

**CORPORATION OF THE CITY OF QUINTE WEST  
CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2020**

**CORPORATION OF THE CITY OF QUINTE WEST**  
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**AS AT DECEMBER 31, 2020**

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## MANAGEMENT'S REPORT

### Management's Report

#### *Management's Responsibility for the Consolidated Financial Statement*

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Corporate and Financial Services Committee are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through Council. The Committee reviews internal consolidated financial statements on a regular basis and external audited consolidated financial statements yearly. The Committee also discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Wilkinson & Company LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Corporation of the City of Quinte West and meet when required. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Corporation of City of Quinte West.

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Committee Member

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Committee Member

## **INDEPENDENT AUDITORS' REPORT**

To the Council of the  
Corporation of the City of Quinte West

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Corporation of the City of Quinte West, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, cash flows and changes in net debt for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2020, and its results of operations 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 Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITORS' REPORT**  
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**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*Wilkinson & Company LLP*

TRENTON, Canada  
May 5, 2021

Chartered Professional Accountants  
Licensed Public Accountants

**CORPORATION OF THE CITY OF QUINTE WEST  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents - Note 5	32,707,343	29,517,690
Investments Note 6	25,037,615	-
Taxes receivable - net of allowance - Note 7	5,151,633	3,721,034
Accounts receivable - Note 8	9,739,452	8,163,037
Land held for resale	4,368,621	3,758,426
	<u>77,004,664</u>	<u>45,160,187</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	12,063,062	17,291,771
Deferred revenue and deposits - Note 9	14,394,506	11,585,598
Landfill obligation - Note 10	999,175	780,849
Contaminated sites obligation - Note 11	654,000	634,000
Employee future benefits - Note 12	4,498,100	4,194,300
Municipal debt - Note 13	123,233,773	92,835,459
	<u>155,842,616</u>	<u>127,321,977</u>
<b>Net debt</b>	<u>(78,837,952)</u>	<u>(82,161,790)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - Note 19	395,248,550	385,781,822
Inventory	197,805	103,345
Prepaid expenses	16,650	-
	<u>395,463,005</u>	<u>385,885,167</u>
<b>MUNICIPAL POSITION</b>		
<b>Accumulated Surplus - Note 14</b>	<u>316,625,053</u>	<u>303,723,377</u>

The accompanying notes form an integral part of these financial statements

**CORPORATION OF THE CITY OF QUINTE WEST  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget (Unaudited) Note 18 2020 \$	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Taxes levied for own purposes	54,130,775	55,477,024	52,365,909
Taxes from other governments	10,440,000	10,312,719	10,275,564
User fees	21,560,250	21,097,053	21,126,291
Grants:			
Government of Canada	6,365,600	7,350,784	2,065,322
Province of Ontario	3,439,561	5,176,004	6,926,129
Other municipalities	28,500	7,158	65,614
Other:			
Developer contributions	1,047,000	4,470,388	1,889,161
Other	1,876,800	2,022,752	2,851,607
Loss on disposal of tangible capital assets	-	(2,300,337)	(408,059)
Interest	1,080,500	759,328	1,150,128
	99,968,986	104,372,873	98,307,666
<b>EXPENDITURES</b>			
General government	11,864,915	12,588,905	11,010,490
Protection services	17,653,400	17,454,463	15,382,491
Transportation services	23,858,100	22,164,256	23,120,365
Environmental services	19,889,900	18,666,023	18,023,948
Health services	3,916,700	4,071,335	3,807,411
Social and family services	6,997,200	7,017,335	6,454,179
Recreation and cultural services	9,520,339	8,205,766	8,761,576
Planning and development	1,579,100	1,303,114	1,441,829
	95,279,654	91,471,197	88,002,289
<b>ANNUAL SURPLUS</b>	4,689,332	12,901,676	10,305,377
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	-	303,723,377	293,418,000
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	-	316,625,053	303,723,377

The accompanying notes form an integral part of these financial statements



**CORPORATION OF THE CITY OF QUINTE WEST  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$	2019 \$
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	12,901,676	10,305,377
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	17,035,796	16,501,065
Loss on disposal of tangible capital assets	2,300,337	408,059
Increase (decrease) in landfill obligation	218,326	(37,151)
Increase in contaminated sites obligation	20,000	23,000
Increase in employee future benefits	303,800	118,200
Increase in taxes receivable	(1,430,599)	(12,936)
Increase in investments	(25,037,615)	-
Increase in accounts receivable	(1,576,415)	(2,063,486)
Decrease (increase) in inventory	(94,460)	43,279
Decrease (increase) in prepaid expenses	(16,650)	575,062
Increase in land held for resale	(610,195)	(218)
Increase (decrease) in accounts payable and accrued liabilities	(5,228,709)	4,021,902
Increase in deferred revenue and deposits	2,808,908	5,581,629
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>	<b>1,594,200</b>	<b>35,463,782</b>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(28,971,988)	(33,981,540)
Proceeds on sale of tangible capital assets	169,127	249,027
<b>CASH APPLIED TO CAPITAL TRANSACTIONS</b>	<b>(28,802,861)</b>	<b>(33,732,513)</b>
<b>FINANCING TRANSACTIONS</b>		
Issuance of municipal debt	34,730,000	-
Debt principal repayments	(4,331,686)	(4,471,605)
<b>CASH APPLIED TO FINANCING ACTIVITIES</b>	<b>30,398,314</b>	<b>(4,471,605)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,189,653</b>	<b>(2,740,336)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>29,517,690</b>	<b>32,258,026</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>32,707,343</b>	<b>29,517,690</b>
<b>REPRESENTED BY:</b>		
Cash and cash equivalents	32,707,343	29,517,690

