

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021**

**CORPORATION OF THE CITY OF QUINTE WEST
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AS AT DECEMBER 31, 2021**

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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.

Committee Member

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, 2021 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, 2021, 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
PAGE 3

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 13, 2022

Chartered Professional Accountants
Licensed Public Accountants

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents - Note 5	65,383,627	32,707,343
Investments - Note 6	-	25,037,615
Taxes receivable - net of allowance - Note 7	4,083,001	5,151,633
Accounts receivable - Note 8	7,304,234	9,739,452
Land held for resale	4,570,127	4,368,621
	81,340,989	77,004,664
LIABILITIES		
Accounts payable and accrued liabilities	14,723,410	12,063,062
Deferred revenue and deposits - Note 9	18,055,440	14,394,506
Landfill obligation - Note 10	1,205,116	999,175
Contaminated sites obligation - Note 11	680,000	654,000
Employee future benefits - Note 12	4,957,800	4,498,100
Municipal debt - Note 13	117,361,026	123,233,773
	156,982,792	155,842,616
Net debt	(75,641,803)	(78,837,952)
NON-FINANCIAL ASSETS		
Tangible capital assets - Note 18	402,828,463	395,248,550
Inventory	338,854	197,805
Prepaid expenses	1,625,662	16,650
	404,792,979	395,463,005
MUNICIPAL POSITION		
Accumulated Surplus - Note 14	329,151,176	316,625,053

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, 2021**

	Budget (Unaudited) Note 17 2021 \$	Actual 2021 \$	Actual 2020 \$
REVENUES			
Taxes levied for own purposes	56,236,360	57,326,539	55,477,024
Taxes from other governments	10,450,000	9,459,488	10,312,719
User fees	22,474,000	22,642,219	21,097,053
Grants:			
Government of Canada	4,084,602	3,940,080	7,350,784
Province of Ontario	6,887,621	7,885,482	5,176,004
Other municipalities	28,500	-	7,158
Other:			
Developer contributions	2,071,845	5,261,012	4,470,388
Other	2,415,900	1,875,968	2,022,752
Loss on disposal of tangible capital assets	-	(500,039)	(2,300,337)
Interest	397,500	745,648	759,328
	105,046,328	108,636,397	104,372,873
EXPENDITURES			
General government	12,480,360	12,495,130	12,588,905
Protection services	17,485,400	17,847,578	17,454,463
Transportation services	24,273,950	23,593,680	22,164,256
Environmental services	19,871,800	20,026,453	18,666,023
Health services	4,187,700	4,163,236	4,071,335
Social and family services	7,347,200	7,348,521	7,017,335
Recreation and cultural services	9,726,221	9,305,506	8,205,766
Planning and development	1,609,600	1,330,170	1,303,114
	96,982,231	96,110,274	91,471,197
ANNUAL SURPLUS	8,064,097	12,526,123	12,901,676
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	316,625,053	303,723,377
ACCUMULATED SURPLUS - END OF YEAR	-	329,151,176	316,625,053

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, 2021**

	2021 \$	2020 \$
OPERATING TRANSACTIONS		
Annual surplus	12,526,123	12,901,676
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	18,199,792	17,035,796
Loss on disposal of tangible capital assets	500,039	2,300,337
Increase in landfill obligation	205,941	218,326
Increase in contaminated sites obligation	26,000	20,000
Increase in employee future benefits	459,700	303,800
Decrease (increase) in taxes receivable	1,068,632	(1,430,599)
Decrease (increase) in investments	25,037,615	(25,037,615)
Decrease (increase) accounts receivable	2,435,218	(1,576,415)
Increase in inventory	(141,049)	(94,460)
Increase in prepaid expenses	(1,609,012)	(16,650)
Increase in land held for resale	(201,506)	(610,195)
Increase (decrease) in accounts payable and accrued liabilities	2,660,348	(5,228,709)
Increase in deferred revenue and deposits	3,660,934	2,808,908
CASH PROVIDED BY OPERATING TRANSACTIONS	64,828,775	1,594,200
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(26,359,258)	(28,971,988)
Proceeds on sale of tangible capital assets	79,514	169,127
CASH APPLIED TO CAPITAL TRANSACTIONS	(26,279,744)	(28,802,861)
FINANCING TRANSACTIONS		
Issuance of municipal debt	-	34,730,000
Debt principal repayments	(5,872,747)	(4,331,686)
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	(5,872,747)	30,398,314
INCREASE IN CASH AND CASH EQUIVALENTS	32,676,284	3,189,653
OPENING CASH AND CASH EQUIVALENTS	32,707,343	29,517,690
CLOSING CASH AND CASH EQUIVALENTS	65,383,627	32,707,343
REPRESENTED BY:		
Cash and cash equivalents	65,383,627	32,707,343

