

CITY OF CORNER BROOK

**Consolidated Financial Statements
For the Year Ended December 31, 2016**

CITY OF CORNER BROOK

Consolidated Financial Statements

For the Year Ended December 31, 2016

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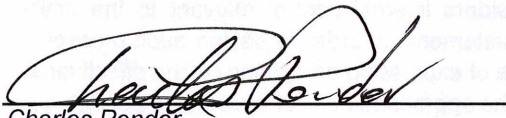
STATEMENT OF RESPONSIBILITY

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 City 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 City'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 City in accordance with Canadian public sector accounting standards.



Charles Pender
Mayor

Date July 17, 2017



Melissa Wiklund
City Manager

Date July 17, 2017

INDEPENDENT AUDITOR'S REPORT

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, 2016 and the consolidated statements of operations and accumulated surplus, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Corner Brook as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

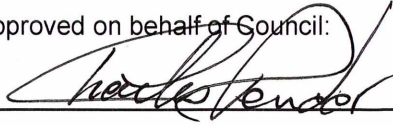
BDO Canada LLP
Corner Brook, Newfoundland and Labrador
July 12, 2017


Chartered Professional Accountants

**CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash (Note 5)	\$ 6,838,400	\$ 8,870,539
Accounts receivable (Note 6)	<u>3,650,014</u>	<u>3,798,300</u>
Total Financial Assets	<u>10,488,414</u>	<u>12,668,839</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	4,026,794	7,205,379
Employee benefits liability (Note 8)	1,484,731	2,297,247
Long-term debt (Note 9)	<u>21,269,643</u>	<u>26,099,839</u>
Total Liabilities	<u>26,781,168</u>	<u>35,602,464</u>
NET DEBT	<u>(16,292,754)</u>	<u>(22,933,625)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	160,711,268	160,417,542
Inventories (Note 10)	1,348,085	1,195,239
Prepaid expenses	<u>116,090</u>	<u>223,151</u>
Total Non-Financial Assets	<u>162,175,443</u>	<u>161,835,932</u>
ACCUMULATED SURPLUS	<u>\$ 145,882,689</u>	<u>\$ 138,902,307</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, 2016

	2016 Budget (Schedule 5)	2016 Actual	2015 Actual
REVENUE			
Taxation	\$ 29,086,000	\$ 29,990,730	\$ 29,513,269
Government transfers and grants	2,655,400	8,736,150	11,518,125
Sales of goods and services	1,394,700	2,822,690	2,408,949
Investment income	350,000	383,474	425,789
Other revenue	598,300	3,011	90,430
Total revenue (Schedules 2, 4 and 5)	34,084,400	41,936,055	43,956,562
EXPENSES			
General government services	3,245,600	2,979,839	2,869,085
Community planning and development	1,675,300	1,432,233	1,244,116
Protective services	4,759,200	4,670,990	4,502,828
Public works	8,757,500	9,216,158	9,909,851
Water and waste water	3,376,600	3,231,951	3,741,467
Parks and recreation	473,800	550,877	422,937
Corner Brook Transit	317,800	327,416	328,828
Corner Brook Civic Centre	1,854,400	2,389,183	2,318,329
Fiscal services	10,123,869	10,157,026	9,361,380
Total expenses (Schedules 3, 4 and 5)	34,584,069	34,955,673	34,698,821
ANNUAL SURPLUS	(499,669)	6,980,382	9,257,741
ACCUMULATED SURPLUS, BEGINNING OF YEAR	138,902,307	138,902,307	129,644,566
ACCUMULATED SURPLUS, END OF YEAR	\$ 138,402,638	\$ 145,882,689	\$ 138,902,307

