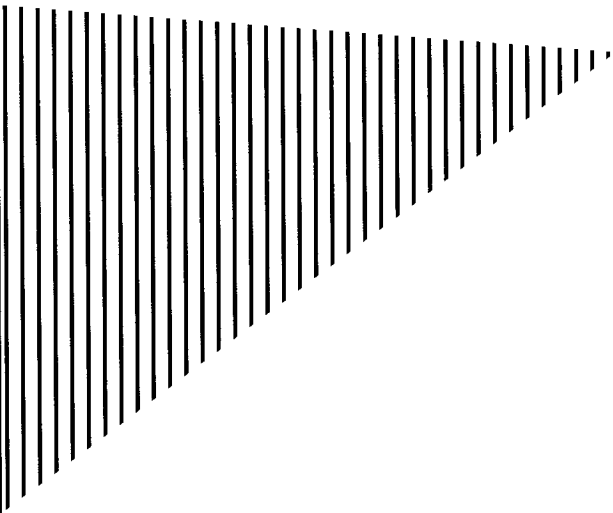


CITY OF DIEPPE

ANNUAL FINANCIAL REPORT

Year ended December 31, 2011



CITY OF DIEPPE

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Year ended December 31, 2011

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CITY OF DIEPPE

COUNCIL, OFFICERS AND GENERAL STATISTICS

Year ended December 31, 2011

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

Pierre Laforest

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 : 23,310 (2011 census)

TAX BASE AND TAX RATE

	Tax base	Tax rate
2011	\$ 2,186,058,656	\$ 1.5645
2012	\$ 2,381,996,300	\$ 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, 2011, 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, 2011, 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
March 12, 2012

GENERAL CAPITAL FUND

CITY OF DIEPPE

**GENERAL CAPITAL FUND
BALANCE SHEET**

December 31,

2011

2010

ASSETS


Cash	\$ -	\$ 82,191
Accounts receivable	1,304,487	3,509,874
Due from other funds		
General Operating Fund	2,957,705	2,797,716
Water and Sewerage Capital Fund	-	288,114
Capital assets (page 3)	165,320,180	154,137,571
	<hr/>	<hr/>
	\$ 169,582,372	\$ 160,815,466

LIABILITIES

Bank overdraft	\$ 118,173	\$ -
Accounts payable	3,214,128	3,324,286
Long-term debt (note 2)	67,044,087	69,558,456
Investment in capital assets (page 4)	99,205,984	87,932,724
	<hr/>	<hr/>
	\$ 169,582,372	\$ 160,815,466

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 2011	Total 2010
General government								
Town hall site	\$12,774,291	-	\$ 78,196	\$ -	-	-	\$12,852,487	\$12,852,487
Dieppe Market	2,983,798	-	-	-	-	-	2,983,798	2,983,798
Other	30,987	364,733	-	-	-	-	395,720	395,720
Protective services								
Fire department	4,494,129	-	1,934,068	-	-	-	6,428,197	6,133,617
Police department	-	-	90,000	-	-	-	90,000	90,000
Transportation services								
Workshop and yards	669,288	-	2,223,145	-	-	5,483,171	8,375,604	3,226,513
Streets and roads	-	95,427,821	-	-	-	-	95,427,821	90,339,341
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	2,882,441	567,547	1,268,793	2,302,149	-	7,182,240	6,863,961
Sports track	-	760,350	-	-	-	-	760,350	760,350
Centennial arena	516,798	-	82,441	-	-	85,033	684,272	617,805
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	5,203,612	-	-	-	-	-	5,203,612	5,156,795
Community centre	501,585	-	-	-	-	-	501,585	501,585
Aquatic center	15,706,583	-	-	-	-	-	15,706,583	15,669,886
Intangible capital assets								
By laws	-	11,304	-	-	-	-	11,304	11,304
Leisure master plan	-	13,681	-	-	-	-	13,681	13,681
Software	-	-	-	-	-	182,198	182,198	-
	\$ 49,656,848	\$ 99,712,818	\$ 6,629,170	\$ 1,268,793	\$ 2,302,149	\$ 5,750,402	\$ 165,320,180	\$ 154,137,571

CITY OF DIEPPE

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

Year ended December 31,

2011

2010

BALANCE AT BEGINNING **\$ 87,932,724** **\$ 75,161,271**

Add :