The accompanying notes form an integral part of these financial statements



**CORPORATION OF THE CITY OF QUINTE WEST  
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Budget (Unaudited) Note 18 2020 \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
Annual surplus	-	12,901,676	10,305,377
Acquisition of tangible capital assets	(20,601,000)	(28,971,988)	(33,981,540)
Amortization of tangible capital assets	16,406,600	17,035,796	16,501,065
Loss on disposal of tangible capital assets	-	2,300,337	408,059
Proceeds on sale of tangible capital assets	-	169,127	249,027
	(4,194,400)	3,434,948	(6,518,012)
Acquisition of inventory	-	(197,805)	(103,345)
Consumption of inventory	-	103,345	146,624
Acquisition of prepaid expenses	-	(16,650)	-
Consumption of prepaid expenses	-	-	575,062
	-	(111,110)	618,341
Decrease (increase) in net debt	(4,194,400)	3,323,838	(5,899,671)
Net debt - beginning of year	(82,161,790)	(82,161,790)	(76,262,119)
Net debt - end of year	(86,356,190)	(78,837,952)	(82,161,790)

The accompanying notes form an integral part of these financial statements

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Corporation of the City of Quinte West are prepared by management in accordance with Canadian generally accepted accounting policies as recommended by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the City are as follows:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian public sector accounting standards.

**(b) Basis of Consolidation**

The Consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which are composed of all boards, which are controlled by the Council. These boards are the Quinte West Public Library Board and Trenton Downtown Business Improvement Area Board.

All interfund and inter-entity assets, liabilities, revenues and expenses are eliminated upon consolidation.

Trust funds and their related operations administered by the City are not consolidated, but are disclosed separately in Note 2.

The taxes, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the balances of these consolidated financial statements, but are disclosed separately in Note 3.

**(c) Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Costs include amounts for improvements to prepare the land for sale.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

**(d) Tangible Capital Assets**

Tangible capital assets are recorded at historical cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where historical cost is not available, management has developed estimation techniques to determine cost. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the useful lives of the assets. The only exception is for land, which is considered to have an indefinite life. Assets under construction are not amortized until the asset is available for productive use. Gains and/or losses on the disposal of an asset are recorded on the consolidated statement of operations as "gain/loss on disposal of tangible capital assets". Amortization of tangible capital assets which is based on management's estimate of the useful life, is calculated from the month of addition as follows:

<b>Asset</b>	<b>Basis</b>	<b>Useful Life</b>
Land improvements	Straight-line	10-50 years
Buildings	Straight-line	20-110 years
Equipment	Straight-line	3-30 years
Computer hardware and software	Straight-line	3-30 years
Vehicles and rolling equipment	Straight-line	10-20 years
Furniture and fixtures	Straight-line	3-30 years
Road network	Straight-line	15-75 years
Water and sewer network	Straight-line	30-80 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for in the consolidated statement of operations.

**(e) Pension Agreement**

The City is an employer member of the Ontario Municipal Employee Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The City has adopted defined contribution plan accounting principles for the plan because it is a multi-employer plan. The City records as pension expense the current service cost, amortization of past costs and interest costs related to the future employer contributions to the plan for past employee service.



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

**(f) Use of Estimates and Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of employee future benefits, landfill obligation, development charges, contaminated sites obligation, fair value of contributed tangible capital assets, allowance for uncollectible taxes and the estimated useful life of tangible capital assets.

Estimates are based on actuarial and engineering reports that are based on the best information available at the time of preparation of the consolidated financial statements. Actual results could differ from those estimates.

Estimates are based on the Development Charge Background Study completed by a third party. The purpose of the study is to quantify and analyze the costs and timing between the accumulation of reserves from normal development charges income and the future projects the City has in place. Actual results could differ from those estimates.

**(g) Cash and Equivalents**

Cash and equivalents consist of bank balances and investments in term deposits with maturity dates of less than three months from the date they are acquired, and is net of any temporary borrowings for current purposes.

**(h) Investments**

Investments consist of funds held in a high interest savings account measured at fair market value.

**(i) Deferred Revenue**

Obligatory reserve funds and any other externally restricted financing amounts must be reported as deferred revenue. Only the amount earned by qualifying expenditures in the current year is reflected as revenue in the Consolidated Statement of Operations.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

**(j) Revenue Recognition**

Revenue is reported on the accrual basis of accounting.

Tax revenue is recognized in the calendar year to which the tax assessment applies. When necessary, taxes are recorded at estimated amounts when actual balances are not known. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Fines and donations are recognized when collected.

Developer contributions and fees for services are recognized over the period of service or when required expenditures occur if applicable.

Except as noted in the government transfers policy below, conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

**(k) Government Transfers**

Government transfers are recognized as revenue in the consolidated 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the liabilities are settled.

**(l) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds environmental standard;
- (iii) The City is directly responsible or accepts responsibility; and
- (iv) a reasonable estimate of the amount can be made.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)**

**(m) Financial Instruments**

The City initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The City subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at fair value include cash and investments.

