

***CITY OF DIEPPE***

**CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020



**CITY OF DIEPPE**

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Year ended December 31, 2020

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# CITY OF DIEPPE

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## COUNCIL, OFFICERS AND GENERAL STATISTICS

Year ended December 31, 2020

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### MAYOR

Yvon Lapierre

### DEPUTY MAYOR

Ernest Thibodeau

### COUNCILLORS

Patricia Arsenault  
Edward Gaudet  
Jean-Marc Brideau

Jean-Claude Cormier  
Roger LeBlanc  
Lise LeBouthillier

### OFFICERS

Chief Administrative Officer / Clerk  
Assistant Clerk  
Treasurer  
Fire Chief  
Director of Public Engineering  
Chief Director of Operational Services  
Director of Communications  
Director of Planning and Development  
Director of Human Resources  
Director of Community Development and Municipal 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 LLP  
Chartered Professional Accountants

### GENERAL STATISTICS

Population: 25,384 (2016 census)

### TAX BASE AND TAX RATE

|                         | Tax<br>base      | Tax<br>rate |
|-------------------------|------------------|-------------|
| 2020 - Dieppe           | \$ 3,272,099,603 | \$ 1.6295   |
| 2020 - Dieppe - outside | \$ 304,600       | \$ 1.4678   |
| 2021 - Dieppe           | \$ 3,296,645,650 | \$ 1.6295   |
| 2021 - Dieppe - outside | \$ 305,200       | \$ 1.6295   |

## INDEPENDENT AUDITOR'S REPORT

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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, 2020, 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, 2020, 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.

*Ernst & Young LLP*

Dieppe, Canada  
April 12, 2021

Chartered Professional Accountants

**CITY OF DIEPPE**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

Year ended December 31,

|   | 2020<br>Budget       | 2020<br>Actual        | 2019<br>Actual       |
|---|----------------------|-----------------------|----------------------|
| <b>REVENUES</b>                               |                      |                       |                      |
| Warrant of assessment                         | \$ 53,323,334        | \$ 53,323,334         | \$ 51,473,591        |
| Services to other governments                 |                      |                       |                      |
| Other municipalities (note 21)                | 184,000              | 198,893               | 186,867              |
| Province of New Brunswick (note 21)           | 158,000              | 150,923               | 149,130              |
| Sale of services (note 21)                    | 12,707,078           | 12,309,788            | 12,713,802           |
| Other revenues from own sources (note 21)     | 634,500              | 1,531,548             | 1,168,230            |
| Community funding and equalization grant      | 1,095,459            | 1,095,459             | 1,063,645            |
| Adjustment in lieu of taxes                   | 437                  | 437                   | -                    |
| Interest earned                               | 100,000              | 228,857               | 412,467              |
| Contributions from other governments          |                      |                       |                      |
| towards capital assets                        | -                    | 8,137,084             | 14,169,459           |
| Capital assets contributed by developers      | -                    | 2,876,343             | 2,135,139            |
| Other contributions                           | -                    | 2,856,850             | 346,205              |
| Gain on sale of land (note 3)                 | -                    | 174,851               | 128,039              |
|   | <u>\$ 68,202,808</u> | <u>\$ 82,884,367</u>  | <u>\$ 83,946,574</u> |
| <b>EXPENSES</b>                               |                      |                       |                      |
| General government services (note 21)         | \$ 7,122,122         | \$ 6,601,697          | \$ 7,038,159         |
| Protective services (note 21)                 | 13,209,402           | 13,254,725            | 12,660,232           |
| Transportation services (note 21)             | 8,809,055            | 14,260,403            | 14,981,185           |
| Environmental health services (note 21)       | 1,171,502            | 1,241,736             | 1,155,561            |
| Economic development services (note 21)       | 2,359,156            | 2,736,222             | 2,342,353            |
| Recreation and cultural services (note 21)    | 8,663,108            | 9,778,994             | 9,325,334            |
| Water supply (note 21)                        | 5,019,591            | 5,514,861             | 7,587,543            |
| Sewerage collection and disposal (note 21)    | 3,967,473            | 4,674,385             | 5,971,878            |
| Fiscal services - general (note 21)           | 1,970,331            | 1,939,549             | 2,150,018            |
| Fiscal services - water (note 21)             | 594,400              | 580,719               | 603,384              |
| Fiscal services - sewerage (note 21)          | 281,700              | 280,717               | 297,380              |
|   | <u>53,167,840</u>    | <u>60,864,008</u>     | <u>64,113,027</u>    |
| <b>ANNUAL SURPLUS</b> (notes 17 and 20)       | \$ 15,034,968        | \$ 22,020,359         | \$ 19,833,547        |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b> |                      | <u>260,914,893</u>    | 241,081,346          |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>       |                      | <u>\$ 282,935,252</u> | \$ 260,914,893       |

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

**CITY OF DIEPPE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31,

2020

2019

**FINANCIAL ASSETS**

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Cash                   | \$ 2,846,916      | \$ 9,115,652      |
| Term deposits (note 4) | 8,055,096         | 4,101,843         |
| Accounts receivable    |                   |                   |
| General                | 3,210,470         | 2,093,991         |
| Sales tax receivable   | 1,404,985         | 1,283,549         |
| Governments            | 5,865,727         | 7,859,106         |
|                        | <u>21,383,194</u> | <u>24,454,141</u> |

**LIABILITIES**

|   |                   |                   |
|---|-------------------|-------------------|
| Bank overdraft  | 69,169            | 288,051           |
| Accounts payable and accrued liabilities              | 4,316,287         | 7,694,233         |
| Withholding taxes payable                             | 85,947            | 71,841            |
| Due to other governments                              | 261,114           | 223,308           |
| Accrued sick leave (note 7)                           | 1,482,771         | 1,360,000         |
| Deferred revenues                                     | 364,417           | 2,924,224         |
| Security deposits                                     | 601,937           | 494,355           |
| Long-term debt and capital lease obligations (note 5) | 77,461,469        | 84,558,231        |
|   | <u>84,643,111</u> | <u>97,614,243</u> |

**NET DEBT**

**(63,259,917) (73,160,102)**

**NON-FINANCIAL ASSETS**

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| Tangible capital assets (note 15) | 485,958,842        | 462,579,692        |
| Accumulated amortization          | (142,991,014)      | (132,737,756)      |
|                                   | <u>342,967,828</u> | <u>329,841,936</u> |
| Inventory                         | 21,682             | 20,929             |
| Land inventory                    | 3,182,638          | 4,188,465          |
| Prepaid expenses                  | 23,021             | 23,665             |
|                                   | <u>346,195,169</u> | <u>334,074,995</u> |

