

CITY OF CORNER BROOK

**ANNUAL EXPENDITURE REPORT -
ULTIMATE RECIPIENT GAS TAX
AGREEMENT**

Year Ended December 31, 2020

City of Corner Brook
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December 31, 2020

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Independent Practitioner's Reasonable Assurance Report on Compliance

To the Council of City of Corner Brook

We have undertaken a reasonable assurance engagement for City of Corner Brook (the "City")'s compliance during the period January 1, 2020 to December 31, 2020 with the criteria established by the terms and conditions described in sections 4.3, 5.2.1, Schedule A paragraphs 1, 3, 4, 5 (Newfoundland and Labrador Public Procurement Act only), 13, 14, 15, 16, 17, 23, 25, 26, 27 and 28, Schedule C and Schedule D ("the specific requirements") established in the Ultimate Recipient Gas Tax Agreement dated November 20, 2014, and the amendment to the agreement signed July 16, 2019, between the Province of Newfoundland and Labrador and the City including the interpretation set out in Note 1 to this report.

Management's Responsibility

Management is responsible for the City's compliance with the specified requirements of the Agreement. Management is also responsible for such internal control as management determines necessary to enable the City's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the City's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the City complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the City's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

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



Our Independence and Quality Control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the City complied with the specified requirements established in the Ultimate Recipient Gas Tax Agreement, including the interpretation in Note 1, during the period January 1, 2020 to December 31, 2020, in all significant respects.

We do not provide a legal opinion on the City's compliance with the specified requirements.

BDO Canada LLP

Chartered Professional Accountants
St. John's, Newfoundland and Labrador
April 12, 2021

Appendix A: Summary of Ultimate Recipients Fund and Certification

2020 Annual Expenditure Report

City of Corner Brook
For the Year Ended December 31, 2020

	Annual January 1, 2020 - December 31, 2020	Cumulative January 22, 2007 - December 31, 2020
1. Opening balance of unspent funding	\$ 1,087,661	\$ -
2. Received from Government of Newfoundland & Labrador	1,267,687	12,606,358
3. Interest earned on gas tax funds	26,225	246,284
4. Interest spent on eligible projects	-	-
5. Net interest earned on gas tax funds	26,225	246,284
6. Gas tax funds spent on eligible projects	1,066,161	11,537,230
7. Closing balance of unspent funds	\$ 1,315,412	\$ 1,315,412
8. Gas Tax bank account balance	1,542,233	1,542,233
9. Gas Tax bank account surplus/deficit	\$ 226,821	\$ 226,821


Reasoning for difference:

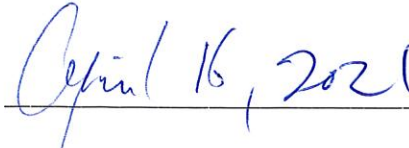
The entity uses the Annual Expenditure Report as a basis to reconcile the gas tax account annually.

10. Does the recipient have a separate bank account for gas tax funds? Yes X No ___

11. Certification by Ultimate Recipient

I, **Jim Parsons**, Mayor of the City of Corner Brook certify that the information reported is a true and accurate representation of the City government's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions of the Ultimate Recipient Gas Tax Agreement may result in funding being withheld.

Signature:  _____

Date:  _____

**Appendix B: Summary of Ultimate Recipients Project Expenditure Report
2020 Ultimate Recipient Annual Expenditure Report**

