

# **CITY OF CORNER BROOK**

**Consolidated Financial Statements  
For the Year Ended December 31, 2015**

# **CITY OF CORNER BROOK**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2015**

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## STATEMENT OF RESPONSIBILITY


The accompanying consolidated financial statements are the responsibility of the management of the City of Corner Brook and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

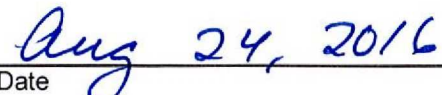
The Council of the Municipality met with management to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

BDO Canada LLP as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.

  
Charles Pender  
Mayor

  
Date

  
Melissa Wiklund  
City Manager

  
Date

## INDEPENDENT AUDITOR'S REPORT

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To the Mayor and members of Council of the City of Corner Brook

We have audited the accompanying consolidated financial statements of the City of Corner Brook, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal controls 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

### Basis for Qualified Opinion

The City may have been required to report a liability for landfill closure and post-closure costs as at December 31, 2014. On November 25, 2015, the landfill was disposed of for no consideration and any closure or post-closure obligations were assigned to the purchaser. No gain on the assignment of the obligations was recorded. This constitutes a departure from Canadian public sector accounting standards. The City had not performed an engineering study to measure the unrecognized landfill closure and post-closure costs and, consequently, we were not able to determine the adjustments necessary to accumulated surplus as at December 31, 2014 and 2013, liabilities as at December 31, 2014 and expenses for the year ended December 31, 2015 and 2014. Therefore, our audit opinion on the financial statements for the year ended December 31, 2015 is modified accordingly.

### Qualified Opinion



In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Corner Brook as at December 31, 2015 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

**Other Matters**

The consolidated financial statements of the City of Corner Brook for the year ended December 31, 2014 (prior to the restatement of the comparative information) were audited by another auditor who expressed an unmodified opinion on those financial statements on July 31, 2015. As part of the audit of the consolidated financial statements of the City of Corner Brook for the year ended December 31, 2015, we also audited the adjustments described in Note 3 that were applied to restate the consolidated financial statements for the year ended December 31, 2014. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements of the City of Corner Brook for the year ended December 31, 2014 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended December 31, 2014 taken as a whole.

BDO Canada LLP  
Corner Brook, Newfoundland and Labrador  
August 15, 2016

  
Chartered Professional Accountants

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2015**

	<u>2015</u>	<u>2014 Restated (see Note 3)</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 6)	\$ 8,870,539	\$ 7,843,115
Accounts receivable (Note 7)	<u>2,434,768</u>	<u>4,024,451</u>
Total Financial Assets	<u>11,305,307</u>	<u>11,867,566</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	5,841,847	8,277,053
Employee benefits liability (Note 9)	2,297,247	1,964,980
Long-term debt (Note 10)	<u>26,099,839</u>	<u>25,097,615</u>
Total Liabilities	<u>34,238,932</u>	<u>35,339,648</u>
<b>NET DEBT</b>	<u>(22,933,625)</u>	<u>(23,472,082)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	160,417,542	151,825,196
Inventories (Note 11)	1,195,239	1,056,009
Prepaid expenses	<u>223,151</u>	<u>235,443</u>
Total Non-Financial Assets	<u>161,835,932</u>	<u>153,116,648</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 138,902,307</u>	<u>\$ 129,644,566</u>

Approved on behalf of Council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

*The accompanying notes are an integral part of this financial statement*

**CITY OF CORNER BROOK**

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**Year Ended December 31, 2015**