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, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
ANNUAL SURPLUS	<u>\$ (499,669)</u>	<u>\$ 6,980,382</u>	<u>\$ 9,257,741</u>
Acquisition of tangible capital assets	(3,637,900)	(9,036,816)	(16,619,640)
Amortization of tangible capital assets	-	8,743,090	8,027,294
Acquisition of inventories	-	(152,846)	(139,230)
Use of prepaid expenses	-	107,061	12,293
	<u>(3,637,900)</u>	<u>(339,511)</u>	<u>(8,719,283)</u>
CHANGE IN NET DEBT	(4,137,569)	6,640,872	538,458
NET DEBT, BEGINNING OF YEAR	<u>(22,933,625)</u>	<u>(22,933,625)</u>	<u>(23,472,083)</u>
NET DEBT, END OF YEAR	<u><u>\$ (27,071,194)</u></u>	<u><u>\$ (16,292,754)</u></u>	<u><u>\$ (22,933,625)</u></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, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 6,980,382	\$ 9,257,741
Items not affecting cash:		
Amortization	8,743,090	8,027,293
Changes in non-cash items:		
Accounts receivable	148,286	2,953,214
Inventories held for use	(152,846)	(139,230)
Prepaid expenses	107,061	12,293
Accounts payable and accrued liabilities	(3,178,585)	(3,798,738)
Employee benefits liability	(812,516)	332,267
Cash provided by operating transactions	<u>11,834,873</u>	<u>16,644,840</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(9,036,816)</u>	<u>(16,619,640)</u>
Cash applied to capital transactions	<u>(9,036,816)</u>	<u>(16,619,640)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	5,000,000
Debt repayment	<u>(4,830,196)</u>	<u>(3,997,776)</u>
Cash provided by (applied to) to financing transactions	<u>(4,830,196)</u>	<u>1,002,224</u>
Increase (decrease) in cash	<u>(2,032,139)</u>	<u>1,027,424</u>
Cash, beginning of the year	<u>8,870,539</u>	<u>7,843,115</u>
Cash, end of the year	<u><u>\$ 6,838,400</u></u>	<u><u>\$ 8,870,539</u></u>

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, 2016

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 waste water, 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) Severance Benefits, Compensated Absences and Retirement Benefits

The City provides defined severance benefits, compensated absences and retirement benefits 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 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.
- 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 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.

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.

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 waste water infrastructure	5 years

2. Significant Accounting Policies (continued)

f) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement value. Cost is determined using the first-in, first-out method. Land inventory held for sale is recorded at lower of cost and net realizable value

g) 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.

h) 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.

i) 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.

3. 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.

4. 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.

5. 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, 2016

6. Accounts Receivable

	<u>2016</u>	<u>2015</u>
Taxes		
Municipal	\$ 1,804,991	\$ 1,978,596
Poll tax	207,792	215,697
Utility taxes	759,656	889,769
Tax rebate	647,774	610,954
Province of Newfoundland and Labrador	74,988	79,866
Grants in Lieu of Taxes - Corner Brook Pulp & Paper	201,115	197,987
Other	641,042	461,289
	<u>4,337,358</u>	<u>4,434,159</u>
Less: Allowances for doubtful amounts	(687,344)	(635,859)
	<u><u>\$ 3,650,014</u></u>	<u><u>\$ 3,798,300</u></u>

7. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Trade payables and accruals	\$ 2,588,959	\$ 5,355,973
Contract deposits	1,192,118	1,212,511
Contract holdbacks	200,746	584,240
Accrued interest	44,971	52,655
	<u><u>\$ 4,026,794</u></u>	<u><u>\$ 7,205,379</u></u>

8. 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 \$166,333 (2015 - \$352,452) of employee benefits.

	<u>2016</u>	<u>2015</u>
Severance benefits	\$ 1,173,353	\$ 1,872,443
Compensated absences	240,995	310,875
Retirement benefits	70,383	113,929
	<u><u>\$ 1,484,731</u></u>	<u><u>\$ 2,297,247</u></u>

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

9. Long-Term Debt

	<u>2016</u>	<u>2015</u>
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.	\$ 1,119,583	\$ 1,595,545
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.	2,980,824	3,880,943
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.	3,949,703	4,919,840
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.	11,973,040	13,223,603
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.	307,923	488,943
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.	450,000	480,000
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.	488,570	338,226
RBC loan was repaid during the year.	-	1,172,739
	<u>\$ 21,269,643</u>	<u>\$ 26,099,839</u>

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

2017	\$ 3,761,174
2018	\$ 3,866,859
2019	\$ 3,667,632
2020	\$ 2,709,739
2021	\$ 1,554,646

10. Inventories held for use

	<u>2016</u>	<u>2015</u>
Land held for sale	\$ 465,191	\$ 321,292
Public Works	396,214	427,370
Salt	430,065	400,488
Sand	42,789	35,616
Fuel	13,826	10,473
	<u>\$ 1,348,085</u>	<u>\$ 1,195,239</u>

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

11. Commitments

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

2017	\$	327,010
2018	\$	326,613
2019	\$	326,613
2020	\$	11,732
2021	\$	5,866

12. 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.

