

CITY OF CORNER BROOK

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

CITY OF CORNER BROOK

Consolidated Financial Statements

For the Year Ended December 31, 2020

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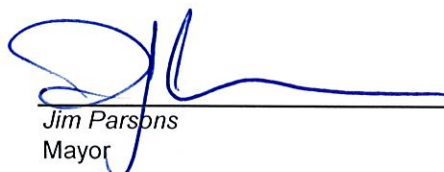
STATEMENT OF RESPONSIBILITY

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

June 22, 2021

Date



Rodney Cumby
City Manager

June 22, 2021

Date



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BDO Canada LLP
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St. John's, NL A1B 3R2

Independent Auditor's Report

To the Mayor and Council of City of Corner Brook

Opinion

We have audited the consolidated financial statements of City of Corner Brook (the "City"), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations and accumulated surplus, changes in net assets (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, 2020, and the results of its consolidated operations, change in net assets (debt) and its 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.

BDO Canada LLP

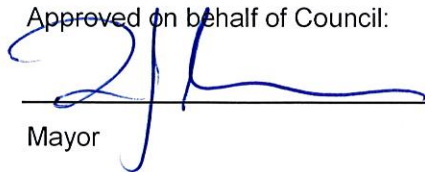
Chartered Professional Accountants

St. John's, Newfoundland and Labrador
June 14, 2021

**CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash	\$ 15,916,039	\$ 13,784,256
Accounts receivable (Note 3)	<u>4,722,871</u>	<u>4,908,852</u>
	<u>20,638,910</u>	<u>18,693,108</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	4,861,515	5,941,484
Employee benefits liability (Note 6)	1,179,528	1,128,690
Long-term debt (Note 7)	<u>11,190,307</u>	<u>15,274,661</u>
	<u>17,231,350</u>	<u>22,344,835</u>
NET FINANCIAL ASSETS (DEBT)	<u>3,407,560</u>	<u>(3,651,727)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	164,488,946	166,774,549
Inventories (Note 8)	1,413,685	1,177,833
Prepaid expenses	<u>334,564</u>	<u>578,404</u>
	<u>166,237,195</u>	<u>168,530,786</u>
ACCUMULATED SURPLUS	<u>\$ 169,644,755</u>	<u>\$ 164,879,059</u>

Approved on behalf of Council:



Mayor



City Manager

The accompanying notes are an integral part of this financial statement

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year Ended December 31, 2020

	2020 Budget (Schedule 5)	2020 Actual	2019 Actual
REVENUE			
Taxation	\$ 31,189,400	\$ 31,583,506	\$ 31,516,226
Government transfers	1,616,600	6,030,807	6,845,671
Sales of goods and services	3,089,900	2,053,834	2,704,697
Interest income	625,000	492,927	741,473
Other revenue	37,500	90,087	18,966
Total revenue (Schedules 2, 4 and 5)	<u>36,558,400</u>	<u>40,251,161</u>	<u>41,827,033</u>
EXPENSES			
General government	3,649,900	3,483,407	3,355,030
Community engineering, planning and development	2,354,100	1,976,052	1,899,317
Protective services	5,122,500	5,116,690	5,141,420
Public works	8,583,800	8,951,073	9,371,438
Water and waste water	3,525,400	3,259,046	3,427,835
Parks and recreation	964,600	761,356	954,604
Corner Brook Transit	321,500	347,269	316,605
Corner Brook Civic Centre	2,471,400	1,736,076	2,487,595
Fiscal services	9,860,537	9,854,496	9,673,467
Total expenses (Schedules 3, 4 and 5)	<u>36,853,737</u>	<u>35,485,465</u>	<u>36,627,311</u>
ANNUAL SURPLUS	(295,337)	4,765,696	5,199,722
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>164,879,059</u>	<u>164,879,059</u>	<u>159,679,337</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 164,583,722</u>	<u>\$ 169,644,755</u>	<u>\$ 164,879,059</u>