Contributions from General Operating Fund

Debt repayment

5,475,369

4,046,258

Capital expenditures

1,289,425

1,938,069

Contribution from General Capital Reserve Fund

246,016

830,135

Contribution from federal, provincial and municipal governments

4,262,450

5,952,491

Contribution from other organizations

-

4,500

BALANCE AT END

\$ 99,205,984

\$ 87,932,724

CITY OF DIEPPE**GENERAL CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING**
Year ended December 31,

2011

2010

SOURCE

Unapplied from previous 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>
 Term borrowing		
Debentures	<u>2,961,000</u>	<u>6,679,000</u>
 Transfer from		
General Operating Fund - debt repayment	<u>5,475,369</u>	<u>4,046,258</u>
 Other financing obtained		
Contribution from General Operating Fund	1,289,425	1,938,069
Contribution from Reserve Fund	246,016	830,135
Contribution from federal, provincial and municipal governments	4,262,450	5,952,491
Contribution from other organizations	-	4,500
	<u>5,797,891</u>	<u>8,725,195</u>
 Temporary financing at end of period		
Bank overdraft	118,173	-
Accounts payable	3,214,128	3,324,286
	<u>3,332,301</u>	<u>3,324,286</u>
	<u>\$ 24,244,456</u>	<u>\$ 27,323,192</u>

APPLICATION

Temporary financing at the end of the previous period		
Accounts payable	\$ 3,324,286	\$ 1,473,859
Deferred revenue	-	1,831,620
	<u>3,324,286</u>	<u>3,305,479</u>
 Capital expenditures	<u>11,182,609</u>	<u>13,293,560</u>
 Debt repayment	<u>5,475,369</u>	<u>4,046,258</u>
 Unapplied at end of period		
Cash	-	82,191
Accounts receivable	1,304,487	3,509,874
Due from other funds	2,957,705	3,085,830
	<u>4,262,192</u>	<u>6,677,895</u>
	<u>\$ 24,244,456</u>	<u>\$ 27,323,192</u>

GENERAL OPERATING FUND

CITY OF DIEPPE

**GENERAL OPERATING FUND
BALANCE SHEET**

December 31,

2011

2010

ASSETS

Cash	\$ 5,827,888	\$ 8,103,676
Accounts receivable	870,026	812,361
Sales tax receivable	743,864	810,954
Due from other funds		
Water and Sewerage Capital Fund	2,230,596	-
Water and Sewerage Operating Fund	1,215,272	950,071
Inventories	14,489	11,449
Prepaid expenses	12,733	12,485
	<hr/>	<hr/>
	\$ 10,914,868	\$ 10,700,996

LIABILITIES

Accounts payable	\$ 3,577,398	\$ 2,991,983
Deferred revenue	57,726	-
Security deposits	801,934	616,031
Due to other funds		
General Capital Fund	2,957,705	2,797,716
Water and Sewerage Capital Fund	-	530,410
Industrial Park Fund	223,209	585
Reserve Fund	2,620,316	3,187,678
	<hr/>	<hr/>
	10,238,288	10,124,403


SURPLUS

Balance at beginning	576,593	919,393
Surplus for the second previous year	(255,428)	(663,965)
Surplus for the year	355,415	321,165
	<hr/>	<hr/>
Balance at end	676,580	576,593
	<hr/>	<hr/>
	\$ 10,914,868	\$ 10,700,996

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,

		2011 Budget	2011 Actual	2010 Actual
REVENUE				
	Page			
Warrant of assessment		\$ 34,200,888	\$ 34,200,888	\$ 31,761,151
Services to other governments				
Other municipalities	8	63,000	67,000	63,000
Province of New Brunswick	8	155,580	156,681	159,636
Sale of services	8	1,022,387	1,044,482	1,014,104
Other revenue from own sources	8	1,288,963	2,109,775	1,515,144
Unconditional grant		944,532	944,532	954,073
Adjustment in lieu of taxes		41,019	41,019	-
Surplus - second previous year		255,428	255,428	663,965
		<hr/>	<hr/>	<hr/>
		37,971,797	38,819,805	36,131,073
EXPENSES				
General government services	9	3,585,330	3,591,914	3,371,873
Protection services	10	8,414,984	8,434,925	7,743,663
Transportation services	11	5,165,422	5,291,397	4,877,943
Environmental health services	12	902,000	912,338	829,818
Environmental development services	12	2,791,363	2,538,478	2,608,489
Recreation and cultural services	12	6,819,435	7,141,664	6,253,891
Fiscal services	13	10,293,263	10,553,674	10,124,231
		<hr/>	<hr/>	<hr/>
		37,971,797	38,464,390	35,809,908
SURPLUS FOR THE YEAR				
		\$ -	\$ 355,415	\$ 321,165