13. 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.

14. Segmented Information

General Government

This segment includes all revenues and expenses related to administrative departments and activities as well as the general operations of the City itself.

Community Planning and Development

This segment includes all expenses relating to planning, community development and business development.

Protective Services

This segment includes all revenues and expenses related to the municipal enforcement, fire and emergency services provided by the City.

Public Works

This segment includes all revenues and expenses for road maintenance and administration which includes sidewalks, traffic signals and systems and street lighting

Water and Waste Water

This segment includes all revenues and expenses relating to the maintenance and operation of the water and sewer facilities and waste management services while ensuring that these systems meet all provincial standards.

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

14. Segmented Information (continued)

Parks and Recreation

This segment includes all revenues and expenses relating to recreational facilities, parks and maintenance and related administration revenues and expenses.

Corner Brook Transit

This segment includes all revenues and expenses related to the City's transit system.

Corner Brook Civic Centre

This segment includes all revenues and expenses related to the operations of the Corner Brook Civic Centre.

Fiscal Services

This segment includes all revenues and expenses relating to municipal capital grants, municipal grants and contributions, uncollectible amounts, long-term debt interest and amortization of tangible capital assets.

15 Comparative Amounts

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2016 consolidated financial statements.

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2016

SCHEDULE 1

	General Capital Assets			Infrastructure				Totals	
	Land and Land Improvements	Buildings	Machinery and Equipment	Recreation Infrastructure	Transportation Infrastructure	Water and Waste Water	Assets Under Construction	2016	2015
Cost									
Opening 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
Additions during the year	113,999		301,025		3,551,819		5,069,973	9,036,816	16,619,640
Disposals and write downs	-	-	-	-	-	-	-	-	-
Transfers	-	5,874,033		11,988	1,249,768	10,524,860	(17,660,649)	-	-
Closing costs	1,928,394	99,558,318	9,839,436	10,872,055	75,933,511	51,876,601	6,241,209	256,249,524	247,212,708
Accumulated Amortization									
Opening accum'd amortization	-	16,442,882	7,238,485	6,398,135	43,315,321	13,400,343	-	86,795,166	78,767,873
Amortization	-	2,462,241	594,194	714,486	3,394,047	1,578,122	-	8,743,090	8,027,293
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing accum'd amortization	-	18,905,123	7,832,679	7,112,621	46,709,368	14,978,465	-	95,538,256	86,795,166
Net Book Value of Tangible Capital Assets	<u>\$ 1,928,394</u>	<u>\$ 80,653,195</u>	<u>\$ 2,006,757</u>	<u>\$ 3,759,434</u>	<u>\$ 29,224,143</u>	<u>\$ 36,898,136</u>	<u>\$ 6,241,209</u>	<u>\$ 160,711,268</u>	<u>\$ 160,417,542</u>

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2016

SCHEDULE 2

	2016 Actual	2015 Actual
Taxation		
Municipal tax	\$ 21,288,241	\$ 21,198,688
Business tax	6,320,009	5,914,260
Utility tax	1,184,127	1,289,729
Poll tax	466,333	497,440
Business surcharge	72,006	63,695
Water supply agreements	660,014	549,457
	<u>29,990,730</u>	<u>29,513,269</u>
Government Transfers and Grants		
Government of Newfoundland and Labrador		
Municipal capital grants	7,588,674	10,321,086
Gax tax revenue	824,434	794,665
Debt retirement grant	206,597	297,300
Grants in Lieu of Taxes		
Government of Canada	116,445	105,074
	<u>8,736,150</u>	<u>11,518,125</u>
Sales of Goods and Services		
Licences and permits	304,821	235,117
Recreation and community services	37,017	35,807
Facility rentals	808,730	731,605
Corner Brook Civic Centre revenue	1,506,139	1,361,441
Land Transactions	145,806	21,320
Fines	20,177	23,659
	<u>2,822,690</u>	<u>2,408,949</u>
Investment Income		
Interest from investments	383,474	425,789
Other Revenue		
Miscellaneous	3,011	90,430
Total Revenue	<u>\$ 41,936,055</u>	<u>\$ 43,956,562</u>