**ACCUMULATED SURPLUS**

**\$ 282,935,252 \$ 260,914,893**

**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,

**2020**

2019

|   |                        |                        |
|---|------------------------|------------------------|
| Annual surplus                                  | \$ 22,020,359          | \$ 19,833,547          |
| Acquisitions of tangible capital assets         | (25,241,967)           | (31,895,202)           |
| Proceeds on disposal of tangible capital assets | 357,522                | 375,049                |
| Amortization of tangible capital assets         | 11,660,291             | 11,972,069             |
| Loss on disposal of tangible capital assets     | 98,262                 | 7,282                  |
|   | <b>8,894,467</b>       | <b>292,745</b>         |
| Acquisition of inventory                        | (21,682)               | (20,929)               |
| Acquisition of prepaid expenses                 | (23,021)               | (23,665)               |
| Consumption of inventory                        | 20,929                 | 22,582                 |
| Use of prepaid expenses                         | 23,665                 | 19,048                 |
| Decrease in value of land inventory             | 425,952                | -                      |
| Change in land inventory                        | 579,875                | 3,446                  |
|   | <b>1,005,718</b>       | <b>482</b>             |
| Decrease in net debt                            | <b>9,900,185</b>       | <b>293,227</b>         |
| Net debt, beginning of year                     | <b>(73,160,102)</b>    | <b>(73,453,329)</b>    |
| Net debt, end of year                           | \$ <b>(63,259,917)</b> | \$ <b>(73,160,102)</b> |

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



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

Year ended December 31,

**2020****2019****OPERATING ACTIVITIES**

|   |                   |                   |
|---|-------------------|-------------------|
| Annual surplus  | \$ 22,020,359     | \$ 19,833,547     |
| Items not affecting cash and cash equivalents:  |                   |                   |
| Loss on disposal of tangible capital assets   | 98,262            | 7,282             |
| Decrease in value of land inventory   | 425,952           | -                 |
| Amortization of tangible capital assets   | 11,660,291        | 11,972,069        |
| Capital assets contributed by developers  | (2,876,343)       | (2,135,139)       |
|   | <u>31,328,521</u> | <u>29,677,759</u> |
| Net change in non-cash working capital items:   |                   |                   |
| Accounts receivable   | 755,464           | (4,801,036)       |
| Accounts payable and accrued payables, withholding taxes payable and due to other governments | (3,326,034)       | 2,058,971         |
| Changes in inventory, land inventory and prepaid expenses                                     | 579,766           | 482               |
| Deferred revenues and other items   | (2,329,454)       | 1,896,685         |
|   | <u>27,008,263</u> | <u>28,832,861</u> |

**CAPITAL ACTIVITIES**

|  |                     |                     |
|--|---------------------|---------------------|
| Acquisitions of tangible capital assets net of contributions from developers | (22,365,624)        | (29,760,063)        |
| Proceeds on disposal of tangible capital assets                              | 357,522             | 375,049             |
|  | <u>(22,008,102)</u> | <u>(29,385,014)</u> |

**INVESTING ACTIVITIES**

|                                       |                    |                  |
|---------------------------------------|--------------------|------------------|
| Acquisitions of term deposits         | (8,140,157)        | (222,035)        |
| Proceeds on disposal of term deposits | 4,186,904          | 9,146,192        |
|                                       | <u>(3,953,253)</u> | <u>8,924,157</u> |

**FINANCING ACTIVITIES**

|   |                    |                    |
|---|--------------------|--------------------|
| Additional financing received                             | 1,570,000          | 6,165,000          |
| Repayment of long-term debt and capital lease obligations | (8,666,762)        | (8,313,359)        |
|   | <u>(7,096,762)</u> | <u>(2,148,359)</u> |

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS****(6,049,854)**      6,223,645**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR****8,827,601**      2,603,956**CASH AND CASH EQUIVALENTS, END OF YEAR****\$ 2,777,747**      \$ 8,827,601

Cash and cash equivalents are composed of the following:

|                |                     |                     |
|----------------|---------------------|---------------------|
| Cash           | \$ 2,846,916        | \$ 9,115,652        |
| Bank overdraft | (69,169)            | (288,051)           |
|                | <u>\$ 2,777,747</u> | <u>\$ 8,827,601</u> |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**1. STATUTES OF INCORPORATION AND PURPOSE OF THE ENTITY**

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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**

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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, 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, 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**Budget**

The budget figures contained in these consolidated financial statements were approved by Council on December 9, 2019, and by the Minister of Local Government on December 13, 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, 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**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:

| <b>Asset type</b>                                    | <b>Years</b> |
|--|--------------|
| Land improvements                                    | 10 to 25     |
| Machinery and equipment                              | 3 to 30      |
| Vehicles   | 5 to 25      |
| Buildings  | 10 to 60     |
| Transportation network ("transportation")            | 10 to 65     |
| Water and wastewater networks ("water and sewerage") | 10 to 100    |

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

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, 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**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**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**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**

|                   | <b>2020</b>       | 2019              |
|-------------------|-------------------|-------------------|
| Sale of land      | \$ 325,200        | \$ 182,400        |
| Cost of land sold | <u>(150,349)</u>  | <u>(54,361)</u>   |
|                   | <b>\$ 174,851</b> | <b>\$ 128,039</b> |

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**4. TERM DEPOSITS**

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The term deposits bear interest at 1.03% and mature in April 2021.

