

**CITY OF CORNER BROOK**

Consolidated Financial Statements

Year Ended December 31, 2017

# **CITY OF CORNER BROOK**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2017**

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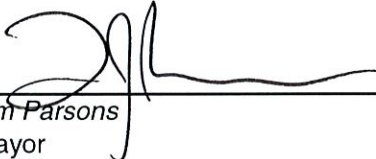
## STATEMENT OF RESPONSIBILITY

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.

  
\_\_\_\_\_  
Jim Parsons  
Mayor

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Dale Park  
Acting City Manager

  
\_\_\_\_\_  
Date



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## 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, 2017 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.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Corner Brook as at December 31, 2017, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Corner Brook, Newfoundland and Labrador  
June 11, 2018

*BDO Canada LLP*

Chartered Professional Accountants

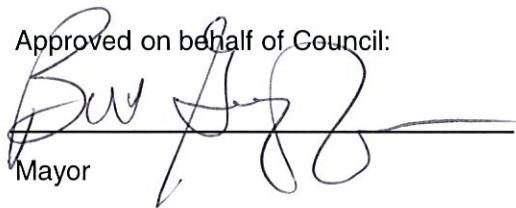
**CITY OF CORNER BROOK  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash (Note 5)	\$ 10,545,062	\$ 6,838,400
Accounts receivable (Note 6)	<u>6,954,409</u>	<u>3,650,014</u>
Total Financial Assets	<u>17,499,471</u>	<u>10,488,414</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	4,831,089	4,026,794
Employee benefits liability (Note 8)	1,208,724	1,484,731
Long-term debt (Note 9)	<u>20,913,983</u>	<u>21,269,643</u>
Total Liabilities	<u>26,953,796</u>	<u>26,781,168</u>
<b>NET DEBT</b>	<u>(9,454,325)</u>	<u>(16,292,754)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	162,463,960	160,711,268
Inventories (Note 10)	1,289,409	1,348,085
Prepaid expenses	<u>50,511</u>	<u>116,090</u>
Total Non-Financial Assets	<u>163,803,880</u>	<u>162,175,443</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 154,349,555</u>	<u>\$ 145,882,689</u>

Approved on behalf of Council:

Dept.

Mayor



City Manager (A)



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

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2017**

	2017 Budget (Schedule 5)	2017 Actual	2016 Actual
<b>REVENUE</b>			
Taxation	\$ 28,928,800	\$ 30,280,232	\$ 29,990,730
Government transfers	3,214,700	8,497,149	8,736,150
Sales of goods and services	2,009,800	2,785,305	2,822,690
Investment income	350,000	495,357	383,474
Other revenue	124,000	11,058	3,011
Total revenue (Schedules 2, 4 and 5)	<u>34,627,300</u>	<u>42,069,101</u>	<u>41,936,055</u>
<b>EXPENSES</b>			
General government services	3,477,700	3,060,297	3,122,724
Community engineering, planning and development	1,517,300	1,963,543	1,997,633
Protective services	5,011,100	4,882,971	4,670,990
Public works	8,697,100	8,488,363	8,571,967
Water and waste water	3,249,400	3,178,077	3,231,951
Parks and recreation	491,100	564,023	550,877
Corner Brook Transit	335,500	316,815	327,416
Corner Brook Civic Centre	2,416,000	2,361,332	2,389,183
Fiscal services	8,786,814	8,786,814	10,092,932
Total expenses (Schedules 3, 4 and 5)	<u>33,982,014</u>	<u>33,602,235</u>	<u>34,955,673</u>
<b>ANNUAL SURPLUS</b>	645,286	8,466,866	6,980,382
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>145,882,689</u>	<u>145,882,689</u>	<u>138,902,307</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 146,527,975</u>	<u>\$ 154,349,555</u>	<u>\$ 145,882,689</u>