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Services to other municipalities			
Fire	\$ 63,000	\$ 67,000	\$ 63,000
Province of New Brunswick			
Roads and streets	\$ 143,580	\$ 143,583	\$ 146,538
Lanemarking	12,000	13,098	13,098
	\$ 155,580	\$ 156,681	\$ 159,636
Sale of services			
Arenas	\$ 445,688	\$ 500,527	\$ 471,983
Aquatic and sport center	491,000	429,568	452,952
Mobile stage - rental and sponsors	-	8,025	-
Programs	70,650	97,026	81,625
Sport fields rental	15,049	9,336	7,544
	\$ 1,022,387	\$ 1,044,482	\$ 1,014,104
Other revenue from own sources			
Building and other permits	\$ 534,355	\$ 597,945	\$ 741,366
Fines			
Municipal By-laws	106,884	106,930	102,624
Other	-	11,256	19,744
	106,884	118,186	122,368
Rental - equipment and buildings	186,000	178,544	157,541
Return on investments - interest	15,000	72,413	20,460
Miscellaneous	40,000	147,471	160,769
Contribution from Industrial Park Fund	315,746	315,746	312,640
Contribution from the economic development corporation	90,978	89,232	-
Transfer from General Operating Reserve Fund	-	590,238	-
	\$ 1,288,963	\$ 2,109,775	\$ 1,515,144

CITY OF DIEPPE

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
General government services			
Legislative			
Mayor	\$ 32,767	\$ 29,857	\$ 31,110
Councillors	144,336	120,533	124,473
Other	22,300	22,070	21,091
	<u>199,403</u>	<u>172,460</u>	<u>176,674</u>
Administrative			
Clerk	61,155	62,411	57,743
Manager	841,893	841,293	587,016
Buildings	669,622	649,675	722,215
Solicitor	76,100	160,734	88,373
Other	202,370	229,986	287,980
	<u>1,851,140</u>	<u>1,944,099</u>	<u>1,743,327</u>
Financial management			
Administration	197,426	191,461	191,282
Accounting	257,359	255,023	220,139
External audit	39,228	47,557	40,817
	<u>494,013</u>	<u>494,041</u>	<u>452,238</u>
Common services			
Staff training	3,000	905	2,922
Cost of assessment	424,095	424,095	393,842
	<u>427,095</u>	<u>425,000</u>	<u>396,764</u>
Other general government services			
Conventions	15,000	19,191	17,590
Public liability insurance	185,058	169,754	170,833
Grant - Capitol Theatre	81,000	81,000	81,008
Grant - Université de Moncton	50,000	50,000	50,000
Grant - others	227,621	204,703	260,946
Strategic planning	10,000	-	10,500
Others	45,000	31,666	11,993
	<u>613,679</u>	<u>556,314</u>	<u>602,870</u>
	<u>\$ 3,585,330</u>	<u>\$ 3,591,914</u>	<u>\$ 3,371,873</u>

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Protection services			
Police			
Traffic activities	\$ 12,600	\$ 12,529	\$ 11,254
Automotive equipment	2,682	3,282	2,068
RCMP contract and municipal costs	3,784,497	3,784,515	3,467,285
Evaluation-study	-	-	12,300
Prevention programs	17,200	23,851	20,007
	<u>3,816,979</u>	<u>3,824,177</u>	<u>3,512,914</u>
Fire			
Administration	378,898	366,316	342,446
Firefighting force	1,949,956	1,931,846	1,838,905
Fire investigation and prevention	8,000	5,525	6,518
Water cost	1,077,000	1,077,000	1,052,000
Station and building	266,500	291,844	281,525
Firefighting equipment	355,200	333,525	216,736
Training	31,500	32,408	30,602
	<u>4,067,054</u>	<u>4,038,464</u>	<u>3,768,732</u>
Emergency measures	<u>5,800</u>	<u>4,742</u>	<u>5,095</u>
Other			
Building inspection	397,666	438,581	327,824
Animal and pest control	50,000	51,476	51,289
Mosquito control	77,485	77,485	77,809
	<u>525,151</u>	<u>567,542</u>	<u>456,922</u>
	<u>\$ 8,414,984</u>	<u>\$ 8,434,925</u>	<u>\$ 7,743,663</u>