City of Corner Brook
For the Year Ended December 31, 2020

A	B	C	D	E	F	G	H	I	J	K
Project Number	Amount Approved by the Gas Tax Committee	Project Title	Project Description	Current Status	Start & End Date	Total Project Costs	GTF spent In 2020	Interest Spent In 2020	Total Gas Tax Funds Spent	Outcomes
60-2007-71	\$ 57,621	Storm Drainage Improvements	East Valley Road and surrounding areas	Completed	Jun-08 - Sep-09	\$ 57,621	\$ -	\$ -	\$ 57,621	Cleaner Water
60-2008-146	81,387	Paving	Humber Road	Completed	Jul-08 - Jul-08	81,387	-	-	81,387	Reduced GHG
60-2008-147	333,315	Paving	Sunnyslope Drive	Completed	Aug-08 - Aug-08	333,315	-	-	333,315	Reduced GHG
60-2008-148	101,567	Paving	Elizabeth Street	Completed	Aug-08 - Aug-08	101,567	-	-	101,567	Reduced GHG
60-2008-149	220,766	Paving	Mt. Bernard Ave	Completed	Aug-08 - Aug-08	220,766	-	-	220,766	Reduced GHG
60-2008-150	157,477	Paving	O'Connell Drive	Completed	Aug-08 - Aug-08	157,477	-	-	157,477	Reduced GHG
60-2008-151	105,489	Paving	Country Road	Completed	Aug-08 - Aug-08	107,684	-	-	105,489	Reduced GHG
60-2009-666	24,414	Paving	Caribou Road	Completed	Aug-08 - Aug-08	24,414	-	-	24,414	Reduced GHG
60-2009-667	29,657	Paving	Poplar Road	Completed	Aug-08 - Aug-08	29,657	-	-	29,657	Reduced GHG
60-2009-668	83,273	Paving	Country Road	Completed	Aug-09 - Aug-09	83,273	-	-	83,273	Reduced GHG
60-2009-669	49,155	Paving	Elizabeth Street	Completed	Aug-09 - Aug-09	49,155	-	-	49,155	Reduced GHG
60-2009-670	195,607	Paving	O'Connell Drive	Completed	Aug-09 - Aug-09	195,607	-	-	195,607	Reduced GHG
60-2009-671	29,821	Paving	Carter Avenue	Completed	Aug-09 - Aug-09	29,821	-	-	29,821	Reduced GHG
60-2009-672	58,986	Paving	Phillip Drive	Completed	Aug-09 - Aug-09	58,986	-	-	58,986	Reduced GHG
60-2009-673	9,176	Paving	Wheeters Road	Completed	Aug-09 - Aug-09	9,176	-	-	9,176	Reduced GHG
60-2009-674	13,080	Paving	Atlantic Avenue	Completed	Aug-09 - Aug-09	13,080	-	-	13,080	Reduced GHG
60-2009-675	41,599	Paving	Coronation Street	Completed	Aug-09 - Aug-09	41,599	-	-	41,599	Reduced GHG
60-2009-676	32,145	Paving	Georgetown Road	Completed	Aug-09 - Aug-09	32,145	-	-	32,145	Reduced GHG
60-2009-677	18,351	Paving	Callahan's Road	Completed	Aug-09 - Aug-09	18,351	-	-	18,351	Reduced GHG
60-2009-678	33,738	Paving	Petries Street	Completed	Aug-09 - Aug-09	45,893	-	-	33,738	Reduced GHG
60-2009-679	34,000	ICSP	Corner Brook	Completed	Jan-10 - Dec-12	261,494			34,000	Capacity Building
60-2009-680	590,000	City Hall Retro fit	City Hall Park Street	Completed	Jan-10 - Dec-12	817,303	-	-	590,000	Reduced GHG

Appendix B: Summary of Ultimate Recipients Project Expenditure Report
2020 Ultimate Recipient Annual Expenditure Report

City of Corner Brook
 For the Year Ended December 31, 2020

A	B	C	D	E	F	G	H	I	J	K
Project Number	Amount Approved by the Gas Tax Committee	Project Title	Project Description	Current Status	Start & End Date	Total Project Costs	GTF spent in 2020	Interest Spent in 2020	Total Gas Tax Funds Spent	Outcomes
60-2009-72	92,436	Watershed Management Plan	Corner Brook Water Supply	Completed	Jul-07- Jun-09	92,436	-	-	92,436	Capacity Building
60-2010-1206	42,000	District Energy Plan	Park Street	Completed	Jan-11 - Jun-12	498,925	-	-	42,000	Capacity Building
60-2011-1513H	46,000	Paving	Brookfield Avenue	Completed	Aug-11 - Aug-11	46,000	-	-	46,000	Infrastructure Upgrade
60-2011-1513A	29,600	Paving	Caribou Road	Completed	Jul-11 - Jul-11	29,600	-	-	29,600	Reduced GHG
60-2011-1513B	29,400	Paving	Golden Glow Place	Completed	Jul-11 - Jul-11	29,400	-	-	29,400	Reduced GHG
60-2011-1513C	13,000	Paving	Herald Avenue	Completed	Jul-11 - Jul-11	13,000	-	-	13,000	Reduced GHG
60-2011-1513D	78,000	Paving	Maple Valley Road	Completed	Aug-11 - Aug-11	78,000	-	-	78,000	Reduced GHG
60-2011-1513E	69,000	Paving	Petries Street	Completed	Aug-11 - Aug-11	69,000	-	-	69,000	Reduced GHG
60-2011-1513F	57,400	Paving	St. Marks Avenue	Completed	Jul-11 - Jul-11	57,400	-	-	57,400	Reduced GHG
60-2011-1513G	49,600	Paving	University Drive	Completed	Jul-11 - Jul-11	49,600	-	-	49,600	Reduced GHG
60-2011-1513	2,970,459	Road Upgrade	Local Roads & Bridges	Completed	Aug-11 - Aug-11	2,970,459	-	-	2,970,459	Reduced GHG
60-2015-5275	4,194,515	Road Upgrade	Local Roads & Bridges	In Progress	Jul-15	4,194,515	1,066,161	-	3,235,194	Productivity & Economic Growth
60-2019-6743	5,304,956	Road and Asphalt Improvements 2019-2024	Upgrade roads within the City	In Progress	Jun-19	5,304,956	-	-	2,524,521	12 km of Improved/resurfaced road
S	15,276,987	Total				16,203,058	1,066,161	-	11,537,230	