**CITY OF DIEPPE****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

| <b>5. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS</b>  | <b>2020</b>          | <b>2019</b>          |
|---|----------------------|----------------------|
| <b>Capital lease obligations</b>  |                      |                      |
| Lease contract for a fire truck with a net book value of \$1,086,991, 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.  | \$ 886,871           | \$ 1,032,659         |
| Lease contract for a fire truck with a net book value of \$441,950, 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.   | 406,069              | 468,541              |
| Interest included in instalments  | (121,486)            | (161,773)            |
|   | <u>1,171,454</u>     | <u>1,339,427</u>     |
| <b>Promissory note</b>  |                      |                      |
| Promissory note, repayable in annual instalments of \$70,768, without interest, maturing in 2023.   | 212,304              | 283,072              |
| <b>Loans</b>  |                      |                      |
| Loan, guaranteed by the city hall land and building having a net book value of \$5,986,801, repayable in monthly instalments of \$72,689 including interest calculated at the rate of 5.62%, maturing in October 2031.  | 7,065,711            | 7,526,732            |
| Canada Emergency Business Account loan, non-interest bearing, maturing in December 2022. If it is repaid by December 31, 2022, an amount of \$10,000 will be forgiven. The City believes that it will repay the loan by December 31, 2022 and has recorded \$10,000 in contribution revenue in 2020; if the loan cannot be repaid by December 31, 2022, it can be converted into a three-year term loan bearing interest at the rate of 5%. | 30,000               | -                    |
| <b>Debentures</b>   |                      |                      |
| 1. Debenture, 2.10% to 5.55%, renewable in 2023, portion due in 2028 and 2033.  | 3,579,000            | 3,936,000            |
| 2. Debenture, 0.50% to 2.30%, portion due in 2035 and 2040.   | 8,300,000            | -                    |
| To carry forward  | <u>\$ 20,358,469</u> | <u>\$ 13,085,231</u> |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

| <b>5. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)</b>                   | <b>2020</b>          | <b>2019</b>   |
|--|----------------------|---------------|
| Carried forward  | <b>\$ 20,358,469</b> | \$ 13,085,231 |
| 3. Debenture, 1.35% to 3.45%, renewable in 2021, portion due in 2026, 2031 and 2036. | <b>3,321,000</b>     | 3,550,000     |
| 4. Debenture, 1.35% to 3.80%, renewable in 2032, due in 2037.                        | <b>6,485,000</b>     | 6,883,000     |
| 5. Debenture, 1.25% to 4.40%, portion due in 2028 and 2033.                          | <b>2,921,000</b>     | 3,200,000     |
| 6. Debenture, 1.20% to 3.10%, due in 2024.   | <b>1,600,000</b>     | 1,975,000     |
| 7. Debenture, 0.95% to 3.50%, portion due in 2030 and 2035.                          | <b>5,849,000</b>     | 6,313,000     |
| 8. Debenture, 1.05% to 3.65%, due in 2030.   | <b>3,932,000</b>     | 5,156,000     |
| 9. Debenture, 1.20% to 3.80%, portion due in 2031 and 2036.                          | <b>9,170,000</b>     | 10,728,000    |
| 10. Debenture, 1.65% to 3.20%, portion due in 2027 and 2032.                         | <b>11,423,000</b>    | 12,695,000    |
| 11. Debenture, 2.10% to 3.60%, due in 2033.  | <b>535,000</b>       | 568,000       |
| 12. Debenture, renewed during the year.  | -                    | 7,724,000     |
| 13. Debenture, 1.95% to 2.95%, portion due in 2029, 2034 and 2039.                   | <b>11,867,000</b>    | 12,681,000    |
| <b>Total</b>   | <b>\$ 77,461,469</b> | \$ 84,558,231 |

Approval of the Municipal Capital Borrowing Board has been obtained for the city hall 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 |
|---------------------|----------------|
| 2021 - \$ 7,819,377 | \$ 208,259     |
| 2022 - \$ 7,468,298 | \$ 208,259     |
| 2023 - \$ 7,240,040 | \$ 208,259     |
| 2024 - \$ 7,295,330 | \$ 208,259     |
| 2025 - \$ 6,863,602 | \$ 208,259     |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

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**6. SHORT-TERM BORROWINGS**

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**Operating borrowing**

The City has two authorized lines of credit in the amount of \$8,504,440 and \$1,500,000, bearing interest at the prime rate and renewable annually. The line of credit of \$8,504,440 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 \$843,205.

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 2020, the City has complied with these restrictions.

**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**

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**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 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 2.5%;
- discount rate used to determine the accrued benefit obligation is 3.5%;
- retirement age is 62; and
- estimated net utilization rate of sick leave is 60%.

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

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**7. EMPLOYEE FUTURE BENEFITS (continued)**

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**Pension plan**

During the year, the City contributed \$1,118,718 (2019 - \$1,111,765) 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.

**8. CONTINGENCIES**

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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.

In 2019, 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 21).

**9. COMMITMENTS**

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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").

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

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**10. FINANCIAL INSTRUMENTS**

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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 and its term deposits 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**

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Transfers between reserve funds were authorized by Council through a resolution dated December 14, 2020, with the exception of the following: a transfer of \$325,000 was authorized on February 24, 2020, transfers of \$110,000, \$700,000, \$600,000 and \$250,000 were authorized on May 11, 2020, a transfer of \$15,000 was authorized on August 10, 2020 and a transfer of \$15,000 was authorized on September 14, 2020.

**12. WATER DISTRIBUTION COSTS**

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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**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

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**13. WATER AND SEWERAGE FUND SURPLUS/DEFICIT**

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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:

|              | 2020                  | 2019                  |
|--------------|-----------------------|-----------------------|
| 2020 surplus | \$ 189,998            | \$ -                  |
| 2019 deficit | (2,700,816)           | (2,700,816)           |
| 2018 surplus | -                     | 79,760                |
|              | <u>\$ (2,510,818)</u> | <u>\$ (2,621,056)</u> |

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**14. COVID-19**

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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 are unknown at this time, as 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 the most significant to the City are the loss of revenue from the City's various recreational facilities related to their closure as well as the potential loss of revenue from construction permits. As at the date of these consolidated financial statements, the pandemic has not had a significant impact on the City's financial results or financial position.