*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, 2017**

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	2017 Budget	2017 Actual	2016 Actual
<b>ANNUAL SURPLUS</b>	<u>\$ 645,286</u>	<u>\$ 8,466,866</u>	<u>\$ 6,980,382</u>
Acquisition of tangible capital assets	(3,613,900)	<b>(9,427,230)</b>	(9,036,816)
Amortization of tangible capital assets	-	<b>7,674,538</b>	8,743,090
Use (acquisition) of inventories	-	<b>58,676</b>	(152,846)
Use of prepaid expenses	-	<b>65,579</b>	107,061
	<u>(3,613,900)</u>	<u>(1,628,437)</u>	<u>(339,511)</u>
<b>CHANGE IN NET DEBT</b>	(2,968,614)	<b>6,838,429</b>	6,640,871
<b>NET DEBT, BEGINNING OF YEAR</b>	<u>(16,292,754)</u>	<u>(16,292,754)</u>	<u>(22,933,625)</u>
<b>NET DEBT, END OF YEAR</b>	<u><u>\$ (19,261,368)</u></u>	<u><u>\$ (9,454,325)</u></u>	<u><u>\$ (16,292,754)</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, 2017**

	<u>2017</u>	<u>2016</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 8,466,866	\$ 6,980,382
Items not affecting cash:		
Amortization	7,674,538	8,743,090
Changes in non-cash items:		
Accounts receivable	(3,304,395)	148,286
Inventories held for use	58,676	(152,846)
Prepaid expenses	65,579	107,061
Accounts payable and accrued liabilities	804,295	(3,178,585)
Employee benefits liability	(276,007)	(812,516)
<b>Cash provided by operating transactions</b>	<u>13,489,552</u>	<u>11,834,872</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(9,427,230)	(9,036,816)
<b>Cash applied to capital transactions</b>	<u>(9,427,230)</u>	<u>(9,036,816)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	4,000,000	-
Debt repayment	(4,355,660)	(4,830,195)
<b>Cash applied to financing transactions</b>	<u>(355,660)</u>	<u>(4,830,195)</u>
<b>Increase (decrease) in cash</b>	<b>3,706,662</b>	<b>(2,032,139)</b>
<b>Cash, beginning of the year</b>	<u>6,838,400</u>	<u>8,870,539</u>
<b>Cash, end of the year</b>	<u><u>\$ 10,545,062</u></u>	<u><u>\$ 6,838,400</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, 2017**

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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 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. The reporting entity is comprised of the City of Corner Brook and the Corner Brook Civic Centre.

**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 annual surplus, 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 - 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	10 - 60 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

**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**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and are reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates. Estimates include the allowance for doubtful accounts relating to the collection of tax revenues, the useful lives of tangible capital assets and the assumptions used in determining the obligation for retirement benefits and employee benefits.

**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.

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**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 operating cash position held with the bank is negative. At December 31, 2017, \$1,205,425 was drawn upon (2016 - \$Nil).

**6. Accounts Receivable**

	<u>2017</u>	<u>2016</u>
Taxes		
Municipal	\$ 2,458,519	\$ 1,804,991
Poll tax	355,632	207,793
Utility taxes	903,297	759,656
Tax rebate	558,722	647,774
Province of Newfoundland and Labrador	1,820,719	74,988
Grants in Lieu of Taxes - Corner Brook Pulp & Paper	623,385	201,115
Other	<u>967,703</u>	<u>641,041</u>
	7,687,977	4,337,358
Less: Allowances for doubtful amounts	<u>(733,568)</u>	<u>(687,344)</u>
	<u>\$ 6,954,409</u>	<u>\$ 3,650,014</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2017</u>	<u>2016</u>
Trade payables and accruals	\$ 2,388,208	\$ 1,906,447
Contract deposits	1,227,618	1,192,118
Capital payables	1,000,110	682,512
Contract holdbacks	176,854	200,746
Accrued interest	<u>38,299</u>	<u>44,971</u>
	<u>\$ 4,831,089</u>	<u>\$ 4,026,794</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.

These benefit liabilities have not been actuarially calculated.

Included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4) is \$86,512 (2016 - \$166,333) of employee benefits.