All other financial assets are measured at amortized cost.

There are no financial liabilities measured at fair value.

All financial liabilities are measured at amortized cost.

**2. TRUST FUNDS**

	2020 \$	2019 \$
Mount Evergreen Cemetery	358,850	350,558
Mount Zion Cemetery	12,947	12,331
Mount Carmel Cemetery	34,923	34,923
McVicar Trust	2,719	2,689
Stone Church Cemetery	100	100
	<b>409,539</b>	<b>400,601</b>



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**3. TAXES RAISED ON BEHALF OF OTHERS**

	2020 \$	2019 \$
School boards	12,162,954	12,313,104

The ratepayers of the City of Quinte West support the operations of various school boards operating in the Municipality. These taxes are collected by the City on behalf of the school boards and are not reflected on the Statement of Operations. To the extent that the tax amounts remain uncollected at year end, the outstanding amounts are included in taxes receivable.

**4. RESTRICTED ASSETS**

	2020 \$	2019 \$
Cash	15,693,375	16,857,125
Short-term investments	2,436,600	-
Due to/from own municipality	(4,783,275)	(6,213,370)
	13,346,700	10,643,755
Consists of:		
Obligatory funds in deferred revenue	13,328,905	10,626,155
Reid fund reserve in surplus	17,795	17,600
	13,346,700	10,643,755

**5. CASH AND CASH EQUIVALENTS**

	2020 \$	2019 \$
Unrestricted:		
Unrestricted cash	13,845,037	10,799,639
Designated:		
Designated cash	732,331	1,860,926
Restricted:		
Restricted cash	15,693,375	16,857,125
Restricted investments	2,436,600	-
	32,707,343	29,517,690

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**5. CASH AND CASH EQUIVALENTS - (Cont'd)**

The majority of the cash is on deposit at one financial institution (TD Canada Trust).

**6. INVESTMENTS**

Investments held consist of funds in high interest savings account bearing interest at 0.7% to 0.915%.

**7. TAXES RECEIVABLE**

	2020 \$	2019 \$
Taxes receivable	6,225,201	4,387,153
Allowance for doubtful accounts	(1,073,568)	(666,119)
	<b>5,151,633</b>	<b>3,721,034</b>

**8. ACCOUNTS RECEIVABLE**

	2020 \$	2019 \$
Government of Canada	3,634,365	2,565,035
Province of Ontario	877,418	120,860
Other Municipalities	106,830	15,598
Other	5,120,839	5,461,544
	<b>9,739,452</b>	<b>8,163,037</b>

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**9. DEFERRED REVENUE AND DEPOSITS**

	2020 \$	2019 \$
Obligatory reserve funds:		
Development Charges Act	6,416,136	4,810,198
Parkland (Planning Act)	1,139	-
Federal Gas Tax	1,723,034	5,045,324
Provincial Gas Tax	93,986	58,957
OG Alyea Park	116,001	73,258
OCIF (Ontario Community Infrastructure Fund)	4,184,550	504,054
OCLIF (Ontario Cannabis Legalization Implementation Fund)	135,845	134,364
CTGP (Community Transportation Grant Program)	94,712	-
COVID-19 Safe Restart Funding	563,502	-
	<b>13,328,905</b>	<b>10,626,155</b>
Deferred revenue:		
Stormwater	62,650	61,967
Other deferred revenue and deposits	1,002,951	897,476
	<b>1,065,601</b>	<b>959,443</b>
	<b>14,394,506</b>	<b>11,585,598</b>



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**9. DEFERRED REVENUE AND DEPOSITS - (Cont'd)**

The net change during the year in the restricted deferred revenue balances is made up of the following:

	Development charges \$	Parkland \$	Federal Gas tax \$	Provincial Gas tax \$	OMCC \$	OG Alyea Park \$	OCIF \$	OCLIF \$	CTGP \$	COVID \$	Total \$
Opening balance	4,810,198	-	5,045,324	58,957	-	73,258	504,054	134,364	-	-	10,626,155
Amounts received	2,582,819	34,200	2,643,924	541,241	-	42,000	4,157,747	-	139,505	2,341,000	12,482,436
Interest earned	59,413	2,060	45,767	788	864	743	22,749	1,481	519	2,502	136,886
Revenue recognized	(1,036,294)	(35,121)	(6,011,981)	(507,000)	(864)	-	(500,000)	-	(45,312)	(1,780,000)	(9,916,572)
Ending obligatory funds	6,416,136	1,139	1,723,034	93,986	-	116,001	4,184,550	135,845	94,712	563,502	13,328,905

Gas tax revenue is provided by the Government of Canada. The use of the funds is established by the funding agreement signed between the City and the Association of Municipalities of Ontario. Gas tax funds may be used towards designated projects as specified in the funding agreements.

