

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM
MUNICIPAL ENTERPRISE
SUPPLEMENTARY FINANCIAL STATEMENTS
(UNAUDITED: SEE NOTICE TO READER)
AS AT DECEMBER 31, 2019**

SUPPLEMENTARY FINANCIAL STATEMENTS

The accompanying financial statements of the Water Supply and Waste Water System Municipal Enterprise are presented as supplementary information to the consolidated financial statements of the Corporation of the City of Quinte West. In this respect, they do not form part of the basic financial statements of the Corporation of the City of Quinte West for the year ended December 31, 2019 and hence, are excluded from the opinion expressed in our report to the Council. The information in these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the corporation.

Wilkinson & Company LLP

Trenton, Canada
May 6, 2020

Chartered Professional Accountants
Licensed Public Accountants

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019
(UNAUDITED: SEE NOTICE TO READER)**

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash	67,520	4,082,930
Accounts receivable	1,989,358	1,550,268
Unbilled revenue	1,243,804	1,015,436
Due from the City of Quinte West	-	6,951
	<u>3,300,682</u>	<u>6,655,585</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,590,444	2,090,967
Due to the City of Quinte West	2,607,163	-
Long-term debt	46,732,632	48,345,833
	<u>52,930,239</u>	<u>50,436,800</u>
Net debt	<u>(49,629,557)</u>	<u>(43,781,215)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	132,441,238	123,919,370
Prepaid expenses	107	20,794
	<u>132,441,345</u>	<u>123,940,164</u>
MUNICIPAL POSITION		
Accumulated Surplus	<u>82,811,788</u>	<u>80,158,949</u>

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF OPERATIONS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget (Unaudited) 2019 \$	Actual 2019 \$	Actual 2018 \$
REVENUES			
User fees			
Water	8,169,000	8,227,530	7,836,774
Sewer	7,793,000	8,162,723	7,548,872
Grants	-	402,299	374,477
Other:			
Developer contributions	-	514,581	819,802
Other	781,000	1,053,016	933,381
Loss on disposal of tangible capital assets	-	(126,529)	(4,867,016)
	16,743,000	18,233,620	12,646,290
EXPENDITURES			
Administration	4,888,500	4,379,725	4,461,152
Amortization	2,575,000	3,773,527	3,167,743
Water treatment plant	2,449,000	2,387,655	2,122,908
Water distribution	1,426,000	1,188,393	1,219,189
Water meter service	329,000	223,536	202,358
Sewage treatment plant	3,626,000	3,445,114	3,643,408
Sanitary sewer maintenance	285,000	147,608	208,866
Lateral rodding maintenance	47,000	35,223	45,014
	15,625,500	15,580,781	15,070,638
ANNUAL SURPLUS (DEFICIT)	1,117,500	2,652,839	(2,424,348)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	80,158,949	80,158,949	82,583,297
ACCUMULATED SURPLUS - END OF YEAR	81,276,449	82,811,788	80,158,949

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF CASH FLOWS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 \$	2018 \$
OPERATING TRANSACTIONS		
Annual surplus (deficit)	2,652,839	(2,424,348)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	3,773,527	3,167,743
Loss on disposal	126,529	4,867,016
	<u>6,552,895</u>	<u>5,610,411</u>
Changes in the level of:		
Decrease (increase) in accounts receivable	(439,090)	1,124,091
Increase in unbilled revenue	(228,368)	124,016
Decrease (increase) in inventories	20,687	(19,070)
Increase (decrease) in due to City of Quinte West	2,614,114	(433,993)
Increase (decrease) in accounts payable and accrued liabilities	1,499,480	(1,762,489)
CASH PROVIDED BY OPERATING TRANSACTIONS	<u>10,019,718</u>	<u>4,642,966</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(12,421,924)	(10,052,462)
CASH USED IN CAPITAL TRANSACTIONS	<u>(12,421,924)</u>	<u>(10,052,462)</u>
FINANCING TRANSACTIONS		
Repayment of municipal debt	(1,613,204)	(1,590,707)
CASH APPLIED TO FINANCING ACTIVITIES	<u>(1,613,204)</u>	<u>(1,590,707)</u>
DECREASE IN CASH	<u>(4,015,410)</u>	<u>(7,000,203)</u>
OPENING CASH	<u>4,082,930</u>	<u>11,083,133</u>
CLOSING CASH	<u>67,520</u>	<u>4,082,930</u>
REPRESENTED BY:		
Cash	<u>67,520</u>	<u>4,082,930</u>

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget (Unaudited) 2019 \$	2019 \$	2018 \$
Annual surplus (deficit)	1,117,500	2,652,839	(2,424,348)
Acquisition of tangible capital assets	(4,677,000)	(12,421,924)	(10,052,462)
Amortization of tangible capital assets	2,695,000	3,773,527	3,167,743
Loss on disposal of tangible capital assets	-	126,529	4,867,016
Change in inventory	-	20,687	(19,070)
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Increase in net debt	(864,500)	(5,848,342)	(4,461,121)
Net debt - beginning of year	(43,781,215)	(43,781,215)	(39,320,094)
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Net debt - end of year	(44,645,715)	(49,629,557)	(43,781,215)
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