

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022**

CORPORATION OF THE CITY OF QUINTE WEST
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AS AT DECEMBER 31, 2022

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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 consolidated 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 Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Corporation of the City of Quinte West, which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, cash flows and changes in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

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 Consolidated 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 consolidated 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 Consolidated Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative to do so.

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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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
July 4, 2023

Chartered Professional Accountants
Licensed Public Accountants

WILKINSON 

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	2022 \$	2021 \$
FINANCIAL ASSETS		
Cash and cash equivalents - Note 5	30,695,257	65,383,627
Marketable securities - Note 6	33,828,538	-
Taxes receivable - net of allowance - Note 7	4,838,899	4,083,001
Accounts receivable - Note 8	10,581,673	7,304,234
Loan receivable - Note 9	653,360	-
Land held for resale	3,810,950	4,570,127
	84,408,677	81,340,989
LIABILITIES		
Accounts payable and accrued liabilities	15,846,893	14,723,410
Deferred revenue and deposits - Note 10	22,793,628	18,055,440
Landfill obligation - Note 11	1,580,574	1,205,116
Contaminated sites obligation - Note 12	719,000	680,000
Employee future benefits - Note 13	5,284,100	4,957,800
Municipal debt - Note 14	111,367,302	117,361,026
	157,591,497	156,982,792
Net debt	(73,182,820)	(75,641,803)
NON-FINANCIAL ASSETS		
Tangible capital assets - Note 19	411,742,041	402,828,463
Inventory	67,370	46,398
Prepaid expenses	304,479	1,918,118
	412,113,890	404,792,979
MUNICIPAL POSITION		
Accumulated Surplus - Note 15	338,931,070	329,151,176
COMMITMENTS - Note 16		

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, 2022**

	Budget (Unaudited) Note 18 2022 \$	Actual 2022 \$	Actual 2021 \$
REVENUES			
Taxes levied for own purposes	59,603,046	59,520,753	57,326,539
Taxes from other governments	9,602,100	9,576,588	9,459,488
User fees	23,702,625	23,978,047	22,642,219
Grants:			
Government of Canada	3,023,000	3,323,593	3,940,080
Province of Ontario	7,041,222	7,879,717	7,885,482
Other municipalities	28,500	-	-
Other:			
Developer contributions	2,611,345	4,581,927	5,261,012
Other	2,745,200	1,835,431	1,875,968
Write-down of land held for resale - Note 20	-	(624,623)	-
Gain on disposal of land held for resale	-	434,335	-
Loss on disposal of tangible capital assets	504,000	(653,301)	(500,039)
Interest	789,800	1,777,674	745,648
	109,650,838	111,630,141	108,636,397
EXPENDITURES			
General government	12,757,261	12,704,799	11,718,130
Protection services	17,774,180	17,812,336	17,847,578
Transportation services	24,422,632	26,058,741	23,593,680
Environmental services	20,578,425	21,261,218	20,803,453
Health services	4,635,104	4,532,064	4,163,236
Social and family services	7,830,999	7,826,270	7,348,521
Recreation and cultural services	9,887,046	10,101,974	9,305,506
Planning and development	1,716,375	1,552,845	1,330,170
	99,602,022	101,850,247	96,110,274
ANNUAL SURPLUS	10,048,816	9,779,894	12,526,123
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	329,151,176	316,625,053
ACCUMULATED SURPLUS - END OF YEAR	-	338,931,070	329,151,176