See Note 22 regarding change in estimate impacting development charges.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**10. LANDFILL OBLIGATION**

The consolidated statement of financial position reflects a liability for anticipated future costs related to the closing and monitoring of the existing landfill site. The waste site closure and post closure cost liability has been estimated at December 31, 2020 to be \$999,175 (2019 - \$780,849). This liability represents the estimated total expenditures for closure and post closure care. This liability was updated as of December 31, 2019 by Cambium Environmental, an accredited engineering firm hired by the City who has experience with landfill construction, closure and on-going monitoring work and related processes. For purposes of the above calculation, the landfill has an estimated remaining life span of 9 years and remaining capacity of 29,520 cubic meters. Once closed, the site will be monitored for an estimated period of 25 years with the estimated costs of \$23,084 per year. A discount rate has been used that is equal to the rate available to the City on long-term borrowing. The estimated present value of total closure and post closure costs is \$1,173,641 and the estimated portion relating to remaining available capacity is \$174,465. As at December 31, 2020, the landfill closure and post closure costs have not been fully financed.

**11. CONTAMINATED SITES OBLIGATION**

The consolidated statement of financial position recognizes and estimates a liability of \$654,000 (2019 - \$634,000) for remediation of two properties using a net present value calculation with an updated inflation rate of 2.82% and an interest rate of 3.42% that is equal to the rate available to the City on long-term borrowing. The nature of the liability is due to a history of industrial contamination associated with the use of various chemicals, of which leaking buried drums containing these chemicals were discovered in 1990 and subsequently removed. This liability was initially estimated by an accredited engineering firm hired by the City who has experience with contaminated sites and on-going monitoring work and related processes. For purposes of the above calculation, the contaminated sites have an estimated remaining life span of six years. As at December 31, 2020, the costs associated with the contaminated sites have not been fully financed.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**12. EMPLOYEE FUTURE BENEFITS**

The city provides certain employee amounts which will require funding in future periods.

**(i) Vacation Payable**

Vacation pay owing at December 31, 2020 of \$319,783 (2019 - \$292,061) has been fully funded from operations and included in accounts payable in these financial statements.

**(ii) Pension Agreement**

OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets at that date of \$109,844 million indicating an actuarial deficit of \$3,211 million. OMERS is a multi-employer plan, accordingly, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the municipality to OMERS for 2020 were \$1,739,221 (2019 - \$1,625,182).

**(iii) Post-Employment Benefits**

Under the provisions of certain employee benefit plans, an employee, who is eligible for a retirement pension from OMERS, and is under the age of 65 will be provided with Extended Health coverage.

Regular firefighters receive health benefits until death, Water and Sewer retirees with life insurance benefits also receive coverage until death. For all other groups, health benefits are terminated on the members 65<sup>th</sup> birthday. The plan requires no contribution from employees. Total benefit payments for retirees during the year were \$252,900 (2019 - \$279,100).



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**12. EMPLOYEE FUTURE BENEFITS - (Cont'd)**

**(iii) Post-Employment Benefits - (Cont'd)**

Actuarial valuations for accounting purposes will be performed triennially using the projected benefit method prorated on services. The last actuarial valuation was completed as at December 31, 2020. The accrued benefit obligation of \$4,498,100 shown for December 31, 2020 is based on that valuation. Actual experienced cost increases and discount rate adjustments have resulted in a net loss of \$878,700 which will be recognized over the estimated average remaining service life of the employee group.

The post-employment benefit liability at December 31, 2020 includes the following components.

	<b>2020</b>	2019
	\$	\$
Actuarially determined accrued benefit obligation	<b>5,748,300</b>	4,657,300
Unamortized actuarial losses	<b>(1,250,200)</b>	(463,000)
	<b>4,498,100</b>	4,194,300

The actuarial valuation and extrapolation were based on a number of assumptions about future events, such as wage and salary increases, and employee turnover and mortality. The assumptions used reflect the municipalities, best estimates. The main actuarial assumptions employed for the extrapolation are as follows:

Discount rate	2.30%
Medical cost increases:	
First year	6.32%
Decreasing over 20 years to	4%
Expected rate of dental cost increase	4%
Estimated average remaining service life of the employee group	11 years

The post-employment benefit expense is reported as a component of current expenditures on the statement of financial activities. Composition of the amount is as follows:

	<b>2020</b>	2019
	\$	\$
Current year benefit cost	<b>234,500</b>	175,500
Amortization of actuarial losses	<b>91,500</b>	64,100
Plan amendments incurred in year	<b>64,300</b>	-
Interest on post-employment benefit liability	<b>166,400</b>	157,700
	<b>556,700</b>	397,300

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**13. MUNICIPAL DEBT**

	2020 \$	2019 \$
Total long-term liabilities incurred for capital purposes by the City including those incurred on behalf of public works, Municipal Enterprise and individuals outstanding at year-end.	123,233,773	92,842,323
Of the long-term liabilities shown above, the responsibility for payment of principal and interest for tile drainage and shoreline property assistance loans assumed by individuals.	-	(6,864)
<b>Net municipal debt</b>	<b>123,233,773</b>	<b>92,835,459</b>

- (i) The interest rates charged on debt range from 1.95% to 4.83%. The estimated requirement for future repayments, assuming payment on the demand loans is not enforced before debentures are finalized, are summarized as follows:

	2021 \$	2022 \$	2023 \$	2024 \$	2025 + \$	Total \$
Principal	5,872,874	5,993,850	6,119,216	6,247,173	99,000,660	123,233,773
Interest	3,772,735	3,587,596	3,398,068	3,209,479	26,931,872	40,899,750
	9,645,609	9,581,446	9,517,284	9,456,652	125,932,532	164,133,523

- (ii) The long-term liabilities issued in the City's name have been approved by by-law as required and the annual principal and interest payments required are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**13. MUNICIPAL DEBT - (Cont'd)**

(iii) The City of Quinte West is contingently liable for long-term liabilities with respect to tile drainage and shoreline property assistance loans. The total amount outstanding as at December 31, 2020 is \$Nil (2019 - \$6,684) and is not recorded on the Consolidated Statement of Financial Position.

