

CITY OF CORNER BROOK

**Consolidated Financial Statements
For the Year Ended December 31, 2018**

CITY OF CORNER BROOK

Consolidated Financial Statements

For the Year Ended December 31, 2018

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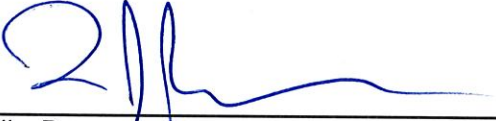
STATEMENT OF RESPONSIBILITY

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.

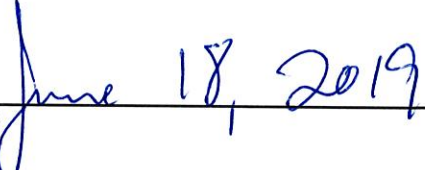
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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



Rodney Cumby
City Manager

Date 



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BDO Canada LLP
50 Main Street, Suite 300
Corner Brook NL A2H 1C4 Canada

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of the City of Corner Brook (the City) comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2018, and its consolidated financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Corner Brook, Newfoundland and Labrador
TBD

**CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018**

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 8,527,894	\$ 11,750,487
Accounts receivable (Note 3)	<u>7,211,321</u>	<u>6,954,409</u>
Total Financial Assets	<u>15,739,215</u>	<u>18,704,896</u>
LIABILITIES		
Bank Indebtedness (Note 4)	-	1,205,425
Accounts payable and accrued liabilities (Note 5)	6,420,745	4,831,089
Employee benefits liability (Note 6)	1,131,574	1,208,724
Long-term debt (Note 7)	<u>15,892,710</u>	<u>20,913,983</u>
Total Liabilities	<u>23,445,029</u>	<u>28,159,221</u>
NET DEBT	<u>(7,705,814)</u>	<u>(9,454,325)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	166,058,751	162,463,960
Inventories (Note 8)	1,198,784	1,289,409
Prepaid expenses	<u>127,616</u>	<u>50,511</u>
Total Non-Financial Assets	<u>167,385,151</u>	<u>163,803,880</u>
ACCUMULATED SURPLUS	<u>\$ 159,679,337</u>	<u>\$ 154,349,555</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
Year Ended December 31, 2018

	2018 Budget (Schedule 5)	2018 Actual	2017 Actual
REVENUE			
Taxation	\$ 30,379,400	\$ 30,444,277	\$ 30,280,232
Government transfers	1,121,800	6,385,220	8,497,149
Sales of goods and services	2,689,900	3,047,922	2,785,305
Investment income	410,000	671,032	495,357
Other revenue	330,400	5,410	11,058
Total revenue (Schedules 2, 4 and 5)	<u>34,931,500</u>	<u>40,553,861</u>	<u>42,069,101</u>
EXPENSES			
General government	3,459,100	3,105,654	3,060,297
Community engineering, planning and development	2,375,100	2,102,066	1,963,543
Protective services	5,030,200	5,027,493	4,882,971
Public works	8,236,100	8,918,483	8,488,363
Water and waste water	3,340,500	3,288,584	3,178,077
Parks and recreation	497,500	530,253	564,023
Corner Brook Transit	308,800	335,716	316,815
Corner Brook Civic Centre	2,369,600	2,516,565	2,361,332
Fiscal services	9,401,465	9,399,265	8,786,814
Total expenses (Schedules 3, 4 and 5)	<u>35,018,365</u>	<u>35,224,079</u>	<u>33,602,235</u>
ANNUAL SURPLUS	(86,865)	5,329,782	8,466,866
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>154,349,555</u>	<u>154,349,555</u>	<u>145,882,689</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 154,262,690</u>	<u>\$ 159,679,337</u>	<u>\$ 154,349,555</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, 2018