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, 2021**

	Budget (Unaudited) Note 17 2021 \$	2021 \$	2020 \$
Annual surplus	-	12,526,123	12,901,676
Acquisition of tangible capital assets	(30,197,500)	(26,359,258)	(28,971,988)
Amortization of tangible capital assets	16,802,800	18,199,792	17,035,796
Loss on disposal of tangible capital assets	-	500,039	2,300,337
Proceeds on sale of tangible capital assets	-	79,514	169,127
	(13,394,700)	4,946,210	3,434,948
Acquisition of inventory	-	(338,854)	(197,805)
Consumption of inventory	-	197,805	103,345
Acquisition of prepaid expenses	-	(1,625,662)	(16,650)
Consumption of prepaid expenses	-	16,650	-
	-	(1,750,061)	(111,110)
Decrease in net debt	(13,394,700)	3,196,149	3,323,838
Net debt - beginning of year	(78,837,952)	(78,837,952)	(82,161,790)
Net debt - end of year	(92,232,652)	(75,641,803)	(78,837,952)

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, 2021**

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, 2021**

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:

Asset	Basis	Useful Life
Land improvements	Straight-line	15-50 years
Buildings	Straight-line	15-110 years
Equipment	Straight-line	3-30 years
Computer hardware and software	Straight-line	3-4 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	20-80 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, 2021**

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.

Deferred revenue 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, 2021**

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, 2021**

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

	2021	2020
	\$	\$
Mount Evergreen Cemetery	371,561	358,850
Mount Zion Cemetery	13,047	12,947
Mount Carmel Cemetery	35,439	34,923
McVicar Trust	2,737	2,719
Stone Church Cemetery	100	100
	422,884	409,539

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

3. TAXES RAISED ON BEHALF OF OTHERS

	2021	2020
	\$	\$
School boards	10,958,733	12,162,954

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

	2021	2020
	\$	\$
Cash	7,042,351	15,693,375
Short-term investments	1,316,210	2,436,600
Due to/from own municipality	8,361,124	(4,783,275)
	16,719,685	13,346,700
Consists of:		
Obligatory funds in deferred revenue	16,701,774	13,328,905
Reid fund reserve in surplus	17,911	17,795
	16,719,685	13,346,700

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

5. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Unrestricted:		
Unrestricted cash	57,025,066	13,845,037
Designated:		
Designated cash	-	732,331
Restricted:		
Restricted cash	7,042,351	15,693,375
Restricted investments	1,316,210	2,436,600
	65,383,627	32,707,343

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

6. INVESTMENTS

Investments held at December 31, 2020 consist of funds in high interest savings account bearing interest at 0.7% to 0.915%.

7. TAXES RECEIVABLE

	2021	2020
	\$	\$
Taxes receivable	5,512,278	6,225,201
Allowance for doubtful accounts	(1,429,277)	(1,073,568)
	4,083,001	5,151,633

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

8. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Government of Canada	2,261,682	3,634,365
Province of Ontario	446,869	877,418
Other Municipalities	1,850	106,830
Other	4,593,833	5,120,839
	7,304,234	9,739,452

9. DEFERRED REVENUE AND DEPOSITS

	2021	2020
	\$	\$
Obligatory reserve funds:		
Development Charges Act	7,190,177	6,416,136
Parkland (Planning Act)	60,663	1,139
Federal Gas Tax	4,410,604	1,723,034
Provincial Gas Tax	101,997	93,986
OG Alyea Park	160,402	116,001
OCIF (Ontario Community Infrastructure Fund)	4,241,328	4,184,550
OCLIF (Ontario Cannabis Legalization Implementation Fund)	145,012	135,845
CTGP (Community Transportation Grant Program)	109,940	94,712
COVID-19 Safe Restart Funding	281,651	563,502
	16,701,774	13,328,905
Deferred revenue:		
Stormwater	63,061	62,650
Other deferred revenue and deposits	1,290,605	1,002,951
	1,353,666	1,065,601
	18,055,440	14,394,506