	2015 Budget (Schedule 5)	2015 Actual	2014 Actual Restated (see Note 3)
<b>REVENUE</b>			
Taxation	\$ 27,981,500	\$ 29,513,269	\$ 28,366,854
Sales of goods and services	1,325,400	2,408,949	1,171,820
Government transfers and grants	2,753,500	11,518,125	16,103,153
Investment income	275,000	425,789	425,589
Other revenue	584,000	90,430	255,762
Total revenue (Schedules 2, 4 and 5)	32,919,400	43,956,562	46,323,178
<b>EXPENSES</b>			
General government services	3,321,300	2,869,085	2,775,908
Community planning and development	1,461,000	1,579,707	1,539,460
Protective services	3,860,800	4,167,237	3,551,425
Public works	9,690,300	9,909,851	8,678,773
Water and sewer	3,167,800	3,741,467	2,251,553
Parks and recreation	476,500	422,937	434,585
Corner Brook Transit	348,600	328,828	326,333
Corner Brook Civic Centre	1,833,900	2,318,329	1,448,168
Fiscal services	9,311,519	9,361,380	7,501,718
Total expenses (Schedules 3, 4 and 5)	33,471,719	34,698,821	28,507,923
<b>ANNUAL SURPLUS</b>	(552,319)	9,257,741	17,815,255
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, as restated (Note 3)</b>	129,644,566	129,644,566	111,829,311
<b>ACCUMULATED SURPLUS, END OF YEAR, as restated (Note 3)</b>	\$ 129,092,247	\$ 138,902,307	\$ 129,644,566

*The accompanying notes are an integral part of this financial statement*

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**  
**Year Ended December 31, 2015**

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual Restated (see Note 3)</u>
<b>ANNUAL SURPLUS</b>	<u>\$ (552,319)</u>	<u>\$ 9,257,741</u>	<u>\$ 17,815,255</u>
Acquisition of tangible capital assets	(3,421,000)	(16,619,640)	(24,737,884)
Amortization of tangible capital assets	-	8,027,294	6,238,527
Use of (acquisition) of inventories	-	(139,230)	131,384
Use of prepaid expenses	-	12,293	9,166
	<u>(3,421,000)</u>	<u>(8,719,283)</u>	<u>(18,358,807)</u>
<b>CHANGE IN NET DEBT</b>	(3,973,319)	538,457	(543,552)
<b>NET DEBT, BEGINNING OF YEAR, as restated (Note 3)</b>	<u>(23,472,082)</u>	<u>(23,472,082)</u>	<u>(22,928,530)</u>
<b>NET DEBT, END OF YEAR, as restated (Note 3)</b>	<u>\$ (27,445,401)</u>	<u>\$ (22,933,625)</u>	<u>\$ (23,472,082)</u>

*The accompanying notes are an integral part of this financial statement*



**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2015**

	<b>2015</b>	<b>2014 Restated (see Note 3)</b>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 9,257,741	\$ 17,815,255
Items not affecting cash:		
Amortization	8,027,294	6,238,527
Changes in non-cash items:		
Accounts receivable	1,589,682	(1,514,191)
Inventories held for use	(139,230)	131,384
Prepaid expenses	12,293	9,166
Accounts payable and accrued liabilities	(2,435,206)	(633,781)
Employee benefits liability	332,267	(107,741)
<b>Cash provided by operating transactions</b>	<b>16,644,840</b>	<b>21,938,619</b>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(16,619,640)	(24,737,884)
<b>Cash applied to capital transactions</b>	<b>(16,619,640)</b>	<b>(24,737,884)</b>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	5,000,000	5,000,000
Debt repayment	(3,997,776)	(3,837,963)
<b>Cash provided by to financing transactions</b>	<b>1,002,224</b>	<b>1,162,037</b>
<b>Increase (decrease) in cash</b>	<b>1,027,424</b>	<b>(1,637,228)</b>
<b>Cash, beginning of the year</b>	<b>7,843,115</b>	<b>9,480,343</b>
<b>Cash, end of the year</b>	<b>\$ 8,870,539</b>	<b>\$ 7,843,115</b>

*The accompanying notes are an integral part of this financial statement*

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**1. Status of the City of Corner Brook**

The incorporated City of Corner Brook (the "City") is a municipal government that was incorporated in 1956 pursuant to the City of Corner Brook Act, 1990. The Municipality provides or funds municipal services such as fire, public works, parks and recreation, water and sewerage, transit and other general government operations.

**2. Significant Accounting Policies**

**a) Basis of Consolidation**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity.

**b) Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

**c) Retirement Benefits, Compensated Absences and Termination Benefits**

The City provides defined retirement and compensated absences to certain employee groups. These benefits include pension, health and dental, and non-vesting sick leave. The City has adopted the following policies with respect to accounting for these employee benefits:

i) The costs of a defined contribution pension plan consisting of registered pension plan (RPP) matching program available for all full-time employees are charged to operations as contributions are due. Contributions are a defined amount based upon a set percentage of salary.

ii) The cost of non-vesting sick leave benefits are determined using employees' current salaries and days of accumulated sick leave. Non-vesting sick leave benefits are accrued in full when owed.

iii) The cost of severance and other termination benefits are determined using employees' current salaries and total years of service. Severance and other termination benefits are accrued in full when owed.