The accompanying notes are an integral part of this financial statement

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
Year Ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ (295,337)	\$ 4,765,696	\$ 5,199,722
Acquisition of tangible capital assets	(4,211,600)	(6,786,678)	(9,391,115)
Amortization of tangible capital assets	-	9,072,281	8,675,317
Use of inventories	-	(235,852)	20,951
Acquisition of prepaid expenses	-	243,840	(450,788)
	<u>(4,211,600)</u>	<u>2,293,591</u>	<u>(1,145,635)</u>
CHANGE IN NET DEBT	(4,506,937)	7,059,287	4,054,087
NET DEBT, BEGINNING OF YEAR	<u>(3,651,727)</u>	<u>(3,651,727)</u>	<u>(7,705,814)</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (8,158,664)</u>	<u>\$ 3,407,560</u>	<u>\$ (3,651,727)</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, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 4,765,696	\$ 5,199,722
Items not affecting cash:		
Amortization of tangible capital assets	9,072,281	8,675,317
Changes in non-cash items:		
Accounts receivable	185,981	2,302,469
Inventories held for use	(235,852)	20,951
Prepaid expenses	243,840	(450,788)
Accounts payable and accrued liabilities	(1,079,969)	(479,261)
Employee benefits liability	50,838	(2,884)
Cash provided by operating transactions	<u>13,002,815</u>	<u>15,265,526</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>(6,786,678)</u>	<u>(9,391,115)</u>
Cash applied to capital transactions	<u>(6,786,678)</u>	<u>(9,391,115)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	4,000,000
Debt repayment	<u>(4,084,354)</u>	<u>(4,618,049)</u>
Cash applied to financing transactions	<u>(4,084,354)</u>	<u>(618,049)</u>
Increase in cash	2,131,783	5,256,362
Cash, beginning of the year	<u>13,784,256</u>	<u>8,527,894</u>
Cash, end of the year	<u>\$ 15,916,039</u>	<u>\$ 13,784,256</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, 2020

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 financial assets (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. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

2. Significant Accounting Policies (continued)

e) Tangible Capital Assets (continued)

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

f) Inventories

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

g) Government Transfers

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

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

h) Revenue Recognition

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

Sales of goods and services consists mostly of Civic Centre and facility rental and own source 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.

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

2. Significant Accounting Policies (continued)

i) Use of Estimates

The preparation of consolidated 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 consolidated 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>2020</u>	<u>2019</u>
Taxes		
Municipal	\$ 2,807,370	\$ 2,632,788
Poll tax	31,690	131,966
Utility taxes	994,269	993,505
Grants in Lieu of Taxes	210,509	-
HST rebate	369,064	660,180
Province of Newfoundland and Labrador	153,691	135,473
Other	<u>642,163</u>	<u>1,004,080</u>
	5,208,756	5,557,992
Less: Allowances for doubtful amounts	<u>(485,885)</u>	<u>(649,140)</u>
	<u>\$ 4,722,871</u>	<u>\$ 4,908,852</u>

4. Bank Indebtedness

The City has borrowing facilities with two financial institutions:

- i) CIBC – demand operating credit not exceeding \$4,000,000 at any time, bearing interest at prime minus 0.27% per annum on the net cash position held with the bank at any point in time. At December 31, 2020, the City is in a positive net cash position (2019 - positive) and, consequently, the credit facility is unused.
- ii) RBC – revolving lease line with an authorized limit of \$1,000,000, bearing interest at rates determinable upon the inception of an approved loan or lease. Disbursed leases are presented within capital lease liabilities accordingly. At December 31, 2020, the lease line was unused (2019 - nil).

5. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Trade payables and accruals	\$ 3,268,581	\$ 3,259,117
Contract deposits	1,044,845	1,181,671
Capital payables	89,591	629,128
Contract holdbacks	352,889	739,160
Accrued interest	<u>105,609</u>	<u>132,408</u>
	<u>\$ 4,861,515</u>	<u>\$ 5,941,484</u>

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

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>2020</u>	<u>2019</u>
Severance benefits	\$ 1,004,855	\$ 939,388
Compensated absences	119,231	140,476
Retirement benefits	<u>55,442</u>	<u>48,826</u>
	<u>\$ 1,179,528</u>	<u>\$ 1,128,690</u>

Included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4) is \$40,331 (2019 - \$5,422) of employee benefits.

The City has a defined contribution retirement plan for participating employees. During the year, employees contributed \$705,047 (2019 - \$678,818) to the plan. The City contributed \$705,047 (2019 - \$678,818) and this expense has been included in Personnel services expense in the Consolidated Statement of Operations by Program (Schedule 4).