	2018 Budget	2018 Actual	2017 Actual
ANNUAL SURPLUS	\$ (86,865)	\$ 5,329,782	\$ 8,466,866
Acquisition of tangible capital assets	(3,617,300)	(11,893,604)	(9,427,230)
Amortization of tangible capital assets	-	8,298,813	7,674,538
Use of inventories	-	90,625	58,676
Use (acquisition) of prepaid expenses	-	(77,105)	65,579
	<u>(3,617,300)</u>	<u>(3,581,271)</u>	<u>(1,628,437)</u>
CHANGE IN NET DEBT	(3,704,165)	1,748,511	6,838,429
NET DEBT, BEGINNING OF YEAR	<u>(9,454,325)</u>	<u>(9,454,325)</u>	<u>(16,292,754)</u>
NET DEBT, END OF YEAR	<u>\$ (13,158,490)</u>	<u>\$ (7,705,814)</u>	<u>\$ (9,454,325)</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, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 5,329,782	\$ 8,466,866
Items not affecting cash:		
Amortization	8,298,813	7,674,538
Changes in non-cash items:		
Accounts receivable	(256,912)	(3,304,395)
Inventories held for use	90,625	58,676
Prepaid expenses	(77,105)	65,579
Accounts payable and accrued liabilities	1,589,656	804,295
Employee benefits liability	(77,150)	(276,007)
Cash provided by operating transactions	<u>14,897,709</u>	<u>13,489,552</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(11,893,604)</u>	<u>(9,427,230)</u>
Cash applied to capital transactions	<u>(11,893,604)</u>	<u>(9,427,230)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	4,000,000
Debt repayment	<u>(5,021,273)</u>	<u>(4,355,660)</u>
Cash applied to financing transactions	<u>(5,021,273)</u>	<u>(355,660)</u>
Increase (decrease) in cash	(2,017,168)	3,706,662
Cash, beginning of the year	<u>10,545,062</u>	<u>6,838,400</u>
Cash, end of the year	<u>\$ 8,527,894</u>	<u>\$ 10,545,062</u>
Cash consists of:		
Cash	\$ 8,527,894	\$ 11,750,487
Bank Indebtedness	<u>-</u>	<u>(1,205,425)</u>
	<u>\$ 8,527,894</u>	<u>\$ 10,545,062</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, 2018

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

**CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018**

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. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Taxes		
Municipal	\$ 2,773,659	\$ 2,458,519
Poll tax	93,961	355,632
Utility taxes	1,013,145	903,297
Tax rebate	1,380,645	558,722
Province of Newfoundland and Labrador	1,589,295	1,820,719
Grants in Lieu of Taxes - Corner Brook Pulp & Paper	186,049	623,385
Other	<u>679,151</u>	<u>967,703</u>
	7,715,905	7,687,977
Less: Allowances for doubtful amounts	<u>(504,584)</u>	<u>(733,568)</u>
	<u>\$ 7,211,321</u>	<u>\$ 6,954,409</u>

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

4. Bank Indebtedness

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, 2018, the borrowing facility was not drawn upon (2017 - \$1,205,425).

5. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Trade payables and accruals	\$ 2,188,948	\$ 2,388,208
Contract deposits	1,271,210	1,227,618
Capital payables	1,604,331	1,000,110
Contract holdbacks	1,324,108	176,854
Accrued interest	32,148	38,299
	<u>\$ 6,420,745</u>	<u>\$ 4,831,089</u>

6. 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.

	<u>2018</u>	<u>2017</u>
Severance benefits	\$ 890,420	\$ 932,496
Compensated absences	178,463	198,764
Retirement benefits	62,691	77,464
	<u>\$ 1,131,574</u>	<u>\$ 1,208,724</u>

Included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4) is \$37,630 (2017 - \$86,512) of employee benefits.

The City has a defined contribution retirement plan for participating employees. During the year, employees contributed \$644,311 to the plan (2017 - \$616,735). The City contributed \$644,311 (2017 - \$616,375) and this expense has been included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4).