**d) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**2. Significant Accounting Policies (continued)**

**e) 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. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land Improvements	10 to 50 years
Buildings	25 - 40 years
Machinery and Equipment	
Equipment	5 - 10 years
Computer hardware	4 years
Vehicles	5 years
Recreation infrastructure	10 - 20 years
Transportation infrastructure	5 - 50 years
Water and sewer infrastructure	5 years

**f) Government Transfers**

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the municipality is the transferor, the government transfers are recognized as an expense in the statement of operations when they are authorized and all eligibility criteria have been met by the recipient.

**g) Revenue Recognition**

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Other revenue mainly consists of Civic Centre revenues which are recognized when significant risks and rewards of ownership have been transferred and there are no significant obligations remaining, sales price is fixed and determinable, persuasive evidence of an arrangement exists and collection is reasonably assured. This usually coincides with the provision of the goods and services.

**h) Use of Estimates**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.



**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**3. Prior Period Adjustment**

Prior period adjustments of \$9,234,746 have been made to increase accumulated surplus to correct an overstatement of liabilities resulting from reserves accumulated for future expenditures. Under the requirements of PSG-4 of the Canadian public sector accounting standards, reserves and funds that are not supported by assets are not to be recognized as liabilities, and their increases and decreases are not to be recognized as revenue and expenses.

A prior period adjustment of \$16,934 has been made to decrease accumulated surplus to correct an understatement of long term debt of \$338,226 and an understatement of land held for sale inventory of \$321,292. Previously, the City disclosed a contingent liability for a mortgage with Newfoundland and Labrador Housing Corporation that met the definition of a liability under PS 3200 Liabilities.

The financial statement amounts that are presented for comparative purposes have been restated as follows:

	<b>2014</b>	<b>Increase</b>	<b>2014</b>
	<b>Previously stated</b>	<b>(Decrease)</b>	<b>Restated</b>
Accounts payable	\$ 8,283,407	\$ (6,354)	\$ 8,277,053
Long-term debt	24,759,389	338,226	25,097,615
Inventory	734,717	321,292	1,056,009
Reserves	9,228,392	(9,228,392)	-
Net debt, end of year	32,368,602	(8,896,520)	23,472,082
Accumulated surplus, end of year	120,426,754	9,217,812	129,644,566
Revenue	45,466,571	856,607	46,323,178
Expenses	29,860,419	(1,352,496)	28,507,923

**4. The manner in which the accounts have been kept and the safeguards against fraud**

The City's position in these respects was considered satisfactory for an entity of its size. Our auditors design and perform audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, as a result of their audit, no significant deficiencies in internal control were reported to the City that would indicate that the entity's controls were not effective for the purposes of their audit.

**5. Sufficiency of Bonds**

Fidelity bond coverage of \$500,000 is carried on employees in a position of trust and the City's position is that this coverage is considered to be adequate.

**6. Cash**

Cash comprises cash and bank balances, derivatives, and account overdrafts. It includes operating, capital and reserve accounts. The City's borrowing facility available is \$4,000,000 bearing interest at a rate of prime minus 0.27% per annum. The borrowing facility is only utilized when the City's total net cash position held with the bank is negative.



**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**7. Accounts Receivable**

	<u>2015</u>	<u>2014</u>
Taxes		
Municipal	\$ 973,095	\$ 843,809
Poll tax	215,697	220,235
Utility taxes	889,769	838,333
Tax rebate	610,954	372,005
Province of Newfoundland and Labrador	79,866	1,756,985
Grants in Lieu of Taxes - Corner Brook Pulp & Paper	197,987	195,608
Other	103,259	283,335
	<u>\$ 3,070,627</u>	<u>\$ 4,510,310</u>
Less: Allowances for doubtful amounts	<u>(635,859)</u>	<u>(485,859)</u>
	<u><u>\$ 2,434,768</u></u>	<u><u>\$ 4,024,451</u></u>

**8. Accounts Payable and Accrued Liabilities**

	<u>2015</u>	2014 Restated (See Note 3)
Trade payables and accruals	\$ 3,992,441	\$ 3,722,302
Contract deposits	1,212,511	745,705
Contract holdbacks	584,240	3,794,839
Accrued interest	52,655	14,207
	<u><u>\$ 5,841,847</u></u>	<u><u>\$ 8,277,053</u></u>

**9. Employee Benefits Liability**

Severance benefits - the City allocates to certain employee groups a specific amount of severance pay at the termination of employment, provided the employee meets the specific provisions of the plan.