7. Long-Term Debt

	<u>2020</u>	<u>2019</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.	\$ 6,368,375	\$ 7,811,091
TD Bank fixed rate term loan with interest at 2.44%, repayable in blended monthly installments of \$70,886, maturing in 2024	2,909,173	3,685,204
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 unfavorable floating rate adjustments, maturing in 2022.	1,238,000	2,048,000
Newfoundland and Labrador Housing Corporation ("NLHC") mortgage, interest free, with payments due on disposition of specified land held for sale. Repayment terms are subject to periodic review by NLHC.	344,759	400,577

CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

7. Long-Term Debt (continued)

Federation of Canadian 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.

330,000 360,000

Newfoundland Municipal Financing Corporation loan, repaid during the year.

- 23,431

CIBC swap transaction loan, repaid during the year.

- 946,358

\$ 11,190,307 **\$ 15,274,661**

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

2021	\$ 3,141,408
2022	\$ 2,812,563
2023	\$ 2,479,575
2024	\$ 2,202,002
2025	\$ 30,000

8. Inventories

	<u>2020</u>	<u>2019</u>
Land held for sale	\$ 331,572	\$ 382,316
Public works	361,954	360,192
Salt	627,188	375,569
Sand	85,372	51,501
Fuel	7,599	8,255
	<u>\$ 1,413,685</u>	<u>\$ 1,177,833</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:

2021	\$ 193,242
2022	\$ 187,375
2023	\$ 187,375
2024	\$ 146,559
2025	\$ 42,779

**CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020**

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. Discoveries related to the claim remain on going. Consequently, as of the report date, the outcome of the claim is not determinable.

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.

13. 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, building maintenance, snow clearing, drainage, waste management 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, 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.

**CITY OF CORNER BROOK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020**

13. Segmented Information (continued)

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.

14. Impact of COVID-19

The COVID-19 pandemic has not had a major impact on the City's operations as the City continues to provide essential services in the normal course of operations. Increased cleaning and sanitation costs have been offset by scaled back recreation programs and community events in accordance with Provincial Health Guidelines. There has been no significant impact on tax arrears to date. However, there remains uncertainty regarding the full impact of COVID-19 on the City should there be another wave resulting in a lockdown. Management continues to actively monitor the situation.

15. Comparatives figures

Certain comparative figures have been restated where necessary to conform with current period financial statement presentation.

CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2020

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	2020	2019
Cost									
Opening costs	\$ 2,041,462	\$ 101,384,177	\$ 13,133,848	\$ 12,722,443	\$ 89,177,217	\$ 65,147,458	\$ 3,354,868	\$ 286,961,473	\$ 277,570,358
Additions during the year	-	-	1,860,048	24,076	3,634,533	1,029,970	2,377,545	8,926,172	9,391,115
Disposals and write downs	-	-	(619,405)	-	-	-	-	(619,405)	-
Transfers	-	-	-	-	-	-	(2,139,494)	(2,139,494)	-
Closing costs	2,041,462	101,384,177	14,374,491	12,746,519	92,811,750	66,177,428	3,592,919	293,128,746	286,961,473
Accumulated Amortization									
Opening accum'd amortization	-	26,349,583	10,213,801	8,479,660	55,263,130	19,880,750	-	120,186,924	111,511,607
Amortization	-	2,511,873	1,026,632	310,714	3,314,423	1,908,639	-	9,072,281	8,675,317
Disposals and write downs	-	-	(619,405)	-	-	-	-	(619,405)	-
Closing accum'd amortization	-	28,861,456	10,621,028	8,790,374	58,577,553	21,789,389	-	128,639,800	120,186,924
Net Book Value of Tangible Capital Assets	\$ 2,041,462	\$ 72,522,721	\$ 3,753,463	\$ 3,956,145	\$ 34,234,197	\$ 44,388,039	\$ 3,592,919	\$ 164,488,946	\$ 166,774,549