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

15. SCHEDULE OF TANGIBLE CAPITAL ASSETS

|  | Land          | Land improvements | Machinery and equipment | Vehicles      | Buildings     | Transportation | Water and sewerage | Work in progress | Total 2020     | Total 2019     |
|--|---------------|-------------------|-------------------------|---------------|---------------|----------------|--------------------|------------------|----------------|----------------|
|  | <b>COST</b>   |                   |                         |               |               |                |                    |                  |                |                |
| Balance, beginning 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 |
| Add:   |               |                   |                         |               |               |                |                    |                  |                |                |
| Acquisitions during the year                     | 1,199,836     | 3,790,720         | 185,581                 | 992,555       | 33,941,061    | 7,489,816      | 3,929,915          | -                | 51,529,484     | 14,342,469     |
| Disposals during the year                        | (204,605)     | -                 | (324,730)               | (434,815)     | (330,383)     | (494,322)      | (73,962)           | -                | (1,862,817)    | (1,437,534)    |
| Net change in work in progress                   | -             | -                 | -                       | -             | -             | -              | -                  | (26,287,517)     | (26,287,517)   | 17,552,733     |
| Balance, end of year                             | 28,609,470    | 18,764,243        | 5,498,150               | 13,457,194    | 97,775,487    | 192,113,346    | 126,860,904        | 2,880,048        | 485,958,842    | 462,579,692    |
| <b>ACCUMULATED AMORTIZATION</b>                  |               |                   |                         |               |               |                |                    |                  |                |                |
| Balance, beginning of year                       | -             | 5,638,322         | 2,882,872               | 6,119,571     | 26,750,336    | 59,927,864     | 31,418,791         | -                | 132,737,756    | 121,820,890    |
| Add:   |               |                   |                         |               |               |                |                    |                  |                |                |
| Amortization for the year                        | -             | 861,072           | 519,801                 | 883,589       | 2,967,401     | 4,898,950      | 1,529,478          | -                | 11,660,291     | 11,972,069     |
| Accumulated amortization of disposals            | -             | -                 | (311,706)               | (383,866)     | (301,383)     | (353,230)      | (56,848)           | -                | (1,407,033)    | (1,055,203)    |
| Balance, end of year                             | -             | 6,499,394         | 3,090,967               | 6,619,294     | 29,416,354    | 64,473,584     | 32,891,421         | -                | 142,991,014    | 132,737,756    |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b> | \$ 28,609,470 | \$ 12,264,849     | \$ 2,407,183            | \$ 6,837,900  | \$ 68,359,133 | \$ 127,639,762 | \$ 93,969,483      | \$ 2,880,048     | \$ 342,967,828 | \$ 329,841,936 |

As at December 31, 2020, the City's leased tangible capital assets were composed of vehicles with a cost of \$1,785,819 (2019 - \$1,785,819) and accumulated amortization of \$270,699 (2019 - \$193,357). During the year, transportation assets of \$1,905,879 (2019 - \$1,778,022), water and sewerage assets of \$930,164 (2019 - \$357,117) and land of \$40,300 (2019 - \$0) were received as contributions from developers.

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

16. SCHEDULE OF SEGMENT INFORMATION

|  | General government  |                     | Protective          | Transportation      | Environmental health | Economic development | Recreation and cultural | Water and sewerage | 2020 Consolidated    | 2019 Consolidated    |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-------------------------|--------------------|----------------------|----------------------|
|  |                     |                     |                     |                     |                      |                      |                         |                    |                      |                      |
| <b>Revenues</b>                          |                     |                     |                     |                     |                      |                      |                         |                    |                      |                      |
| Warrant of assessment                    | \$ 8,834,601        | \$ 14,272,308       | \$ 14,813,838       | \$ 1,059,707        | \$ 2,405,396         | \$ 11,937,484        | \$ -                    | \$ -               | \$ 53,323,334        | \$ 51,473,591        |
| Services to other governments            | -                   | 198,893             | 150,923             | -                   | -                    | -                    | -                       | -                  | 349,816              | 335,997              |
| Sale of services                         | -                   | -                   | -                   | -                   | -                    | 922,173              | -                       | 11,387,615         | 12,309,788           | 12,713,802           |
| Community funding and equalization grant | 181,495             | 293,206             | 304,331             | 21,770              | 49,416               | 245,241              | -                       | -                  | 1,095,459            | 1,063,645            |
| Interest earned                          | 36,360              | 58,740              | 60,969              | 4,361               | 9,900                | 49,131               | 9,396                   | -                  | 228,857              | 412,467              |
| Other                                    | 102,766             | 1,033,088           | 5,687,734           | 12,274              | 487,197              | 6,832,475            | 1,421,579               | -                  | 15,577,113           | 17,947,072           |
|  | 9,155,222           | 15,856,235          | 21,017,795          | 1,098,112           | 2,951,909            | 19,986,504           | 12,818,590              | -                  | 82,884,367           | 83,946,574           |
| <b>Expenses</b>                          |                     |                     |                     |                     |                      |                      |                         |                    |                      |                      |
| Salaries and benefits                    | 2,436,857           | 5,495,319           | 3,350,894           | -                   | 1,284,985            | 3,866,098            | 2,711,444               | -                  | 19,145,597           | 19,727,503           |
| Goods and services                       | 2,906,515           | 7,124,560           | 4,964,268           | 1,241,736           | 1,020,337            | 3,280,995            | 5,705,544               | -                  | 26,243,955           | 25,425,363           |
| Amortization                             | 819,722             | 634,846             | 5,831,489           | -                   | 4,948                | 2,618,499            | 1,750,787               | -                  | 11,660,291           | 11,972,069           |
| Interest                                 | 409,088             | 170,735             | 1,042,223           | -                   | -                    | 317,503              | 861,436                 | -                  | 2,800,985            | 3,048,151            |
| Other                                    | 438,603             | -                   | 113,752             | -                   | 425,952              | 13,402               | 21,471                  | -                  | 1,013,180            | 3,939,941            |
|  | 7,010,785           | 13,425,460          | 15,302,626          | 1,241,736           | 2,736,222            | 10,096,497           | 11,050,682              | -                  | 60,864,008           | 64,113,027           |
| <b>Annual surplus (deficit)</b>          | <b>\$ 2,144,437</b> | <b>\$ 2,430,775</b> | <b>\$ 5,715,169</b> | <b>\$ (143,624)</b> | <b>\$ 215,687</b>    | <b>\$ 9,890,007</b>  | <b>\$ 1,767,908</b>     | <b>\$ -</b>        | <b>\$ 22,020,359</b> | <b>\$ 19,833,547</b> |