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016

SCHEDULE 3

	2016 Actual	2015 Actual
General Government		
Executive and legislative	\$ 329,236	\$ 307,231
City Manager's office	456,894	460,198
Finance and Administration	2,193,709	2,101,656
	<u>2,979,839</u>	<u>2,869,085</u>
Community Planning and Development		
Administration	349,700	257,747
Business Resource Centre	46,058	22,390
Development and planning	141,344	146,415
Building inspection	317,506	334,687
Land management	78,792	85,663
Recreation and leisure	375,881	276,618
Sustainable development	122,952	120,596
	<u>1,432,233</u>	<u>1,244,116</u>
Protective Services		
Fire Protection	3,683,735	3,657,758
911 Centre	642,058	509,479
Municipal enforcement	222,373	219,080
Animal control	122,824	116,511
	<u>4,670,990</u>	<u>4,502,828</u>
Public Works		
Supervision and administration	2,228,340	2,355,603
Other operations payroll	625,861	1,005,358
Building maintenance	789,541	755,814
Street lighting	621,844	626,259
Snow clearing	1,953,945	2,167,483
Traffic control	404,991	313,949
Drainage	213,245	95,772
Street and storm sewer cleaning	372,540	305,357
Street maintenance	1,081,023	1,321,433
Sanitation and waste removal	909,652	947,258
Geographical information systems	15,176	15,565
	<u>9,216,158</u>	<u>9,909,851</u>
Water and waste water		
Water treatment plant	1,301,176	1,063,994
Purification and treatment	105,891	135,887
Water mains and hydrants	1,141,091	1,854,333
Sanitary systems	356,672	344,684
Regulators and meters	154,037	147,642
Reservoirs and intakes	73,034	84,602
Pumphouse	100,050	110,325
	<u>3,231,951</u>	<u>3,741,467</u>

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2016**

SCHEDULE 3 Cont...

Parks and Recreation		
Parks	<u>550,877</u>	<u>422,937</u>
Corner Brook Transit		
Transit contract subsidy	<u>327,416</u>	<u>328,828</u>
Corner Brook Civic Centre		
Administrative expenses	484,652	596,957
Operating expenses	<u>1,904,531</u>	<u>1,721,372</u>
	<u>2,389,183</u>	<u>2,318,329</u>
Fiscal Services		
Grants	331,157	345,894
Long-term debt interest	877,779	838,193
Provision for uncollectible taxes, fees and charges	205,000	150,000
Amortization of tangible capital assets	<u>8,743,090</u>	<u>8,027,293</u>
	<u>10,157,026</u>	<u>9,361,380</u>
Total Expenses	<u><u>\$ 34,955,673</u></u>	<u><u>\$ 34,698,821</u></u>

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

SCHEDULE 4

	General Government*		Community Planning and Development		Protective Services	
	2016	2015	2016	2015	2016	2015
REVENUE						
Taxation	\$ 23,625,545	\$ 23,251,696	\$ -	\$ -	\$ -	\$ -
Government transfers and grants	1,147,476	1,197,039	-	-	-	-
Sales of goods and services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	<u>24,773,021</u>	<u>24,448,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES						
Personnel services	1,812,250	1,681,981	1,072,690	942,818	4,175,986	3,989,585
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	147,502	182,851	133,799	73,671	255,185	289,868
Contract services	693,004	649,298	148,402	153,171	75,099	90,780
Utilities	31,955	38,518	18,870	15,968	29,633	25,917
Other	295,128	316,437	58,472	58,488	135,087	106,678
Interest on long term debt	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Total expenses	<u>2,979,839</u>	<u>2,869,085</u>	<u>1,432,233</u>	<u>1,244,116</u>	<u>4,670,991</u>	<u>4,502,828</u>
Surplus (Deficit)	<u>\$ 21,793,182</u>	<u>\$ 21,579,650</u>	<u>\$ (1,432,233)</u>	<u>\$ (1,244,116)</u>	<u>\$ (4,670,991)</u>	<u>\$ (4,502,828)</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, 2016

SCHEDULE 4 Cont...