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

7. Long-Term Debt

	<u>2018</u>	<u>2017</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.	\$ 9,320,618	\$ 10,672,706
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.	2,840,000	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.	1,963,250	2,964,399
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.	870,367	1,979,123
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.	416,839	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.	390,000	420,000
Newfoundland Municipal Financing Corporation loans with interest ranging from 7.375% to 14.5%, repayable in semi-annual installments with maturity dates between 2019 and 2021.	91,636	183,345
CIBC swap transaction loan, matured during the year.	-	588,840
	<u>\$ 15,892,710</u>	<u>\$ 20,913,983</u>

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

2019	\$ 4,106,799
2020	\$ 3,358,812
2021	\$ 2,380,667
2022	\$ 2,505,661
2023	\$ 1,651,923

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2018

8. Inventories held for use

	<u>2018</u>	<u>2017</u>
Land held for sale	\$ 393,566	\$ 431,846
Public works	386,207	382,930
Salt	346,702	411,303
Sand	58,005	48,604
Fuel	14,304	14,726
	<u>\$ 1,198,784</u>	<u>\$ 1,289,409</u>

9. 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:

2019	\$ 417,634
2020	\$ 102,754
2021	\$ 96,888
2022	\$ 91,022
2023	\$ 91,022

10. 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. Subsequent to year end, the City offered a settlement amount of \$198,967 to the contractor once the deficiencies are resolved to the City's satisfaction. The contractor has not responded to the offer as of the audit report date, consequently, the outcome of the claim is not determinable and 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.

11. 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, 2018**

12. 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 Planning and Development

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.

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2018

SCHEDULE 1

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings	Machinery and Equipment	Recreation Infrastructure	Transportation Infrastructure	Water and Waste Water	Assets Under Construction	2018	2017	
Opening 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	
Additions during the year	13,550	324,068	870,294	262,020	5,369,873	4,681,339	372,460	11,893,604	9,427,230	
Disposals and write downs	-	-	-	-	-	-	-	-	-	
Transfers	-	261,477	997,000	231,553	5,136,237	4,377,817	(11,004,084)	-	-	
Closing costs	2,041,462	100,143,863	12,675,893	11,365,628	86,439,621	60,935,757	3,968,134	277,570,358	265,676,754	
Accumulated Amortization										
Opening accum'd amortization	-	21,367,363	8,457,575	7,933,558	48,963,949	16,490,349	-	103,212,794	95,538,256	
Amortization	-	2,475,390	833,338	239,492	3,123,198	1,627,395	-	8,298,813	7,674,538	
Disposals and write downs	-	-	-	-	-	-	-	-	-	
Closing accum'd amortization	-	23,842,753	9,290,913	8,173,050	52,087,147	18,117,744	-	111,511,607	103,212,794	
Net Book Value of Tangible Capital Assets	\$ 2,041,462	\$ 76,301,110	\$ 3,384,980	\$ 3,192,578	\$ 34,352,474	\$ 42,818,013	\$ 3,968,134	\$ 166,058,751	\$ 162,463,960	

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2018

SCHEDULE 2

	2018 <u>Actual</u>	2017 <u>Actual</u>
Taxation		
Municipal tax	\$ 21,714,302	\$ 21,559,848
Business tax	6,429,315	6,497,577
Utility tax	1,174,422	1,109,333
Poll tax	396,837	365,280
Business surcharge	74,406	74,813
Water supply agreements	654,995	673,381
	<u>30,444,277</u>	<u>30,280,232</u>
Government Transfers		
Government of Newfoundland and Labrador		
Municipal capital grants	5,304,399	7,399,604
Gas tax revenue	867,834	838,886
Debt retirement grant	101,888	141,921
Grants in Lieu of Taxes		
Government of Canada	111,099	116,738
	<u>6,385,220</u>	<u>8,497,149</u>
Sales of Goods and Services		
Licences and permits	265,051	268,837
Recreation and community services	45,799	49,756
Facility rentals	927,630	1,085,072
Corner Brook Civic Centre revenue	1,528,181	1,349,630
Land Transactions	257,511	10,794
Fines	23,750	21,216
	<u>3,047,922</u>	<u>2,785,305</u>
Investment Income		
Interest	671,032	495,357
Other Revenue		
Miscellaneous	5,410	11,058
Total Revenue	<u>\$ 40,553,861</u>	<u>\$ 42,069,101</u>