CITY OF DIEPPE

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Transportation services			
Common services			
Administration	\$ 269,273	\$ 257,740	\$ 251,362
Training and development	18,630	11,124	15,587
General engineering	694,604	744,761	790,270
General equipment	213,473	263,316	184,037
Workshops and other buildings	100,656	98,303	95,818
	<u>1,296,636</u>	<u>1,375,244</u>	<u>1,337,074</u>
Roads and streets			
Summer maintenance	1,221,483	1,224,858	1,217,863
Sidewalks	50,000	55,284	48,741
Storm sewers and culverts	80,000	48,367	124,495
Snow and ice removal	863,767	1,020,710	697,520
	<u>2,215,250</u>	<u>2,349,219</u>	<u>2,088,619</u>
Street lighting	<u>412,500</u>	<u>412,543</u>	<u>410,255</u>
Traffic services			
Street signs	60,000	34,715	21,805
Traffic lanemarking	55,400	47,705	56,508
Traffic signals	19,475	24,655	27,118
	<u>134,875</u>	<u>107,075</u>	<u>105,431</u>
Public transit	<u>637,561</u>	<u>650,295</u>	<u>566,004</u>
Natural gas	13,600	11,408	9,006
Equipment program	455,000	385,613	361,554
	<u>468,600</u>	<u>397,021</u>	<u>370,560</u>
	<u>\$ 5,165,422</u>	<u>\$ 5,291,397</u>	<u>\$ 4,877,943</u>

CITY OF DIEPPE

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Environmental health services			
Dumps and garbage collection	\$ 902,000	\$ 912,338	\$ 829,818
Environmental development services			
Community planning	\$ 195,199	\$ 195,199	\$ 182,577
Planning and development	389,344	195,150	310,537
General land assembly	87,000	92,920	82,265
Economic development corporation	938,614	938,614	941,294
Economic development commission	130,984	130,984	122,468
Tourism promotion and public receptions	873,499	911,302	829,801
Beautification and land rehabilitation	176,723	74,309	139,547
	\$ 2,791,363	\$ 2,538,478	\$ 2,608,489
Recreation and cultural services			
Administration	\$ 765,684	\$ 804,166	\$ 693,366
Community centers	231,000	280,940	269,321
Aquatic and sport center	1,132,864	1,236,248	1,110,888
Arenas	1,492,346	1,419,081	1,372,927
Parks and playgrounds	2,201,478	2,226,666	1,906,868
Other recreation facilities	539,100	680,565	478,678
Municipal buildings and environment	429,463	467,533	397,593
Training and development	10,500	9,042	8,960
Library	17,000	17,423	15,290
	\$ 6,819,435	\$ 7,141,664	\$ 6,253,891

CITY OF DIEPPE

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Fiscal services			
Debt charges			
Interest - long-term	\$ 2,750,988	\$ 2,673,922	\$ 2,698,902
Principal repayment	4,198,000	5,700,000	3,949,000
	<u>6,948,988</u>	<u>8,373,922</u>	<u>6,647,902</u>
Capital lease			
Interest	598,316	598,460	632,640
Principal	276,867	276,867	261,641
	<u>875,183</u>	<u>875,327</u>	<u>894,281</u>
Transfers			
General Capital Reserve Fund	-	15,000	515,209
General Operating Reserve Fund	-	-	123,125
General Capital Fund	2,469,092	1,289,425	1,938,069
	<u>2,469,092</u>	<u>1,304,425</u>	<u>2,576,403</u>
Adjustment for payment in lieu of taxes	-	-	5,645
	<u>\$ 10,293,263</u>	<u>\$ 10,553,674</u>	<u>\$ 10,124,231</u>

WATER AND SEWERAGE CAPITAL FUND

CITY OF DIEPPE

WATER AND SEWERAGE CAPITAL FUND

BALANCE SHEET

December 31,

2011

2010

ASSETS

Cash	\$	139,935	\$	58,903
Due from other funds				
General Operating Fund		-		530,410
Capital assets (page 15)		<u>52,843,231</u>		<u>47,808,493</u>
	\$	52,983,166	\$	48,397,806