	<u>2017</u>	<u>2016</u>
Severance benefits	\$ 932,496	\$ 1,173,353
Compensated absences	198,764	240,995
Retirement benefits	<u>77,464</u>	<u>70,383</u>
	<u>\$ 1,208,724</u>	<u>\$ 1,484,731</u>

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**9. Long-Term Debt**

	<u>2017</u>	<u>2016</u>
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.	\$ 10,672,706	\$ 11,973,040
RBC swap transaction loan with interest at a floating rate recalculated monthly at the swap rate, ranging from 1.85% to prime rate, repayable in blended monthly installments of \$69,849 plus any unfavourable floating rate adjustments, maturing in 2022.	3,617,000	-
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.	2,964,399	3,949,703
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.	1,979,123	2,980,824
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.	588,840	1,119,583
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	488,570
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.	420,000	450,000
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.	183,345	307,923
	<u>\$ 20,913,983</u>	<u>\$ 21,269,643</u>

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

2018	\$ 4,650,703
2019	\$ 4,329,653
2020	\$ 3,440,488
2021	\$ 2,380,667
2022	\$ 1,858,202

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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**10. Inventories held for use**

	<u>2017</u>	<u>2016</u>
Land held for sale	\$ 431,846	\$ 465,191
Public Works	382,930	396,214
Salt	411,303	430,065
Sand	48,604	42,789
Fuel	14,726	13,826
	<u>\$ 1,289,409</u>	<u>\$ 1,348,085</u>

**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:

2018	\$ 363,212
2019	\$ 363,212
2020	\$ 48,331
2021	\$ 42,465
2022	\$ 36,599

**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 of \$151,117 in accounts payable and accrued liabilities for the expected 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.

**CITY OF CORNER BROOK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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**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 Engineering Development and Planning

This segment includes all expenses relating to planning, engineering, 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.

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 Figures**

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2017 consolidated financial statements.

**CITY OF CORNER BROOK**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2017**

**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	2017	2016
<b>Cost</b>									
Opening 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
Additions during the year	99,518	-	969,163	-	-	-	8,358,549	9,427,230	9,036,816
Disposals and write downs	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing costs	2,027,912	99,558,318	10,808,599	10,872,055	75,933,511	51,876,601	14,599,758	265,676,754	256,249,524
<b>Accumulated Amortization</b>									
Opening accum'd amortization	-	18,905,123	7,832,679	7,112,621	46,709,368	14,978,465	-	95,538,256	86,795,166
Amortization	-	2,462,240	624,896	820,937	2,254,581	1,511,884	-	7,674,538	8,743,090
Disposals and write downs	-	-	-	-	-	-	-	-	-
Closing accum'd amortization	-	21,367,363	8,457,575	7,933,558	48,963,949	16,490,349	-	103,212,794	95,538,256
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 2,027,912</b>	<b>\$ 78,190,955</b>	<b>\$ 2,351,024</b>	<b>\$ 2,938,497</b>	<b>\$ 26,969,562</b>	<b>\$ 35,386,252</b>	<b>\$ 14,599,758</b>	<b>\$ 162,463,960</b>	<b>\$ 160,711,268</b>

**CITY OF CORNER BROOK**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year Ended December 31, 2017

**SCHEDULE 2**

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>Taxation</b>		
Municipal tax	\$ 21,559,848	\$ 21,288,241
Business tax	6,497,577	6,320,009
Utility tax	1,109,333	1,184,127
Poll tax	365,280	466,333
Business surcharge	74,813	72,006
Water supply agreements	673,381	660,014
	<u>30,280,232</u>	<u>29,990,730</u>
<b>Government Transfers</b>		
Government of Newfoundland and Labrador		
Municipal capital grants	7,399,604	7,588,674
Gas tax revenue	838,886	824,434
Debt retirement grant	141,921	206,597
Grants in Lieu of Taxes		
Government of Canada	116,738	116,445
	<u>8,497,149</u>	<u>8,736,150</u>
<b>Sales of Goods and Services</b>		
Licences and permits	268,837	304,821
Recreation and community services	49,756	37,017
Facility rentals	1,085,072	808,730
Corner Brook Civic Centre revenue	1,349,630	1,506,139
Land Transactions	10,794	145,806
Fines	21,216	20,177
	<u>2,785,305</u>	<u>2,822,690</u>
<b>Interest revenue</b>		
Interest	495,357	383,474
<b>Other Revenue</b>		
Miscellaneous	11,058	3,011
<b>Total Revenue</b>	<u><u>\$ 42,069,101</u></u>	<u><u>\$ 41,936,055</u></u>