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, 2022**

	2022 \$	2021 \$
OPERATING TRANSACTIONS		
Annual surplus	9,779,894	12,526,123
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	18,852,264	18,199,792
Loss on disposal of tangible capital assets	653,301	500,039
Increase in landfill obligation	375,458	205,941
Increase in contaminated sites obligation	39,000	26,000
Increase in employee future benefits	326,300	459,700
Decrease (increase) in taxes receivable	(755,898)	1,068,632
Decrease (increase) in investments	(33,828,538)	25,037,615
Decrease (increase) accounts receivable	(3,930,799)	2,435,218
Increase in inventory	(20,972)	(25,480)
Decrease (increase) in prepaid expenses	1,613,639	(1,724,581)
Decrease (increase) in land held for resale	759,177	(201,506)
Increase in accounts payable and accrued liabilities	1,123,483	2,660,348
Increase in deferred revenue and deposits	4,738,188	3,660,934
CASH PROVIDED BY (APPLIED TO) OPERATING TRANSACTIONS	(275,503)	64,828,775
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(28,507,982)	(26,359,258)
Proceeds on sale of tangible capital assets	88,840	79,514
CASH APPLIED TO CAPITAL TRANSACTIONS	(28,419,142)	(26,279,744)
FINANCING TRANSACTIONS		
Debt principal repayments	(5,993,724)	(5,872,747)
CASH APPLIED TO FINANCING ACTIVITIES	(5,993,724)	(5,872,747)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,688,369)	32,676,284
OPENING CASH AND CASH EQUIVALENTS	65,383,627	32,707,343
CLOSING CASH AND CASH EQUIVALENTS	30,695,258	65,383,627
REPRESENTED BY:		
Cash and cash equivalents	30,695,257	65,383,627

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, 2022**

	Budget (Unaudited) Note 18 2022 \$	2022 \$	2021 \$
Annual surplus	-	9,779,894	12,526,123
Acquisition of tangible capital assets	(39,868,500)	(28,507,982)	(26,359,258)
Amortization of tangible capital assets	17,281,100	18,852,264	18,199,792
Loss on disposal of tangible capital assets	-	653,301	500,039
Proceeds on sale of tangible capital assets	-	88,840	79,514
	(22,587,400)	866,317	4,946,210
Acquisition of inventory	-	(67,370)	(46,398)
Consumption of inventory	-	46,398	20,919
Acquisition of prepaid expenses	-	(304,479)	(1,918,118)
Consumption of prepaid expenses	-	1,918,118	193,536
	-	1,592,667	(1,750,061)
Decrease in net debt	(22,587,400)	2,458,984	3,196,149
Net debt - beginning of year	(75,641,803)	(75,641,803)	(78,837,952)
Net debt - end of year	(98,229,203)	(73,182,819)	(75,641,803)

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, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated 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 Municipality are as follows:

(a) Basis of Accounting

These consolidated 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 Municipality 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. When the cost of land held for resale exceed the net realizable value, the cost of land held for resale will be written down to net realizable value. Any such write-down will be included in cost of goods sold for the year of write-down. If circumstances or events lead to a subsequent increase in the net realizable value of the land held for resale that was written down, the amount of the write-down will be reversed and recorded in cost of goods sold in the year of the reversal.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 Municipality'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) Inventories

Inventories are valued at the lower of net realizable value. When the cost of inventories exceed the net realizable value, the cost of inventories will be written down to net realizable value. Any such write-down will be included in cost of goods sold for the year of write-down. If circumstances or events lead to a subsequent increase in the net realizable value of the inventory that was written down, the amount of the write-down will be reversed and recorded in cost of goods sold in the year of the reversal.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

(f) Pension Agreement

The Municipality 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 Municipality has adopted defined contribution plan accounting principles for the plan because it is a multi-employer plan. The Municipality 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.

(g) Use of Estimates and Measurement Uncertainty

The preparation of consolidated 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 consolidated 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 Municipality has in place. Actual results could differ from those estimates.

(h) 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.

(i) Marketable Securities

Marketable securities consist primarily of pooled funds and guaranteed investment certificates (GICs) with varying maturities and rates of interest. Marketable securities are carried at the lower of cost and market, where a decline in market value below cost is considered to be other than temporary in nature. Cost is determined by the historical cost plus realized gains and losses on investments and accrued interest on GICs. Market value is determined using quoted market prices on a portfolio basis.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

(j) 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.

(k) 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 user 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.

Interest revenue is recognized in the period in which it is earned.

(l) 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 consolidated statement of operations as the liabilities are settled.

(m) 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 Municipality 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, 2022**

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

(n) Financial Instruments

(i) Measurement of Financial Instruments

The Municipality 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 Municipality subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at fair value include cash.