LIABILITIES

Accounts payable	\$	300,037	\$	459,675
Due to other funds				
General Capital Fund		-		288,114
General Operating Fund		<u>2,230,596</u>		-
Long-term debt (note 2)		<u>22,272,000</u>		21,299,000
Investment in capital assets (page 16)		<u>28,180,533</u>		<u>26,351,017</u>
	\$	52,983,166	\$	48,397,806

CONTINGENCIES (note 7)

APPROVED BY

....., Mayor

....., 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	2011	2010
Water supply	\$ -	\$ 30,321,842	\$ 242,966	\$ -	\$ 30,564,808	\$ 28,993,322
New water source	5,166,309	242,891	-	-	5,409,200	5,409,200
Sewerage collection and disposal	-	13,349,394	430,849	-	13,780,243	13,127,992
Workshop and yards	105,000	-	-	2,944,123	3,049,123	277,979
Software	-	-	-	39,857	39,857	-
	\$ 5,271,309	\$ 43,914,127	\$ 673,815	\$ 2,983,980	\$ 52,843,231	\$ 47,808,493

CITY OF DIEPPE

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

Year ended December 31,

2011

2010

BALANCE AT BEGINNING	\$ 26,351,017	\$ 22,731,243
Add :		
Contribution from Water and Sewerage Operating Fund		
Debt repayment	1,276,000	1,144,000
Capital expenditures	185,000	368,500
Contribution from Water and Sewerage Capital Reserve Fund	39,857	1,440,000
Contribution from federal, provincial and municipal governments	328,659	667,274
	<hr/>	
BALANCE AT END	\$ 28,180,533	\$ 26,351,017

CITY OF DIEPPE**WATER AND SEWERAGE CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING**

Year ended December 31,

2011**2010****SOURCE**

Unapplied from previous period

Cash

Due from other funds

\$	58,903	\$	33,401
	530,410		-
	589,313		33,401

Term borrowing

Debentures

	2,249,000		5,930,000
--	------------------	--	-----------

Transfer from

Water and Sewerage Operating Fund - debt repayment

	1,276,000		1,144,000
--	------------------	--	-----------

Other financing acquired

Contribution from Water and Sewerage Operating Fund

Contribution from Reserve Fund

Contribution from federal, provincial and municipal governments

	185,000		368,500
	39,857		1,440,000
	328,659		667,274
	553,516		2,475,774

Temporary financing at end of period

Accounts payable

Due to other funds

	300,037		459,675
	2,230,596		288,114
	2,530,633		747,789

\$	7,198,462	\$	10,330,964
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APPLICATION

Temporary financing at end of previous period

Accounts payable

Due to other funds

\$	459,675	\$	420,550
	288,114		4,004,969
	747,789		4,425,519

Capital expenditures

	5,034,738		4,172,132
--	------------------	--	-----------

Debt repayment

	1,276,000		1,144,000
--	------------------	--	-----------

Unapplied at end of period

Cash

Due from other funds

	139,935		58,903
	-		530,410
	139,935		589,313

\$	7,198,462	\$	10,330,964
----	------------------	----	------------

WATER AND SEWERAGE OPERATING FUND



CITY OF DIEPPE

**WATER AND SEWERAGE OPERATING FUND
BALANCE SHEET**

December 31,	2011	2010
ASSETS		
Accounts receivable - water and sewer	\$ 1,904,588	\$ 1,832,182
LIABILITIES		
Accounts payable	\$ 80,489	\$ 81,792
Security deposits	78,587	51,187
Due to other funds		
General Operating Fund	1,215,272	950,071
	<u>1,374,348</u>	<u>1,083,050</u>
SURPLUS		
Balance at beginning	749,132	854,044
Surplus from second previous year	(509,428)	(344,615)
Surplus for the year	<u>290,536</u>	<u>239,703</u>
Balance at end	<u>530,240</u>	<u>749,132</u>
	\$ 1,904,588	\$ 1,832,182