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

17. RECONCILIATION OF ANNUAL SURPLUS

|   | General<br>Operating | General<br>Capital | Water and<br>Sewerage<br>Operating | Water and<br>Sewerage<br>Capital | Reserve<br>Funds | Total         |
|---|----------------------|--------------------|------------------------------------|----------------------------------|------------------|---------------|
| 2020 annual fund surplus  | \$ 314,901           | \$ 25,936,188      | \$ 189,998                         | \$ 3,762,134                     | \$ 2,502,256     | \$ 32,705,477 |
| Adjustments to annual surplus (deficit)                                 | (583,007)            | -                  | (79,760)                           | -                                | -                | (662,767)     |
| Second previous year's surplus  | -                    | -                  | -                                  | -                                | (355,500)        | -             |
| Elimination of interfund transfers                                      | -                    | -                  | -                                  | -                                | (1,068,818)      | -             |
| General operating fund reserve  | 355,500              | -                  | -                                  | -                                | -                | -             |
| General capital fund reserve  | 4,805,000            | (3,736,182)        | -                                  | -                                | (1,068,818)      | -             |
| Interfund transfer  | 4,473,374            | (4,473,374)        | 614,748                            | (614,748)                        | -                | -             |
| Water and sewerage operating fund reserve                               | -                    | -                  | 9,500                              | -                                | (9,500)          | -             |
| Water and sewerage capital fund reserve                                 | -                    | -                  | 1,619,500                          | (755,000)                        | (864,500)        | -             |
| Long-term debt principal repayment                                      | 6,597,417            | (6,597,417)        | 1,901,000                          | (1,901,000)                      | -                | -             |
| Internal revenue elimination  | 2,050,000            | -                  | (2,050,000)                        | -                                | -                | -             |
| Amortization of tangible capital assets                                 | -                    | (9,904,556)        | -                                  | (1,750,787)                      | -                | (11,655,343)  |
| Capital assets contributed by developers                                | -                    | 1,946,178          | -                                  | 930,165                          | -                | 2,876,343     |
| Expenses reclassified as tangible capital assets                        | 182,299              | -                  | -                                  | -                                | -                | 182,299       |
| Closure of the industrial park fund                                     | (346,489)            | -                  | -                                  | -                                | -                | (346,489)     |
| Fees in lieu of land for public purposes, recorded as deferred revenues | -                    | -                  | -                                  | -                                | (27,639)         | (27,639)      |
| Purchase of land for public purposes                                    | -                    | (15,000)           | -                                  | -                                | 15,000           | -             |
| Sponsorship agreement for a capital project                             | -                    | (850,000)          | -                                  | -                                | -                | (850,000)     |
| Loss on disposal of tangible capital assets                             | -                    | (415,329)          | -                                  | (40,455)                         | -                | (455,784)     |
| Annual surplus (deficit) from other consolidated entities               | 322,269              | (4,948)            | (63,059)                           | -                                | -                | 254,262       |
| Total adjustments to 2020 annual surplus (deficit)                      | 17,856,363           | (24,050,528)       | 1,951,929                          | (4,131,825)                      | (2,310,957)      | (10,685,118)  |
| 2020 annual surplus (deficit) under PSAS                                | \$ 18,171,264        | \$ 1,885,660       | \$ 2,141,927                       | \$ (369,691)                     | \$ 191,299       | \$ 22,020,359 |

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

18. STATEMENT OF RESERVES

|   | General Operating Reserve | General Capital Reserve | Water and Sewerage Operating Reserve | Water and Sewerage Capital Reserve | Land for public purposes | Total 2020           | Total 2019           |
|---|---------------------------|-------------------------|--------------------------------------|------------------------------------|--------------------------|----------------------|----------------------|
| <b>Assets and accumulated surplus</b>               | <b>\$ 2,823,132</b>       | <b>\$ 10,546,839</b>    | <b>\$ 639,894</b>                    | <b>\$ 3,153,404</b>                | <b>\$ 151,717</b>        | <b>\$ 17,314,986</b> | <b>\$ 14,812,730</b> |
| <b>Revenues</b>                                     |                           |                         |                                      |                                    |                          |                      |                      |
| Interest  | 33,758                    | 121,221                 | 8,658                                | 25,664                             | 1,998                    | 191,299              | 331,862              |
| Transfer from the general operating fund            | 753,000                   | 4,805,000               | -                                    | -                                  | -                        | 5,558,000            | 3,190,182            |
| Transfer from the water and sewerage operating fund | -                         | -                       | 9,500                                | 1,619,500                          | -                        | 1,629,000            | 344,000              |
| Fees in lieu of land for public purposes            | -                         | -                       | -                                    | -                                  | 27,639                   | 27,639               | 3,112                |
|   | 786,758                   | 4,926,221               | 18,158                               | 1,645,164                          | 29,637                   | 7,405,938            | 3,869,156            |
| <b>Expenses</b>                                     |                           |                         |                                      |                                    |                          |                      |                      |
| Transfer to the general operating fund              | 397,500                   | -                       | -                                    | -                                  | -                        | 397,500              | 836,000              |
| Transfer to the general capital fund                | -                         | 3,736,182               | -                                    | -                                  | -                        | 3,736,182            | 2,186,000            |
| Transfer to the water and sewerage operating fund   | -                         | -                       | -                                    | -                                  | -                        | -                    | 75,000               |
| Transfer to the water and sewerage capital fund     | -                         | -                       | -                                    | 755,000                            | -                        | 755,000              | 265,000              |
| Purchase of land for public purposes                | -                         | -                       | -                                    | -                                  | 15,000                   | 15,000               | 40,000               |
|   | 397,500                   | 3,736,182               | -                                    | 755,000                            | 15,000                   | 4,903,682            | 3,402,000            |
| <b>Annual surplus</b>                               | <b>\$ 389,258</b>         | <b>\$ 1,190,039</b>     | <b>\$ 18,158</b>                     | <b>\$ 890,164</b>                  | <b>\$ 14,637</b>         | <b>\$ 2,502,256</b>  | <b>\$ 467,156</b>    |



CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020

19. INFORMATION ON CONTROLLED ENTITIES

|                     | City of<br>Dieppe | Expansion<br>Dieppe Inc. | Gestion<br>1604 Inc. | 2020<br>Total  | 2019<br>Total  |
|---------------------|-------------------|--------------------------|----------------------|----------------|----------------|
| Assets              | \$ 356,592,551    | \$ 3,856,421             | \$ 7,129,391         | \$ 367,578,363 | \$ 358,529,136 |
| Liabilities         | 76,793,161        | 747,994                  | 7,101,956            | 84,643,111     | 97,614,243     |
| Accumulated surplus | 279,799,390       | 3,108,427                | 27,435               | 282,935,252    | 260,914,893    |
| Revenues            | 80,301,611        | 2,168,910                | 413,846              | 82,884,367     | 83,946,574     |
| Expenses            | 58,535,514        | 1,915,866                | 412,628              | 60,864,008     | 64,113,027     |
| Annual surplus      | \$ 21,766,097     | \$ 253,044               | \$ 1,218             | \$ 22,020,359  | \$ 19,833,547  |