**14. ACCUMULATED SURPLUS**

	2020 \$	2019 \$
Total reserve and reserve funds	45,971,877	40,295,821
Land held for sale	4,368,621	3,758,426
Surplus attributable to net capital assets	395,248,550	385,781,822
Municipal debt to be recovered in future	(123,233,773)	(92,835,459)
Employee future benefits to be recovered in future	(4,498,100)	(4,194,300)
Landfill liability to be recovered in future	(999,175)	(780,849)
Contaminated sites liability to be recovered in future	(654,000)	(634,000)
Operating deficit	421,053	(27,668,084)
	<b>316,625,053</b>	<b>303,723,377</b>

**15. CONTINGENCIES AND COMMITMENTS**

(i) Credit facility agreement

The City has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$5 million through an operating line of credit. Any balance borrowed will bear interest at prime less 0.5% per annum on prime based loans, prime less 0.25% per annum on bankers acceptances and 1% per annum on letters of credit. Council authorized the temporary borrowing limit for 2016 in by-law 14-17, and there was a balance owing as at December 31, 2020 of \$Nil (2019 - \$Nil).

The City has unused credit facility available of \$6,420,000 as at December 31, 2020.

(ii) Other contingencies

In the normal course of its operations, the City is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**16. CONTINGENCIES AND COMMITMENTS - (Cont'd)**

(iii) Legal matters

The City has been named in litigation matters, the outcome of which are undeterminable. Accordingly, no provision has been provided for these matters in these financial statements. Should any loss result from these claims, not covered by insurance, such loss would be charged to operations in the year of resolution.

(iv) Spending commitments

The City has assumed and entered into certain agreements for collection, disposal and recycling of garbage.

The City has entered into a commitment with Hastings County to support the capital construction of the Hastings Manor in Belleville with an additional contribution of \$181,000 annually for 20 years, commencing in 2004, for a total estimated capital commitment of \$3,620,000. At December 31, 2020 the remaining commitment is \$543,000.

The City has entered into a commitment with the Kingston Hospital Foundation to contribute a total of \$395,000 over 5 years commencing in 2018. At December 31, 2020 the remaining commitment is \$158,000.

The City has entered into a commitment with the Trenton Memorial Hospital Foundation to contribute a total of \$1,000,000 over 9 years commencing in 2013. At December 31, 2020 the remaining commitment is \$150,000.

The City has entered into a commitment with Highway of Hero's - Tree Planting to contribute a total of \$100,000 over 4 years commencing in 2019. At December 31, 2020 the remaining commitment is \$50,000.

The City has entered into a commitment with the Humane Society to contribute a total of \$250,000 over 4 years commencing in 2019. At December 31, 2020 the remaining commitment is \$125,000.

The City has entered into a commitment with the Natural History Museum for \$200,000 per year over 4 years for this term of Council commencing in 2019. In addition, the City has agreed in principle to a total contribution of no more than \$2,000,000 in cash and up to an additional \$2,000,000 in-kind services with subsequent approval from future Councils.

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**17. RELATED PARTY TRANSACTIONS**

The City of Quinte West is related to a local non-profit organization that provides transportation services. Transactions during the year included payment of certain operating expenses totalling \$163,895 (2019 - \$214,401) and funding provided totalling \$1,556,000 (2019 - \$1,293,700). These transactions are recorded at an exchange amount that is agreed upon by both parties. At year-end there is funding payable of Nil (2019 - Nil) and reimbursement of expenses receivable of \$48,196 (2019 - \$369,657).

**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**18. BUDGET AMOUNTS**

The 2020 budget adopted by Council was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector accounting standards now require a full accrual basis. The budget figures treated all tangible capital expenditures as expenses. As a result, the budget figures presented in the consolidated statement of operations and consolidated change in net debt represent the budget adopted by Council with adjustments as follows:

	2020 budget adopted by Council \$	Non TCA expenditures from capital \$	2020 budget presented in statements \$
<b>Revenue</b>			
Taxes levied for own purposes	54,130,775	-	54,130,775
Taxes from other governments	10,440,000	-	10,440,000
User fees	21,560,250	-	21,560,250
Grants	9,833,661	-	9,833,661
Other	4,004,300	-	4,004,300
	99,968,986	-	99,968,986
<b>Expenditures</b>			
General government	11,644,915	220,000	11,864,915
Protection services	17,653,400	-	17,653,400
Transportation services	23,488,100	370,000	23,858,100
Environmental services	19,689,900	200,000	19,889,900
Health services	3,916,700	-	3,916,700
Social and family services	6,997,200	-	6,997,200
Recreation and cultural services	9,520,339	-	9,520,339
Planning and development	1,579,100	-	1,579,100
	94,489,654	790,000	95,279,654
<b>Annual surplus (deficit)</b>	<b>5,479,332</b>	<b>(790,000)</b>	<b>4,689,332</b>
Capital expenditures	(21,391,000)	790,000	
Transfers from (to) reserve/reserve funds	4,601,268	-	
Debt proceeds	-	-	
Debt repayment	(5,271,200)	-	
<b>Budget use of prior year surplus</b>	<b>(16,581,600)</b>	<b>-</b>	
General levy surplus	13,116,600	-	
Area rating surplus	-	-	
Water and sewer surplus	3,230,000	-	
Library surplus	235,000	-	
	-	-	