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,

		2011 Budget	2011 Actual	2010 Actual
REVENUE				
	Page			
Sale of services				
Water		\$ 4,209,155	\$ 4,246,142	\$ 4,135,267
Sewerage		3,421,407	3,432,250	2,961,997
Connections, services and other		55,031	69,536	63,341
Interest on sale of services		110,000	175,776	158,823
		<hr/>	<hr/>	<hr/>
		7,795,593	7,923,704	7,319,428
Other revenue from own sources :				
Water supply for fire protection		1,077,000	1,077,000	1,052,000
Plumbing permits		60,000	-	-
Interest earned		7,800	22,713	6,818
Contribution from economic development corporation		35,331	26,225	-
Transfers :				
Water and Sewerage Operating Reserve Fund		-	-	84,795
Surplus of second previous year :				
Water		479,702	479,702	344,692
Sewer		29,726	29,726	-
		<hr/>	<hr/>	<hr/>
		9,485,152	9,559,070	8,807,733
<hr/>				
EXPENSES				
Water supply	20	4,268,154	3,878,258	3,663,435
Sewerage collection and disposal	20	2,977,126	2,818,467	2,534,013
Fiscal services - water	21	1,680,350	1,886,168	1,849,073
Fiscal services - sewer	21	559,522	685,641	521,432
Deficit of second previous year :				
Sewer		-	-	77
		<hr/>	<hr/>	<hr/>
		9,485,152	9,268,534	8,568,030
<hr/>				
SURPLUS FOR THE YEAR		\$ -	\$ 290,536	\$ 239,703

CITY OF DIEPPE

**WATER AND SEWERAGE OPERATING FUND
SUPPLEMENTARY SCHEDULE OF EXPENSE ACCOUNTS**
Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Water supply			
Administration	\$ 362,301	\$ 362,220	\$ 277,218
Transmission and distribution	2,101,896	1,747,841	1,777,924
Power and pumping	305,750	246,459	226,594
Water purchase	1,450,000	1,341,067	1,312,217
Test water source	-	122,756	17,183
Billing and collection	48,207	57,915	52,299
	<hr/>	<hr/>	<hr/>
	\$ 4,268,154	\$ 3,878,258	\$ 3,663,435
<hr/>			
Sewerage collection and disposal			
Administration	\$ 164,178	\$ 157,022	\$ 132,167
Sewerage collection system	981,595	834,419	838,322
Sewerage lift stations	23,300	10,087	10,795
Sewerage treatment and disposal	1,773,780	1,773,780	1,515,000
Billing and collection	34,273	43,159	37,729
	<hr/>	<hr/>	<hr/>
	\$ 2,977,126	\$ 2,818,467	\$ 2,534,013
<hr/>			

CITY OF DIEPPE

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

Year ended December 31,

	2011 Budget	2011 Actual	2010 Actual
Fiscal services - water			
Water system debt charges			
Interest on long-term debt	\$ 730,322	\$ 712,533	\$ 625,213
Principal repayment	774,840	880,840	872,760
	1,505,162	1,593,373	1,497,973
Transfer			
Water and Sewerage Operating Reserve Fund	-	43,552	-
Water and Sewerage Capital Reserve Fund	-	74,055	-
Water and Sewerage Capital Fund	175,188	175,188	351,100
	\$ 1,680,350	\$ 1,886,168	\$ 1,849,073

Fiscal services - sewer

Sewerage system debt charges			
Interest on long-term debt	\$ 260,043	\$ 240,305	\$ 232,792
Principal repayment	289,160	395,160	271,240
	549,203	635,465	504,032
Transfer			
Water and Sewerage Operating Reserve Fund	-	6,000	-
Water and Sewerage Capital Reserve Fund	-	34,364	-
Water and Sewerage Capital Fund	10,319	9,812	17,400
	\$ 559,522	\$ 685,641	\$ 521,432

INDUSTRIAL PARK FUND

CITY OF DIEPPE

**INDUSTRIAL PARK FUND
BALANCE SHEET**

December 31, 2011 2010

ASSETS

CURRENT ASSETS

Cash	\$ 444,276	\$ 1,054,674
Accounts receivable	16,864	-
Due from other funds		
General Operating Fund	223,209	585
Inventory of land - new expansion, at cost	1,459,750	1,209,025
	<hr/>	
	\$ 2,144,099	\$ 2,264,284

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 104,402	\$ 118,618
Security deposits	15,600	-
	<hr/>	


	120,002	118,618
LONG-TERM DEBT		
Debentures (note 2)	426,015	927,513
	<hr/>	
	546,017	1,046,131

ACCUMULATED SURPLUS (page 23)	1,598,082	1,218,153
	<hr/>	
	\$ 2,144,099	\$ 2,264,284