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.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in annual surplus. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in annual surplus up to the impairment amount previously recognized.

2. TRUST FUNDS

	2022 \$	2021 \$
Mount Evergreen Cemetery	384,661	371,561
Mount Zion Cemetery	13,363	13,047
Mount Carmel Cemetery	35,948	35,439
McVicar Trust	2,768	2,737
Stone Church Cemetery	102	100
	436,842	422,884

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

3. TAXES RAISED ON BEHALF OF OTHERS

	2022	2021
	\$	\$
School boards	11,081,547	10,958,733

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 Municipality on behalf of the school boards and are not reflected on the Consolidated 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

	2022	2021
	\$	\$
Cash	8,331,878	7,042,351
Short-term investments	4,991,747	1,316,210
Due to/from own municipality	7,635,293	8,361,124
	20,958,918	16,719,685
Consists of:		
Obligatory funds in deferred revenue	20,940,602	16,701,774
Reid fund reserve in surplus	18,316	17,911
	20,958,918	16,719,685

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

5. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Unrestricted:		
Unrestricted cash	16,516,774	57,025,066
Unrestricted investments	4,158,701	-
Restricted:		
Restricted cash	8,331,878	7,042,351
Restricted investments	1,687,904	1,316,210
	30,695,257	65,383,627

The majority of the cash is on deposit at one financial institution (TD Canada Trust).
Cash is invested through both One Investments and Canaccord Genuity - Wealth Management.

6. MARKETABLE SECURITIES

As set out in Note 1(i), the Municipality values marketable securities at cost except where this is a decline in market value below cost which is considered to be other than temporary in nature. The cost values and market values of marketable securities as at December 31, 2022 are as follows:

	2022 Cost \$	2022 Market Value \$	2021 Cost \$	2021 Market Value \$
Pooled funds	28,278,791	25,661,354	-	-
GICs	5,549,747	5,549,747	-	-
	33,828,538	31,211,101	-	-

7. TAXES RECEIVABLE

	2022 \$	2021 \$
Taxes receivable	6,406,176	5,512,278
Allowance for doubtful accounts	(1,567,277)	(1,429,277)
	4,838,899	4,083,001

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

8. ACCOUNTS RECEIVABLE

	2022 \$	2021 \$
Government of Canada	3,243,130	2,261,682
Province of Ontario	1,336,324	446,869
Other Municipalities	1,160	1,850
Other	6,001,059	4,593,833
	10,581,673	7,304,234

9. LOAN RECEIVABLE

The loan receivable is bearing interest at 0.78% per annum in equal blended monthly repayments of \$5,750. The outstanding principal sum together with accrued interest shall be due and payable on December 31, 2026.

10. DEFERRED REVENUE AND DEPOSITS

	2022 \$	2021 \$
Obligatory reserve funds:		
Development Charges Act	7,941,231	7,190,177
Parkland (Planning Act)	125,730	60,663
Federal Gas Tax	4,670,829	4,410,604
Provincial Gas Tax	109,026	101,997
OG Alyea Park	175,121	160,402
OCIF (Ontario Community Infrastructure Fund)	7,610,730	4,241,328
OCLIF (Ontario Cannabis Legalization Implementation Fund)	149,037	145,012
CTGP (Community Transportation Grant Program)	158,898	109,940
COVID-19 Safe Restart Funding	-	281,651
	20,940,602	16,701,774
Deferred revenue:		
Stormwater	64,803	63,061
Other deferred revenue and deposits	1,788,223	1,290,605
	1,853,026	1,353,666
	22,793,628	18,055,440

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

10. 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 Alyea Park \$	OCIF \$	OCLIF \$	CTGP \$	COVID \$	Total \$
Opening balance	7,190,177	60,663	4,410,604	101,997	160,402	4,241,328	145,012	109,940	281,651	16,701,774
Amounts received	1,673,369	62,400	2,764,102	536,351	10,000	7,531,017	-	72,732	-	12,649,971
Interest earned	162,460	2,667	96,123	2,678	4,719	177,385	4,015	2,966	2,664	455,677
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Industrial exemptions	379,050	-	-	-	-	-	-	-	-	379,050
Revenue recognized	(1,463,825)	-	(2,600,000)	(532,000)	-	(4,339,000)	10	(26,740)	(284,315)	(9,245,870)
Ending obligatory funds	7,941,231	125,730	4,670,829	109,026	175,121	7,610,730	149,037	158,898	-	20,940,602