**CITY OF CORNER BROOK  
CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2017**

**SCHEDULE 3**

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>General Government Services</b>		
Executive and legislative	\$ 358,866	\$ 329,236
City Manager's office	472,332	456,894
Finance and Administration	<u>2,229,099</u>	<u>2,336,594</u>
	<u>3,060,297</u>	<u>3,122,724</u>
<b>Community Engineering, Planning and Development</b>		
Administration	210,907	349,700
Business Resource Centre	170,956	46,058
Development and planning	129,613	141,344
Building inspection	335,641	317,506
Engineering	600,643	629,016
Geographical information systems	93,774	15,176
Recreation and leisure	331,695	375,881
Sustainable development	<u>90,314</u>	<u>122,952</u>
	<u>1,963,543</u>	<u>1,997,633</u>
<b>Protective Services</b>		
Fire Protection	3,819,284	3,683,735
911 Centre	710,504	642,058
Municipal enforcement	235,721	222,373
Animal control	<u>117,462</u>	<u>122,824</u>
	<u>4,882,971</u>	<u>4,670,990</u>
<b>Public Works</b>		
Supervision and administration	1,586,285	1,599,325
Other operations payroll	623,087	625,861
Building maintenance	713,451	789,541
Street lighting	570,617	621,844
Snow clearing	2,122,520	1,953,945
Traffic control	305,018	404,991
Drainage	72,672	213,245
Street and storm sewer cleaning	367,937	372,540
Street maintenance	1,241,519	1,081,023
Sanitation and waste removal	<u>885,258</u>	<u>909,652</u>
	<u>8,488,363</u>	<u>8,571,967</u>
<b>Water and waste water</b>		
Water treatment plant	1,174,667	1,301,176
Purification and treatment	114,224	105,891
Water mains and hydrants	1,190,808	1,141,091
Sanitary systems	401,770	356,672
Regulators and meters	151,105	154,037
Reservoirs and intakes	84,598	73,034
Pumphouse	<u>60,905</u>	<u>100,050</u>
	<u>3,178,077</u>	<u>3,231,951</u>

**CITY OF CORNER BROOK  
CONSOLIDATED SCHEDULE OF EXPENSES  
Year Ended December 31, 2017**

**SCHEDULE 3 Cont...**

<b>Parks and Recreation</b>		
Parks	<u>564,023</u>	<u>550,877</u>
<b>Corner Brook Transit</b>		
Transit contract subsidy	<u>316,815</u>	<u>327,416</u>
<b>Corner Brook Civic Centre</b>		
Administrative expenses	484,993	488,718
Operating expenses	<u>1,876,339</u>	<u>1,900,465</u>
	<u>2,361,332</u>	<u>2,389,183</u>
<b>Fiscal Services</b>		
Grants	249,500	267,063
Long-term debt interest	712,776	877,779
Provision for uncollectible taxes, fees and charges	150,000	205,000
Amortization of tangible capital assets	<u>7,674,538</u>	<u>8,743,090</u>
	<u>8,786,814</u>	<u>10,092,932</u>
<b>Total Expenses</b>	<u><u>\$ 33,602,235</u></u>	<u><u>\$ 34,955,673</u></u>

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2017**

**SCHEDULE 4**

	General Government*		Community Engineering, Planning and Development		Protective Services	
	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>						
Taxation	\$ 23,874,477	\$ 23,625,545	\$ -	\$ -	\$ -	\$ -
Government transfers	1,097,545	1,147,476	-	-	-	-
Sales of goods and services	1,385,919	1,279,534	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	11,058	3,011	-	-	-	-
Total revenue	<u>26,368,999</u>	<u>26,055,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENSES</b>						
Personnel services	1,855,704	1,872,077	1,500,548	1,638,090	4,370,010	4,175,986
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	195,024	147,502	135,316	133,799	239,341	255,185
Contract services	654,108	711,969	195,703	148,402	91,652	75,099
Utilities	32,137	31,955	20,513	18,870	28,779	29,633
Other	248,511	295,128	111,463	58,472	153,189	135,087
Interest on long-term debt	-	-	-	-	-	-
Grants and contributions	74,813	64,093	-	-	-	-
Total expenses	<u>3,060,297</u>	<u>3,122,724</u>	<u>1,963,543</u>	<u>1,997,633</u>	<u>4,882,971</u>	<u>4,670,990</u>
<b>Surplus (Deficit)</b>	<u>\$ 23,308,702</u>	<u>\$ 22,932,842</u>	<u>\$ (1,963,543)</u>	<u>\$ (1,997,633)</u>	<u>\$ (4,882,971)</u>	<u>\$ (4,670,990)</u>