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2020**

SCHEDULE 2

	<u>2020 Actual</u>	<u>2019 Actual</u>
Taxation		
Municipal tax	\$ 22,950,827	\$ 22,622,125
Business tax	5,362,628	5,391,206
Grants in lieu of taxes	1,369,533	1,353,294
Utility tax	1,213,814	1,204,177
Poll tax	-	209,968
Business surcharge	-	850
Water supply agreements	686,704	734,606
	<u>31,583,506</u>	<u>31,516,226</u>
Government Transfers		
Government of Newfoundland and Labrador		
Capital work grants	3,295,761	4,686,627
Provincial Gas Tax	166,053	166,053
Debt retirement grant	24,178	72,588
Government of Canada		
Federal Gas Tax	1,267,687	1,806,065
Safe Restart Program	1,163,884	-
Grants in lieu of taxes	113,244	114,338
	<u>6,030,807</u>	<u>6,845,671</u>
Sales of Goods and Services		
Licences and permits	202,113	220,932
Recreation and community services	35,443	53,960
Facility rentals	970,146	1,017,361
Corner Brook Civic Centre revenue	697,284	1,306,077
Land Transactions	107,358	29,717
Fines	41,490	76,650
	<u>2,053,834</u>	<u>2,704,697</u>
Interest Income		
Interest	492,927	741,473
Other Revenue		
Miscellaneous	90,087	18,966
Total Revenue	<u>\$ 40,251,161</u>	<u>\$ 41,827,033</u>

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2020**

SCHEDULE 3

	2020	2019
	Actual	Actual
General Government		
Executive and legislative	\$ 304,428	\$ 322,451
City Manager's office	596,813	626,914
Finance and Administration	2,582,166	2,405,665
	<u>3,483,407</u>	<u>3,355,030</u>
Community Engineering, Planning and Development		
Administration	370,109	407,815
Business Resource Centre	183,023	216,726
Development and planning	140,423	76,822
Building inspection	387,486	381,574
Engineering	742,920	686,596
Geographical information systems	55,326	70,971
Sustainable development	96,765	58,813
	<u>1,976,052</u>	<u>1,899,317</u>
Protective Services		
Fire Protection	4,004,939	4,033,170
911 Centre	780,994	762,847
Municipal enforcement	330,757	345,403
	<u>5,116,690</u>	<u>5,141,420</u>
Public Works		
Supervision and administration	1,857,452	1,472,150
Other operations payroll	725,062	643,905
Building maintenance	790,556	739,640
Street lighting	694,730	639,500
Snow clearing	1,895,669	2,292,774
Traffic control	196,961	307,296
Drainage	70,355	146,231
Street and storm sewer cleaning	295,648	417,982
Street maintenance	1,034,534	1,310,338
Sanitation and waste removal	1,390,106	1,401,622
	<u>8,951,073</u>	<u>9,371,438</u>
Water and Waste Water		
Water treatment plant	1,291,253	1,340,702
Purification and treatment	102,229	107,959
Water mains and hydrants	1,078,696	1,196,987
Sanitary systems	490,890	461,655
Regulators and meters	140,621	158,352
Reservoirs and intakes	80,893	82,697
Pump house	74,464	79,483
	<u>3,259,046</u>	<u>3,427,835</u>

**CITY OF CORNER BROOK
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2020**

SCHEDULE 3 Cont...

Parks and Recreation		
Parks	414,453	612,700
Recreation and leisure	346,903	341,904
	<u>761,356</u>	<u>954,604</u>
Corner Brook Transit		
Transit contract subsidy	347,269	316,605
	<u>347,269</u>	<u>316,605</u>
Corner Brook Civic Centre		
Administrative expenses	331,201	618,278
Operating expenses	1,404,875	1,869,317
	<u>1,736,076</u>	<u>2,487,595</u>
Fiscal Services		
Grants	208,000	242,700
Long-term debt interest	407,756	635,450
Provision for uncollectible taxes, fees and charges	166,459	120,000
Amortization of tangible capital assets	9,072,281	8,675,317
	<u>9,854,496</u>	<u>9,673,467</u>
Total Expenses	<u>\$ 35,485,465</u>	<u>\$ 36,627,311</u>

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

SCHEDULE 4

	General Government*		Community Engineering, Planning and Development		Protective Services	
	2020	2019	2020	2019	2020	2019
REVENUE						
Taxation	\$ 31,583,506	\$ 31,516,226	\$ -	\$ -	\$ -	\$ -
Government transfers	2,735,046	2,159,044	-	-	-	-
Sales of goods and services	1,321,107	1,344,660	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	90,087	18,966	-	-	-	-
Total revenue	<u>35,729,746</u>	<u>35,038,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES						
Personnel services	2,528,420	2,397,389	1,802,205	1,655,378	4,596,927	4,511,430
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	59,063	82,213	66,467	87,089	236,821	334,735
Contract services	705,193	548,443	47,401	28,455	37,455	24,057
Utilities	61,393	75,112	8,973	19,252	57,775	167,095
Other	128,788	247,389	51,006	109,143	149,545	65,936
Interest on long-term debt	-	-	-	-	38,167	38,167
Grants and contributions	550	4,484	-	-	-	-
Total expenses	<u>3,483,407</u>	<u>3,355,030</u>	<u>1,976,052</u>	<u>1,899,317</u>	<u>5,116,690</u>	<u>5,141,420</u>
Annual Surplus (Deficit)	<u>\$ 32,246,339</u>	<u>\$ 31,683,866</u>	<u>\$ (1,976,052)</u>	<u>\$ (1,899,317)</u>	<u>\$ (5,116,690)</u>	<u>\$ (5,141,420)</u>

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

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

SCHEDULE 4 Cont...