**CORPORATION OF THE CITY OF QUINTE WEST  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**19. TANGIBLE CAPITAL ASSETS**

	General Assets						Infrastructure Assets						
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Furniture Fixtures & Equipment \$	Computer Hardware & Software \$	Land \$	Buildings \$	Vehicles & Rollings Equipment \$	Road Network \$	Water & Sewer Network \$	Work in Progress \$	2020 \$
Cost, Beginning of year	7,741,978	11,118,219	89,258,797	12,318,860	1,417,629	1,370,953	214,594	78,024,317	17,713,617	441,750,184	105,501,836	28,971,401	795,402,385
Additions	215,722	184,807	1,514,931	1,774,925	99,337	393,941	-	1,133,721	2,161,329	11,837,227	3,428,508	6,227,540	28,971,988
Disposals	-	(567,988)	(1,558,886)	(863,755)	(111,684)	(222,547)	-	(895,343)	(202,297)	(8,206,040)	(1,073,299)	-	(13,701,839)
Internal Transfers	-	1,469,257	11,539,128	-	-	-	-	440,801	-	1,351,501	-	(14,800,687)	-
<b>Cost, End of Year</b>	<b>7,957,700</b>	<b>12,204,295</b>	<b>100,753,970</b>	<b>13,230,030</b>	<b>1,405,282</b>	<b>1,542,347</b>	<b>214,594</b>	<b>78,703,496</b>	<b>19,672,649</b>	<b>446,732,872</b>	<b>107,857,045</b>	<b>20,398,254</b>	<b>810,672,534</b>
Accumulated Dep'n Beginning of Year	-	4,893,087	20,527,341	7,803,402	967,654	605,231	-	24,447,537	9,902,874	298,654,598	41,818,839	-	409,620,563
Amortization	-	442,875	2,313,965	814,492	134,735	242,185	-	2,192,311	978,005	8,535,750	1,381,478	-	17,035,796
Disposals	-	(331,010)	(1,020,180)	(853,644)	(111,684)	(214,755)	-	(147,106)	(196,766)	(7,715,394)	(641,836)	-	(11,232,375)
<b>Accumulated Dep'n End of Year</b>	<b>-</b>	<b>5,004,952</b>	<b>21,821,126</b>	<b>7,764,250</b>	<b>990,705</b>	<b>632,661</b>	<b>-</b>	<b>26,492,742</b>	<b>10,684,113</b>	<b>299,474,954</b>	<b>42,558,481</b>	<b>-</b>	<b>415,423,984</b>
<b>Net Book Value Beginning of Year</b>	<b>7,741,978</b>	<b>6,225,132</b>	<b>68,731,458</b>	<b>4,515,458</b>	<b>449,975</b>	<b>765,721</b>	<b>214,594</b>	<b>53,576,779</b>	<b>7,810,744</b>	<b>143,095,585</b>	<b>63,682,997</b>	<b>28,971,401</b>	<b>385,781,822</b>
<b>Net Book Value End of Year</b>	<b>7,957,700</b>	<b>7,199,343</b>	<b>78,932,844</b>	<b>5,465,780</b>	<b>414,577</b>	<b>909,686</b>	<b>214,594</b>	<b>52,210,754</b>	<b>8,988,536</b>	<b>147,257,918</b>	<b>65,298,564</b>	<b>20,398,254</b>	<b>395,248,550</b>

**CORPORATION OF THE CITY OF QUINTE WEST  
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**19. TANGIBLE CAPITAL ASSETS - (Cont'd)**