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	OG Aylea Park	OCIF	OCLIF	CTGP	COVID	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	6,416,136	1,139	1,723,034	93,986	116,001	4,184,550	135,845	94,712	563,502	13,328,905
Amounts received	2,066,248	59,337	5,421,313	532,608	50,000	4,157,730	12,019	64,141	633,549	12,996,945
Interest earned	63,148	187	37,827	403	474	49,048	945	688	9,619	162,339
Miscellaneous	(17)	-	(17)	-	-	-	-	-	(19)	(53)
Industrial exemptions	334,897	-	-	-	-	-	-	-	-	334,897
Revenue recognized	(1,690,235)	-	(2,771,553)	(525,000)	(6,073)	(4,150,000)	(3,797)	(49,601)	(925,000)	(10,121,259)
Ending obligatory funds	7,190,177	60,663	4,410,604	101,997	160,402	4,241,328	145,012	109,940	281,651	16,701,774

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.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021 to be \$1,205,116 (2020 - \$999,175). 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 38,525 cubic meters. Once closed, the site will be monitored for an estimated period of 25 years with the estimated costs of \$23,553 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 \$1,495,187 and the estimated portion relating to remaining available capacity is \$290,070. As at December 31, 2021, 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 \$680,000 (2020 - \$654,000) for remediation of two properties using a net present value calculation with an updated inflation rate of 4.33% 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, 2021, 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, 2021**

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, 2021 of \$290,695 (2020 - \$319,783) 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, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 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 2021 were \$1,749,704 (2020 - \$1,739,221).

(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 65th birthday. The plan requires no contribution from employees. Total benefit payments for retirees during the year were \$194,400 (2020 - \$252,900).

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 \$4,957,800 shown for December 31, 2021 is based on that valuation. Actual experienced cost increases and discount rate adjustments have resulted in a net loss of \$1,084,700 which will be recognized over the estimated average remaining service life of the employee group.

The post-employment benefit liability at December 31, 2021 includes the following components.

	2021	2020
	\$	\$
Actuarially determined accrued benefit obligation	6,042,500	5,748,300
Unamortized actuarial losses	(1,084,700)	(1,250,200)
	4,957,800	4,498,100

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	6.21%
Decreasing over 20 years to	4% Decreasing
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:

	2021	2020
	\$	\$
Current year benefit cost	318,300	234,500
Amortization of actuarial losses	165,500	91,500
Plan amendments incurred in year	112,200	64,300
Interest on post-employment benefit liability	139,000	166,400
	735,000	556,700

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

13. MUNICIPAL DEBT

	2021	2020
	\$	\$
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.	117,361,026	123,233,773
Net municipal debt	117,361,026	123,233,773

- (i) The interest rates charged on debt range from 1.59% to 4.77%. The estimated requirement for future repayments, assuming payment on the demand loans is not enforced before debentures are finalized, are summarized as follows:

	2022	2023	2024	2025	2026 +	Total
	\$	\$	\$	\$	\$	\$
Principal	5,993,850	6,119,216	6,247,173	6,383,715	92,617,072	117,361,026
Interest	3,587,596	3,398,068	3,209,479	3,005,246	23,926,627	37,127,016
	9,581,446	9,517,284	9,456,652	9,388,961	116,543,699	154,488,042

- (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, 2021**

14. ACCUMULATED SURPLUS

	2021	2020
	\$	\$
Total reserve and reserve funds	49,252,986	45,971,877
Land held for sale	4,570,127	4,368,621
Surplus attributable to net capital assets	402,828,463	395,248,550
Municipal debt to be recovered in future	(117,361,026)	(123,233,773)
Employee future benefits to be recovered in future	(4,957,800)	(4,498,100)
Landfill liability to be recovered in future	(1,205,116)	(999,175)
Contaminated sites liability to be recovered in future	(680,000)	(654,000)
Self financed debt	(3,296,458)	421,053
	329,151,176	316,625,053

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, 2021 of \$Nil (2020 - \$Nil).

(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, 2021**

15. 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 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, 2021 the remaining commitment is \$362,000.

The City 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, 2021 the remaining commitment is \$79,000.

The City has entered into a commitment with the Trenton Memorial Hospital Foundation to contribute a total of \$1,000,000 over 5 years commencing in 2022. At December 31, 2021 the remaining commitment is \$1,000,000.

The City 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, 2021 the remaining commitment is \$25,000.

The City entered into a commitment with the Humane Society to contribute a total of \$250,000 over 4 years commencing in 2019. At December 31, 2021 the remaining commitment is \$62,500.

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, 2021**

16. 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 \$262,163 (2020 - \$163,895) and funding provided totalling \$1,867,800 (2020 - \$1,556,000). These transactions are recorded at an exchange amount that is agreed upon by both parties. At year-end there is funding payable of \$79,950 (2020 - Nil) and reimbursement of expenses receivable of \$120,444 (2020 - \$48,196).