	Public Works		Water and Waste Water		Parks and Recreation	
	2020	2019	2020	2019	2020	2019
REVENUE						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government transfers	-	-	-	-	-	-
Sales of goods and services	-	-	-	-	35,443	53,960
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	-	-	-	-	35,443	53,960
EXPENSES						
Personnel services	3,600,498	3,534,274	1,284,293	1,365,641	448,223	520,392
Amortization	-	-	-	-	-	-
Maintenance materials and supplies	1,791,673	2,570,190	1,436,969	1,501,516	61,078	128,501
Contract services	2,070,061	1,866,509	215,008	209,867	118,489	139,575
Utilities	987,683	965,247	282,871	310,579	11,555	35,568
Other	22,103	53,295	39,905	40,232	122,011	130,568
Interest on long-term debt	471,453	376,394	-	-	-	-
Grants and contributions	7,602	5,529	-	-	-	-
Total expenses	8,951,073	9,371,438	3,259,046	3,427,835	761,356	954,604
Annual Surplus (Deficit)	<u>\$ (8,951,073)</u>	<u>\$ (9,371,438)</u>	<u>\$ (3,259,046)</u>	<u>\$ (3,427,835)</u>	<u>\$ (725,913)</u>	<u>\$ (900,644)</u>

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

SCHEDULE 4 Cont...

	Corner Brook Transit		Corner Brook Civic Centre		Fiscal Services	
	2020	2019	2020	2019	2020	2019
REVENUE						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government transfers	-	-	-	-	3,295,761	4,686,627
Sales of goods and services	-	-	697,284	1,306,077	-	-
Investment income	-	-	-	-	492,927	741,473
Other revenue	-	-	-	-	-	-
Total revenue	-	-	697,284	1,306,077	3,788,688	5,428,100
EXPENSES						
Personnel services	-	-	995,302	1,114,148	-	-
Amortization	-	-	-	-	9,072,281	8,675,317
Maintenance materials and supplies	-	1,804	144,515	211,857	-	-
Contract services	346,230	313,596	214,998	579,671	-	-
Utilities	1,039	1,205	319,568	514,334	-	-
Other	-	-	52,353	53,667	166,459	119,786
Interest on long-term debt	-	-	9,340	13,918	407,756	635,450
Grants and contributions	-	-	-	-	208,000	242,914
Total expenses	347,269	316,605	1,736,076	2,487,595	9,854,496	9,673,467
Annual Surplus (Deficit)	\$ (347,269)	\$ (316,605)	\$ (1,038,792)	\$ (1,181,518)	\$ (6,065,808)	\$ (4,245,367)

CITY OF CORNER BROOK
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2020

SCHEDULE 4 Cont...

	Total	
	2020	2019
REVENUE		
Taxation	\$ 31,583,506	\$ 31,516,226
Government transfers	6,030,807	6,845,671
Sales of goods and services	2,053,834	2,704,697
Investment income	492,927	741,473
Other revenue	90,087	18,966
Total revenue	<u>40,251,161</u>	<u>41,827,033</u>
EXPENSES		
Personnel services	15,255,868	15,098,652
Amortization	9,072,281	8,675,317
Maintenance materials and supplies	3,796,586	4,917,905
Contract services	3,754,835	3,710,173
Utilities	1,730,857	2,088,392
Other	732,171	820,016
Interest on long-term debt	926,716	1,063,929
Grants and contributions	216,152	252,927
Total expenses	<u>35,485,465</u>	<u>36,627,311</u>
Annual Surplus (Deficit)	<u>\$ 4,765,696</u>	<u>\$ 5,199,722</u>