	General Assets						Infrastructure Assets						
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Furniture Fixtures & Equipment \$	Computer Hardware & Software \$	Land \$	Buildings \$	Vehicles & Rollings Equipment \$	Road Network \$	Water & Sewer Network \$	Work in Progress \$	2019 \$
Cost, Beginning of year	7,753,478	11,151,515	86,121,300	11,861,128	1,404,802	1,650,416	214,594	77,510,897	17,762,256	440,062,644	102,773,852	8,883,974	767,150,856
Additions	-	130,949	1,328,362	767,865	126,213	401,290	-	630,387	617,677	4,376,973	2,392,679	23,209,145	33,981,540
Disposals	(11,500)	(164,245)	(589,890)	(310,133)	(113,386)	(730,040)	-	(116,967)	(666,316)	(2,689,433)	(338,101)	-	(5,730,011)
Internal Transfers	-	-	2,399,025	-	-	49,287	-	-	-	-	673,406	(3,121,718)	-
<b>Cost, End of Year</b>	<b>7,741,978</b>	<b>11,118,219</b>	<b>89,258,797</b>	<b>12,318,860</b>	<b>1,417,629</b>	<b>1,370,953</b>	<b>214,594</b>	<b>78,024,317</b>	<b>17,713,617</b>	<b>441,750,184</b>	<b>105,501,836</b>	<b>28,971,401</b>	<b>795,402,385</b>
Accumulated Dep'n Beginning of Year	-	4,581,379	18,977,773	7,410,401	943,152	991,054	-	22,341,548	9,645,461	292,621,972	40,679,683	-	398,192,423
Amortization	-	421,275	2,105,891	703,134	137,888	221,242	-	2,200,557	915,991	8,425,651	1,369,436	-	16,501,065
Disposals	-	(109,567)	(556,323)	(310,133)	(113,386)	(607,065)	-	(94,568)	(658,578)	(2,393,025)	(230,280)	-	(5,072,925)
<b>Accumulated Dep'n End of Year</b>	<b>-</b>	<b>4,893,087</b>	<b>20,527,341</b>	<b>7,803,402</b>	<b>967,654</b>	<b>605,231</b>	<b>-</b>	<b>24,447,537</b>	<b>9,902,874</b>	<b>298,654,598</b>	<b>41,818,839</b>	<b>-</b>	<b>409,620,563</b>
<b>Net Book Value Beginning of Year</b>	<b>7,753,478</b>	<b>6,570,136</b>	<b>67,143,527</b>	<b>4,450,727</b>	<b>461,650</b>	<b>659,362</b>	<b>214,594</b>	<b>55,169,349</b>	<b>8,116,795</b>	<b>147,440,672</b>	<b>62,094,169</b>	<b>8,883,974</b>	<b>368,958,433</b>
<b>Net Book Value End of Year</b>	<b>7,741,978</b>	<b>6,225,132</b>	<b>68,731,456</b>	<b>4,515,458</b>	<b>449,975</b>	<b>765,722</b>	<b>214,594</b>	<b>53,576,780</b>	<b>7,810,743</b>	<b>143,095,586</b>	<b>63,682,997</b>	<b>28,971,401</b>	<b>385,781,822</b>

**CORPORATION OF THE CITY OF QUINTE WEST  
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**19. TANGIBLE CAPITAL ASSETS - (Cont'd)**

The net book value of tangible capital assets not being amortized because they are under construction is \$20,398,253 (2019 - \$28,971,401).

Assets contributed to the City in 2020, consisting of road network and water & sewer network, had a fair market value of \$3,603,616 (2019 - \$2,392,679). They have been capitalized at their fair market value.

The City holds various works of art and historical treasures pertaining to the heritage and history of the Corporation of the City of Quinte West. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future economic benefits associated with such property cannot be made.

**20. SEGMENTED INFORMATION**

The Corporation of the City of Quinte West is a municipal government institution that provides a wide range of services to its citizens. City services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenditures represent both amount that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxes, payments-in-lieu of taxes and unconditional government transfers are apportioned based on each segment's net budget requirements.

The nature of the segments and the activities they encompass are as follows:

General government:

General government consists of the activities of the Council and general financial and administrative management of the City and its programs and services.

Protection to persons and property:

Protection includes fire, police and emergency control and protective inspection.



**CORPORATION OF THE CITY OF QUINTE WEST  
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**20. SEGMENTED INFORMATION - (Cont'd)**

Transportation services:

The activities of the transportation services department include the construction and maintenance of the City's roads and bridges, winter control, street lighting and transit services.

Environmental services

The environmental services department looks after the City's water and wastewater operations as well as garbage collection and disposal.

Health services:

This service is provided through the local health unit and also encompasses costs associated with operating abandoned cemeteries within the City.

**CORPORATION OF THE CITY OF QUINTE WEST  
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**20. SEGMENTED INFORMATION - (Cont'd)**

<b>2020</b>	<b>General Government \$</b>	<b>Protection to Persons and Property \$</b>	<b>Transportation Services \$</b>	<b>Environment Services \$</b>	<b>Health Services \$</b>	<b>Social and Family Services \$</b>	<b>Recreational and Cultural Services \$</b>	<b>Planning and Development \$</b>	<b>2020 Total \$</b>
<b>REVENUE</b>									
Tax Revenue Distributed	9,332,238	15,503,177	14,514,885	(2,141,371)	4,071,335	6,950,055	6,489,636	757,069	55,477,024
PIL Revenue Distributed	378,232	579,422	5,586,759	2,508,290	-	-	1,260,016	-	10,312,719
Penalty and Interest on Tax	17,895	27,413	264,318	118,671	-	-	59,613	-	487,910
OMPF Distributed	-	-	-	-	-	-	-	-	-
User Fees	1,527	1,120,642	79,635	18,746,101	-	-	954,747	194,401	21,097,053
Grants	2,874,467	161,787	8,848,812	179,700	-	-	464,489	4,691	12,533,946
Developer Contributions	43,567	294,672	2,148,492	1,845,734	-	67,280	70,643	-	4,470,388
Other Revenue	212,957	364,537	241,562	522,722	-	-	489,855	191,119	2,022,752
Interest Revenue	205,917	-	1,299	55,403	-	-	8,799	-	271,418
Gain (loss) on disposition of assets	-	134,913	(2,591,084)	-	-	-	-	155,834	(2,300,337)
	<b>13,066,800</b>	<b>18,186,563</b>	<b>29,094,678</b>	<b>21,835,250</b>	<b>4,071,335</b>	<b>7,017,335</b>	<b>9,797,798</b>	<b>1,303,114</b>	<b>104,372,873</b>
<b>EXPENSES</b>									
Salaries and Benefits	6,026,240	4,656,077	5,102,378	3,409,678	220,000	-	3,611,102	932,054	23,957,529
Materials, Supplies and Services	762,622	1,495,112	3,044,964	2,050,831	5,690	-	987,534	58,583	8,405,336
Contracted Services	2,048,249	1,012,667	2,236,929	5,953,333	55,409	-	927,518	11,000	12,245,105
Interest and Financial Expenses	140,504	70,281	995,101	2,263,081	-	-	451,753	-	3,920,720
Amortization Expense	624,808	957,160	9,228,884	4,143,497	-	-	2,081,447	-	17,035,796
Transfer to Other Entities	2,986,482	9,263,166	1,556,000	845,603	3,790,236	7,017,335	146,412	301,477	25,906,711
	<b>12,588,905</b>	<b>17,454,463</b>	<b>22,164,256</b>	<b>18,666,023</b>	<b>4,071,335</b>	<b>7,017,335</b>	<b>8,205,766</b>	<b>1,303,114</b>	<b>91,471,197</b>
<b>SURPLUS</b>	<b>477,895</b>	<b>732,100</b>	<b>6,930,422</b>	<b>3,169,227</b>	<b>-</b>	<b>-</b>	<b>1,592,032</b>	<b>-</b>	<b>12,901,676</b>