17. BUDGET AMOUNTS

The 2021 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:

	2021 budget adopted by Council \$	Non TCA expenditures from capital \$	2021 budget presented in statements \$
Revenue			
Taxes levied for own purposes	56,236,360	-	56,236,360
Taxes from other governments	10,450,000	-	10,450,000
User fees	22,474,000	-	22,474,000
Grants	11,000,723	-	11,000,723
Other	4,885,245	-	4,885,245
	105,046,328	-	105,046,328

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

17. BUDGET AMOUNTS - Cont'd

	2021 budget adopted by Council \$	Non TCA expenditures from capital \$	2021 budget presented in statements \$
Expenditures			
General government	12,210,360	270,000	12,480,360
Protection services	17,385,400	100,000	17,485,400
Transportation services	23,603,950	670,000	24,273,950
Environmental services	19,371,800	500,000	19,871,800
Health services	4,187,700	-	4,187,700
Social and family services	7,347,200	-	7,347,200
Recreation and cultural services	9,667,221	59,000	9,726,221
Planning and development	1,609,600	-	1,609,600
	95,383,231	1,599,000	96,982,231
Annual surplus (deficit)	9,663,097	(1,599,000)	8,064,097
Capital expenditures	(30,197,500)	1,599,000	
Transfers from (to) reserve/reserve funds	5,445,803	-	
Debt proceeds	4,200,000	-	
Debt repayment	(5,914,200)	-	
Budget use of prior year surplus	(16,802,800)	-	
General levy surplus	12,777,800	-	
Area rating surplus	-	-	
Water and sewer surplus	3,790,000	-	
Library surplus	235,000	-	
	-	-	

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

18. TANGIBLE CAPITAL ASSETS

	General Assets					Infrastructure Assets						
	Land Improvements	Buildings	Equipment	Furniture Fixtures & Equipment	Computer Hardware & Software	Land	Buildings	Equipment	Road Network	Water & Sewer Network	Work in Progress	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, Beginning of year	7,957,700	12,204,295	100,753,970	13,230,030	1,405,282	1,542,347	78,703,496	19,672,649	446,732,872	107,857,045	20,398,254	810,672,534
Additions	(156,020)	835,658	989,362	868,720	170,637	282,311	432,455	1,896,911	11,349,259	3,308,383	6,381,582	26,359,258
Disposals	(556)	(23,993)	(71,086)	(131,134)	(14,880)	(14,880)	(16,401)	(408,886)	(5,199,704)	(320,346)	-	(6,552,934)
Internal Transfers	156,020	265,746	2,213,429	77,231	-	162,533	16,927,107	99,477	249,911	82,171	(20,233,625)	-
Cost, End of Year	7,957,144	13,281,706	103,885,675	13,810,033	1,444,785	1,972,311	96,046,657	21,260,151	453,132,338	110,927,253	6,546,211	830,478,858
Accumulated Dep'n Beginning of Year	-	5,004,952	21,821,126	7,764,250	990,705	632,661	26,492,742	10,684,113	299,474,954	42,558,481	-	415,423,984
Amortization	-	514,033	2,527,274	909,208	151,687	269,061	2,393,754	1,088,221	8,869,915	1,476,639	-	18,199,792
Disposals	-	(16,795)	(35,019)	(359,365)	(131,134)	(14,880)	(16,401)	(374,881)	(4,855,972)	(168,934)	-	(5,973,381)
Accumulated Dep'n End of Year	-	5,502,190	24,313,381	8,314,093	1,011,258	886,842	28,870,095	11,397,453	303,488,897	43,866,186	-	427,650,395
Net Book Value Beginning of Year	7,957,700	7,199,343	78,932,844	5,465,780	414,577	909,686	52,210,754	8,988,536	147,257,918	65,298,564	20,398,254	395,248,550
Net Book Value End of Year	7,957,144	7,779,516	79,572,294	5,495,940	433,527	1,085,469	67,176,562	9,862,698	149,643,441	67,061,067	6,546,211	402,828,463