Gas tax revenue is provided by the Government of Canada. The use of the funds is established by the funding agreement signed between the Municipality 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, 2022**

11. 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, 2022 to be \$1,580,574 (2021 - \$1,205,116). This liability represents the estimated total expenditures for closure and post closure care. This liability was updated as of December 31, 2022 by Cambium Environmental, an accredited engineering firm hired by the Municipality 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 44,780 cubic meters. Once closed, the site will be monitored for an estimated period of 25 years with the estimated costs of \$27,350 per year. A discount rate has been used that is equal to the rate available to the Municipality on long-term borrowing. The estimated present value of total closure and post closure costs is \$2,040,771 and the estimated portion relating to remaining available capacity is \$460,196. As at December 31, 2022, the landfill closure and post closure costs have not been fully financed.

12. CONTAMINATED SITES OBLIGATION

The consolidated statement of financial position recognizes and estimates a liability of \$719,000 (2021 - \$680,000) for remediation of two properties using a net present value calculation with an updated inflation rate of 5.99% and an interest rate of 4.59% that is equal to the rate available to the Municipality 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 Municipality 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, 2022, 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, 2022**

13. EMPLOYEE FUTURE BENEFITS

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

(i) Vacation Payable

Vacation pay owing at December 31, 2022 of \$262,903 (2021 - \$290,695) has been fully funded from operations and included in accounts payable in these consolidated 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, 2022. The results of this valuation disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets at that date of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$1,861,492 (2021 - \$1,749,704).

(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 \$222,454 (2021 - \$194,400).

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

13. 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 next actuarial valuation is to be completed as at December 31, 2023. The accrued benefit obligation of \$5,284,100 shown for December 31, 2022 is based on that valuation. Actual experienced cost increases and discount rate adjustments have resulted in a net loss of \$919,200 which will be recognized over the estimated average remaining service life of the employee group.

The post-employment benefit liability at December 31, 2022 includes the following components.

	2022	2021
	\$	\$
Actuarially determined accrued benefit obligation	6,203,300	6,042,500
Unamortized actuarial losses	(919,200)	(1,084,700)
	5,284,100	4,957,800

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	6.10%
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:

	2022	2021
	\$	\$
Current year benefit cost	325,700	318,300
Amortization of actuarial losses	165,500	165,500
Plan amendments incurred in year	-	112,200
Interest on post-employment benefit liability	142,800	139,000
	634,000	735,000

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

14. MUNICIPAL DEBT

	2022 \$	2021 \$
Total long-term liabilities incurred for capital purposes by the Municipality including those incurred on behalf of public works, Municipal Enterprise and individuals outstanding at year-end.	111,367,302	117,361,026
Net municipal debt	111,367,302	117,361,026

- (i) The interest rates charged on debt range from 1.59% 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:

	2023 \$	2024 \$	2025 \$	2026 \$	2027 + \$	Total \$
Principal	6,119,216	6,247,173	6,383,715	6,351,191	86,266,007	111,367,302
Interest	3,398,068	3,209,479	3,005,246	2,802,632	21,123,995	33,539,420
	9,517,284	9,456,652	9,388,961	9,153,823	107,390,002	144,906,722

- (ii) The long-term liabilities issued in the Municipality'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, 2022**

15. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
Total reserve and reserve funds	49,283,098	49,252,986
Land held for sale	3,810,950	4,570,127
Surplus attributable to net capital assets	411,742,041	402,828,463
Municipal debt to be recovered in future	(111,367,302)	(117,361,026)
Employee future benefits to be recovered in future	(5,284,100)	(4,957,800)
Landfill liability to be recovered in future	(1,580,574)	(1,205,116)
Contaminated sites liability to be recovered in future	(719,000)	(680,000)
Self financed debt	(6,954,043)	(3,296,458)
	338,931,070	329,151,176

16. CONTINGENCIES AND COMMITMENTS

(i) Credit facility agreement

The Municipality 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, 2022 of \$Nil (2021 - \$Nil).

