u>
<i>Financial management</i>			
Administration	217,808	215,674	202,760
Accounting	255,169	249,794	261,930
External audit	50,000	56,354	40,152
	<u>522,977</u>	<u>521,822</u>	<u>504,842</u>
<i>Common services</i>			
Cost of assessment	612,830	612,830	587,881
<i>Other general government services</i>			
Conventions	13,000	11,555	13,995
Public liability insurance	217,000	216,608	213,106
Grant - Capitol Theatre	75,000	75,000	83,430
Grant - others	760,050	512,702	520,890
Other	15,000	7,565	10,286
Amortization of tangible capital assets	-	774,783	748,670
	<u>1,080,050</u>	<u>1,598,213</u>	<u>1,590,377</u>
	<u>\$ 6,789,063</u>	<u>\$ 7,038,159</u>	<u>\$ 6,268,837</u>

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
<i>Protective services</i>			
<i>Police</i>			
RCMP contract and municipal costs	\$ 5,525,622	\$ 5,525,622	\$ 5,460,857
<i>Fire</i>			
Administration	441,102	330,300	410,390
Firefighting force	4,871,066	4,567,791	4,555,834
Fire investigation and prevention	10,000	8,269	9,333
Station and building	456,500	388,227	422,727
Firefighting equipment	628,500	401,220	405,469
Training	75,000	93,013	145,939
	<u>6,482,168</u>	<u>5,788,820</u>	<u>5,949,692</u>
Emergency measures	6,000	920	5,375
<i>Other</i>			
Building inspection	347,566	357,186	331,688
Application of by-laws	269,187	260,422	249,205
Animal protection	2,500	2,929	1,767
Insect control	90,179	90,179	85,900
Amortization of tangible capital assets	-	634,929	583,437
Gain on disposal of tangible capital assets	-	(775)	(1,588)
	<u>709,432</u>	<u>1,344,870</u>	<u>1,250,409</u>
	<u>\$ 12,723,222</u>	<u>\$ 12,660,232</u>	<u>\$ 12,666,333</u>

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
<i>Transportation services</i>			
<i>Common services</i>			
Administration	\$ 382,659	\$ 417,434	\$ 358,972
Training and development	17,700	17,708	24,205
Civil engineering, planning and monitoring	796,918	800,695	808,490
General equipment	129,571	87,446	138,382
Workshops and other buildings	1,232,356	1,124,534	1,099,422
	<u>2,559,204</u>	<u>2,447,817</u>	<u>2,429,471</u>
<i>Roads and streets</i>			
Summer maintenance	1,736,973	1,637,774	1,478,229
Sidewalks	68,000	32,465	25,551
Storm sewers and culverts	72,800	101,584	71,104
Snow and ice removal	1,406,233	1,625,141	1,453,740
	<u>3,284,006</u>	<u>3,396,964</u>	<u>3,028,624</u>
Street lighting	485,000	503,703	493,731
<i>Traffic services</i>			
Street signs	33,440	28,786	41,484
Traffic lane marking	51,829	51,297	26,768
Traffic signals	79,500	65,924	104,011
	<u>164,769</u>	<u>146,007</u>	<u>172,263</u>
Public transit	1,562,500	1,495,736	1,437,465
Amortization of tangible capital assets	-	6,958,152	6,764,205
Loss on disposal of tangible capital assets	-	32,806	48,703
	<u>-</u>	<u>6,990,958</u>	<u>6,812,908</u>
	<u>\$ 8,055,479</u>	<u>\$ 14,981,185</u>	<u>\$ 14,374,462</u>

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
<i>Environmental health services</i>			
Dumps and garbage collection	\$ 1,123,079	\$ 1,155,561	\$ 1,144,502
<i>Economic development services</i>			
Urban planning	\$ 38,133	\$ 18,612	\$ 37,460
Planning and development	583,637	544,759	518,125
General land assembly	123,000	155,550	145,706
Expansion Dieppe Inc.	1,152,227	1,290,358	1,255,893
Economic development commission	152,084	149,100	149,101
Sustainable development plan	161,250	87,986	61,052
Beautification and land rehabilitation	78,000	92,519	73,956
Amortization of tangible capital assets	-	3,469	2,386
Decrease in value of land inventory	-	-	39,413
	\$ 2,288,331	\$ 2,342,353	\$ 2,283,092
<i>Recreation and cultural services</i>			
Administration	\$ 636,275	\$ 619,818	\$ 615,525
Community centres	977,097	750,853	507,430
Aquatic and sports centre	1,595,550	1,710,127	1,632,016
Arenas	1,668,491	1,564,697	1,482,925
Parks and playgrounds	2,455,850	2,485,312	2,411,342
Other recreation facilities	495,282	346,045	445,335
Training and development	8,600	2,978	17,740
Library	19,395	19,431	19,396
Amortization of tangible capital assets	-	1,887,835	1,906,608
Loss (gain) on disposal of tangible capital assets	-	(61,762)	43,732
	\$ 7,856,540	\$ 9,325,334	\$ 9,082,049

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
<i>Water supply</i>			
Administration	\$ 527,387	\$ 560,060	\$ 489,567
Legal settlement (note 8)	-	1,823,431	-
Transmission and distribution	2,054,312	1,947,563	1,970,167
Power and pumping	274,639	277,752	282,475
Water purchase	2,075,000	1,878,036	1,756,177
Test water source	-	107,701	6,057
Billing and collections	119,000	118,044	138,893
Amortization of tangible capital assets	-	856,450	848,952
Loss on disposal of tangible capital assets	-	18,506	26,939
	\$ 5,050,338	\$ 7,587,543	\$ 5,519,227
<i>Sewerage collection and disposal</i>			
Administration	\$ 249,906	\$ 267,039	\$ 233,715
Legal settlement (note 8)	-	1,491,899	-
Sewerage collection system	1,020,362	1,025,246	1,149,395
Sewerage lift stations	45,327	42,740	26,639
Sewerage treatment and disposal	2,461,200	2,163,508	2,443,269
Billing and collections	106,000	106,488	122,121
Amortization of tangible capital assets	-	856,451	848,952
Loss on disposal of tangible capital assets	-	18,507	26,940
	\$ 3,882,795	\$ 5,971,878	\$ 4,851,031
<i>Fiscal services - general</i>			
<i>Debt service</i>			
Interest on long-term debt	\$ 1,668,000	\$ 1,713,043	\$ 1,727,985
Loan - city hall			
Interest on long-term debt	439,298	434,344	458,222
Adjustment for payment in lieu of taxes	2,631	2,631	-
	\$ 2,109,929	\$ 2,150,018	\$ 2,186,207

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

22. REVENUES AND EXPENSES BREAKDOWN (continued)	2019 Budget	2019 Actual	2018 Actual
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<i>Fiscal services - water</i>			
Debt service			
Interest on long-term debt	\$ 640,600	\$ 603,384	\$ 631,454
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<i>Fiscal services - sewerage</i>			
Debt service			
Interest on long-term debt	\$ 299,300	\$ 297,380	\$ 312,154
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