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

CITY OF DIEPPE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

20. 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 year's surplus/deficit | Transfers     | Consolidated entities' transfers | Total         |
|---|--------------------------|-------------------------------------|---|------------------|-------------------------------|---------------|----------------------------------|---------------|
| <b>Revenues</b>   |                          |                                     |   |                  |                               |               |                                  |               |
| Warrant of assessment                                   | \$ 53,323,334            | \$ -                                | \$ -                                    | \$ -             | \$ -                          | \$ -          | \$ -                             | \$ 53,323,334 |
| Services to other governments                           | 342,000                  | -                                   | -                                       | -                | -                             | -             | -                                | 342,000       |
| Sale of services  | 1,669,000                | 11,038,078                          | -                                       | -                | -                             | -             | -                                | 12,707,078    |
| Other revenues from own sources                         | 634,500                  | 1,750,000                           | -                                       | (1,750,000)      | -                             | -             | -                                | 634,500       |
| Community funding and equalization grant                | 1,095,459                | -                                   | -                                       | -                | -                             | -             | -                                | 1,095,459     |
| Transfers from the reserves to the operating funds      | 778,500                  | 96,500                              | -                                       | -                | -                             | (875,000)     | -                                | 437           |
| Adjustment in lieu of taxes                             | 437                      | -                                   | -                                       | -                | -                             | -             | -                                | 437           |
| Interest earned   | 75,000                   | 25,000                              | -                                       | -                | -                             | -             | -                                | 100,000       |
| Contribution from Expansion Dieppe Inc.                 | 147,504                  | 63,826                              | -                                       | -                | -                             | -             | -                                | 211,330       |
| Second previous year's surplus                          | 583,007                  | 79,760                              | -                                       | -                | (662,767)                     | -             | -                                | -             |
|   | 58,648,741               | 13,053,164                          | -                                       | (1,750,000)      | (662,767)                     | (875,000)     | (211,330)                        | 68,202,808    |
| <b>Expenses</b>   |                          |                                     |   |                  |                               |               |                                  |               |
| General government services                             | 7,122,122                | -                                   | -                                       | -                | -                             | -             | -                                | 7,122,122     |
| Protective services                                     | 14,959,402               | -                                   | -                                       | (1,750,000)      | -                             | -             | -                                | 13,209,402    |
| Transportation services                                 | 8,809,055                | -                                   | -                                       | -                | -                             | -             | -                                | 8,809,055     |
| Environmental health services                           | 1,171,502                | -                                   | -                                       | -                | -                             | -             | -                                | 1,171,502     |
| Economic development services                           | 2,359,156                | -                                   | -                                       | -                | -                             | -             | -                                | 2,359,156     |
| Recreational and cultural services                      | 8,663,108                | -                                   | -                                       | -                | -                             | -             | -                                | 8,663,108     |
| Water supply  | -                        | 5,019,591                           | -                                       | -                | -                             | -             | -                                | 5,019,591     |
| Sewerage collection and disposal                        | -                        | 3,967,473                           | -                                       | -                | -                             | -             | -                                | 3,967,473     |
| Interest on long-term debt                              | 1,970,331                | 876,100                             | -                                       | -                | -                             | -             | -                                | 2,846,431     |
| Long-term debt payments                                 | 6,356,669                | 1,901,000                           | -                                       | -                | -                             | (8,257,669)   | -                                | -             |
| Transfers from the operating funds to the capital funds | 5,692,396                | 1,187,000                           | -                                       | -                | -                             | (6,879,396)   | -                                | -             |
| Transfers from the operating funds to the reserves      | 1,545,000                | 102,000                             | -                                       | -                | -                             | (1,647,000)   | -                                | -             |
|   | 58,648,741               | 13,053,164                          | -                                       | (1,750,000)      | -                             | (16,784,065)  | -                                | 53,167,840    |
| <b>Surplus (deficit)</b>                                | \$ -                     | \$ -                                | \$ -                                    | \$ -             | \$ (662,767)                  | \$ 15,909,065 | \$ (211,330)                     | \$ 15,034,968 |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

**21. REVENUES AND EXPENSES BREAKDOWN**

|  | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--|----------------|----------------|----------------|
| <b>Revenues</b>                        |                |                |                |
| <i>Services to other governments</i>   |                |                |                |
| Other municipalities                   |                |                |                |
| Fire                                   | \$ 184,000     | \$ 198,893     | \$ 186,867     |
| <hr/>                                  |                |                |                |
| Province of New Brunswick              |                |                |                |
| Roads and streets                      | \$ 142,000     | \$ 140,060     | \$ 138,267     |
| Lane marking                           | 16,000         | 10,863         | 10,863         |
|  | <hr/>          | <hr/>          | <hr/>          |
|  | \$ 158,000     | \$ 150,923     | \$ 149,130     |
| <hr/>                                  |                |                |                |
| <i>Sale of services</i>                |                |                |                |
| Arenas                                 | \$ 912,500     | \$ 578,662     | \$ 766,078     |
| Aquatic and sports centre              | 626,500        | 294,104        | 640,184        |
| Programs                               | 115,500        | 42,761         | 131,215        |
| Rental of sports fields                | 14,500         | 6,646          | 14,714         |
| Water                                  | 5,632,908      | 5,746,081      | 5,637,453      |
| Sewerage system                        | 5,220,670      | 5,339,684      | 5,232,843      |
| Connections, services and other        | 117,500        | 240,980        | 218,142        |
| Interest earned                        | 67,000         | 60,870         | 73,173         |
|  | <hr/>          | <hr/>          | <hr/>          |
|  | \$ 12,707,078  | \$ 12,309,788  | \$ 12,713,802  |
| <hr/>                                  |                |                |                |
| <i>Other revenues from own sources</i> |                |                |                |
| Building and other permits             | \$ 345,500     | \$ 848,397     | \$ 602,856     |
| Fines                                  |                |                |                |
| Municipal by-laws                      | 20,000         | 19,379         | 30,478         |
| Rental - equipment and buildings       | 208,000        | 222,195        | 269,814        |
| Miscellaneous                          | 61,000         | 441,577        | 265,082        |
|  | <hr/>          | <hr/>          | <hr/>          |
|  | \$ 634,500     | \$ 1,531,548   | \$ 1,168,230   |
| <hr/>                                  |                |                |                |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