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2018**

SCHEDULE 3

	2018	2017
	Actual	Actual
General Government		
Executive and legislative	\$ 285,035	\$ 358,866
City Manager's office	540,720	472,332
Finance and Administration	2,279,899	2,229,099
	<u>3,105,654</u>	<u>3,060,297</u>
Community Engineering, Planning and Development		
Administration	372,176	210,907
Business Resource Centre	114,623	170,956
Development and planning	120,381	129,613
Building inspection	356,335	335,641
Engineering	622,715	600,643
Geographical information systems	80,947	93,774
Recreation and leisure	349,596	331,695
Sustainable development	85,293	90,314
	<u>2,102,066</u>	<u>1,963,543</u>
Protective Services		
Fire Protection	3,923,108	3,819,284
911 Centre	740,790	710,504
Municipal enforcement	239,484	235,721
Animal control	124,111	117,462
	<u>5,027,493</u>	<u>4,882,971</u>
Public Works		
Supervision and administration	1,498,194	1,586,285
Other operations payroll	630,887	623,087
Building maintenance	741,740	713,451
Street lighting	617,223	570,617
Snow clearing	2,257,914	2,122,520
Traffic control	460,305	305,018
Drainage	160,287	72,672
Street and storm sewer cleaning	405,762	367,937
Street maintenance	1,026,630	1,241,519
Sanitation and waste removal	1,119,542	885,257
	<u>8,918,483</u>	<u>8,488,363</u>

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2018**

SCHEDULE 3 Cont...

Water and Waste Water		
Water treatment plant	1,244,255	1,174,667
Purification and treatment	103,335	114,224
Water mains and hydrants	1,214,047	1,190,808
Sanitary systems	401,494	401,770
Regulators and meters	184,468	151,105
Reservoirs and intakes	60,705	84,598
Pumphouse	80,280	60,905
	<u>3,288,584</u>	<u>3,178,077</u>
Parks and Recreation		
Parks	<u>530,253</u>	<u>564,023</u>
Corner Brook Transit		
Transit contract subsidy	<u>335,716</u>	<u>316,815</u>
Corner Brook Civic Centre		
Administrative expenses	495,686	484,993
Operating expenses	2,020,879	1,876,339
	<u>2,516,565</u>	<u>2,361,332</u>
Fiscal Services		
Grants	243,800	249,500
Long-term debt interest	736,652	712,776
Provision for uncollectible taxes, fees and charges	120,000	150,000
Amortization of tangible capital assets	8,298,813	7,674,538
	<u>9,399,265</u>	<u>8,786,814</u>
Total Expenses	<u><u>\$ 35,224,079</u></u>	<u><u>\$ 33,602,235</u></u>

SCHEDULE 4

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
 Year Ended December 31, 2018

	General Government*		Community Engineering, Planning and Development		Protective Services	
	2018	2017	2018	2017	2018	2017
REVENUE						
Taxation	\$ 24,014,962	\$ 23,874,477	\$ -	\$ -	\$ -	\$ -
Government transfers	1,080,821	1,097,545	-	-	-	-
Sales of goods and services	1,473,942	1,385,919	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	5,410	11,058	-	-	-	-
Total revenue	26,575,135	26,368,999	-	-	-	-
EXPENSES						
Personnel services	2,052,971	1,855,704	1,754,740	1,500,548	4,448,322	4,370,010
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	182,771	195,024	85,796	135,316	342,341	239,341
Contract services	526,312	654,108	36,891	195,703	42,710	91,652
Utilities	69,598	32,137	24,058	20,513	77,916	28,779
Other	197,915	248,511	200,581	111,463	71,696	153,189
Interest on long-term debt	-	-	-	-	44,508	-
Grants and contributions	76,087	74,813	-	-	-	-
Total expenses	3,105,654	3,060,297	2,102,066	1,963,543	5,027,493	4,882,971
Surplus (Deficit)	\$ 23,469,481	\$ 23,308,702	\$ (2,102,066)	\$ (1,963,543)	\$ (5,027,493)	\$ (4,882,971)

* 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, 2018

SCHEDULE 4 Cont...