The Municipality has unused credit facility available of \$6,420,000 as at December 31, 2022.

(ii) Other contingencies

In the normal course of its operations, the Municipality is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the Municipality'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, 2022**

16. CONTINGENCIES AND COMMITMENTS - (Cont'd)

(iii) Legal matters

The Municipality has been named in litigation matters, the outcome of which are undeterminable. Accordingly, no provision has been provided for these matters in these consolidated 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 Municipality has assumed and entered into certain agreements for collection, disposal and recycling of garbage.

The Municipality 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, 2022 the remaining commitment is \$181,000.

The Municipality 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, 2022 the remaining commitment is \$800,000.

The Municipality has entered into a commitment with the Natural History Museum. The Municipality 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.

The Municipality has entered into a commitment with the Bay of Quinte Regional Marketing Board after year-end to contribute a total of \$360,840 over the course of 5 years commencing in 2023.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 \$353,908 (2021 - \$262,163) and funding provided totalling \$2,098,964 (2021 - \$1,867,800). These transactions are recorded at an exchange amount that is agreed upon by both parties. At year-end there is funding payable of \$NIL (2021 - \$79,950) and reimbursement of expenses receivable of \$48,980 (2021 - \$120,444).

18. BUDGET AMOUNTS

The 2022 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:

	2022 budget adopted by Council \$	Non TCA expenditures from capital \$	2022 budget presented in statements \$
Revenue			
Taxes levied for own purposes	59,603,046	-	59,603,046
Taxes from other governments	9,602,100	-	9,602,100
User fees	23,702,625	-	23,702,625
Grants	10,092,722	-	10,092,722
Other	6,650,345	-	6,650,345
	109,650,838	-	109,650,838

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

18. BUDGET AMOUNTS - Cont'd

	2022 budget adopted by Council \$	Non TCA expenditures from capital \$	2022 budget presented in statements \$
Expenditures			
General government	12,920,261	(163,000)	12,757,261
Protection services	17,840,180	(66,000)	17,774,180
Transportation services	24,298,632	124,000	24,422,632
Environmental services	20,564,425	14,000	20,578,425
Health services	4,635,104	-	4,635,104
Social and family services	7,830,999	-	7,830,999
Recreation and cultural services	9,900,046	(13,000)	9,887,046
Planning and development	1,716,375	-	1,716,375
	99,706,022	(104,000)	99,602,022
Annual surplus (deficit)	9,944,816	104,000	10,048,816
Capital expenditures	(39,868,500)	(104,000)	(39,972,500)
Transfers from (to) reserve/reserve funds	11,456,784	-	
Debt proceeds	7,100,000	-	
Debt repayment	(5,914,200)	-	
Budget use of prior year surplus	(17,281,100)	-	
General levy surplus	13,231,100	-	
Area rating surplus	-	-	
Water and sewer surplus	3,815,000	-	
Library surplus	235,000	-	
	-	-	