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

## CITY OF CORNER BROOK

## SCHEDULE 4 Cont...

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2017

	Public Works		Water and Waste Water		Parks and Recreation	
	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>						
Taxation	\$ -	\$ -	\$ 6,405,755	\$ 6,365,185	\$ -	\$ -
Government transfers	-	-	-	-	-	-
Sales of goods and services	-	-	-	-	49,756	37,017
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>6,405,755</u>	<u>6,365,185</u>	<u>49,756</u>	<u>37,017</u>
<b>EXPENSES</b>						
Personnel services	3,765,160	3,743,540	1,281,918	1,270,328	287,686	279,440
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	2,520,677	2,454,330	1,564,300	1,597,979	88,861	84,404
Contract services	1,220,052	1,308,411	-	-	157,743	138,666
Utilities	832,771	959,515	258,000	314,289	9,062	30,473
Other	149,704	106,171	73,859	49,355	20,671	17,894
Interest on long-term debt	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Total expenses	<u>8,488,363</u>	<u>8,571,967</u>	<u>3,178,077</u>	<u>3,231,951</u>	<u>564,023</u>	<u>550,877</u>
<b>Surplus (Deficit)</b>	<u>\$ (8,488,363)</u>	<u>\$ (8,571,967)</u>	<u>\$ 3,227,678</u>	<u>\$ 3,133,234</u>	<u>\$ (514,267)</u>	<u>\$ (513,860)</u>

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2017**

**SCHEDULE 4 Cont...**

	Corner Brook Transit		Corner Brook Civic Centre		Fiscal Services	
	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government transfers	-	-	-	-	7,399,604	7,588,674
Sales of goods and services	-	-	1,349,630	1,506,139	-	-
Investment income	-	-	-	-	495,357	383,474
Other revenue	-	-	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>1,349,630</u>	<u>1,506,139</u>	<u>7,894,961</u>	<u>7,972,148</u>
<b>EXPENSES</b>						
Personnel services	-	3,412	1,060,772	974,322	-	-
Amortization	-	-	-	-	7,674,538	8,743,090
Maintenance materials and supplies	-	-	619,264	769,913	-	-
Contract services	316,815	324,004	378,747	315,306	-	-
Utilities	-	-	156,148	52,451	-	-
Other	-	-	146,401	277,191	150,000	205,000
Interest on long-term debt	-	-	-	-	712,776	877,779
Grants and contributions	-	-	-	-	249,500	267,063
Total expenses	<u>316,815</u>	<u>327,416</u>	<u>2,361,332</u>	<u>2,389,183</u>	<u>8,786,814</u>	<u>10,092,932</u>
<b>Surplus (Deficit)</b>	<u>\$ (316,815)</u>	<u>\$ (327,416)</u>	<u>\$ (1,011,702)</u>	<u>\$ (883,044)</u>	<u>\$ (891,853)</u>	<u>\$ (2,120,784)</u>

**CITY OF CORNER BROOK**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2017**

**SCHEDULE 4 Cont...**

	<u>Total</u>	
	<u>2017</u>	<u>2016</u>
<b>REVENUE</b>		
Taxation	\$ 30,280,232	\$ 29,990,730
Government transfers	8,497,149	8,736,150
Sales of goods and services	2,785,305	2,822,690
Investment income	495,357	383,474
Other revenue	11,058	3,011
Total revenue	<u>42,069,101</u>	<u>41,936,055</u>
<b>EXPENSES</b>		
Personnel services	14,121,798	13,957,195
Amortization	7,674,538	8,743,090
Maintenance materials and supplies	5,362,783	5,443,112
Contract services	3,014,820	3,021,857
Utilities	1,337,410	1,437,186
Other	1,053,798	1,144,298
Interest on long-term debt	712,776	877,779
Grants and contributions	324,313	331,156
Total expenses	<u>33,602,235</u>	<u>34,955,673</u>
<b>Surplus (Deficit)</b>	<u>\$ 8,466,866</u>	<u>\$ 6,980,382</u>