CITY OF CORNER BROOK

SCHEDULE 5

RECONCILIATION OF THE FINANCIAL PLAN TO THE CONSOLIDATED PSAS BUDGET
Year Ended December 31, 2020

	Financial Plan	Tangible Capital Assets	Interest Expense	Reclassifications	Debt Repayments	PSAS Budget
REVENUE						
Taxation	\$ 28,652,800	\$ -	\$ -	\$ 2,536,600	\$ -	\$ 31,189,400
Government transfers	2,968,400	-	-	(1,351,800)	-	1,616,600
Sales of goods and services	2,925,200	-	-	164,700	-	3,089,900
Interest income	625,000	-	-	-	-	625,000
Other revenue	1,387,000	-	-	(1,349,500)	-	37,500
Total revenue	36,558,400	-	-	-	-	36,558,400
EXPENSES						
General government	3,649,900	-	-	-	-	3,649,900
Community engineering, planning and development	2,354,100	-	-	-	-	2,354,100
Protective services	5,122,500	-	-	-	-	5,122,500
Public works	8,583,800	-	-	-	-	8,583,800
Water and waste water	3,525,400	-	-	-	-	3,525,400
Parks and recreation	964,600	-	-	-	-	964,600
Corner Brook Transit	321,500	-	-	-	-	321,500
Corner Brook Civic Centre	2,471,400	-	-	-	-	2,471,400
Fiscal services						
Provision for uncollectible amounts	120,000	-	-	-	-	120,000
Grants and sponsorship	260,500	-	-	-	-	260,500
Capital expenditures	4,211,600	(4,211,600)	-	-	-	-
Debt charges	4,973,100	-	407,756	-	(4,973,100)	407,756
Amortization	-	9,072,281	-	-	-	9,072,281
Total expenses	36,558,400	4,860,681	407,756	-	(4,973,100)	36,853,737
Annual Surplus (Deficit)	\$ -	\$ (4,860,681)	\$ (407,756)	\$ -	\$ 4,973,100	\$ (295,337)

CITY OF CORNER BROOK
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2020

SCHEDULE 6
 (Unaudited)

	<u>Waste Water Reserve</u>	<u>Land Acquisitions</u>	<u>Equipment Replacement</u>	<u>Gas Tax</u>	<u>Public Trust</u>	<u>Operating and Environment</u>
REVENUE						
Other income	\$ -	\$ -	\$ -	\$ 1,293,912	\$ -	\$ -
EXPENSES						
Other expenses	-	-	100,000	1,066,161	17,419	39,498
NET REVENUES	-	-	(100,000)	227,751	(17,419)	(39,498)
TRANSFERS						
Transfers from operating fund	1,025,700	-	-	-	-	-
Acquisition of tangible capital assets	-	(35,849)	(729,928)	-	-	-
CHANGE IN RESERVE FUND BALANCES	1,025,700	(35,849)	(829,928)	227,751	(17,419)	(39,498)
FUND SURPLUS, BEGINNING OF YEAR	10,113,888	609,908	1,045,653	1,087,662	21,214	281,000
FUND SURPLUS, END OF YEAR	<u>\$ 11,139,588</u>	<u>\$ 574,059</u>	<u>\$ 215,725</u>	<u>\$ 1,315,413</u>	<u>\$ 3,795</u>	<u>\$ 241,502</u>

CITY OF CORNER BROOK
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2020

SCHEDULE 6 cont...
 (Unaudited)

	<u>NLHC Paving</u>	<u>Fire Department Hazard</u>	<u>Summer Fesitival</u>	<u>Safe Restart</u>	<u>2020 Total</u>	<u>2019 Total</u>
REVENUE						
Other income	\$ -	\$ -	\$ -	\$ 1,163,884	\$ 2,457,796	\$ 1,862,239
EXPENSES						
Other expenses	-	-	-	-	1,223,078	3,053,405
NET REVENUES	-	-	-	1,163,884	1,234,718	(1,191,166)
TRANSFERS						
Transfers from operating fund	111,630	4,908	-	-	1,142,238	1,666,633
Acquisition of tangible capital assets	(55,815)	-	-	-	(821,592)	(302,803)
CHANGE IN RESERVE FUND BALANCES	55,815	4,908	-	1,163,884	1,555,364	172,664
FUND SURPLUS, BEGINNING OF YEAR	71,611	(4,908)	5,000	-	13,231,028	13,058,364
FUND SURPLUS, END OF YEAR	\$ 127,426	\$ -	\$ 5,000	\$ 1,163,884	14,786,392	\$ 13,231,028