

**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, 2018**

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, 2018 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 8, 2019

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, 2018
(UNAUDITED: SEE NOTICE TO READER)**

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	4,082,930	11,083,133
Accounts receivable	1,550,268	2,674,359
Unbilled revenue	1,015,436	1,139,451
Due from the City of Quinte West	6,951	-
	<hr/> 6,655,585	<hr/> 14,896,943
LIABILITIES		
Accounts payable and accrued liabilities	2,090,967	3,853,455
Due to the City of Quinte West	-	427,042
Long-term debt	48,345,833	49,936,540
	<hr/> 50,436,800	<hr/> 54,217,037
Net debt	<hr/> (43,781,215)	<hr/> (39,320,094)
NON-FINANCIAL ASSETS		
Tangible capital assets	123,919,370	121,901,667
Prepaid expenses	20,794	1,724
	<hr/> 123,940,164	<hr/> 121,903,391
MUNICIPAL POSITION		
Accumulated Surplus	<hr/> 80,158,949	<hr/> 82,583,297

**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, 2018**

	Budget (Unaudited) 2018 \$	Actual 2018 \$	Actual 2017 \$
REVENUES			
User fees			
Water	7,592,000	7,836,774	7,200,651
Sewer	6,905,000	7,548,872	6,735,615
Grants	1,838,594	374,477	1,915,032
Other			
Developer contributions	-	819,802	5,932,754
Other	558,800	933,381	1,003,595
Loss on disposal of tangible capital assets	-	(4,867,016)	(57,434)
	16,894,394	12,646,290	22,730,213
EXPENDITURES			
Administration	3,823,650	4,461,152	3,790,160
Amortization	2,640,000	3,167,743	2,679,010
Water treatment plant	2,519,200	2,122,908	2,121,347
Water distribution	1,340,000	1,162,760	971,712
Water meter service	321,950	258,787	229,024
Sewage treatment plant	3,370,800	3,643,408	3,747,804
Sanitary sewer maintenance	283,400	208,866	268,112
Lateral rodding maintenance	46,400	45,014	33,210
	14,345,400	15,070,638	13,840,379
ANNUAL SURPLUS (DEFICIT)	2,548,994	(2,424,348)	8,889,834
ACCUMULATED SURPLUS - BEGINNING OF YEAR	82,583,297	82,583,297	73,693,463
ACCUMULATED SURPLUS - END OF YEAR	85,132,291	80,158,949	82,583,297

**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, 2018**

	2018	2017
	\$	\$
OPERATING TRANSACTIONS		
Annual surplus (deficit)	(2,424,348)	8,889,834
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	3,167,743	2,679,010
Loss on disposal	4,867,016	57,434
	<u>5,610,411</u>	<u>11,626,278</u>
Changes in the level of		
Decrease (increase) in accounts receivable	1,124,091	(597,004)
Increase in unbilled revenue	124,016	(31,892)
Decrease (increase) in inventories	(19,070)	(1,724)
Increase (decrease) in due to City of Quinte West	(433,993)	3,662,712
Increase (decrease) in accounts payable and accrued liabilities	(1,762,489)	900,058
	<u>4,642,966</u>	<u>15,558,428</u>
CASH PROVIDED BY OPERATING TRANSACTIONS		
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(10,052,462)	(12,871,096)
	<u>(10,052,462)</u>	<u>(12,871,096)</u>
CASH USED IN CAPITAL TRANSACTIONS		
FINANCING TRANSACTIONS		
Increase in municipal debt	-	6,310,000
Repayment of municipal debt	(1,590,707)	(611,315)
	<u>(1,590,707)</u>	<u>5,698,685</u>
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES		
INCREASE (DECREASE) IN CASH	(7,000,203)	8,386,017
OPENING CASH	11,083,133	2,697,116
CLOSING CASH	4,082,930	11,083,133
REPRESENTED BY		
Cash	4,082,930	11,083,133

**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, 2018**

	Budget (Unaudited)		
	2018	2018	2017
	\$	\$	\$
Annual surplus (deficit)	2,548,994	(2,424,348)	8,889,834
Acquisition of tangible capital assets	(4,677,000)	(10,052,462)	(12,871,096)
Amortization of tangible capital assets	2,695,000	3,167,743	2,679,010
Loss on disposal of tangible capital assets	-	4,867,016	57,434
Change in inventory	-	(19,070)	(1,724)
Increase in net debt	566,994	(4,461,121)	(1,246,542)
Net debt - beginning of year	(39,320,094)	(39,320,094)	(38,073,552)
Net debt - end of year	(38,753,100)	(43,781,215)	(39,320,094)