

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM
MUNICIPAL ENTERPRISE
SUPPLEMENTARY FINANCIAL STATEMENTS
(UNAUDITED: SEE NOTICE TO READER)
AS AT DECEMBER 31, 2017**

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, 2017 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 2, 2018

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, 2017
(UNAUDITED: SEE NOTICE TO READER)**

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	11,083,133	2,697,116
Accounts receivable	2,674,359	2,077,356
Unbilled revenue	1,139,451	1,107,559
Due from the City of Quinte West	-	3,235,670
	<hr/> 14,896,943	<hr/> 9,117,701
LIABILITIES		
Accounts payable and accrued liabilities	3,853,455	2,953,397
Due to the City of Quinte West	427,042	-
Long-term debt	49,936,540	44,237,856
	<hr/> 54,217,037	<hr/> 47,191,253
Net debt	<hr/> (39,320,094)	<hr/> (38,073,552)
NON-FINANCIAL ASSETS		
Tangible capital assets	121,901,667	111,767,015
Prepaid expenses	1,724	-
	<hr/> 121,903,391	<hr/> 111,767,015
MUNICIPAL POSITION		
Accumulated Surplus	<hr/> 82,583,297	<hr/> 73,693,463

CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF OPERATIONS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget (Unaudited) 2017 \$	Actual 2017 \$	Actual 2016 \$
REVENUES			
User fees			
Water	7,592,000	7,200,651	6,963,821
Sewer	6,705,000	6,735,615	6,100,508
Grants	1,838,594	1,915,032	3,051,414
Other:			
Developer contributions	-	5,932,754	360,040
Other	558,800	1,003,595	727,032
Loss on disposal of tangible capital assets	-	(57,434)	(64,817)
	16,694,394	22,730,213	17,137,998
EXPENDITURES			
Administration	3,633,000	3,790,160	3,265,686
Amortization	2,725,000	2,679,010	2,666,961
Water treatment plant	2,557,200	2,121,347	2,190,171
Water distribution	1,340,000	971,712	843,081
Water meter service	321,950	229,024	232,389
Sewage treatment plant	3,370,800	3,747,804	3,551,065
Sanitary sewer maintenance	283,400	268,112	236,670
Lateral rodding maintenance	46,400	33,210	26,442
	14,277,750	13,840,379	13,012,465
ANNUAL SURPLUS	2,416,644	8,889,834	4,125,533
ACCUMULATED SURPLUS - BEGINNING OF YEAR	73,693,463	73,693,463	69,567,930
ACCUMULATED SURPLUS - END OF YEAR	76,110,107	82,583,297	73,693,463

**CORPORATION OF THE CITY OF QUINTE WEST
WATER SUPPLY AND WASTE WATER SYSTEM MUNICIPAL ENTERPRISE
STATEMENT OF CASH FLOWS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
OPERATING TRANSACTIONS		
Annual surplus	8,889,834	4,125,533
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	2,679,010	2,666,961
Loss on disposal	57,434	64,817
	11,626,278	6,857,311
Changes in the level of:		
Increase in accounts receivable	(597,004)	(894,570)
Increase in unbilled revenue	(31,892)	(237,105)
Decrease (increase) in inventories	(1,724)	216
Increase (decrease) in due to City of Quinte West	3,662,712	(3,057,739)
Increase in accounts payable and accrued liabilities	900,058	705,500
	15,558,428	3,373,613
CASH PROVIDED BY OPERATING TRANSACTIONS		
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(12,871,096)	(17,597,135)
Proceeds on disposal of tangible capital assets	-	6,568
	(12,871,096)	(17,590,567)
CASH USED IN CAPITAL TRANSACTIONS		
FINANCING TRANSACTIONS		
Increase in municipal debt	6,310,000	16,185,000
Repayment of municipal debt	(611,315)	(503,798)
	5,698,685	15,681,202
CASH PROVIDED BY FINANCING ACTIVITIES		
INCREASE IN CASH	8,386,017	1,464,248
OPENING CASH	2,697,116	1,232,868
CLOSING CASH	11,083,133	2,697,116
REPRESENTED BY:		
Cash	11,083,133	2,697,116

**CORPORATION OF THE CITY OF QUINTE WEST
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(UNAUDITED: SEE NOTICE TO READER)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget (Unaudited)		
	2017	2017	2016
	\$	\$	\$
Annual surplus	2,416,644	8,889,834	4,125,533
Acquisition of tangible capital assets	(4,677,000)	(12,871,096)	(17,597,135)
Amortization of tangible capital assets	2,725,000	2,679,010	2,666,961
Loss on disposal of tangible capital assets	-	57,434	64,817
Proceeds on sale of tangible capital assets	-	-	6,568
Change in inventory	-	(1,724)	216
<hr/>			
Increase in net debt	464,644	(1,246,542)	(10,733,040)
Net debt - beginning of year	(38,073,552)	(38,073,552)	(27,340,512)
<hr/>			
Net debt - end of year	(37,608,908)	(39,320,094)	(38,073,552)