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

19. TANGIBLE CAPITAL ASSETS

	General Assets						Infrastructure Assets						2022
	Land	Land	Buildings	Equipment	Furniture Fixtures & Equipment	Computer Hardware & Software	Land	Buildings	Vehicles & Rollings Equipment	Road Network	Water & Sewer Network	Work in Progress	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost, Beginning of year	7,957,144	13,281,706	103,885,675	13,810,033	1,444,785	1,972,311	214,594	96,046,657	21,260,151	453,132,338	110,927,253	6,546,211	830,478,858
Additions	220,121	2,779,407	2,434,881	1,476,513	184,919	131,010	-	1,213,407	3,360,325	10,967,310	2,966,242	2,773,847	28,507,982
Disposals	-	-	(381,903)	(342,858)	(150,478)	(340,092)	-	(256,778)	(963,403)	(4,034,747)	(76,587)	-	(6,546,846)
Internal Transfers	-	103,188	256,697	873,128	-	-	-	1,117,984	81,311	-	3,487,198	(5,919,506)	-
Cost, End of Year	8,177,265	16,164,301	106,195,350	15,816,816	1,479,226	1,763,229	214,594	98,121,270	23,738,384	460,064,901	117,304,106	3,400,552	852,439,994
Accumulated Dep'n Beginning 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
Amortization	-	651,523	2,629,025	939,070	160,025	236,095	-	2,618,080	1,207,717	8,888,938	1,521,791	-	18,852,264
Disposals	-	-	(251,683)	(342,858)	(150,478)	(340,092)	-	(175,145)	(900,491)	(3,576,820)	(67,139)	-	(5,804,706)
Accumulated Dep'n End of Year	-	6,153,713	26,690,723	8,910,305	1,020,805	782,845	-	31,313,030	11,704,679	308,801,015	45,320,838	-	440,697,953
Net Book Value Beginning of Year	7,957,144	7,779,516	79,572,294	5,495,940	433,527	1,085,469	214,594	67,176,562	9,862,698	149,643,441	67,061,067	6,546,211	402,828,463
Net Book Value End of Year	8,177,265	10,010,588	79,504,627	6,906,511	458,421	980,384	214,594	66,808,240	12,033,705	151,263,886	71,983,268	3,400,552	411,742,041

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 \$	2021 \$
Cost, Beginning 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
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)	(365,948)	(131,134)	(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	214,594	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	214,594	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	214,594	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, 2022**

19. TANGIBLE CAPITAL ASSETS - (Cont'd)

The net book value of tangible capital assets not being amortized because they are under construction is \$3,400,552 (2021 - \$6,546,212).

Assets contributed to the Municipality in 2022, consisting of road network and water & sewer network, had a fair market value of \$3,148,102 (2021 - \$3,600,776). They have been capitalized at their fair market value.

The Municipality 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 consolidated financial statements because a reasonable estimate of the future economic benefits associated with such property cannot be made.

20. WRITE-DOWN OF LAND HELD FOR RESALE

During the year, the Municipality determined that the net realizable value of a portion of the land held for resale was lower than cost. As such, there was a write-down of land held for resale during the year of \$642,623 (2021 - \$Nil).

21. 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. Municipality 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 Municipality and its programs and services.

Protection to persons and property:

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

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

21. SEGMENTED INFORMATION - (Cont'd)

Transportation services:

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

Environmental services:

The environmental services department looks after the Municipality'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 Municipality.

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

21. SEGMENTED INFORMATION - (Cont'd)

2022	General Government \$	Protection to Persons and Property \$	Transportation Services \$	Environment Services \$	Health Services \$	Social and Family Services \$	Recreational and Cultural Services \$	Planning and Development \$	2022 Total \$
REVENUE									
Tax Revenue Distributed	8,996,818	15,588,418	16,537,593	(2,573,040)	4,532,064	7,826,270	7,720,908	1,019,468	59,648,499
PIL Revenue Distributed	334,545	620,741	4,929,381	2,490,855	-	-	1,201,067	-	9,576,589
Penalty and Interest on Tax OMPF Distributed	22,006	40,832	324,254	163,848	-	-	79,006	-	629,946
User Fees	27,917	1,030,508	155,082	20,456,415	-	-	1,732,649	436,150	23,838,721
Grants	1,552,075	652,988	7,787,483	1,064,787	-	-	145,045	932	11,203,310
Developer Contributions	-	65,792	2,606,353	1,830,008	-	-	79,775	-	4,581,928
Other Revenue	698,229	455,587	243,398	195,259	-	-	364,762	17,489	1,974,724
Interest Revenue	910,278	-	4,096	211,368	-	-	21,985	-	1,147,727
Gain (loss) on disposition of assets	504,106	-	(1,426,501)	-	-	-	-	78,806	(843,589)
	13,045,974	18,454,866	31,161,139	23,839,500	4,532,064	7,826,270	11,345,197	1,552,845	111,757,855
EXPENSES									
Salaries and Benefits	7,859,079	5,167,276	6,175,379	3,602,160	105,000	-	4,077,947	1,142,096	28,128,937
Materials, Supplies and Services	291,852	604,791	4,165,888	3,027,067	3,427	-	1,594,948	65,188	9,753,161
Contracted Services	2,451,210	884,508	3,027,814	6,240,776	54,903	-	1,484,419	47,316	14,190,946
Interest and Financial Expenses	193,365	320,734	886,823	2,448,719	-	-	398,054	-	4,247,695
Amortization Expense	658,578	1,221,977	9,703,873	4,903,443	-	-	2,364,394	-	18,852,265
Transfer to Other Entities	1,250,716	9,613,052	2,098,964	1,039,053	4,368,734	7,826,270	182,212	298,245	26,677,246
	12,704,800	17,812,338	26,058,741	21,261,218	4,532,064	7,826,270	10,101,974	1,552,845	101,850,250
SURPLUS	341,174	642,528	5,102,398	2,578,282	-	-	1,243,223	-	9,907,605