	Public Works		Water and Waste Water		Parks and Recreation	
	2016	2015	2016	2015	2016	2015
REVENUE						
Taxation	\$ -	\$ -	\$ 6,365,185	\$ 6,261,573	\$ -	\$ -
Government transfers and grants	-	-	-	-	-	-
Sales of goods and services	1,279,534	1,011,405	-	-	37,017	35,807
Investment income	-	-	-	-	-	-
Other revenue	3,011	90,430	-	-	-	-
Total revenue	<u>1,282,545</u>	<u>1,101,835</u>	<u>6,365,185</u>	<u>6,261,573</u>	<u>37,017</u>	<u>35,807</u>
EXPENSES						
Personnel services	4,308,940	4,656,124	1,270,328	1,320,200	279,440	197,933
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	2,454,330	2,540,922	1,597,979	1,899,808	84,404	102,517
Contract services	1,387,202	1,507,921	-	-	138,666	111,504
Utilities	959,515	1,119,338	314,289	289,852	30,473	10,706
Other	106,171	85,546	49,355	231,607	17,894	277
Interest on long term debt	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Total expenses	<u>9,216,158</u>	<u>9,909,851</u>	<u>3,231,951</u>	<u>3,741,467</u>	<u>550,877</u>	<u>422,937</u>
Surplus (Deficit)	<u>\$ (7,933,613)</u>	<u>\$ (8,808,016)</u>	<u>\$ 3,133,234</u>	<u>\$ 2,520,106</u>	<u>\$ (513,860)</u>	<u>\$ (387,130)</u>

CITY OF CORNER BROOK

SCHEDULE 4 Cont...

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2016

	Corner Brook Transit		Corner Brook Civic Centre		Fiscal Services	
	2016	2015	2016	2015	2016	2015
REVENUE						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government transfers and grants	-	-	-	-	7,588,674	10,321,086
Sales of goods and services	-	296	1,506,139	1,361,441	-	-
Investment income	-	-	-	-	383,474	425,789
Other revenue	-	-	-	-	-	-
Total revenue	-	296	1,506,139	1,361,441	7,972,148	10,746,874
EXPENSES						
Personnel services	3,412	1,719	974,322	953,525	-	-
Amortization	-	-	-	-	8,743,090	8,027,293
Maintenance materials and supplies	-	-	769,913	677,113	-	-
Contract services	324,004	327,109	315,306	359,554	-	-
Utilities	-	-	52,451	184,117	-	-
Other	-	-	277,191	144,020	205,000	150,000
Interest on long term debt	-	-	-	-	877,779	838,193
Grants and contributions	-	-	-	-	331,157	345,894
Total expenses	327,416	328,828	2,389,183	2,318,329	10,157,026	9,361,380
Surplus (Deficit)	\$ (327,416)	\$ (328,532)	\$ (883,044)	\$ (956,888)	\$ (2,184,878)	\$ 1,385,494

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2016

SCHEDULE 4 Cont...

	Total	
	2016	2015
REVENUE		
Taxation	\$ 29,990,730	\$ 29,513,269
Government transfers and grants	8,736,150	11,518,125
Sales of goods and services	2,822,690	2,408,949
Investment income	383,474	425,789
Other revenue	3,011	90,430
Total revenue	<u>41,936,055</u>	<u>43,956,562</u>
EXPENSES		
Personnel services	13,897,368	13,743,885
Amortization	8,743,090	8,027,293
Maintenance materials and supplies	5,443,112	5,766,750
Contract services	3,081,683	3,199,337
Utilities	1,437,186	1,684,416
Other	1,144,298	1,093,053
Interest on long term debt	877,779	838,193
Grants and contributions	331,157	345,894
Total expenses	<u>34,955,673</u>	<u>34,698,821</u>
Surplus (Deficit)	<u>\$ 6,980,382</u>	<u>\$ 9,257,741</u>