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**20. SEGMENTED INFORMATION - (Cont'd)**

2019	General Government \$	Protection to Persons and Property \$	Transportation Services \$	Environment Services \$	Health Services \$	Social and Family Services \$	Recreational and Cultural Services \$	Planning and Development \$	2019 Total \$
<b>REVENUE</b>									
Tax Revenue Distributed	8,887,694	13,462,272	15,398,452	(1,903,594)	3,807,411	6,454,179	5,495,749	763,746	52,365,909
PIL Revenue Distributed	356,334	436,741	5,660,032	2,560,640	-	-	1,261,817	-	10,275,564
Penalty and Interest on Tax	20,150	24,695	312,193	144,796	-	-	71,352	-	573,186
OMPF Distributed	25,141	30,815	399,348	180,668	-	-	89,028	-	725,000
User Fees	5,528	1,549,083	72,130	17,657,176	-	-	1,568,036	274,338	21,126,291
Grants	1,401,100	144,410	6,117,900	402,299	-	-	217,052	49,304	8,332,065
Developer Contributions	3,780	-	536,758	514,581	-	-	834,043	-	1,889,162
Other Revenue	222,514	177,894	824,579	960,261	-	-	491,163	175,197	2,851,608
Interest Revenue	450,030	-	2,719	106,906	-	-	14,441	2,844	576,940
Gain (loss) on disposition of assets	-	-	(584,459)	-	-	-	-	176,400	(408,059)
	11,372,271	15,825,910	28,739,652	20,623,733	3,807,411	6,454,179	10,042,681	1,441,829	98,307,666
<b>EXPENSES</b>									
Salaries and Benefits	5,682,839	4,445,940	5,481,017	3,887,318	210,000	-	3,878,294	941,285	24,526,693
Materials, Supplies and Services	896,738	520,234	3,388,737	2,152,340	16,576	-	1,189,557	90,758	8,254,940
Contracted Services	2,416,913	709,772	2,821,163	4,810,820	64,061	-	1,027,260	114,531	11,964,520
Interest and Financial Expenses	152,558	15,691	1,046,556	2,219,723	-	-	493,365	-	3,927,893
Amortization Expense	572,220	701,342	9,089,191	4,112,017	-	-	2,026,295	-	16,501,065
Transfer to Other Entities	1,289,222	8,989,514	1,293,700	841,730	3,516,774	6,454,179	146,804	295,255	22,827,178
	11,010,490	15,382,493	23,120,364	18,023,948	3,807,411	6,454,179	8,761,575	1,441,829	88,002,289
<b>SURPLUS</b>	361,781	443,417	5,619,288	2,599,785	-	-	1,281,106	-	10,305,377



**CORPORATION OF THE CITY OF QUINTE WEST  
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**21. IMPLICATIONS OF COVID-19**

The Coronavirus disease COVID-19 developed rapidly in 2020, having a considerable impact, both globally and locally. As a result, measures were taken by various governments to contain the virus, including restrictions impacting the operations of non-essential businesses. However, the City operates as an essential service provider, the financial and operational impact of COVID-19 has been minimal. As an essential service provider, the City continued to provide services during the year while enacting various operational changes including service reductions, waiving new interest charges and late fees during specific time periods, and incurring additional safety costs to protect staff. The City received additional funding to offset the revenue loss and incremental costs incurred due to the pandemic. During the year, the City received \$2,341,000 as part of the federal-provincial Safe Restart funding agreement, of which \$1,780,000 has been recognized as revenue. The remaining \$561,000 is included in deferred revenue at year-end.

Subsequent to year-end, the City has been able to meet all cashflow obligations as they come due and are able to finance ongoing operations. Management does not anticipate any significant changes financially or operationally at this time.

**22. CHANGE IN ACCOUNTING ESTIMATE**

During the year, the City changed its estimate of deferred revenue allocated to Development Charges based on the Development Charges Background Study completed during the year. The change in estimate resulted in an increase of \$558,980 in revenue recognized to reflect actual costs incurred for projects funded by development charges and an increase of \$704,882 in amounts received to reflect a transfer from operations to fund the aforementioned adjustment and future development projects. The change has been applied prospectively