**21. REVENUES AND EXPENSES BREAKDOWN (continued)**

|   | 2020<br>Budget      | 2020<br>Actual      | 2019<br>Actual      |
|---|---------------------|---------------------|---------------------|
| <b>Expenses</b>                             |                     |                     |                     |
| <i>General government services</i>          |                     |                     |                     |
| Legislative                                 |                     |                     |                     |
| Mayor                                       | \$ 50,591           | \$ 41,485           | \$ 46,582           |
| Councillors                                 | 187,116             | 138,225             | 158,185             |
| Other                                       | 30,500              | 22,526              | 22,995              |
|   | <u>268,207</u>      | <u>202,236</u>      | <u>227,762</u>      |
| Administrative                              |                     |                     |                     |
| Clerk                                       | 255,827             | 253,885             | 247,752             |
| Manager                                     | 1,966,363           | 1,561,985           | 1,608,846           |
| Buildings                                   | 613,270             | 576,603             | 614,988             |
| Solicitor                                   | 250,000             | 370,259             | 314,273             |
| Other                                       | 1,752,994           | 960,620             | 1,291,673           |
|   | <u>4,838,454</u>    | <u>3,723,352</u>    | <u>4,077,532</u>    |
| Financial management                        |                     |                     |                     |
| Administration                              | 223,206             | 216,361             | 215,674             |
| Accounting                                  | 263,159             | 242,478             | 249,794             |
| External audit                              | 52,000              | 52,788              | 56,354              |
|   | <u>538,365</u>      | <u>511,627</u>      | <u>521,822</u>      |
| Common services                             |                     |                     |                     |
| Cost of assessment                          | 634,846             | 634,846             | 612,830             |
| Other general government services           |                     |                     |                     |
| Conventions                                 | 13,000              | 5,885               | 11,555              |
| Public liability insurance                  | 250,000             | 265,426             | 216,608             |
| Grant - Capitol Theatre                     | 75,000              | 75,000              | 75,000              |
| Grant - others                              | 489,250             | 413,550             | 512,702             |
| Other                                       | 15,000              | -                   | 7,565               |
| Amortization of tangible capital assets     | -                   | 819,722             | 774,783             |
| Gain on disposal of tangible capital assets | -                   | (49,947)            | -                   |
|   | <u>842,250</u>      | <u>1,529,636</u>    | <u>1,598,213</u>    |
|   | <u>\$ 7,122,122</u> | <u>\$ 6,601,697</u> | <u>\$ 7,038,159</u> |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

| 21. REVENUES AND EXPENSES BREAKDOWN (continued) | 2020<br>Budget       | 2020<br>Actual       | 2019<br>Actual       |
|---|----------------------|----------------------|----------------------|
| <i>Protective services</i>                      |                      |                      |                      |
| <i>Police</i>                                   |                      |                      |                      |
| RCMP contract and municipal costs               | \$ 5,951,848         | \$ 5,951,849         | \$ 5,525,622         |
| <i>Fire</i>                                     |                      |                      |                      |
| Administration                                  | 556,394              | 460,015              | 330,300              |
| Firefighting force                              | 4,982,393            | 4,462,614            | 4,567,791            |
| Fire investigation and prevention               | 10,000               | 7,847                | 8,269                |
| Station and building                            | 459,964              | 385,201              | 388,227              |
| Firefighting equipment                          | 435,750              | 383,309              | 401,220              |
| Training  | 74,725               | 42,911               | 93,013               |
|   | <u>6,519,226</u>     | <u>5,741,897</u>     | <u>5,788,820</u>     |
| <i>Emergency measures</i>                       |                      |                      |                      |
| Administration                                  | -                    | 34,111               | -                    |
| Supplies  | 6,000                | 198,406              | 920                  |
|   | <u>6,000</u>         | <u>232,517</u>       | <u>920</u>           |
| <i>Other</i>                                    |                      |                      |                      |
| Building inspection                             | 355,235              | 364,587              | 357,186              |
| Application of by-laws                          | 278,867              | 230,105              | 260,422              |
| Animal protection                               | 2,500                | 3,447                | 2,929                |
| Insect control                                  | 95,726               | 95,477               | 90,179               |
| Amortization of tangible capital assets         | -                    | 634,846              | 634,929              |
| Gain on disposal of tangible capital assets     | -                    | -                    | (775)                |
|   | <u>732,328</u>       | <u>1,328,462</u>     | <u>1,344,870</u>     |
|   | <u>\$ 13,209,402</u> | <u>\$ 13,254,725</u> | <u>\$ 12,660,232</u> |

**CITY OF DIEPPE****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

| <b>21. REVENUES AND EXPENSES BREAKDOWN (continued)</b> | <b>2020<br/>Budget</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|--|------------------------|------------------------|------------------------|
| <i>Transportation services</i>                         |                        |                        |                        |
| <i>Common services</i>                                 |                        |                        |                        |
| Administration   | \$ 488,013             | \$ 384,271             | \$ 417,434             |
| Training and development                               | 17,700                 | 10,727                 | 17,708                 |
| Civil engineering, planning and monitoring             | 823,907                | 923,433                | 800,695                |
| General equipment                                      | 132,096                | 117,926                | 87,446                 |
| Workshops and other buildings                          | 1,231,046              | 1,090,094              | 1,124,534              |
|  | <u>2,692,762</u>       | <u>2,526,451</u>       | <u>2,447,817</u>       |
| <i>Roads and streets</i>                               |                        |                        |                        |
| Summer maintenance                                     | 2,232,277              | 2,124,288              | 1,637,774              |
| Sidewalks  | 68,000                 | 30,301                 | 32,465                 |
| Culverts and drainage ditches                          | -                      | 124,804                | -                      |
| Storm sewers and culverts                              | 112,800                | 62,673                 | 101,584                |
| Snow and ice removal                                   | 1,476,016              | 1,466,108              | 1,625,141              |
|  | <u>3,889,093</u>       | <u>3,808,174</u>       | <u>3,396,964</u>       |
| Street lighting  | <u>485,000</u>         | <u>486,156</u>         | <u>503,703</u>         |
| <i>Traffic services</i>                                |                        |                        |                        |
| Street signs   | 27,000                 | 29,898                 | 28,786                 |
| Traffic lane marking                                   | 52,000                 | 55,821                 | 51,297                 |
| Traffic signals  | 79,500                 | 60,659                 | 65,924                 |
|  | <u>158,500</u>         | <u>146,378</u>         | <u>146,007</u>         |
| Public transit   | <u>1,583,700</u>       | <u>1,348,003</u>       | <u>1,495,736</u>       |
| Amortization of tangible capital assets                | -                      | 5,831,489              | 6,958,152              |
| Loss on disposal of tangible capital assets            | -                      | 113,752                | 32,806                 |
|  | <u>-</u>               | <u>5,945,241</u>       | <u>6,990,958</u>       |
|  | <u>\$ 8,809,055</u>    | <u>\$ 14,260,403</u>   | <u>\$ 14,981,185</u>   |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