	Public Works		Water and Waste Water		Parks and Recreation	
	2018	2017	2018	2017	2018	2017
REVENUE						
Taxation	\$ -	\$ -	\$ 6,429,315	\$ 6,405,755	\$ -	\$ -
Government transfers	-	-	-	-	-	-
Sales of goods and services	-	-	-	-	45,799	49,756
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	-	-	6,429,315	6,405,755	45,799	49,756
EXPENSES						
Personnel services	3,705,912	3,765,160	1,298,815	1,281,918	279,261	287,686
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	2,319,230	2,520,677	1,398,729	1,564,300	103,905	88,861
Contract services	1,547,128	1,220,052	212,244	-	123,655	157,743
Utilities	952,984	832,771	321,443	258,000	23,127	9,062
Other	75,856	149,703	57,353	73,859	305	20,671
Interest on long-term debt	314,746	-	-	-	-	-
Grants and contributions	2,628	-	-	-	-	-
Total expenses	8,918,483	8,488,363	3,288,584	3,178,077	530,253	564,023
Surplus (Deficit)	\$ (8,918,483)	\$ (8,488,363)	\$ 3,140,731	\$ 3,227,678	\$ (484,454)	\$ (514,267)

CITY OF CORNER BROOK

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2018

SCHEDULE 4 Cont...

	Corner Brook Transit		Corner Brook Civic Centre		Corner Brook Services	
	2018	2017	2018	2017	2018	2017
REVENUE						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government transfers	-	-	-	-	5,304,399	7,399,604
Sales of goods and services	-	-	1,528,181	1,349,630	-	-
Investment income	-	-	-	-	671,032	495,357
Other revenue	-	-	-	-	-	-
Total revenue	-	-	1,528,181	1,349,630	5,975,431	7,894,961
EXPENSES						
Personnel services	-	-	1,149,605	1,060,772	-	-
Amortization	-	-	-	-	8,298,813	7,674,538
Maintenance materials and supplies	-	-	230,067	619,264	-	-
Contract services	334,571	316,815	549,374	378,747	-	-
Utilities	1,145	-	538,912	156,148	-	-
Other	-	-	30,460	146,401	120,000	150,000
Interest on long-term debt	-	-	18,147	-	736,652	712,776
Grants and contributions	-	-	-	-	243,800	249,500
Total expenses	335,716	316,815	2,516,565	2,361,332	9,399,265	8,786,814
Surplus (Deficit)	\$ (335,716)	\$ (316,815)	\$ (988,384)	\$ (1,011,702)	\$ (3,423,834)	\$ (891,853)

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2018

	Total	
	2018	2017
REVENUE		
Taxation	\$ 30,444,277	\$ 30,280,232
Government transfers	6,385,220	8,497,149
Sales of goods and services	3,047,922	2,785,305
Investment income	671,032	495,357
Other revenue	5,410	11,058
Total revenue	40,553,861	42,069,101
EXPENSES		
Personnel services	14,689,626	14,121,798
Amortization	8,298,813	7,674,538
Maintenance materials and supplies	4,662,839	5,362,783
Contract services	3,372,885	3,014,820
Utilities	2,009,183	1,337,410
Other	754,166	1,053,797
Interest on long-term debt	1,114,053	712,776
Grants and contributions	322,515	324,313
Total expenses	35,224,079	33,602,235
Annual Surplus	\$ 5,329,782	\$ 8,466,866