Compensated absences - the City allocates to certain employee groups a specific number of days each year for use as paid absences. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their collective agreements.

Retirement benefits - the City extends post-employment life insurance, health and dental benefits to certain employee groups after retirement until the members reach 65 years of age.

Included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4) is \$352,452 (2014 - \$27,219) of employee benefits.

	<u>2015</u>	<u>2014</u>
Severance benefits	\$ 1,872,443	\$ 1,519,991
Compensated absences	310,875	317,115
Retirement benefits	113,929	127,874
	<u><u>\$ 2,297,247</u></u>	<u><u>\$ 1,964,980</u></u>

**10. Long Term Debt**

	<u>2015</u>	2014 Restated (See Note 3)
CIBC swap transaction loan with interest at a floating rate recalculated monthly at the swap rate, repayable in blended monthly installments of \$45,908 plus any unfavourable floating rate adjustments, maturing in 2018.	\$ 1,595,545	\$ 2,103,517
CIBC swap transaction loan with interest at a floating rate recalculated monthly at the swap rate, repayable in blended monthly installments of \$76,874 plus any unfavourable floating rate adjustments, maturing in 2019.	3,880,943	4,843,524

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**10. Long Term Debt (continued)**

CIBC swap transaction loan with interest at a floating rate recalculated monthly at the swap rate, repayable in blended monthly installments of \$80,160 plus any unfavourable floating rate adjustments, maturing in 2020.	<b>4,919,840</b>	-
RBC loan with interest of 2.33%, repayable in blended monthly installments of \$98,970, maturing in 2016.	<b>1,172,739</b>	2,318,494
CMHC loan with interest of 3.98% under the Municipal Infrastructure Lending Program, repayable in blended annual installments of \$1,753,597, maturing in 2024.	<b>13,223,603</b>	14,237,414
Newfoundland Municipal Financing Corporation loans with interest ranging from 7.375% to 14.5%, repayable in semi-annual installments with maturity dates between 2016 and 2021.	<b>488,943</b>	746,440
Federation of Canada Municipalities loan with interest of 1.47% under the Green Municipal Fund, repayable in semi-annual installments of \$15,000 plus interest, maturing in 2031.	<b>480,000</b>	510,000
Newfoundland and Labrador Housing Corporation ("NLHC") mortgage, interest free, with payments due on disposition of specified land held for sale. Repayment terms are subject to periodic review by NLHC.	<b>338,226</b>	338,226
	<b>\$ 26,099,839</b>	<b>\$ 25,097,615</b>

Principal payments required in each of the next five years are as follows:

2016	\$ 4,918,295
2017	\$ 3,782,946
2018	\$ 3,842,681
2019	\$ 3,739,496
2020	\$ 2,810,212

**11. Inventories held for use**

	<b>2015</b>	<b>2014 Restated (See Note 3)</b>
Land held for sale	<b>\$ 321,292</b>	\$ 321,292
Public Works	<b>427,370</b>	381,866
Salt	<b>400,488</b>	316,064
Sand	<b>35,616</b>	26,083
Fuel	<b>10,473</b>	10,704
	<b>\$ 1,195,239</b>	<b>\$ 1,056,009</b>

**12. Commitments**

The City has entered into multiple-year contracts for several operating leases on equipment. The required annual lease payments for the next four years are as follows:

2016	\$ 318,323
2017	\$ 315,227
2018	\$ 314,880
2019	\$ 314,880

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**13. Contingencies**

A statement of claim has been filed against the City for failure to pay and breach of contract. The claim relates to a construction project for which the City is withholding payment on the basis of unsatisfactory work performed. The City has maintained an accrual for a partial liability to the contractor, however, as the outcome of the claim is not determinable, a liability in excess of the amount accrued has not been recorded.