**CORPORATION OF THE CITY OF QUINTE WEST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

21. 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	9,351,408	16,185,300	14,101,779	(1,317,456)	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)
	12,170,209	18,679,892	30,136,756	23,963,734	4,163,236	7,348,521	10,843,879	1,330,170	108,636,397
EXPENSES									
Salaries and Benefits	6,084,952	4,886,650	5,511,242	3,635,200	155,000	-	3,860,040	970,619	25,103,703
Materials, Supplies and Services	576,026	901,491	2,938,544	2,515,434	517	-	1,328,148	40,394	8,300,554
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
	11,718,130	17,847,578	23,593,680	20,803,453	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

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22. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Municipality has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, market (other price) risk, interest rate risk and liquidity risk. Other price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

Credit Risk

Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due.

The Municipality is exposed to this risk relating to its accounts receivable. Accounts receivable are short-term in nature and are not subject to material credit risk. The maximum exposure to credit risk and concentration of this risk are limited to the carrying value of these instruments.

There have been no significant changes from the previous period in the exposure to risk or policies used to measure risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk, and equity risk.

Currency Risk

Currency risk relates to the Municipality operating in different currencies and converting non-Canadian revenue at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Municipality holds marketable securities that are denominated in a foreign currency, and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The marketable securities are of a short-term nature and management does not believe they represent a significant risk to the Municipality. The Municipality does not currently use derivative instruments to reduce its exposure to foreign currency risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.

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22. FINANCIAL RISKS AND CONCENTRATION OF RISK - (Cont'd)

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Municipality is exposed to interest rate risk through its interest-bearing investments. As prevailing interest rates increase or decrease, the market value of the interest-bearing investments will change. The Municipality is also exposed to interest rate risk through its credit facility discussed in Note 15 to these consolidated financial statements. As at year end, the interest rate risk from this credit facility is not significant, as it is not being utilized.

The Municipality is also exposed to interest rate risk on its loans payable with a carrying value of \$111,367,302 (2021 - \$117,361,026), as detailed in Note 13 to these consolidated financial statements. Changes in the market rate of interest will affect the fair market value of the loans payable. This risk is mitigated as the Municipality's maturity dates on these loans payable are spread out over several years and the Municipality's intention is to hold these instruments to maturity.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Municipality is exposed to this risk through its equity holdings within its investment portfolio. The Municipality mitigates this risk by monitoring the investment portfolio on a monthly basis.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the Municipality will not be able to meet all cash outflow obligations as they come due. The Municipality mitigates this risk by monitoring cash activities and expected outflows.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

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23. 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 Municipality operates as an essential service provider, the financial and operational impact of COVID-19 has been minimal. As an essential service provider, the Municipality 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 Municipality received additional funding to offset the revenue loss and incremental costs incurred due to the pandemic. During the year, the Municipality had remaining funding of \$281,651 from 2021 as part of the federal-provincial Safe Restart funding agreement, of which \$281,651 has been recognized as revenue.

Subsequent to year-end, the Municipality 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.

24. COMPARATIVE FIGURES

In order to conform with the consolidated financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.