CONTINGENCIES (note 7)

APPROVED BY

....., Mayor

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

CITY OF DIEPPE

**INDUSTRIAL PARK FUND
REVENUE, EXPENSES AND ACCUMULATED SURPLUS**

Year ended December 31,

2011

2010

SALE OF LAND	\$	-	\$	163,020
COST OF LAND SOLD		-		71,396
GROSS PROFIT		-		91,624
OTHER REVENUE				
Interest earned		9,522		6,530
Contribution from General Operating Fund				
Debt repayment		501,498		164,383
Other contributions		203,238		-
		714,258		262,537
EXPENSES				
Property taxes		16,911		17,679
Professional fees		1,672		10,414
Contribution to General Operating Fund		315,746		312,640
		334,329		340,733
SURPLUS (DEFICIT) FOR THE YEAR		379,929		(78,196)
ACCUMULATED SURPLUS AT BEGINNING		1,218,153		1,296,349
ACCUMULATED SURPLUS AT END	\$	1,598,082	\$	1,218,153

RESERVE FUND

CITY OF DIEPPE

**RESERVE FUND
BALANCE SHEET**

December 31,

2011

2010

ASSETS

Due from other funds

General Operating Fund

\$ 2,620,316 \$ 3,187,678

EQUITY

Page

Reserve Funds

General Operating

General Capital

Water and Sewerage Operating

Water and Sewerage Capital

Land for public purposes

25 **\$ 1,050,032 \$ 1,624,657**

25 **769,461 990,720**

25 **344,494 291,966**


25 **251,816 181,374**


25 **204,513 98,961**

\$ 2,620,316 \$ 3,187,678

CONTINGENCIES (note 7)

APPROVED BY


..... Mayor


..... Municipal Clerk or Treasurer

CITY OF DIEPPE

RESERVE FUND STATEMENT OF RESERVE FUND BALANCES		General Operating Reserve Fund	General Capital Reserve Fund	Water and Sewerage Operating Fund	Water and Sewerage Capital Fund	Land for public purposes	Total 2011	Total 2010
Year ended December 31,								
Balance at beginning	\$ 1,624,657	\$ 990,720	\$ 291,966	\$ 181,374	\$ 98,961	\$ 3,187,678	\$ 4,842,882	
Add								
Interest	15,613	9,757	2,976	1,880	1,442	31,668	27,020	
Contribution from General Operating Fund	-	15,000	-	-	-	15,000	638,334	
Contribution from Water and Sewerage Operating Fund	-	-	49,552	108,419	-	157,971	-	
Sale of land for public purposes	-	-	-	-	-	-	263	
Fees in lieu of parkland	-	-	-	-	104,110	104,110	34,109	
	15,613	24,757	52,528	110,299	105,552	308,749	699,726	
Deduct								
Transfer to General Operating Fund	590,238	-	-	-	-	590,238	-	
Transfer to General Capital Fund	-	246,016	-	-	-	246,016	830,135	
Transfer to Water and Sewerage Operating Fund	-	-	-	-	-	-	84,795	
Transfer to Water and Sewerage Capital Fund	-	-	-	39,857	-	39,857	1,440,000	
	590,238	246,016	-	39,857	-	876,111	2,354,930	
	\$ 1,050,032	\$ 769,461	\$ 344,494	\$ 251,816	\$ 204,513	\$ 2,620,316	\$ 3,187,678	

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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.

Transition to Public Sector Accounting Standards

Effective January 1st 2012, the Province of New Brunswick, through the Department of Local Government, will require municipalities to adopt Generally Accepted Accounting Principles for local government financial reporting, as prescribed by the Public Sector Accounting Board (PSAB). This project will bring significant changes in financial reporting for municipal governments.

Among the major changes, the new standards will require the municipalities to retrospectively capitalize capital assets at historical costs and amortize them over their estimated useful life, present consolidated financial statements and various other additional information be provided.

The City of Dieppe' finance department has put a transition committee in place, and takes part in a provincial work group on the matter.

