

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM
MUNICIPAL ENTERPRISE
SUPPLEMENTARY FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021**

SUPPLEMENTARY FINANCIAL STATEMENTS

The accompanying financial statements of the Water Supply and Waste Water System Municipal Enterprise are presented as supplementary information to the consolidated financial statements of the Corporation of the City of Quinte West. In this respect, they do not form part of the basic financial statements of the Corporation of the City of Quinte West for the year ended December 31, 2021 and hence, are excluded from the opinion expressed in our report to the Council. The information in these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the corporation.

Wilkinson & Company LLP

Trenton, Canada
May 13, 2022

Chartered Professional Accountants
Licensed Public Accountants

COMPILATION ENGAGEMENT REPORT

To the Council of Corporation of the City of Quinte West Water Supply and Waste Water System Municipal Enterprise:

On the basis of information provided by management, we have compiled the balance sheet of Corporation of the City of Quinte West Water Supply and Waste Water System Municipal Enterprise at December 31, 2021, the statements of retained earnings and earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Wilkinson & Company LLP

TRENTON, Canada
May 13, 2022

Chartered Professional Accountants
Licensed Public Accountants

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash	4,951,292	549,905
Investments	-	11,328,522
Accounts receivable	1,911,457	1,928,154
Due from the City of Quinte West	3,987,305	326,364
Unbilled revenue	1,356,118	1,297,908
	<u>12,206,172</u>	<u>15,430,853</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,242,956	3,003,465
Long-term debt	61,540,592	63,825,963
	<u>63,783,548</u>	<u>66,829,428</u>
Net debt	<u>(51,577,376)</u>	<u>(51,398,575)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	142,110,465	137,306,944
Prepaid expenses	27,167	-
	<u>142,137,632</u>	<u>137,306,944</u>
MUNICIPAL POSITION		
Accumulated Surplus	<u>90,560,256</u>	<u>85,908,369</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget (Unaudited) 2021 \$	Actual 2021 \$	Actual 2020 \$
REVENUES			
User fees			
Water	8,851,000	8,483,335	8,531,443
Sewer	9,145,000	9,475,475	9,034,145
Grants	-	-	179,700
Other:			
Developer contributions	-	2,750,233	1,845,734
Other	494,500	763,059	816,451
Loss on disposal of tangible capital assets	-	(151,256)	(1,179,701)
	18,490,500	21,320,846	19,227,772
EXPENDITURES			
Administration	7,433,800	5,186,045	4,467,136
Amortization	3,680,000	4,133,630	3,787,167
Water treatment plant	3,221,700	2,374,799	2,463,015
Water distribution	2,404,800	1,255,434	1,273,776
Water meter service	412,300	275,626	326,271
Sewage treatment plant	4,953,100	3,168,164	3,589,427
Sanitary sewer maintenance	781,000	243,214	200,274
Lateral rodding maintenance	84,500	32,047	24,125
	22,971,200	16,668,959	16,131,191
ANNUAL SURPLUS	(4,480,700)	4,651,887	3,096,581
ACCUMULATED SURPLUS - BEGINNING OF YEAR	85,908,369	85,908,369	82,811,788
ACCUMULATED SURPLUS - END OF YEAR	81,427,669	90,560,256	85,908,369

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 \$	2020 \$
OPERATING TRANSACTIONS		
Annual surplus	4,651,887	3,096,581
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	4,133,630	3,787,167
Loss on disposal	151,256	1,179,701
	8,936,773	8,063,449
Changes in the level of:		
Decrease in accounts receivable	16,697	61,204
Increase in unbilled revenue	(58,210)	(54,104)
Decrease (increase) in prepaid expenses	(27,167)	107
Decrease in due from City of Quinte West	(3,660,941)	(2,933,527)
Decrease in accounts payable and accrued liabilities	(760,509)	(586,979)
Decrease (increase) in investments	11,328,522	(11,328,522)
CASH PROVIDED BY (APPLIED TO) OPERATING TRANSACTIONS	15,775,165	(6,778,372)
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(9,089,917)	(9,832,574)
Proceeds on disposal of tangible capital assets	1,510	-
CASH USED IN CAPITAL TRANSACTIONS	(9,088,407)	(9,832,574)
FINANCING TRANSACTIONS		
Increase in municipal debt	-	18,730,000
Repayment of municipal debt	(2,285,371)	(1,636,669)
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	(2,285,371)	17,093,331
INCREASE IN CASH	4,401,387	482,385
OPENING CASH	549,905	67,520
CLOSING CASH	4,951,292	549,905
REPRESENTED BY:		
Cash	4,951,292	549,905
Investments	-	11,328,522
	4,951,292	11,878,427

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget (Unaudited)		
	2021	2021	2020
	\$	\$	\$
Annual surplus	(4,480,700)	4,651,887	3,096,581
Acquisition of tangible capital assets	(4,269,000)	(9,089,917)	(9,832,574)
Amortization of tangible capital assets	3,680,000	4,133,630	3,787,167
Loss on disposal of tangible capital assets	-	151,256	1,179,701
Proceeds on sale of tangible capital assets	-	1,510	-
Change in prepaid expenses	-	(27,167)	107
Increase in net debt	(5,069,700)	(178,801)	(1,769,018)
Net debt - beginning of year	(51,398,575)	(51,398,575)	(49,629,557)
Net debt - end of year	(56,468,275)	(51,577,376)	(51,398,575)

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM
MUNICIPAL ENTERPRISE
NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the financial information is the historical cost basis, reflecting cash transactions with the addition of:

- Accounts receivable less specifically identified bad debts (if any)
- Capital assets amortized at rates based on management's estimate of the useful life
- Investments in related entities and amounts due to/from related entities at cost
- Prepaid expenses and operating costs
- Unbilled revenue
- Long-term debt