The City has received notices of multiple other claims. The nature of the additional claims are related to property entitlement, property damage and withheld payments, arising in the ordinary course of operations. No provision has been made for these claims either because the City is not expected to incur any significant liability, or because an estimate of loss, if any, is not determinable at this time.

**14. Budget**

In accordance with the City of Corner Brook Act, 1990 every council must adopt a financial plan for each fiscal period in a form approved of by the minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAS. For comparative purposes, the City has modified its financial plan to present a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by Council.

The reconciliation between the City's cash based financial plan and the PSAS accrual based budget figures used in these statements is disclosed in Schedule 5 - Reconciliation of the Financial Plan to the Consolidated PSAS Budget.

**15. Comparative Amounts**

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2015 consolidated financial statements.



**CITY OF CORNER BROOK**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2015**

**SCHEDULE 1**

	General Capital Assets			Infrastructure				Totals	
	Land and Land Improvements	Buildings	Machinery and Equipment	Recreation Infrastructure	Transportation Infrastructure	Water and Sewer	Assets Under Construction	2015	2014
<b>Cost</b>									
Opening costs	\$ 1,729,995	\$ 54,851,821	\$ 8,343,867	\$ 8,796,209	\$ 66,913,343	\$ 32,793,986	\$ 57,163,847	\$ 230,593,068	\$ 206,139,430
Additions during the year	84,400	1,282,324	1,194,544	213,789	4,073,358	-	9,771,225	16,619,640	24,737,884
Disposals and write downs	-	-	-	-	-	-	-	-	(284,246)
Transfers	-	37,550,140	-	1,850,069	145,223	8,557,755	(48,103,187)	-	-
Closing costs	1,814,395	93,684,285	9,538,411	10,860,067	71,131,924	41,351,741	18,831,885	247,212,708	230,593,068
<b>Accumulated Amortization</b>									
Opening accum'd amortization	-	13,530,047	6,406,356	5,465,616	40,132,487	13,233,366	-	78,767,872	72,813,591
Amortization	-	2,912,835	832,129	932,519	3,182,834	166,977	-	8,027,294	6,238,527
Disposals and write downs	-	-	-	-	-	-	-	-	(284,246)
Closing accum'd amortization	-	16,442,882	7,238,485	6,398,135	43,315,321	13,400,343	-	86,795,166	78,767,872
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 1,814,395</u>	<u>\$ 77,241,403</u>	<u>\$ 2,299,926</u>	<u>\$ 4,461,932</u>	<u>\$ 27,816,603</u>	<u>\$ 27,951,398</u>	<u>\$ 18,831,885</u>	<u>\$ 160,417,542</u>	<u>\$ 151,825,196</u>



**CITY OF CORNER BROOK**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**Year Ended December 31, 2015**

**SCHEDULE 2**

	<b>2015</b> <b>Actual</b>	<b>2014</b> <b>Actual</b>
<b>Taxation</b>		
Municipal tax	\$21,198,688	\$20,183,830
Business tax	5,914,260	6,029,457
Utility tax	1,289,729	1,274,134
Poll tax	497,440	416,400
Business surcharge	63,695	64,456
Water supply agreements	549,457	398,577
	<u>29,513,269</u>	<u>28,366,854</u>
<b>Sales of goods and services</b>		
Licences and permits	235,117	201,694
Recreation and community services	35,807	37,447
Facility rentals	731,605	207,668
Corner Brook Civic Centre revenue	1,361,441	592,867
Land Transactions	21,320	114,047
Fines	23,659	18,097
	<u>2,408,949</u>	<u>1,171,820</u>
<b>Government transfers and grants</b>		
Government of Newfoundland and Labrador		
Municipal capital grants	10,321,086	14,739,724
Gas tax revenue	794,665	840,615
Debt retirement grant	297,300	405,960
Grants in Lieu of Taxes		
Canadian Broadcasting Corporation	3,741	3,666
Government of Canada	101,333	113,188
	<u>11,518,125</u>	<u>16,103,153</u>
<b>Investment income</b>		
Interest from investments	<u>425,789</u>	<u>425,589</u>
<b>Other revenue</b>		
Miscellaneous	<u>90,430</u>	<u>255,762</u>
<b>Total Revenue</b>	<u><u>\$ 43,956,562</u></u>	<u><u>\$ 46,323,178</u></u>