CITY OF CORNER BROOK

SCHEDULE 5

RECONCILIATION OF THE FINANCIAL PLAN TO THE CONSOLIDATED PSAS BUDGET
 Year Ended December 31, 2018

	Financial Plan	Amortization (TCA)	Interest Expense	Reserve Transfers	Principal Repayments	PSAS Budget
REVENUE						
Taxation	\$ 30,379,400	\$ -	\$ -	\$ -	\$ -	\$ 30,379,400
Government transfers	1,121,800	-	-	-	-	1,121,800
Sales of goods and services	2,689,900	-	-	-	-	2,689,900
Investment income	410,000	-	-	-	-	410,000
Other revenue	330,400	-	-	-	-	330,400
Transfers from reserves	128,100	-	-	(128,100)	-	-
Total revenue	35,059,600	-	-	(128,100)	-	34,931,500
EXPENSES						
General government	3,459,100	-	-	-	-	3,459,100
Community engineering, planning and development	2,375,100	-	-	-	-	2,375,100
Protective services	5,030,200	-	-	-	-	5,030,200
Public works	8,236,100	-	-	-	-	8,236,100
Water and waste water	3,340,500	-	-	-	-	3,340,500
Parks and recreation	497,500	-	-	-	-	497,500
Corner Brook Transit	308,800	-	-	-	-	308,800
Corner Brook Civic Centre	2,369,600	-	-	-	-	2,369,600
Fiscal services						
Provision for uncollectible amounts	120,000	-	-	-	-	120,000
Grants and sponsorship	246,000	-	-	-	-	246,000
Capital expenditures	3,617,300	(2,600,000)	-	(1,017,300)	-	-
Debt charges	5,459,400	-	736,652	-	(5,459,400)	736,652
Amortization	-	8,298,813	-	-	-	8,298,813
Total expenses	35,059,600	5,698,813	736,652	(1,017,300)	(5,459,400)	35,018,365
Surplus (Deficit)	\$ -	\$ (5,698,813)	\$ (736,652)	\$ 889,200	\$ 5,459,400	\$ (86,865)

CITY OF CORNER BROOK
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2018

SCHEDULE 6
 (Unaudited)

	Wildcove Landfill Site	Waste Water Reserve	Land Acquisitions	Equipment Replacement	Gas Tax	Public Trust	Civic Centre
REVENUE							
Other income	\$ -	\$ -	\$ -	\$ -	\$ 867,834	\$ -	\$ -
EXPENSES							
Other expenses	78,071	-	-	-	1,077,645	-	5,380
NET REVENUES	(78,071)	-	-	-	(209,811)	-	(5,380)
TRANSFERS							
Transfers from operating fund	-	742,503	-	-	-	297	-
Acquisition of tangible capital assets	-	-	(13,550)	(41,275)	-	-	-
CHANGE IN RESERVE FUND BALANCES	(78,071)	742,503	(13,550)	(41,275)	(209,811)	297	(5,380)
FUND SURPLUS, BEGINNING OF YEAR	78,071	8,347,785	789,998	1,106,928	1,105,785	20,553	5,380
FUND SURPLUS, END OF YEAR	\$ -	\$ 9,090,288	\$ 776,448	\$ 1,065,653	\$ 895,974	\$ 20,850	\$ -

SCHEDULE 6 cont...
(Unaudited)

CITY OF CORNER BROOK
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2018

	Operating and Environment	NLHC Paving	Fire Department Hazard	2018 Total	2017 Total
REVENUE					
Other income	\$ -	\$ -	\$ -	\$ 867,834	\$ 838,886
EXPENSES					
Other expenses	166,207	-	-	1,327,303	25,293
NET REVENUES	(166,207)	-	-	(459,469)	813,593
TRANSFERS					
Transfers from operating fund	-	55,374	4,943	803,117	1,640,355
Acquisition of tangible capital assets	-	-	-	(54,825)	(1,013,462)
CHANGE IN RESERVE FUND BALANCES	(166,207)	55,374	4,943	288,823	1,440,486
FUND SURPLUS, BEGINNING OF YEAR	447,207	-	-	11,901,707	10,461,221
FUND SURPLUS, END OF YEAR	\$ 281,000	\$ 55,374	\$ 4,943	\$ 12,190,530	\$ 11,901,707