Table A: Other Sources of Funding to Date
 For the Year Ended December 31, 2020

A	B	C	D	E	F	G
Project Title	Municipal	Provincial	Federal	Other (GST Rebate)	Total Other Sources	Program (i.e. MRIF, MCW, etc.) and Project number
60-2008-151 - Road Upgrade	\$ 2,195	\$ -	\$ -	\$ -	\$ 2,195	60-2008-151 (MCW)
60-2009-678 - Road Upgrade	12,155	-	-	-	12,155	60-2009-678 (MCW)
60-2009-679 - ICSP Development	227,494	-	-	-	227,494	60-2009-679 (MCW)
60-2009-680 - Municipal Building Retrofit	227,303	-	-	-	227,303	60-2009-680 (MCW)
60-2010-1206 - District Energy Plan	-	456,925	-	-	456,925	60-2010-1206
60-2015-5275 - Road Upgrade	1,420,348	749,011	453,203	-	2,622,562	17-SCF-18-00011 (SCF) / MYCW-18-00028 (Capital Works Program)
Total	\$ 1,889,495	\$ 1,205,936	\$ 453,203	\$ -	\$ 3,548,634	

Asset Management Plan Information

Please answer the following questions:

1. Has your local Government completed an Asset Management Plan?
Yes ___ No X

- 1a. If no, please provide a brief update on the progress/if any on your Local Government's Asset Management Plan?

The City has an approved Asset Management Policy in place (Policy # 11-09-01). A first draft has been developed for a strategic Asset Management Plan and an asset management oversight committee has been put in place. In 2018, the City began building an Infrastructure Asset Registry for linear assets used in drinking water distribution, sanitary sewer disposal and storm water management. The City also has a street management system (PAVER) that will be incorporated into the AM registry. This registry includes age, condition, location, composition, and replacement value of all related asset classes. At year end, about 50% of the assets owned by the City have been georeferenced by the City.

- 1b. If yes, did you receive funding from other sources to complete the Asset Management Plan? Which source?

2. Has your Local Government completed any training on Asset Management Planning?
Yes X No ___

- 2a. If yes, what type of training has your Local Government completed?

The City is a member of the Canadian Network of Asset Managers (CNAM) and AIM. Staff members participate in various training and development workshops offered through that network. The City has participated in multiple workshops, seminars and webinars relating to asset management planning and development. The City has one member of the asset management team were awarded with the IPWEA Professional Certificate in Asset Management Planning from the Institute of Public Works Engineering of Australia.

City of Corner Brook
Notes to Independent Practitioner's Reasonable Assurance Report on Compliance
For the Period January 1, 2020 to December 31, 2020

1. Schedule A Paragraph 5 of the Ultimate Recipient Gas Tax Agreement states:

"With respect to Contracts, award and manage all Contracts in accordance with their relevant policies and procedures and, if applicable, in accordance with the Newfoundland and Labrador *Public Tender Act* , the Agreement on Internal Trade and applicable International trade agreements, and all other applicable laws."

We have interpreted this requirement to be limited to the specific sections of the Newfoundland and Labrador *Public Procurement Act* which replaced the Public Tender act in March 2018. Specific sections of the *Public Procurement Act* for which compliance was evaluated included sections 10(1)(g) and 11(2). Additionally, specific sections of the related *Public Procurement Regulations* that were evaluated for compliance included 4, 5, 6, 10, 11, 12, 13 and 15.