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

Year Ended December 31, 2017

	Financial Plan	Amortization (TCA)	Interest Expense	Reserve Transfers	Principal Repayments	PSAS Budget
<b>REVENUE</b>						
Taxation	\$ 28,928,800	\$ -	\$ -	\$ -	\$ -	\$ 28,928,800
Government transfers	3,214,700	-	-	-	-	3,214,700
Sales of goods and services	2,009,800	-	-	-	-	2,009,800
Investment income	350,000	-	-	-	-	350,000
Other revenue	124,000	-	-	-	-	124,000
Transfers from reserves	20,000	-	-	(20,000)	-	-
Total revenue	34,647,300	-	-	(20,000)	-	34,627,300
<b>EXPENSES</b>						
General government services	3,477,700	-	-	-	-	3,477,700
Community engineering, planning and development	1,517,300	-	-	-	-	1,517,300
Protective services	5,011,100	-	-	-	-	5,011,100
Public works	8,697,100	-	-	-	-	8,697,100
Water and waste water	3,249,400	-	-	-	-	3,249,400
Parks and recreation	491,100	-	-	-	-	491,100
Corner Brook Transit	335,500	-	-	-	-	335,500
Corner Brook Civic Centre	2,416,000	-	-	-	-	2,416,000
Fiscal services						
Provision for uncollectible amounts	150,000	-	-	-	-	150,000
Grants and sponsorship	249,500	-	-	-	-	249,500
Capital expenditures	3,613,900	(2,600,000)	-	(1,013,900)	-	-
Debt charges	5,438,700	-	712,776	-	(5,438,700)	712,776
Amortization	-	7,674,538	-	-	-	7,674,538
Total expenses	34,647,300	5,074,538	712,776	(1,013,900)	(5,438,700)	33,982,014
<b>Surplus (Deficit)</b>	\$ -	\$ (5,074,538)	\$ (712,776)	\$ 993,900	\$ 5,438,700	\$ 645,286

CITY OF CORNER BROOK  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 Year Ended December 31, 2017

**SCHEDULE 6**  
 (Unaudited)

	<u>Wildcove Landfill Site</u>	<u>Waste Water Reserve</u>	<u>Land Acquisitions</u>	<u>Equipment Replacement</u>	<u>Gas Tax</u>	<u>Public Trust</u>	<u>Civic Centre</u>
<b>REVENUE</b>							
Other income	\$ -		\$ -	\$ -	\$ 838,886	\$ -	
<b>EXPENSES</b>							
Other expenses	-	-	-	-	-	-	-
<b>NET REVENUES</b>	-	-	-	-	838,886	-	-
<b>TRANSFERS</b>							
Transfers from operating fund	-	1,014,600	-	613,307	-	7,068	5,380
Acquisition of tangible capital assets	-	-	(99,332)	-	(914,130)	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	-	1,014,600	(99,332)	613,307	(75,244)	7,068	5,380
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	78,071	7,333,185	889,330	493,621	1,181,029	13,485	-
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 78,071</u>	<u>\$ 8,347,785</u>	<u>\$ 789,998</u>	<u>\$ 1,106,928</u>	<u>\$ 1,105,785</u>	<u>\$ 20,553</u>	<u>\$ 5,380</u>



CITY OF CORNER BROOK  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 Year Ended December 31, 2017

SCHEDULE 6 cont...  
 (Unaudited)

	Operating and Environment	2017 Total	2016 Total
<b>REVENUE</b>			
Other income	\$ -	\$ 838,886	\$ 824,434
<b>EXPENSES</b>			
Other expenses	25,293	25,293	289,600
<b>NET REVENUES</b>	(25,293)	813,593	534,834
<b>TRANSFERS</b>			
Transfers from operating fund	-	1,640,355	1,119,479
Acquisition of tangible capital assets	-	(1,013,462)	(1,332,854)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(25,293)	1,440,486	321,459
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	472,500	10,461,221	10,139,762
<b>FUND SURPLUS, END OF YEAR</b>	\$ 447,207	\$ 11,901,707	\$ 10,461,221