| 21. REVENUES AND EXPENSES BREAKDOWN (continued)    | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--|----------------|----------------|----------------|
| <i>Environmental health services</i>               |                |                |                |
| Dumps and garbage collection                       | \$ 1,171,502   | \$ 1,241,736   | \$ 1,155,561   |
| <i>Economic development services</i>               |                |                |                |
| Urban planning                                     | \$ 29,296      | \$ 26,044      | \$ 18,612      |
| Planning and development                           | 607,076        | 540,744        | 544,759        |
| General land assembly                              | 135,000        | 182,448        | 155,550        |
| Expansion Dieppe Inc.                              | 1,192,184      | 1,266,232      | 1,290,358      |
| Economic development commission                    | 149,100        | 149,100        | 149,100        |
| Sustainable development plan                       | 168,500        | 91,738         | 87,986         |
| Beautification and land rehabilitation             | 78,000         | 49,016         | 92,519         |
| Amortization of tangible capital assets            | -              | 4,948          | 3,469          |
| Decrease in value of land inventory                | -              | 425,952        | -              |
|  | \$ 2,359,156   | \$ 2,736,222   | \$ 2,342,353   |
| <i>Recreation and cultural services</i>            |                |                |                |
| Administration                                     | \$ 513,698     | \$ 407,759     | \$ 619,818     |
| Community centres                                  | 834,000        | 381,476        | 750,853        |
| Aquatic and sports centre                          | 1,648,695      | 1,389,835      | 1,710,127      |
| Arenas   | 1,942,555      | 1,752,902      | 1,564,697      |
| Parks and playgrounds                              | 3,208,781      | 2,991,804      | 2,485,312      |
| Other recreation facilities                        | 487,384        | 221,142        | 346,045        |
| Training and development                           | 8,600          | 2,175          | 2,978          |
| Library  | 19,395         | 416            | 19,431         |
| Amortization of tangible capital assets            | -              | 2,618,499      | 1,887,835      |
| Loss (gain) on disposal of tangible capital assets | -              | 12,986         | (61,762)       |
|  | \$ 8,663,108   | \$ 9,778,994   | \$ 9,325,334   |

**CITY OF DIEPPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

| 21. REVENUES AND EXPENSES BREAKDOWN (continued) | 2020<br>Budget      | 2020<br>Actual      | 2019<br>Actual      |
|---|---------------------|---------------------|---------------------|
| <i>Water supply</i>                             |                     |                     |                     |
| Administration                                  | \$ 604,575          | \$ 481,015          | \$ 560,060          |
| Legal settlement (note 8)                       | -                   | -                   | 1,823,431           |
| Transmission and distribution                   | 2,054,377           | 1,750,611           | 1,947,563           |
| Power and pumping                               | 378,639             | 312,554             | 277,752             |
| Water purchase                                  | 1,860,000           | 1,906,287           | 1,878,036           |
| Test water source                               | -                   | 50,701              | 107,701             |
| Billing and collections                         | 122,000             | 127,564             | 118,044             |
| Amortization of tangible capital assets         | -                   | 875,393             | 856,450             |
| Loss on disposal of tangible capital assets     | -                   | 10,736              | 18,506              |
|   | <u>\$ 5,019,591</u> | <u>\$ 5,514,861</u> | <u>\$ 7,587,543</u> |
| <i>Sewerage collection and disposal</i>         |                     |                     |                     |
| Administration                                  | \$ 293,561          | \$ 218,334          | \$ 267,039          |
| Legal settlement (note 8)                       | -                   | -                   | 1,491,899           |
| Sewerage collection system                      | 1,085,472           | 1,016,433           | 1,025,246           |
| Sewerage lift stations                          | 30,000              | 34,207              | 42,740              |
| Sewerage treatment and disposal                 | 2,449,440           | 2,404,290           | 2,163,508           |
| Billing and collections                         | 109,000             | 114,992             | 106,488             |
| Amortization of tangible capital assets         | -                   | 875,394             | 856,451             |
| Loss on disposal of tangible capital assets     | -                   | 10,735              | 18,507              |
|   | <u>\$ 3,967,473</u> | <u>\$ 4,674,385</u> | <u>\$ 5,971,878</u> |
| <i>Fiscal services - general</i>                |                     |                     |                     |
| Debt service                                    |                     |                     |                     |
| Interest on long-term debt                      | \$ 1,556,485        | \$ 1,530,461        | \$ 1,713,043        |
| Loan - city hall                                |                     |                     |                     |
| Interest on long-term debt                      | 413,846             | 409,088             | 434,344             |
| Adjustment for payment in lieu of taxes         | -                   | -                   | 2,631               |
|   | <u>\$ 1,970,331</u> | <u>\$ 1,939,549</u> | <u>\$ 2,150,018</u> |



**CITY OF DIEPPE**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2020

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| <b>21. REVENUES AND EXPENSES BREAKDOWN (continued)</b> | <b>2020<br/>Budget</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|--|------------------------|------------------------|------------------------|
| <hr/>  |                        |                        |                        |
| <i>Fiscal services - water</i>                         |                        |                        |                        |
| Debt service   |                        |                        |                        |
| Interest on long-term debt                             | \$ 594,400             | \$ 580,719             | \$ 603,384             |
|  | <hr/>                  |                        |                        |
| <i>Fiscal services - sewerage</i>                      |                        |                        |                        |
| Debt service   |                        |                        |                        |
| Interest on long-term debt                             | \$ 281,700             | \$ 280,717             | \$ 297,380             |
|  | <hr/>                  |                        |                        |