CITY OF CORNER BROOK

SCHEDULE 5

RECONCILIATION OF THE FINANCIAL PLAN TO THE CONSOLIDATED PSAS BUDGET

Year Ended December 31, 2016

	Financial Plan	Amortization (TCA)	Interest Expense	Reserve Transfers	Long Term Accruals	PSAS Budget
REVENUE						
Taxation	\$ 29,086,000	\$ -	\$ -	\$ -	\$ -	\$ 29,086,000
Government transfers and grants	2,655,400	-	-	-	-	2,655,400
Sales of goods and services	1,394,700	-	-	-	-	1,394,700
Investment income	350,000	-	-	-	-	350,000
Other revenue	598,300	-	-	-	-	598,300
Transfers from reserves	351,500	-	-	(351,500)	-	-
Total revenue	34,435,900	-	-	(351,500)	-	34,084,400
EXPENSES						
General government services	3,245,600	-	-	-	-	3,245,600
Community planning and development	1,675,300	-	-	-	-	1,675,300
Protective services	4,759,200	-	-	-	-	4,759,200
Public works	8,757,500	-	-	-	-	8,757,500
Water and waste water	3,376,600	-	-	-	-	3,376,600
Parks and recreation	473,800	-	-	-	-	473,800
Corner Brook Transit	317,800	-	-	-	-	317,800
Corner Brook Civic Centre	1,854,400	-	-	-	-	1,854,400
Fiscal services						
Provision for uncollectible amounts	150,000	-	-	-	-	150,000
Grants and sponsorship	353,000	-	-	-	-	353,000
Capital expenditures	3,637,900	(2,620,300)	-	(1,017,600)	-	-
Debt charges	5,834,800	-	877,779	-	(5,834,800)	877,779
Amortization	-	8,743,090	-	-	-	8,743,090
Total expenses	34,435,900	6,122,790	877,779	(1,017,600)	(5,834,800)	34,584,069
Surplus (Deficit)	\$ -	\$ (6,122,790)	\$ (877,779)	\$ 666,100	\$ 5,834,800	\$ (499,669)

CITY OF CORNER BROOK
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016

SCHEDULE 6
(Unaudited)

	<u>Wildcove Landfill Site</u>	<u>NLHC Paving</u>	<u>Water Reserve</u>	<u>Waste Water Reserve</u>	<u>Land Acquisitions</u>	<u>Equipment Replacement</u>	<u>Gas Tax</u>
REVENUE							
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 824,434
EXPENSES							
Other expenses	-	-	-	-	-	-	-
NET REVENUES	-	-	-	-	-	-	824,434
TRANSFERS							
Transfers from operating fund	-	-	-	680,458	(35,200)	250,000	-
Acquisition of tangible capital assets	-	(99,643)	(251,528)	-	-	-	(978,813)
CHANGE IN RESERVE FUND BALANCES	-	(99,643)	(251,528)	680,458	(35,200)	250,000	(154,379)
FUND SURPLUS, BEGINNING OF YEAR	78,071	99,643	251,528	6,652,727	924,530	243,621	1,335,408
FUND SURPLUS, END OF YEAR	<u>\$ 78,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,333,185</u>	<u>\$ 889,330</u>	<u>\$ 493,621</u>	<u>\$ 1,181,029</u>

CITY OF CORNER BROOK
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2016

SCHEDULE 6 cont...
(Unaudited)

	<u>Public Trust</u>	<u>Civic Centre</u>	<u>Operating and Environment</u>	<u>60th anniversary</u>	<u>2016 Total</u>	<u>2015 Total</u>
REVENUE						
Other income	\$ -	\$ -	\$ -	\$ -	\$ 824,434	\$ 794,665
EXPENSES						
Other expenses	-	168,500	-	121,100	289,600	196,010
NET REVENUES	-	(168,500)	-	(121,100)	534,834	598,655
TRANSFERS						
Transfers from operating fund	1,721	-	222,500		1,119,479	1,330,088
Acquisition of tangible capital assets	(2,870)	-	-	-	(1,332,854)	(1,017,373)
CHANGE IN RESERVE FUND BALANCES	(1,149)	(168,500)	222,500	(121,100)	321,459	911,370
FUND SURPLUS, BEGINNING OF YEAR	14,634	168,500	250,000	121,100	10,139,762	9,228,392
FUND SURPLUS, END OF YEAR	<u>\$ 13,485</u>	<u>\$ -</u>	<u>\$ 472,500</u>	<u>\$ -</u>	<u>\$ 10,461,221</u>	<u>\$ 10,139,762</u>