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

18. 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	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)	-
Cost, End of Year	7,957,700	12,204,295	100,753,970	13,230,030	1,405,282	1,542,347	214,594	78,703,496	19,672,649	446,732,872	107,857,045	20,398,254	810,672,534
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)
Accumulated Dep'n End of Year	-	5,004,952	21,821,126	7,764,250	990,705	632,661	-	26,492,742	10,684,113	299,474,954	42,558,481	-	415,423,984
Net Book Value Beginning of Year	7,741,978	6,225,132	68,731,458	4,515,458	449,975	765,721	214,594	53,576,779	7,810,744	143,095,585	63,682,997	28,971,401	385,781,822
Net Book Value End of Year	7,957,700	7,199,343	78,932,844	5,465,780	414,577	909,686	214,594	52,210,754	8,988,536	147,257,918	65,298,564	20,398,254	395,248,550

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

18. TANGIBLE CAPITAL ASSETS - (Cont'd)

The net book value of tangible capital assets not being amortized because they are under construction is \$6,546,212 (2020 - \$20,398,253).

Assets contributed to the City in 2021, consisting of road network and water & sewer network, had a fair market value of \$3,600,776 (2020 - \$3,603,616). 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.

19. 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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

19. 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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FOR THE YEAR ENDED DECEMBER 31, 2021**

19. SEGMENTED INFORMATION - (Cont'd)

2021	General Government \$	Protection to Persons and Property \$	Transportation Services \$	Environment Services \$	Health Services \$	Social and Family Services \$	Recreational and Cultural Services \$	Planning and Development \$	2021 Total \$
REVENUE									
Tax Revenue Distributed	10,128,408	16,185,300	14,101,779	(2,094,456)	4,163,236	7,348,521	6,737,170	756,581	57,326,539
PIL Revenue Distributed	337,999	622,284	4,986,198	2,362,801	-	-	1,150,206	-	9,459,488
Penalty and Interest on Tax	14,166	26,081	208,977	99,027	-	-	48,206	-	396,457
OMPF Distributed	3,575	6,581	52,735	24,989	-	-	12,120	-	100,000
User Fees	10,124	1,312,904	174,005	19,513,020	-	-	1,363,691	268,475	22,642,219
Grants	1,928,431	235,137	8,451,681	-	-	-	1,063,459	46,854	11,725,562
Developer Contributions	-	66,749	2,345,717	2,750,234	-	-	98,312	-	5,261,012
Other Revenue	269,963	215,249	355,584	443,697	-	-	364,355	227,120	1,875,968
Interest Revenue	254,543	-	866	87,422	-	-	6,360	-	349,191
Gain (loss) on disposition of assets	-	9,607	(540,786)	-	-	-	-	31,140	(500,039)
	12,947,209	18,679,892	30,136,756	23,186,734	4,163,236	7,348,521	10,843,879	1,330,170	108,636,397
EXPENSES									
Salaries and Benefits	6,514,952	4,886,650	5,511,242	3,635,200	155,000	-	3,860,040	970,619	25,533,703
Materials, Supplies and Services	923,026	901,491	2,938,544	1,738,434	517	-	1,328,148	40,394	7,870,554
Contracted Services	2,461,947	1,136,814	2,822,173	6,689,787	47,328	-	1,286,439	32,912	14,477,400
Interest and Financial Expenses	186,851	336,301	940,566	2,491,761	-	-	421,460	-	4,376,939
Amortization Expense	650,301	1,197,257	9,593,305	4,545,963	-	-	2,212,966	-	18,199,792
Transfer to Other Entities	1,758,053	9,389,065	1,787,850	925,308	3,960,391	7,348,521	196,453	286,245	25,651,886
	12,495,130	17,847,578	23,593,680	20,026,453	4,163,236	7,348,521	9,305,506	1,330,170	96,110,274
SURPLUS	452,079	832,314	6,543,076	3,160,281	-	-	1,538,373	-	12,526,123

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

19. SEGMENTED INFORMATION - (Cont'd)

2020	General Government \$	Protection to Persons and Property \$	Transportation Services \$	Environment Services \$	Health Services \$	Social and Family Services \$	Recreational and Cultural Services \$	Planning and Development \$	2020 Total \$
REVENUE									
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
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)
	13,066,800	18,186,563	29,094,678	21,835,250	4,071,335	7,017,335	9,797,798	1,303,114	104,372,873
EXPENSES									
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
	12,588,905	17,454,463	22,164,256	18,666,023	4,071,335	7,017,335	8,205,766	1,303,114	91,471,197
SURPLUS	477,895	732,100	6,930,422	3,169,227	-	-	1,592,032	-	12,901,676

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

20. 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 had remaining funding of \$563,000 from 2020 and received \$633,549 as part of the federal-provincial Safe Restart funding agreement, of which \$925,000 has been recognized as revenue. The remaining \$281,651 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.