**CITY OF CORNER BROOK  
CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2015**

**SCHEDULE 3**

	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>General government services</b>		
Executive and legislative	\$ 307,231	\$ 278,997
City Manager's office	460,198	292,826
Finance and Administration	2,101,656	2,204,085
	<u>2,869,085</u>	<u>2,775,908</u>
<b>Community Planning and Development</b>		
Administration	257,747	252,337
Business Resource Centre	22,390	135,313
Development and planning	146,415	141,021
Building inspection	334,687	335,679
Land management	85,663	41,155
Municipal enforcement	219,080	222,368
Animal control	116,511	94,520
Recreation and leisure	276,618	236,274
Sustainable development	120,596	80,793
	<u>1,579,707</u>	<u>1,539,460</u>
<b>Protective Services</b>		
Fire Protection	3,657,758	3,551,425
911 Centre	509,479	-
	<u>4,167,237</u>	<u>3,551,425</u>
<b>Public Works</b>		
Supervision and administration	2,355,603	1,988,392
Other operations payroll	1,005,358	956,787
Building maintenance	755,814	565,333
Street lighting	626,259	624,584
Snow clearing	2,167,483	2,033,741
Traffic control	313,949	188,371
Drainage	95,772	184,014
Street and storm sewer cleaning	305,357	275,947
Street maintenance	1,321,433	947,580
Sanitation and waste removal	947,258	912,105
Geographical information systems	15,565	1,919
	<u>9,909,851</u>	<u>8,678,773</u>
<b>Water and sewer</b>		
Water treatment plant	1,063,994	166,682
Purification and treatment	135,887	281,769
Water mains and hydrants	1,854,333	1,224,388
Sanitary systems	344,684	276,146
Regulators and meters	147,642	93,125
Reservoirs and intakes	84,602	69,200
Pumphouse	110,325	140,243
	<u>3,741,467</u>	<u>2,251,553</u>

**CITY OF CORNER BROOK  
CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2015**

**SCHEDULE 3**

**Parks and Recreation**

Parks

18

422,937

434,585

**Corner Brook Transit**

Transit contract subsidy

328,828326,333**Corner Brook Civic Centre**

Operating subsidy

-

565,364

Personnel services

953,525

282,237

Contract services

359,554

158,623

Utilities

184,119

92,417

Maintenance materials and supplies

677,113

348,329

Bank and credit card fees

18,218

-

Office

47,208

-

Special events

78,592

1,198

2,318,3291,448,168**Fiscal Services**

Grants

345,894

274,869

Long-term debt interest

838,193

838,322

Provision for uncollectible taxes, fees and charges

150,000

150,000

Amortization

8,027,293

6,238,527

9,361,3807,501,718**Total Expenses**\$ 34,698,821\$ 28,507,923

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2015

	General Government*		Community Planning and Development		Protective Services	
	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>						
Taxation	\$ 23,251,696	\$ 24,997,302	\$ -	\$ -	\$ -	\$ -
Sales of goods and services	-	-	-	87,822	-	-
Government transfers and grants	1,197,039	2,409,981	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	<u>24,448,735</u>	<u>27,407,283</u>	<u>-</u>	<u>87,822</u>	<u>-</u>	<u>-</u>
<b>EXPENSES</b>						
Personnel services	1,681,981	1,708,486	1,210,146	1,162,254	3,722,257	3,219,230
Contract services	649,298	699,839	169,256	225,379	74,695	60,256
Utilities	38,518	36,779	15,968	17,796	25,917	12,078
Maintenance materials and supplies	182,851	120,258	125,849	85,834	237,690	204,427
Grants and contributions	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Interest on long term debt	-	-	-	-	-	-
Other	316,437	210,546	58,488	48,197	106,678	55,434
Total expenses	<u>2,869,085</u>	<u>2,775,908</u>	<u>1,579,707</u>	<u>1,539,460</u>	<u>4,167,237</u>	<u>3,551,425</u>
<b>Surplus (Deficit)</b>	<u>\$ 21,579,650</u>	<u>\$ 24,631,375</u>	<u>\$ (1,579,707)</u>	<u>\$ (1,451,638)</u>	<u>\$ (4,167,237)</u>	<u>\$ (3,551,425)</u>

\* The general government category includes revenues and expenses that cannot be attributed to a particular sector.