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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.	\$ 17,383,396	\$ 17,383,396	\$ -	\$ -
Interest included in instalments	6,959,294	6,959,294	-	-
Net amount	10,424,102	10,424,102	-	-
Debentures				
1) Debenture, 3.375% to 5.75%, portion renewable in 2012, portion due in 2012 and 2017.	2,095,000	1,878,201	87,000	129,799
2) Debenture, 2.75% to 5.125%, renewable in 2013, portion due in 2018 and 2023.	2,751,000	1,117,784	1,337,000	296,216
3) Debenture, 2.75% to 4.8%, renewable in 2014, portion due in 2019 and 2024.	8,218,000	5,487,000	2,731,000	-
4) Debenture, 3.75% to 4.375%, renewable in 2015, portion due in 2020 and 2025.	9,935,000	6,440,000	3,495,000	-
5) Debenture, 4.15% to 4.45%, renewable in 2016, portion due in 2021 and 2026.	14,544,000	13,667,000	877,000	-
6) Debenture, 4.45% to 4.85%, renewable in 2017, portion due in 2022, 2027 and 2032.	8,175,000	6,221,000	1,954,000	-
7) Debenture, 2.10% to 5.55%, renewable in 2023, portion due in 2028 and 2033.	6,292,000	4,226,000	2,066,000	-
8) Debenture, 1.0% to 4.5%, renewable in 2019, portion due in 2024, 2029 and 2034.	9,985,000	8,289,000	1,696,000	-
Carry forward	\$ 72,419,102	\$ 57,750,087	\$ 14,243,000	\$ 426,015

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2. LONG-TERM DEBT (continued)	Amount	Portion payable by		
		General Capital Fund	Water and Sewerage Capital Fund	Industrial Park Fund
Carried forward	\$ 72,419,102	\$ 57,750,087	\$ 14,243,000	\$ 426,015
9) Debenture, 1.50% to 3.85%, renewable in 2020, portion due in 2025, 2030, 2035 and 2040.	12,113,000	6,333,000	5,780,000	-
10) Debenture, 1.35% to 3.45%, renewable in 2021, portion due in 2026, 2031 and 2036.	5,210,000	2,961,000	2,249,000	-
Total (all funds)	\$ 89,742,102	\$ 67,044,087	\$ 22,272,000	\$ 426,015

The estimate of 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
2012	\$ 3,831,351	\$ 1,062,000	\$ 170,649
2013	\$ 3,350,634	\$ 1,012,000	\$ 255,366
2014	\$ 3,536,000	\$ 916,000	\$ -
2015	\$ 3,092,000	\$ 772,000	\$ -
2016	\$ 2,555,000	\$ 585,000	\$ -

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

	General Capital Fund
2012	\$ 876,492
2013	\$ 876,492
2014	\$ 876,492
2015	\$ 876,492
2016	\$ 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, 2011

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 # 10-0002	\$ 1,700,000
OIC # 11-0015	1,405,000
	<hr/>
	\$ 3,105,000

5. DUE TO/FROM ACCOUNTS

With the exception of balances in the Reserve Fund, all inter-fund accounts as at December 31, 2011 represent current year transactions. All inter-fund accounts are in compliance with the policy established by the Department of Local Government.

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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.

A liability for these accumulated days was established based on an actuarial evaluation to determine the amount payable at the 2011 year end. This amounted to \$718,806 and is fully recorded as a liability as of December 31, 2011.

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, 2011, 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. COMMITMENTS

The City has a commitment to share the remediation costs to be incurred on certain land sold to a developer, up to a maximum of \$563,468. This amount becomes payable when the developer incurs these remediation costs and provides supporting documentation to the City. Any amount due as a result of this commitment will be charged in the year when the documentation is provided.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

9. 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.

10. TRANSFERS TO RESERVE FUND

The transfer from the General Operating Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

The transfer to the General Capital Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

The transfer from the General Capital Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

The transfer to the Water and Sewerage Operating Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

The transfer to the Water and Sewerage Capital Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

The transfer from the Water and Sewerage Capital Reserve Fund was authorized by Council through a resolution dated December 12, 2011.

CITY OF DIEPPE

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

As at December 31, 2011, the City of Dieppe's Capital Funds indicate an excess of current assets over current liabilities as follows :

	<u>General Capital Fund</u>
Current assets	\$ 4,262,192
Current liabilities	<u>3,332,301</u>
	<u>\$ 929,891</u>

This excess was caused by the actual cost of capital expenditures being less than what was initially projected for 2011 and by certain uncompleted projects. The City of Dieppe intends to apply these excess funds against capital projects in the year 2012.

12. COMPARATIVE FIGURES

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