**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2015**

**SCHEDULE 4 Cont...**

	<b>Public Works</b>		<b>Water and Sewer</b>		<b>Parks and Recreation</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>						
Taxation	\$ -	\$ -	\$ 6,261,573	\$ 2,323,000	\$ -	\$ -
Sales of goods and services	1,011,405	453,684	-	-	35,807	37,447
Government transfers and grants	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	90,430	255,762	-	-	-	-
Total revenue	<u>1,101,835</u>	<u>709,446</u>	<u>6,261,573</u>	<u>2,323,000</u>	<u>35,807</u>	<u>37,447</u>
<b>EXPENSES</b>						
Personnel services	4,656,124	6,280,239	1,320,200	1,738,548	197,933	323,322
Contract services	1,507,921	941,406	-	-	111,504	67,019
Utilities	1,119,338	932,562	289,852	210,022	10,706	16,653
Maintenance materials and supplies	2,540,922	432,558	1,899,808	302,983	102,517	10,674
Grants and contributions	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Interest on long term debt	-	-	-	-	-	-
Other	85,546	92,008	231,607	-	277	16,917
Total expenses	<u>9,909,851</u>	<u>8,678,773</u>	<u>3,741,467</u>	<u>2,251,553</u>	<u>422,937</u>	<u>434,585</u>
<b>Surplus (Deficit)</b>	<u>\$ (8,808,016)</u>	<u>\$ (7,969,327)</u>	<u>\$ 2,520,106</u>	<u>\$ 71,447</u>	<u>\$ (387,130)</u>	<u>\$ (397,138)</u>

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2015**

**SCHEDULE 4 Cont...**

	<b>Corner Brook Transit</b>		<b>Corner Brook Civic Centre</b>		<b>Fiscal Services</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of goods and services	296	-	1,361,441	592,867	-	-
Government transfers and grants	-	-	-	-	10,321,086	14,739,724
Investment income	-	-	-	-	425,789	425,589
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>296</b>	<b>-</b>	<b>1,361,441</b>	<b>592,867</b>	<b>10,746,874</b>	<b>15,165,313</b>
<b>EXPENSES</b>						
Personnel services	1,719	1,123	953,525	282,238	-	-
Contract services	327,109	325,210	359,554	158,623	-	-
Utilities	-	-	184,117	92,417	-	-
Maintenance materials and supplies	-	-	677,113	348,329	-	-
Grants and contributions	-	-	-	565,363	345,894	274,869
Amortization	-	-	-	-	8,027,293	6,238,527
Interest on long term debt	-	-	-	-	838,193	838,322
Other	-	-	144,020	1,198	150,000	150,000
<b>Total expenses</b>	<b>328,828</b>	<b>326,333</b>	<b>2,318,329</b>	<b>1,448,168</b>	<b>9,361,380</b>	<b>7,501,718</b>
<b>Surplus (Deficit)</b>	<b>\$ (328,532)</b>	<b>\$ (326,333)</b>	<b>\$ (956,888)</b>	<b>\$ (855,301)</b>	<b>\$ 1,385,494</b>	<b>\$ 7,663,595</b>

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2015**

**SCHEDULE 4 Cont...**

	<b>Total</b>	
	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>		
Taxation	\$ 29,513,269	\$ 27,320,302
Sales of goods and services	2,408,949	1,171,820
Government transfers and grants	11,518,125	17,149,705
Investment income	425,789	425,589
Other revenue	90,430	255,762
Total revenue	<u>43,956,562</u>	<u>46,323,178</u>
<b>EXPENSES</b>		
Personnel services	13,743,885	14,715,440
Contract services	3,199,337	2,477,732
Utilities	1,684,416	1,318,307
Maintenance materials and supplies	5,766,750	1,505,063
Grants and contributions	345,894	840,232
Amortization	8,027,293	6,238,527
Interest on long term debt	838,193	838,322
Other	1,093,053	574,300
Total expenses	<u>34,698,821</u>	<u>28,507,923</u>
<b>Surplus (Deficit)</b>	<u>\$ 9,257,741</u>	<u>\$ 17,815,255</u>



## RECONCILIATION OF THE FINANCIAL PLAN TO THE CONSOLIDATED PSAS BUDGET

Year Ended December 31, 2015

	Financial Plan	Amortization (TCA)	Interest Expense	Reserve Transfers	Long Term Accruals	PSAS Budget
<b>REVENUE</b>						
Taxation	\$ 27,981,500	\$ -	\$ -	\$ -	\$ -	\$ 27,981,500
Sales of goods and services	1,325,400	-	-	-	-	1,325,400
Government transfers and grants	2,753,500	-	-	-	-	2,753,500
Investment income	275,000	-	-	-	-	275,000
Other revenue	584,000	-	-	-	-	584,000
Transfers from reserves	171,100	-	-	(171,100)	-	-
Total revenue	33,090,500	-	-	(171,100)	-	32,919,400
<b>EXPENSES</b>						
General government services	3,321,300	-	-	-	-	3,321,300
Community planning and development	1,461,000	-	-	-	-	1,461,000
Protective services	3,860,800	-	-	-	-	3,860,800
Public works	9,690,300	-	-	-	-	9,690,300
Water and sewer	3,167,800	-	-	-	-	3,167,800
Parks and recreation	476,500	-	-	-	-	476,500
Corner Brook Transit	348,600	-	-	-	-	348,600
Corner Brook Civic Centre	1,833,900	-	-	-	-	1,833,900
Fiscal services						
Provision for uncollectible amounts	150,000	-	-	-	-	150,000
Grants and sponsorship	377,000	-	-	-	-	377,000
Capital expenditures	3,421,000	(2,410,000)	-	(1,011,000)	-	-
Debt charges	4,982,300	-	838,193	-	(4,982,300)	838,193
Amortization	-	7,946,326	-	-	-	7,946,326
Total expenses	33,090,500	5,536,326	838,193	(1,011,000)	(4,982,300)	33,471,719
<b>Surplus (Deficit)</b>	\$ -	\$ (5,536,326)	\$ (838,193)	\$ 839,900	\$ 4,982,300	\$ (552,319)

CITY OF CORNER BROOK  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
Year Ended December 31, 2015

**SCHEDULE 6**  
(Unaudited)

	<u>Wildcove Landfill Site</u>	<u>NLHC Paving</u>	<u>Water Reserve</u>	<u>Sewer Reserve</u>	<u>Land Acquisitions</u>	<u>Equipment Replacement</u>	<u>Gas Tax</u>
<b>REVENUE</b>							
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,665
<b>EXPENSES</b>							
Other expenses	90,001	-	-	-	-	-	-
<b>NET REVENUES</b>	(90,001)	-	-	-	-	-	794,665
<b>TRANSFERS</b>							
Transfers from operating fund	-	-	-	1,009,299	257,465	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	(1,013,347)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(90,001)	-	-	1,009,299	257,465	-	(218,682)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	168,072	99,643	251,528	5,643,428	667,065	243,621	1,554,090
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 78,071</u>	<u>\$ 99,643</u>	<u>\$ 251,528</u>	<u>\$ 6,652,727</u>	<u>\$ 924,530</u>	<u>\$ 243,621</u>	<u>\$ 1,335,408</u>

**CITY OF CORNER BROOK**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2015**

**SCHEDULE 6 cont...**  
**(Unaudited)**

	<b>Public Trust</b>	<b>Civic Centre</b>	<b>Snow Clearing</b>	<b>60th anniversary</b>	<b>2015 Total</b>	<b>2014 Total</b>
<b>REVENUE</b>						
Other income	\$ -	\$ -	\$ -	\$ -	\$ 794,665	\$ 857,793
<b>EXPENSES</b>						
Other expenses	-	106,009	-	-	196,010	-
<b>NET REVENUES</b>	-	(106,009)	-	-	598,655	857,793
<b>TRANSFERS</b>						
Transfers from operating fund	2,225	-	-	61,099	1,330,088	1,334,612
Acquisition of tangible capital assets	(4,027)	-	-	-	(1,017,374)	(224,226)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(1,802)	(106,009)	-	61,099	911,370	1,968,179
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	16,436	274,509	250,000	60,000	9,228,392	7,260,603
<b>FUND SURPLUS, END OF YEAR</b>	\$ 14,634	\$ 168,500	\$ 250,000	\$ 121,099	\$ 10,139,762	\$ 9,228,782